

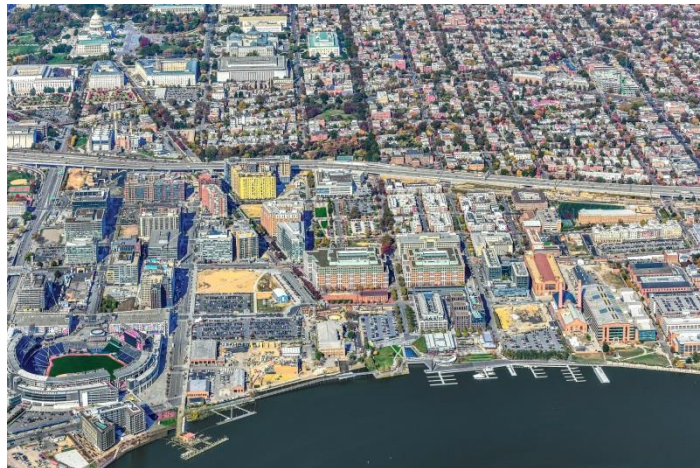


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Application & Business Plan for Five-Year Renewal

**For the Period of
October 1, 2017 – September 30, 2022**

**Submitted
March 31, 2017**



Capitol Riverfront Business Improvement District
1100 New Jersey Avenue, SE – Suite #1010
Washington, DC 20003
www.CapitolRiverfront.org



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**Capitol Riverfront Business Improvement District
Application & Business Plan for Five-Year Renewal**

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March 31, 2017

The Honorable Muriel Bowser, Mayor
Executive Office of the Mayor
1350 Pennsylvania Avenue, NW
Suite 316
Washington, DC 20004

Dear Mayor Bowser:

We are writing to respectfully request your extension of the Capitol Riverfront BID's status as a registered Business Improvement District (BID) in the District of Columbia for the period October 1, 2017, through September 30, 2022.

The BID Act requires that the Mayor or her agent hold a hearing on the BID renewal no earlier than 120 days prior to the end of the fiscal year, and no later than 30 days prior to the end of the fiscal year. We understand that a hearing has been set for June 23, 2017, and appreciate the opportunity for our stakeholders to testify. We will begin notifying our neighborhood and the public about the hearing date so that our businesses, property owners, residents, developers and employees can be present to testify.

Attached you will find our application for our five-year renewal which includes the unanimously adopted resolution by our Board of Directors to reauthorize the Capitol Riverfront BID, an overview of our first ten years of operations and service, as well as our business and financial plans for the next five years of operations. Our levels of service will gradually increase as we respond to service levels needed for a growing employee, residential, and visitor base in the Capitol Riverfront.

The first ten years of operations have been an exciting period in the Capitol Riverfront BID as we continue the process of building a new neighborhood on the banks of the Anacostia River. We have appreciated the past partnerships with the District Government and its agencies, your office, and the District Council. The BID is grateful to see and be a part of the realization of a vision established by the District Government and supported by public investment over the past ten years. Aspirations are becoming reality in one of the largest riverfront redevelopment projects in the country and we look forward to our continuing partnership with you and the District Government.

The Capitol Riverfront has emerged as an established regional waterfront destination and the District's fastest growing neighborhood. Our development metrics illustrate that rapid growth and our position in the regional economy:

- 34,000 daytime employees in 6.2 million SF of office space – three new office buildings currently under construction totaling 500,000 SF

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March 31, 2017

- 6,000 residents call the Capitol Riverfront home with the population reaching 12,600 by 2019
- 5,200 residential units, another 1,900 units currently under construction, and 3,500 units starting construction in 2017
- 37 restaurants and a Harris Teeter grocery – another 18 restaurants will open in 2017 and a 35,000 SF Whole Foods Market
- Four hotels containing 737 rooms
- The 41,800 seat Nationals Park will be joined in 2018 by the 19,000 seat Audi Field/DC United soccer stadium in Buzzard Point
- Three world-class parks covering ten acres create community, brand our neighborhood as family friendly, and provide access to the Anacostia River

Progress in a neighborhood's evolution is measured in a variety of ways – from construction activity to community events to the growth of a residential population with a civic infrastructure. The Capitol Riverfront neighborhood has exhibited progress across a variety of measures, and it has become the District's fastest growing neighborhood while experiencing the biggest construction cycle in its history.

Thank you again for the District's vision for our neighborhood and the Anacostia River, and the ongoing public investment that has leveraged so much private reinvestment. Please contact us if you have any questions regarding our application for renewal as a BID in the District of Columbia.

Sincerely,



Eric Siegel
Chairman



Michael Stevens, AICP
President

Capitol Riverfront Business Improvement District
1100 New Jersey Avenue, SE – Suite #1010
Washington, DC 20003

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**Resolution of Support for Capitol Riverfront BID Reauthorization
For Five More Years of Operations**

BE IT RESOLVED that the cleanliness, safety, marketing, economic development, transportation/access, parks/public realm maintenance, and community building of the Capitol Riverfront is crucial to the well-being of the neighborhood and the city of Washington, DC;

AND, BE IT RESOLVED that the Capitol Riverfront Business Improvement District (BID) has made positive impacts and improvements in these areas over the past five (5) years of operations;

AND, BE IT RESOLVED that the Capitol Riverfront BID and its services are seen as instrumental to the neighborhood achieving its full development potential;

NOW, THEREFORE, BE IT RESOLVED that the Capitol Riverfront Business Improvement District Board of Directors fully supports the renewal of the Capitol Riverfront BID legislation for five more years (10/1/17 – 9/30/22).

Adopted by unanimous acclaim this 28th day of February 2017.

Certified by:

Eric Siegel
President, Capitol RiverFront BID Board of Directors
Cohen Siegel Investors

Introduction & Overview

About the Capitol Riverfront

In the Capitol Riverfront, DC's businesses and residents are shaping a new community on the river in one of the largest riverfront redevelopment projects in the United States. Located just five blocks south of the U.S. Capitol building, the Capitol Riverfront offers the best in city living with the extraordinary advantages of a riverfront setting, exceptional value, a distinct maritime and industrial heritage, unique parks, a riverwalk trail, sports and entertainment, and proximity to Capitol Hill and downtown DC. The Capitol Riverfront is DC's new neighborhood on the river, an established district-within-the-District that extends the city's skyline to the water's edge.

The Capitol Riverfront encompasses an area of approximately 500 acres located between the U.S. Capitol building and the Anacostia River. The Capitol Riverfront is already home to:

- Daytime employment population of over 34,000 people in 6.2 million square feet of office space including the Washington Navy Yard and U.S. Department of Transportation headquarters
- 5,200 residential units and over 6,000 residents
- Four hotels including the 204-room Marriott Courtyard, the 168-room Hampton Inn & Suites, the 195-room Homewood Suites, and the 170-room Marriott Residence Inn
- 330,000 SF of retail including 37 restaurants, a 50,000 SF Harris Teeter grocery, a 28,000 SF VIDA health club, and the under construction 35,000 SF Whole Foods Market
- Canal Park, Diamond Teague Park and Piers, Virginia Avenue Park, and Yards Park for a total 10 acres of new world class parks. The BID maintains, operates and programs Canal Park and Yards Park.
- The 41,800-seat Nationals Park baseball stadium and the under construction 19,000-seat Audi Field soccer stadium in Buzzard Point

Upon build-out, the Capitol Riverfront will realize the construction of over 37+ million SF of development and over 65% of the neighborhood will be rebuilt with new office, residential, retail, hotels, and parks in the next two years. The fiscal analysis conducted for the 2017 *GreenPrint of Growth* prepared by RCLCO and commissioned by the BID found that over the next twenty years, new development in the entire 500 acre Capitol Riverfront neighborhood is projected to produce \$2.7 billion in tax revenue, 14,000 permanent jobs, and 812 construction jobs each year.

Mission of the BID

The mission of the Capitol Riverfront BID is to provide management services that assist in creating a clean, safe, friendly, and vibrant neighborhood. The BID supports the development of the Capitol Riverfront as a new high density, mixed-use riverfront community in Washington, DC. The Capitol Riverfront BID serves as an overall management entity for the neighborhood and facilitates economic development in partnership with our property owners, stakeholders and the DC Government.

BID Services and Work Programs

As part of the BID's ongoing management services, the following work programs were established by the board of directors:

- Clean Team and management of the public realm
- Marketing, branding, PR and communications initiatives
- Economic development and business attraction efforts
- Transportation and infrastructure analysis & advocacy

- Community building events
- Maintenance & programming of Yards Park and Canal Park

Location and Boundaries

The Capitol Riverfront is a regional waterfront destination that is conveniently and centrally located within the boundaries of Ward 6. Sharing its northern border with Capitol Hill, the Capitol Riverfront is five blocks south of the U.S. Capitol building and west of the Barracks Row restaurant district. The neighborhood is easily accessible with direct connection to I-395 and I-295, Metrorail’s Green line at the Navy Yard/Ballpark Station or Blue/Orange lines at the Capitol South Station, and the Circulator linking to Union Station and the Red line. Reagan National Airport is only a ten-minute drive away or connected via Metro by the Yellow Line service. The Capitol Riverfront contains approximately 100 blocks and is approximately 500 acres in size. The Capitol Riverfront is located within the following boundaries:

- To the north by I-395
- To the south by the Anacostia River
- To the east by 15th Street, SE
- To the west by South Capitol Street and the Frederick Douglass Bridge (an extension west to 2nd Street, SW and Q/P Street, SW includes the Buzzard’s Point area in the BID)



Board of Directors & Staff

Three-Year Term

Jerry Zayets
Capital City Real Estate LLC

Imtiaz Ahmed
Courtyard Marriott

Mark Brody
The Ezra Company

Jason Bonnet
Forest City Washington

Kevin Roberts
Jair Lynch

David Howell
Lerner Enterprises

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At-Large Stakeholders

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Planning Analyst

Two-Year Term

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Buccini Pollin Group

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Dodd Walker
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Eric Siegel
Cohen Siegel Investors LLC

Jonathan Carr
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David Platter
JBG

Amy Phillips
Monument Realty

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Brad Fennell
WC Smith

Gregory McCarthy
Washington Nationals
Baseball Club

Vicky Davis
Urban Atlantic

Dan Melman
VP of Parks & Public Realm

Robbin Lee
Park Event and Marketing
Coordinator

Work Program Accomplishments: FY13 – FY17

Below is a summary of the Capitol Riverfront BID’s accomplishments in each work program area during the second five years of operations. In this second cycle of operations, the BID continued to work with property owners and businesses to understand the issues confronting this 500 acre area undergoing rapid transformation from an industrial and manufacturing area to a high density, mixed-use neighborhood with a baseball stadium and major activity centers. Property owners prioritized these issues and the necessary work program responses:

Issue	Work Program Response
Cleanliness	Clean Team Services
Lack of Identity in the Marketplace	Marketing, Branding & PR Initiatives
Lack of Neighborhood Services and Tenants	Economic Development & Business Attraction
Quality of the Public Realm	Public Realm Improvements & Park Maintenance
Accessibility & Infrastructure Capacity	Transportation Analysis & Planning
Lack of Community Connections	Community Building & Events

Clean Team Services

Established in September 2007 as the highest priority work program, the Clean Team made significant gains in the quality of the public realm and have helped establish a sense of cleanliness and security throughout the BID. Their efforts continued to focus on removing trash, debris and garbage from the public realm, thereby establishing a consistent baseline of cleanliness in the right-of-way as demand grew. Service was increased to seven days a week, and hours were extended on baseball game days to address the increase in visitors to the neighborhood.

The teams have enhanced these services to include snow removal from sidewalks, cutting of grass in parkways and adjacent to sidewalks, providing customer assistance at Metro stations and other areas, and cataloguing damaged infrastructure that needed repair or replacement. In 2016, the team collected over 54,000 bags of trash. During the snow blizzard of 2016, the Clean Team worked during the weekend of the storm to remove snow from sidewalks and intersections to get the neighborhood ready for the workforce on Monday. The Clean Team has established routes that are serviced twice daily, and the entire team can be brought into action to address “hot spots” where extra attention is need to deal with illegal dumping or storm damage, for example. During this period, our hospitality ambassadors provided a presence at the Navy Yard/Ballpark Metro station entrances and assisted with thousands of requests for information and assistance throughout the neighborhood.

In the 2016 Capitol Riverfront Perception Survey, over 87% of respondents felt the neighborhood was “clean or very clean” and 72% felt it was “safe or very safe”. In 2007, before the BID started its Clean Team operations, only 6% of respondents felt the neighborhood was “clean or very clean” and “safe or very safe.” This represents a dramatic increase in the perceptions and realities of the cleanliness and safety of our neighborhood by employees and residents.

Perhaps the biggest change to the Clean Team program occurred when the BID switched vendors and hired Ready, Willing and Working to oversee the program. This contract moved from an out of state vendor to a District non-profit. The Clean Team members received pay increases and are all now above

the District's Living Wage. Additionally, they each have better health insurance and a generous retirement match. The Clean Team's morale has never been higher with very low employee turnover.

Marketing, Branding & PR Initiatives

The Capitol Riverfront Board of Directors recognized that the neighborhood had been overlooked as an area for development and investment since World War II and that much of the marketplace did not know of or understand the vision for the area. Marketing, branding, and PR initiatives remained a top priority of the board and staff to help the marketplace see the vision for the area; understand the location, geography, accessibility, and proximity of the Capitol Riverfront; recognize the existing and planned development dynamic; realize the investment potential of the neighborhood for office, residential, and retail uses; and convey the achievements and growth occurring in the Capitol Riverfront.

Other marketing and PR efforts focused on the most cost effective platforms to reach a local, regional, national and international audience, including the development of a new BID website at www.CapitolRiverfront.org which was launched in 2016. As a result, the BID's website audience has surged with a 130% increase in website visitors from 2015. Recognizing social media as a new platform to provide real-time updates and direct communication, the BID also utilizes Facebook, Twitter, and Instagram to reach an even larger audience. As of March 2017, the Capitol Riverfront neighborhood has 5,500 Twitter followers, 3,900 Facebook likes, and 1,800 Instagram followers.

The BID and projects located in the Capitol Riverfront neighborhood have been featured in almost every major news source in the region including the Washington Post, Washington Business Journal, Express, Examiner, City Paper, Washingtonian, Hill Rag, Roll Call, DCist, Urban Turf, Curbed, WAMU, WTOP, Bisnow, Fox Channel 8, NBC4, jdland.com, and more. The success of the BID's branding efforts for the neighborhood as the Capitol Riverfront are evidenced by recognition as an official office submarket by CoStar under the name "Capitol Riverfront," as well as references by the media and neighborhood retailers. The BID partnered with Bisnow in 2015 for a morning summit on the emerging waterfronts in SE and SW DC titled "On the Waterfront" with over 700 attendees. In 2016, the BID again partnered with Bisnow for a successful morning program on the neighborhood called "The Booming Capitol Riverfront" which attracted over 400 attendees.

The BID's publications continue to be fundamental communication platforms that reach a wide audience and include the Annual Report, Retail Opportunities brochure, the seasonal marketing flyer with restaurant and events updates, and the aforementioned BID website which also features the Yards Park and the Canal Park home pages. The BID's twice monthly electronic newsletter has over 10,000 subscribers and provides timely information on events, business openings, development projects, and profiles on Capitol Riverfront stakeholders.

The BID also released a new neighborhood marketing video in 2015 which received national awards for marketing from the International Downtown Association (IDA) and the International Economic Development Council (IEDC).

Economic Development & Business Attraction

Another top priority of the board for our growing area was economic development, business attraction, and planning and research efforts. BID staff have focused on office and retail attraction since the establishment of the BID in direct support of our owners, developers, and brokers who represent the neighborhood assets. We also market the BID and its development opportunities to investors and brokers.

Each year the BID gives over 100 presentations to potential tenants and investors and attends the regional and national conferences of the International Council of Shopping Centers (ICSC) to meet and attract retailers. In 2015 alone, BID staff had over 40 meetings with retailers and brokers at the Las Vegas ICSC convention. During the second five years of operations, the BID saw a surge in retail development and restaurant and store openings including the following:

- Over 20 new restaurants
- 50,000 SF Harris Teeter grocery store
- 28,000 SF VIDA health club
- Several banks and a new dry cleaners shop
- Pet store, veterinary clinic, independent furniture store, and two new coffee shops

Several major new office tenants signed leases and have moved to the Capitol Riverfront or will relocate soon including CBS Radio, the Bureau of Labor Relations, We Work, the National Association of Broadcasters (NAB), and other tech, advocacy and government relations firms. Three new office buildings started construction and will deliver over the next two years: 99 M Street by Skanska, the DC Water headquarters building, and the headquarters of NAB at 1 M Street, SE. These new office starts and tenant signings speak to the proximity and economic value propositions of the neighborhood as an office market.

Research, data and information is necessary to accurately portray the development dynamic and investment opportunities available in the Capitol Riverfront. This research and data collection can also be presented to make the case for additional public investment in our neighborhood to support ongoing build-out and regional accessibility. Original research includes an update to the *2012 GreenPrint for Growth*, as well as the development of our *Urban Design Framework Plan* which has guided our economic development efforts for the past four years. This research is also fundamental to the BID's business attraction efforts and is an important component of many of the BID's publications.

The BID also worked with a consultant to develop a neighborhood way-finding signage plan that will include informational kiosks, directional blade signage on light poles, and new street banners. In a similar desire to educate and inform in the public realm, the BID has worked with the Washington Navy Yard to design and implement a series of large historic photos with educational captions for installation on the historic brick perimeter wall of that campus. Appropriately named "Behind These Walls," the 11 panels will be installed in 2017 and will showcase the 218-year history of the Navy in the Capitol Riverfront.

The BID was also very involved in the ongoing process of the Community Integrated Master Plan (CIMP Process) which is a partnership between various Capitol Hill stakeholders and the facilities department for the Marines to find a new location to build an enlisted men's barracks as well as a variety of support facilities.

Public Realm Improvements & Park Maintenance

Realizing that the public right-of-way offered an opportunity to create a high quality sense of place in a neighborhood where very little had previously existed, the BID continued the process of installing trash cans, street banners, landscaping and other streetscape elements to enliven and create a sense of continuity in the public realm. The BID continued to maintain 21 concrete landscape planters that bring seasonal color to the BID's sidewalks and park plazas. The BID also worked with DPW to install

numerous trash cans throughout the BID along major pedestrian routes and there are now 190 trash cans in the public right-of-way with 55 recycling cans.

The BID has expanded the streets where banners and seasonal lighting snowflakes along are installed every year, so that new activity centers in the neighborhood were included. These enhancements serve to create a uniform and engaging look and feel in the neighborhood.

Since September 2010, the BID has provided maintenance and programming services in the 5.5 acre publicly owned Yards Park. Yards Park hosted over 150 events in 2016 and an estimated 50,000 people visited the park for events – with many more patrons enjoying the park on a daily basis. The BID’s Friday night concert series proved to be highly popular and attracted a diverse crowd of attendees. The park also hosted a wide variety of events from festivals to concerts to state association gatherings and corporate picnics.

The BID also assumed Clean Team and security services in Canal Park when it opened in November 2012. We have provided a daily Clean Team staff person in the park seven days a week, as well as a security officer in the park seven days a week. Part of the BID’s responsibility included programming this park space and hosting events such as a Pumpkins in the Park celebration, a Thursday night summer outdoor movie series, a Rockin’ the Block summer concert series on one Wednesday night every summer month, Bike to Work Day, and various private events. Canal Park will be host to a new Farmers Market starting every Sunday beginning in May 2017.

Transportation Analysis & Planning

Regional and local accessibility to the neighborhood remained a priority for the board and staff, as we worked to improve connectivity from the BID to other activity centers and downtown DC. The BID emphasized multi-modal access to our neighborhood, and has supported and researched a number of transportation alternatives to automobile access.

The BID continues to work with DC Surface Transit (DCST) and DDOT to improve ridership on the Circulator route from Union Station to the Navy Yard, creating a connection to Capitol Hill and Metro Red Line service. In 2011, the route carried 456,460 people. Five Capital Bikeshare locations have been installed in the Capitol Riverfront, and ridership continues to increase. The BID has sponsored Bike to Work day for the past four years.

The BID also participated on the 11th Street Bridges Community Communications Committee in order to monitor and provide advice on this important bridge reconstruction process. The BID continues to advocate for the reconstruction of the South Capitol Street Bridge as well.

Lastly, the BID advocated for a new transit line that would connect the neighborhood in a more direct fashion to Union Station. The proposed line would have utilized New Jersey Avenue and/or 1st Street through the US Capitol complex, thereby connecting the Navy Yard/Ballpark station (Green Line) to the Capitol South station (Blue/Orange/Silver), and Union Station (Red Line). While street car was seen as the original transit mode, the BID’s position has shifted to Bus Rapid Transit (BRT) as a more flexible and efficient mode. The BID has worked with the Architect of the Capitol to explore routes through their campus and make them full partners.

Community Building & Events

In order to build upon an earlier established sense of community and place, the BID has continued a series of special events for residents and employees to encourage them to interact and enjoy the public realm spaces of the neighborhood, as well as to attract new visitors. The BID has programmed or assisted in the following events in the neighborhood:

- Yards Park Friday night concert series
- December holiday market – Parcel Market at Canal Park
- Summer outdoor film series – Thursday nights in Canal Park
- Noon Yards Eve in Yards Park
- Rockin’ the Block – family friendly concerts in Canal Park on Wednesday nights in summer
- Pumpkins in the Park celebration in Canal Park
- 150 Fitness in the Front outdoor exercise classes in both parks
- Numerous private festivals including VegFest, Tour de Fat, Snallygaster, DC JazzFest, Sakura Matsuri Japanese Street Festival, Cherry Blossom lantern making days, etc.

Over the past four years the outdoor movie series has grown to average 400+ attendees, while the Friday night concerts have averaged between 2,000-2,500 attendees each week. When including baseball games and other events at Nationals Park, the Capitol Riverfront neighborhood has hosted approximately 2.8 million visitors each year.

The Capitol Riverfront’s annual general membership gathering is the Capitol Riverfront BID’s Annual Meeting Luncheon and State of the Capitol Riverfront. The event is attended by approximately 300+ BID stakeholders and business professionals. The Annual Meeting is a celebration of the BID’s accomplishments and the neighborhood’s progress over the past year, as well as a recognition and awards ceremony for the Clean Team members. Each year the Annual Meeting includes a keynote speaker that provides insight into a topic relevant to the Capitol Riverfront and the District. The BID bestows a Foundation Award to a deserving public sector and private sector partner.

Ten Years of Capitol Riverfront BID Operations

Introduction

The Capitol Riverfront BID was organized over a 9 month period beginning in June of 2006. The effort involved a variety of property owners and other stakeholders, and an application to the District Government to be approved as a new BID was filed in May 2007. The District Council and Executive Office of the Mayor each held public hearings and the Capitol Riverfront BID was officially approved in 2007.

The original application contained the recommended BID Tax, the operating budget of approximately \$1.6 million, goals and detailed work programs, staffing plan, a name for the BID and neighborhood – Capitol Riverfront – and an overall business plan. The top four priorities that emerged from the nine-month process and that were reflected in the work programs were:

- **Clean & Safe Environment** – Making the neighborhood clean and safe for residents, employees and visitors. The Clean Team and Ambassadors started operations in October 2007 and have achieved a remarkable baseline of “clean & safe.”
- **Marketing, PR & Branding** – Telling the story of the BID, where it was located, the development numbers and mix of uses, what that development dynamic was in real time, and what the neighborhood would look like when it achieved build-out of 37 million square feet. There were also negative perceptions of the neighborhood that needed to be dispelled.
- **Economic Development & Business Attraction** – Attracting office and retail tenants and leasing apartments in a neighborhood not widely recognized in the marketplace and that had some perception issues
- **Research & Analysis** – Developing a database system that was accurate and tracked all development projects, infrastructure improvements, tenants in the marketplace, development opportunities and lease spaces, and public investment. This information clearinghouse became the basis of all information that directly supported marketing campaigns, publications, the website, educational outreach, and business attraction efforts with retail and office brokers.

The First Five Years of Operations

A remarkable baseline of “clean & safe” was established by the Clean Team and this was reflected in the BID’s annual perceptions survey. The numbers increased from 6% for clean/very clean and safe/very safe in 2008, to 92% for clean/very clean and 85% for safe/very safe in 2010. The Clean Team performed admirably and became a recognized fixture in the neighborhood and the first point for a positive experience.

Late 2007 saw the slowdown or halt of many development projects as the BID hit the deepest recession the U.S. had seen since the Great Depression. The BID used this time as an opportunity to position for the next wave of development, and to assist in the construction of two major public parks – Yards Park and Canal Park. We continued to market the neighborhood as an office market, sports destination with the soon to be open Nationals Park, an urban residential neighborhood, and an opportunity for retail development.

In 2008, the BID undertook the development of a neighborhood-wide branding campaign that resulted in the “**Be Out Front**” campaign. The campaign refocused efforts in every submarket and gave new energy to marketing efforts. Name recognition was slowly building and this accelerated the recognition of the neighborhood as more than just a new growth area.

With a new name and tagline, “Be Out Front”, the BID embarked on marketing and branding initiatives with the local office and retail broker communities in an effort to familiarize them with the neighborhood’s leasing opportunities and to educate them on our ongoing development numbers. It was important to brand the Capitol Riverfront as a new submarket in Washington for office tenants, retail and restaurants, and residential lifestyle opportunities.

In 2009, the BID began discussions with the District Government and Forest City Washington regarding the BID assuming the management, maintenance, operations and programming of Yards Park, the 5.5 acre riverfront park that was currently under construction in the Yards development. The SE Waterfront Park MOA was signed in 2010 and Yards Park opened in September 2010 with the BID immediately assuming those management roles. Dedicated revenue streams were established, and the board agreed that the BID should be the management entity for the park. The BID assumed that role of Yards Park manager when the park officially opened in September 2010.

In 2011, a major research initiative was undertaken to combat negative perceptions in the office market regarding the Green Line. RCLCO was hired to research ten Metro stations in DC (Petworth to Navy Yard/Ballpark) along the Green line for new residential development within a ¼ mile of those stations. In the 2012 summary report, *GreenPrint of Growth*, it was discovered that more housing in DC had been built along the Green Line at those stations, and that Millennials – the next generation of workforce – were choosing to live there. The Green Line was causing development to shift to NE, SE and SW DC and ridership on and investment along the line was increasing. This led to a proactive marketing campaign on the Green Line as the next great Metro Line in the region, one that has positively impacted the Capitol Riverfront for years.

The First Renewal/Reauthorization Process

BIDs in the District are approved to operate for five years at a time. In 2011, the BID began the renewal process and worked with the board on issues such as revisions to the BID Tax, adjustments to the work programs, enhancements to the Clean Team services, future funding for the park, and staffing requirements. The top four goals established in 2007 remained as top work programs, with the addition of future long range funding for the parks a quickly emerging new concern. The BID renewal was approved by the board and General Membership at the BID’s Annual Meeting in 2012 and the BID submitted in May of that year and were approved again by the DC Government for a second operational period of five years.

At the end of the first five years the BID embarked on a major strategic planning effort that resulted in the BID’s *Urban Design Framework Plan*. The plan contained a series of strategic recommendations for transportation and access, the public realm, retail clustering, local circulation and connectivity, and temporary urbanism projects. The plan was announced at the Annual Meeting celebrating the BID’s five-year anniversary and has guided the BID’s actions for the second five years of operations. The plan became the basis for advocacy to the District Government to continue public investment in the neighborhood in terms of transit connectivity and infrastructure improvements.

The Current Five Years of Operations

This period saw significant changes to the BID staffing, as employees who had comprised the initial core team left for either educational pursuits or career advancement opportunities. The BID President took this as an opportunity to reorganize the BID’s programmatic staffing and address the growing emphasis on park operations and programming. The BID was subsequently organized around two main departments to be headed by two new Vice President positions:

- Parks & Public Realm – this department would deal with all things related to park operations, the Clean Team operations, and all aspects of the quality of the public realm.
- Planning & Economic Development – this department would deal with economic development, business attraction, planning activities, transportation and infrastructure analysis, research, and marketing to support these efforts.

The Executive Committee approved this reorganization and two new Vice Presidents were hired in August 2013.

Yards Park is known as the neighborhood’s “front porch” and a regional waterfront destination. The Friday night concerts are very popular and the Capitol Riverfront is a festival destination hosting such events at Tour de Fat, Snallygaster, DC JazzFest, VegFest and many others. Canal Park opened in the neighborhood in November 2012 and is a more neighborhood-centric park. Both parks and their water features have branded the Capitol Riverfront as “family friendly” while also appealing to the Millennial demographic.

The BID’s business attraction efforts over the years have yielded impressive results recently as the BID has seen a wave of new restaurants open, the opening of the Harris Teeter grocery and VIDA health club, the signing and now construction of a 35,000 SF Whole Foods Market, and other neighborhood support retail. The BID currently has 37 restaurants open with another 18 scheduled to open in 2017. New office tenants signed leases in 1015 Half Street, SE, (CBS Radio & NLRB), and three new office buildings have started construction – Skanska’s 99 M Street, DC Water’s Headquarters building, and the National Association of Broadcasters (NAB) at One M Street. The new popularity of our office market was also evidenced by We Work’s signing a lease for 68,000 SF in the office building at 80 M Street, SE.

Three new hotels have delivered in the past two years, bringing the total number of hotels to four and our total room count to 737. The Hampton Inn & Suites opened in 2016 on First Street, and was joined that year by the Homewood Suites at 50 M Street. The new Residence Inn by Marriott opened in February of 2017, and Forest City has announced a new hotel will begin construction at 3rd and Tingey Streets in 2017.

But perhaps the biggest success in development and attraction is the popularity of the Capitol Riverfront as an urban residential neighborhood. Seven residential projects are currently under construction with 1,900 units and there are approximately 5,400 units in the pipeline. We are the District’s fastest growing neighborhood and home to the second highest concentration of Millennials in the city.

This is the largest development wave in the neighborhood’s history and we are on our way to achieving 65% build-out in all market segments by the end of 2019. Buzzard Point will be home to the new Audi Field soccer stadium and the BID is working with the DC Office of Planning to prepare a master plan for this subarea. New ownership in the Half Street corridor is accelerating development in those Ballpark “squares”, and the announcement of the MLB All-Star game coming to the Capitol Riverfront in July 2018 has sparked new development in the Half Street area and the entire Ballpark District.

During this time the BID also played a major advocacy role by participating in the community communications committee during the construction of the 11th Street Bridges system. The BID continued to participate in the Community Integrated Master Plan (CIMP) process and advocated for the appropriate location for the new enlisted men’s barracks.

In 2016, the BID hired a signage consultant to prepare an overall Wayfinding Signage Plan for the entire Capitol Riverfront neighborhood. Recommendations have been put forth regarding the design and location of pedestrian information kiosks, blade directional signs, and a new banner program. The BID also worked with the Navy Yard museum to develop a new series of educational panels that will be displayed on the historic Navy Yard wall as a temporary art installation. Titled “Behind These Walls” the 11 panels will illustrate the history of the US Navy and its accomplishments since 1799.

2015 brought a major announcement from the District Government that a new stadium for the DC United soccer team was going to be located in the Buzzard Point subarea of the Capitol Riverfront. This \$300 million investment is seen as a development anchor and catalyst for Buzzard Point, and the BID asked the DC Office of Planning (OP) to prepare an Urban Design Vision Plan for the area. The BID has been working with OP and Buzzard Point property owners on this plan to address transit connections, the best design for the soccer stadium, connections to the riverfront, extension of the riverwalk trail, and recreating the former street grid patterns.

In 2016, the BID switched contractors for the Clean Team services, opting to hire the local Ready, Willing & Working non-profit to administer this important work program. The BID took this as an opportunity to enhance the hourly pay of the team members, as well as their health benefits and to create a retirement savings plan for team members. Morale has never been higher and the BID has seen the lowest turnover rate among the men in the Clean Team history. The Clean Team operates seven days a week with longer hours on weekends and baseball game days. The BID provides Clean Team and security services in Yards Park and Canal Park.

At the BID’s 2016 Annual Meeting, RCLCO released an update to the 2012 *GreenPrint of Growth*. The updated study results were more impressive than the 2012 report – more housing has been constructed on the Green Line than any other lines, and the SW Waterfront and Navy Yard/Ballpark stations accounted for more housing starts than any other stations in the past five years. New job growth and office development is migrating to the Green Line, and household incomes have risen dramatically.

The BID also released its new *Marketing and Communications Plan* in 2016, as well as a newly redesigned website. Both will assist the BID in marketing the new Capitol Riverfront and its development dynamic – DC’s fastest growing neighborhood and one of the top five residential construction markets in the country. The BID’s new logo and tagline are being implemented as well – DC Amplified, Life Simplified.

The BID’s civic infrastructure was also enhanced with the reopening of Van Ness Elementary School, as a new DCPS elementary school, and the opening of the new Arthur Capper community center. Virginia Avenue Park on the east side of our neighborhood will also be rebuilt as a result of the CSX VA Tunnel reconstruction project. The BID has been involved in the discussions leading to a new design for the park.

Business Plan: The Next Five Years

A BID for the Capitol Riverfront

The Capitol Riverfront BID is preparing to embark on its third five-year cycle of operations and service provision. This requires an application to the District Government for renewal of the BID's activities for another five years. This five-year renewal application is based on the need for continuing management operations in the neighborhood, and the unanimous decision by our board of directors to support the application and changes to the BID Tax. On January 12, 2017, the BID's general membership also voted to approve another five years of BID operations and the proposed increases to the BID Tax. These recommended increases will be explained in greater detail in another section of this application.

Neighborhoods, like cities in general, evolve and change over time. Washington, DC has been experiencing a remarkable transformation as the downtown area and new growth neighborhoods experience growth and revitalization. Older neighborhoods have seen an infusion of new residential and retail development, and new mixed-use developments and higher densities have been occurring at all Metro stations as the millennial population expects the development of mixed-use, walkable urban neighborhoods.

The District Government has invested in downtown adjacent neighborhoods to incentivize their growth and create opportunities for new, high density urban neighborhoods on once neglected former industrial lands. The Capitol Riverfront neighborhood is one of those new growth areas that is experiencing a rapid transformation and its largest development cycle to become the District's fastest growing neighborhood. It will also be one of the District's most dense residential neighborhoods with a foundation of new parks, retail, office, sports stadiums, and civic facilities.

The Capitol Riverfront BID was first established to help manage change in a rapidly growing area of the District, create a foundation of Clean and Safe reality and perceptions, analyze and address issues that arise, and be the consistent voice of advocacy on behalf of our stakeholders. That original purpose of managing change will be maintained over the next five years as we continue to experience the largest growth cycle and most construction activity in the neighborhood's history.

Over the next five years the Capitol Riverfront will see the following development activities:

- 65% of projected development build-out of over 37 million SF in all four market segments – office, retail, residential and hotel/hospitality:
 - Four additional office buildings, totaling approximately 750,000 SF and 4,000 new employees
 - 900,000 SF of retail including 60+ restaurants, two grocery stores, and other neighborhood support retail
 - Over 12,600 residents and over 10,000 apartments, condos, coops and single family townhomes
 - Five hotels with 935 rooms
- Development and completion of the Half Street entertainment area – the Ballpark District – a 3.0 million SF mixed-use district that is immediately north of Nationals Park with a special streetscape for Half Street
- Hosting the 2018 MLB All-Star Game

- New 19,000-seat Audi Field soccer stadium in Buzzard Point, and a new development wave in that subarea of our Capitol Riverfront neighborhood, including up to 6,000 thousand new residential units and new retail
- Construction of the new South Capitol Street Bridge, the largest construction project that DDOT has ever administered
- Reconstruction of Virginia Avenue Park and the construction of the South Capitol Street Memorial Ellipse, adding new open space to the inventory of world class parks
- Extension of the Anacostia Riverwalk Trail to Buzzard Point and on to the SW Waterfront neighborhoods

The Capitol Riverfront has truly transitioned from the light industrial “backyard” of the city – a role it has served since WWII – to a new high density riverfront community with a mix of uses, great transit accessibility, high density, and access to the Anacostia River and world class parks. But the work is not finished as the neighborhood has perhaps another 10-15 years of development activity before it achieves the projected build-out of 37+ million SF.

As the neighborhood continues its development trajectory a number of issues will require the BID’s attention, planning and analysis, and advocacy on behalf of the neighborhood. Some of these issues are:

- *Neighborhood Cleanliness* – how to bring Clean Team services to new emerging sub-areas of activity – Buzzard Point and the Ballpark District – while maintaining baseline services throughout the neighborhood and on baseball game days
- *Marketing & Branding* – how to communicate to the regional marketplace the development dynamic and ongoing change in the Capitol Riverfront
- *Business Attraction* – how to achieve greater balance in our neighborhood support retail and attract a more diverse office tenant base
- *Residential Attraction* – how to maintain the lease-up and ongoing occupancy of residential apartment units – both new construction and earlier constructed units, while encouraging more for sale product
- *Maintaining a High Quality Public Realm* – how to maintain a high quality public realm during periods of intense construction activity
- *Ongoing Accessibility* – how to enhance Metro transit accessibility and other surface transit modality, especially to an underserved area like Buzzard Point
- *Community Engagement* – how to engage and communicate with an ever growing residential population and harness that population for input and advocacy
- *Parks Operations & Funding* – how to secure long term funding for the parks for operations, maintenance, and programming, while establishing capital reserve funds for both Yards Park and Canal Park

The Capitol Riverfront BID was first established in 2007 to serve as a management organization that could help guide rapid growth, analyze and advocate on issues impacting the neighborhood, serve as an information clearinghouse for brokers and investors, create and maintain a clean and safe public realm, and help the city and region understand where we were and what we were going to become. The BID was seen to be the voice of consistency and the constant “go-to” organization as property owners and political leadership would change over time.

The BID’s role will not change significantly over the next five years of operations as it seeks to manage and guide a neighborhood that is constantly growing and experiencing an ever changing cityscape. The

Capitol Riverfront is not yet a mature neighborhood that requires a different set of services from an evolving one. The work programs for the next five years that will be discussed below reflect that dynamic as well as the priorities of the board of directors and community stakeholders. The BID's core values will be:

- Maintaining a clean and safe public realm
- Marketing and positioning the neighborhood in the city and region
- Facilitating economic development and ongoing partnerships
- Business attraction and office and residential lease-up
- Transportation analysis and advocacy
- Research and information collection
- Community building
- Parks maintenance
- Advocacy for the entire neighborhood

All of these values will also inform and shape the BID's ongoing advocacy role with the ANC representatives, Councilmember Charles Allen and the District Council, Mayor Bowser, and a variety of DC agencies.

The projected five-year budgets for the Capitol Riverfront reflect the core values of the organization and the work program priorities established by the board of directors through a series of working committee meetings that occurred throughout the fall of 2016.

FY17 Budget

Below is the FY17 budget for the last year of the existing term showing revenue and the allocation of resources to each work program. The BID anticipates that revenues will grow over the next four years as many new development projects are completed. The BID board of directors has also decided to carry a cash reserve in an amount projected at the end of FY17 to be \$360,000 to cover two months of operating expenses.

Revenue

BID Tax Revenue less Contingency Estimate	\$1,900,000
Late Fees (based on previous collection history)	15,000
Sponsorships (seniors, kiosks, art)	<u>42,000</u>
Total BID Revenue	\$1,957,000

Expenses

Clean Team

Salary	\$24,668	
Benefits	4,687	
Clean Team Contract	<u>670,300</u>	
Total Clean Team	\$699,655	35.8%

Marketing & PR

Salary	\$97,179	
Benefits	18,464	
Annual Meeting	29,000	
Publications	20,000	
Marketing	54,500	
Public Relations	15,000	
Advertising and Branding	<u>45,000</u>	
Total Marketing & PR	\$279,143	14.3%

Economic Development

Salary	\$216,822	
Benefits	41,196	
Office Attraction	26,990	
Retail Attraction	19,200	
Research	53,000	
Other	<u>10,000</u>	
Total Economic Development	\$367,208	18.8%

Public Realm Improvements		
Salary	\$10,434	
Benefits	1,982	
Landscaping	22,000	
Holiday Decoration	15,000	
Trash Cans	4,000	
Kiosk - Near Southeast Community Partnership	10,000	
Navy Yard Wall - Bridge Park Partnership	<u>22,000</u>	
Total Public Realm Improvements	\$85,416	4.4%
Transportation & Access		
Salary	\$56,287	
Benefits	10,695	
Transportation Programs	<u>15,500</u>	
Total Transportation & Access	\$82,482	4.2%
Community Building		
Salary	\$27,141	
Benefits	5,157	
Farmer's Market	20,000	
Films and Concerts	26,000	
Seasonal	22,000	
Seniors	8,000	
Other	<u>2,000</u>	
Total Community Building	\$110,298	5.6%
Administration		
Salary	\$47,916	
Benefits	9,104	
Rent	81,000	
Insurance (D&O)	11,000	
Audit and Accounting Support	34,600	
Equipment, Furniture and Office	18,780	
IT	23,100	
Membership and Contributions	23,611	
Travel related	17,500	
Other Professional Fees	22,000	
Depreciation	42,000	
Other	<u>2,187</u>	
Total Administration	\$332,798	16.9%
Total Expenses	\$1,957,000	
Net Income	\$0	

Allocation of Funds by Work Program Category

The quick summary below illustrates the allocation of funds to each work program as a percentage of the entire budget.

Work Program	Budget Allocation	% of Revenue
Clean Team	\$699,655	35.8%
Marketing & PR	279,143	14.3%
Economic Development	367,208	18.8%
Public Realm Improvements	85,416	4.4%
Transportation & Access	82,482	4.2%
Community Building	110,298	5.6%
Administration	<u>332,798</u>	<u>16.9%</u>
Total	\$1,957,000	100.0%

As one can see from the chart Clean Team Services remain a high priority and are allocated 35.8% of the overall budget. Economic Development, i.e. business attraction, remains a top priority at 18.8% as the board sees office attraction and residential lease-up/attraction as fundamental to the ongoing success of the neighborhood. Marketing and PR are another top priority at 14.3% as the BID continues to market the neighborhood in the regional marketplace by telling the good news stories through a variety of platforms.

While the marketing and PR efforts have become a top priority for the board, they do realize the importance of the Clean Team services in maintaining a baseline of cleanliness in the neighborhood. Therefore this work program does continue to receive the largest share of revenue for its operations and is seen as integral in support of the Capitol Riverfront's perceptions and ultimate build-out .

Proposed Work Programs

Clean Team

GOAL: *Maintaining a High Quality Public Realm*

Still an important and core work program, the Clean Team services will be re-evaluated as to routes for new growth subareas like Buzzard Point, the number of team members needed, equipment to support the mission, and finding new space to house the team. For the first time in the BID's history, a non BID Tax paying sub-area – the Capital Quarter townhomes has approached the BID to contract out for Clean Team services.

Work efforts will focus on the following:

- Evaluation of all routes and service hours for efficiency and targeting of new growth sub-areas
- Expansion of Clean Team services to new growth sub-areas like Buzzard Point and the Ballpark District
- Contract for services with Capital Quarter townhomes
- Evaluation of future equipment needs
- Future office space for the Clean Team and equipment
- Addition of new full time employees and utilization of seasonal employees
- Recording and reporting broken or damaged infrastructure
- On-street information assistance by Clean Team members

FY18 Clean and Safe Team Service Level (\$795,645)

Staff: 11 Clean Team members, 2 On-street Supervisors, 1 Manager plus seasonal labor

Monday to Friday, 7 am to 9 pm – later during the summer

Saturday, 7 am to 6 pm – later during the summer

Saturday, 7 am to 6 pm – later during the summer

FY19-FY22 Clean and Safe Team Service Level

The BID anticipates adding 20-40 hours per week of additional service each of the following years in response to the increase in development and the associated increase in revenue.

Marketing & PR

GOAL: *Positioning the Neighborhood in the Region to Raise Its Profile and Investment Opportunities*

This work program has risen to become the top priority of the BID board as the BID re-brands the neighborhood due to its development dynamic, retail offerings, residential lifestyle, office opportunities, and access to river and parks. The new Communications Plan developed in 2016 serves as the framework for strategies and tactics to market, brand, and position the Capitol Riverfront as the fastest growing and most vibrant new neighborhood in DC. The BID will focus on marketing, branding, and promoting the neighborhood through publications, social media, online resources, speaking engagements, media relations, conferences, networking events, and paid advertising. The BID's office on the 10th floor of 1100 New Jersey Ave, SE – with the scale model of development in the BID and along the Anacostia River – serves as a marketing center and showroom where property owners and brokers bring prospective tenants and retailers to learn about the Capitol Riverfront.

In addition to public relations efforts, the next five-year BID budget includes annual allocations for buying paid advertising to promote events, business openings, and raise awareness of the neighborhood

in outlets such as the Washington Business Journal, City Paper, Hill Rag newspaper, and the Washington Post. The BID will also continue to produce videos about the neighborhood and attend and present at trade shows and conferences to further educate about and promote the Capitol Riverfront.

Work efforts will focus on the following:

- Implementation of the new marketing, PR, & communications plan
- Maintenance and growth of the new website
- Social media engagement and growth
- Broker events to market the neighborhood for office and retail tenants
- Enhancing the electronic newsletter and ongoing publications
- Community events to market the neighborhood for residential attraction. Four new events will support that effort as well as build on our sense of community:
 1. *Open House & Concert* – The BID, in coordination with 5-7 apartment building managers, will host DC’s largest open house in the summer called the Rooftop Hop. Participants will have the opportunity to visit these residential buildings, see model units and partake of activities on each rooftop, including food and beverage. The open house will conclude with a concert in Canal Park for the entire neighborhood.
 2. *Farmer’s Market* – The BID has partnered with Fresh Farm to host a farmer’s market in Canal Park on Sundays from 10:00 a.m. – 2:00 p.m. The market will occur from early May through early October on the southern block of Canal Park.
 3. *2018 MLB All-Star Game* – The BID will work with the Washington Nationals and Councilmember Charles Allen to plan a series of events to be hosted in the neighborhood in support of the 2108 MLB All-Star game that July at Nationals Park.
 4. *BID 10-Year Anniversary* – The BID will work with our board to plan and host a number of events to celebrate our 10-year anniversary and the accomplishments of our property owners, stakeholders, and investors.
- Marketing Center – the BID offices will be enhanced to strengthen our role as a neighborhood marketing center for our stakeholders

Economic Development

GOAL: Facilitating Economic Development through Partnerships

The BID will continue to partner with property owners, the District Government, the broker community and other entities to facilitate business attraction, planning, data collection, and original research. The BID gives presentations to attract business and collects data for development projects, including: quarterly absorption analysis; office and retail lease comparables; residential rent/sales analyses; type and value of public and private investments; Metro ridership statistics; crime statistics; and ongoing neighborhood demographics.

With the surge in restaurant and grocery store openings, it may be time to rethink the mix of retail in the neighborhood and focus retail attraction efforts on where those retail service “gaps” occur – in both type of use and location. The BID will also focus more on residential and office tenant attraction initiatives in order to maintain our retail momentum while reestablishing the economic and proximity values of the office market. Data collection and research into the market will be ongoing needs, as will sub-area planning efforts for new subareas experiencing rapid growth.

Work efforts will focus on the following:

- *Residential attraction and branding* – marketing and community events to attract new residents, briefings for residential investors
- *Office tenant attraction and branding* – work with office property owners and brokers to market their office assets to potential tenants, give briefings and tours to potential tenants, develop drive time analysis from suburban locations as well as an office marketing publication
- *Retail attraction and branding* – work with property owners and brokers to market their retail spaces and to determine the best mix of retail uses, give briefings and tours to potential tenants, publish the Retail Opportunities brochure
- *Broker events, briefings and tours* – the BID serves as a “nonprofit broker” and not only will give tours of the neighborhood’s retail and office opportunities, it will also visit the major broker houses for informational briefings of their teams and host semi-annual events for brokers in the neighborhood
- *Data collection and demographic research* – conduct and publish the annual perceptions survey, collect data on a variety of development categories and publish a quarterly development report
- *Research updates* – market the 2017 GreenPrint of Growth study, confirm build-out development numbers, maintain a parking database, examine the fiscal impact of our parks, overall neighborhood fiscal impact analysis, transit studies for Buzzard Point, retail mix analysis, and the annual perceptions survey
- *Buzzard Point planning* – work with property owners and DC Government agencies to finalize the framework plan for Buzzard Point, to coordinate research, and to plan for better transit connectivity

Public Realm Improvements

GOAL: Ensuring the Best Pedestrian, Bicycle and Transit Corridors

The quality of the public realm has been impacted by the volume of construction activity. There is a need to rebuild sidewalks, improve intersection striping, and ensure adequate pedestrian access during all construction projects. Underpass treatments, especially at New Jersey Avenue, will be priorities as the BID tries to strengthen connections, and it will be advocating for a right-of-way streetscape “makeover” for the M Street corridor. Implementing wayfinding signage components will enhance the ability to understand and circulate throughout the neighborhood to attractions, parks and destinations.

Work efforts will focus on the following:

- *Streetscape/landscape systems* – identify priority corridors for enhancements including expansion of our street banners and snowflakes programs
- *Advocate for M Street streetscape* improvements to enhance the pedestrian experience
- *Underpass treatments* – enhance New Jersey Avenue and other underpasses at the SE/SW Freeway with better lighting and art installations
- *Enhance support infrastructure* – Add new trash and recycling cans, enhance intersection striping for pedestrians, improve street lighting, etc.
- *Wayfinding signage* – install new pedestrian kiosks, blade directional signs, and new banner on street light poles, etc.
- *Half Street streetscape* – the BID can manage this important gateway to Nationals Park and pedestrian environment if sufficient funding is available
- Investigate the possibility of Rain Gardens for the sidewalks at Nationals Park
- *Public art installations* when funding is available

Transportation & Access

GOAL: *Planning and Advocating for Regional Accessibility*

As the neighborhood continues to develop towards build-out, more pressure will be exerted on existing transportation systems. Advocacy for additional transit services – a new north/south connection, better Circulator service, transit connections to the soccer stadium and Buzzard Point, more 8 car trains and better headways on the Green Line – will become necessary. This is an opportunity to partner with the SW BID for a comprehensive transportation plan for the entire waterfront areas south of the SE/SW Freeway. BID staff will continue to serve on the DC Surface Transit board and committees, and interface with DDOT on the construction process of the new South Capitol Street Bridge and the design of the Memorial Ellipse.

Work efforts will focus on the following:

- *Circulator marketing campaign* – work with DCST to develop effective marketing strategies for the Circulator Route to improve its ridership numbers
- *Accessibility research and branding* – develop research regarding accessibility of the neighborhood and publish for the marketplace, develop drive time analysis for suburban locations for office market attraction, etc.
- *Transit strategies for Buzzard Point* – work with DDOT and ANC6D on the TOPP for Buzzard Point, and advocate for better transit connections to the new soccer stadium
- *North/south accessibility strategies* – develop partnerships to explore new and more effective transit connections north to Union Station
- *SE/SW transportation plan study* – advocate for research updates to the demand analysis for the SE/SW neighborhoods as the neighborhood keeps progressing towards build-out
- *Parking strategies* – maintain an ongoing parking inventory and investigate shared parking strategies with existing parking garages
- *Riverwalk Trail expansion* – work with DC Agencies and property owners for the design and construction of the riverwalk trail to Buzzard Point and the Wharf project

Community Building

GOAL: *Engaging the Residents in Dialogue*

The neighborhood is seeing several parcels shift from office use to residential development, reinforcing the fact that the Capitol Riverfront will be a substantial urban neighborhood with over 10,000 residential units. An opportunity will exist to establish a residential advisory council to ensure that the residents' voices are heard and that the BID better communicates with the growing residential community. An outgrowth of this effort can be a "Friends of the Parks" nonprofit organization that can raise funds for the parks and further invest the residents as advocates for their ongoing city funding. Part of the proposed BID Tax increase will fund a new staff position to create and maintain a resident's advisory council.

Work efforts will focus on the following:

- The creation of a residents advisory council so the BID can better listen to, engage and advocate for our growing residential population
- Develop ongoing communication tactics with residents, merchants, office tenants and visitors
- Establish a Friends of the Parks organization that utilizes residents as park volunteers and creates a vehicle for donations in support of the parks
- Develop new events that are targeted to residents and that continue to build a sense of community

Parks Maintenance, Funding & Events

GOAL: Building a Sense of Place and Community While Ensuring Funding

The Capitol Riverfront's four parks create community and a sense of place, define the neighborhood's outdoor ethos, and are part of the Capitol Riverfront's competitive advantage in the marketplace. The BID will continue to be an advocate for and a partner in the increased use of Diamond Teague Park and Piers, The Yards Park, and Canal Park, and their ongoing maintenance and programming. The BID will also work with DDOT on the implementation of an extension of the Anacostia Riverwalk Trail to Buzzard Point.

In June of 2017, the Waterfront Park Maintenance Agreement between the District Government, Forest City Washington and the BID will sunset including the dedicated revenue streams. The BID is working with the District Government and Councilmember Allen's office to develop a new MOA and a long term funding strategy for Yards Park and Canal Park. Hopefully, the BID will come to a successful resolution of long term parks funding in 2017. But the BID must create a capital reserve for each park, and plan for the possibility of maintaining the newly renovated Virginia Avenue Park and the proposed Memorial Ellipse at South Capitol Street. A new Half Street right-of-way will be developed, and it is anticipated that the BID will maintain and program this space as well.

Work efforts will focus on the following:

- Solving the park's funding strategies for the next ten years
- Evaluating the possible sites and the scale of events that can be hosted in the neighborhood
- Developing strategies for Parcel A as a festival site until development occurs
- Developing maintenance strategies for the newly renovated Virginia Avenue Park
- Participating in the design process for the Memorial ellipse and the development of management and programming strategies for this new open space
- Participating in the design process for the Half Street right-of-way and the development of management and programming strategies for this new urban street space
- Participating in the design process for the renovations to Virginia Avenue Park and discuss strategies for its maintenance
- Working with DDOT/DGS on maintenance strategies for the Anacostia Riverwalk trail
- Systematically evaluating what events should we be doing, and what should we eliminate, based on the parks and event space in the neighborhood
- Creating a Parks Foundation with a 501(c)(3) registration that will also involve a "Friends of the Parks" volunteer organization
- Evaluating new events and programming for both Yards Park and Canal Park
- Working with the Canal Park Development Association to transition the full maintenance and operations of Canal Park to the BID

Civic Infrastructure

GOAL: New Building Blocks for the Community

A civic infrastructure for the neighborhood is emerging with the reopening of the DCPS Van Ness Elementary School and the newly opened Arthur Capper Community Center. The BID should work with DCPS and DPR to achieve the maximum utilization of the Joy Evans Recreation Center in conjunction with the Van Ness site. The operations of the Capper center are to include a daycare facility, but the BID still needs more neighborhood child care facilities. As the Capitol Riverfront's employment and residential populations will grow over the next five years we can work with the DC Office of Planning to

evaluate the need for a new fire station, library, post office, and ANC district. The BID will also need to monitor the next redistricting process for new ward boundaries after the 2020 census.

Work efforts will focus on the following:

- Establishing ongoing partnerships with the Van Ness elementary school and their PTA group
- Investigating partnership opportunities with the newly renovated Joy Evans recreation center
- Enhancing our partnerships with and events for the Capper seniors and the new community center
- Working with the DC Office of Planning to evaluate the needs for new civic support services – a fire station, police substation, library, post office, day care facilities, etc. – especially with the rapid growth of the residential population, especially in Buzzard Point

Advocacy

GOAL: *Being the Voice of the Community*

The BID will still need to speak in one voice on behalf of the neighborhood's stakeholders – property owners, residents, nonprofits, developers, investors, etc. – regarding a variety of issues including:

- Future public investment in the neighborhood, especially in new growth subareas like Buzzard Point and the Ballpark District
- Infrastructure coordination and upgrades in fast growing subareas like Buzzard Point
- Regulatory and policy changes that can impact existing and future development
- Transportation studies, investments and transit connectivity enhancements, especially in Buzzard Point
- The South Capitol Street Bridge construction project including the design of the Memorial Ellipse
- Funding for the parks, including Yards and Canal Parks, Virginia Avenue Park, the Memorial Ellipse, Half Street, and the Anacostia Riverwalk Trail system
- Extension of the Anacostia Riverwalk Trail system to Buzzard Point
- The redistricting process following the 2020 census – this could result in new ANC districts for the neighborhood
- New community facilities for the residential population including a fire station, police substation, library, post office, and day care facilities

Proposed BID Tax Adjustments

The Capitol Riverfront is seeking a modification to the existing BID Tax rate formulas as part of the reauthorization process. The BID Board of Directors unanimously voted to support the change to the BID Tax rates in November 2016 and the Membership ratified the new tax rates by over a majority vote of members present and voting at the Capitol Riverfront BID Annual Meeting on January 12, 2017.

The Capitol Riverfront's Board of Directors and Membership have approved the following new tax rates:

- Unimproved land up to 88,000 at **\$0.38 per land square foot**
- Unimproved land that are 88,000 – 200,000 SF at **\$0.075 per land square foot**
- Unimproved land that are greater than 200,000 SF at **\$0.20 per land square foot**
- Land/Buildings with existing active industrial, utility or storage use at **\$0.18 per land SF**
- Property within new Douglass Bridge Right of Way at **\$0.08 per land SF**
- Commercial Buildings greater or equal to 8,000 SF at **\$0.18 per square foot**
- Commercial Buildings less than 8,000 SF at the lesser of **\$0.17 per land square foot** or previously taxed \$0.09 per \$100 of assessed value
- Hotels at **\$100 per room**
- Residential Units at **\$126 per unit**
- **Cap** for commercial buildings and vacant lots to **\$100,000**

The proposed rates listed above strive to achieve a more predictable, consistent, and equitable tax structure while at the same time minimizing the impact to the BID's operating budget. Some of the key modifications include:

- A slight increase in every category but one that recognizes the growing nature of our neighborhood in all land use categories – office, residential, hotel/entertainment, retail, and public parks usage.
- Recognizing that different uses in the neighborhood create additional demand for services, such as a baseball stadium with 81 home games, two world class parks that must be maintained and funded, and the construction of a new 19,000-seat soccer stadium. Over 2.8 million visitors to the neighborhood will put additional strain on the Clean Team services.
- Shifting the tax burden from vacant or undeveloped lots to new and existing residential, office and hotel buildings which exert more demand on the neighborhood.
- Growing revenue for the BID from new development instead of vacant lots. An increasing share of the BID budget revenue will be generated by new buildings replacing previously vacant lots.
- Providing stability for property owners. The BID's goal is that this increase will remain in place for five years with no further adjustments anticipated.

BID Tax Rates: Comparison of Current BID Tax Rate (Est. FY13) and Proposed Rates (Effective FY18)

The proposed new BID Tax rates are envisioned to be in place for the next five years with no other adjustments anticipated for that period. Since the proposed rates do exceed a 5% threshold, the BID will need to have a public hearing for approval with the DC Council Committee on Finance and Revenue, then hearings with the Committee of the Whole.

The chart below illustrates the differences between the historic FY13 BID tax rates and the proposed FY18 in each category.

Category	Current Rates (est. FY13)	Proposed Rates (Effective FY18)	Difference
Rate 1 Land <88k	50k SF @ .36/GSF = \$18,000/year	50k SF @ .38/GSF = \$19,000/year	\$1,000
Rate 2 Land 88k-200k	100k SF @ 0.065/GSF = \$6,500	100k SF @ 0.075/GSF = \$7,500	\$1,000
Rate 3 Land > 200k	400k SF @ 0.18/GSF = \$72,000	400k SF @ 0.20/GSF = \$80,000	\$8,000
Rate 4 Industrial	50k SF @ .16/GSF = \$8,000/year	50k SF @ .18/GSF = \$9,000/year	\$1,000
Rate 5 Bridge ROW	0.08/GSF	Disappears – no change	N/A
Rate 6 Office	250k SF @ .16/GSF = \$40,000/year	250k SF @ .18/GSF = \$45,000/year	\$5,000
Rate 7 Commercial <8K	.09/\$100 of assessed value	.17/GSF of Land	N/A
Rate 8 Hotel (per room)	200 Rooms @ \$95 = \$19,000	200 Rooms @ \$100 = \$20,000	\$1,000
Rate 9 Residential (unit)	300 Units @ \$120 = \$36,000	300 Units @ \$126 = \$37,800	\$1,800

Proposed Five Year Budget

Below is a summary of the proposed Capitol Riverfront five-year budget showing revenue and allocation of resources to each work program. The budget increases in Clean Services, Marketing, and Community Building reflect the enhanced work programs described above in response to the anticipated new development.

		FY17	FY 18	FY 19	FY 20	FY 21	FY 22
	BID Tax Revenue & Late Fees	1,957,000	2,165,000	2,335,000	2,385,000	2,465,000	2,435,000
	Change from Prior year		10.63%	7.85%	2.14%	3.35%	-1.22%
% of Total (FY17)							
35.8%	Clean Team	699,655	795,645	819,514	844,099	869,422	895,505
14.3%	Marketing & PR	279,143	332,517	296,143	305,027	314,178	323,603
18.8%	Economic Development	367,208	378,224	389,571	401,258	413,296	425,695
4.4%	Public Realm Improvements	85,416	87,978	90,618	93,336	96,136	99,021
4.2%	Transportation & Access	82,482	84,956	87,505	90,130	92,834	95,619
5.6%	Community Building	110,298	133,607	147,015	150,526	154,141	127,866
16.9%	Administration	332,798	342,783	365,065	439,018	452,189	465,753
0.0%	Parks Commitments	-	-	120,000	60,000	60,000	-
100.0%	Total Operating Expenses	1,957,000	2,155,710	2,315,431	2,383,394	2,452,196	2,433,062
	Estimated Operating Surplus/Deficit	-	9,290	19,569	1,606	12,804	1,938
	Year to Year Expense % Change Driven by New Development and Demand		10.15%	7.41%	2.94%	2.89%	-0.78%

BID Tax Adjustments Rationale

The Capitol Riverfront BID does not recommend a BID Tax adjustment or increase without a thorough evaluation of our work programs based on existing and future needs, as well as the priorities established by our board of directors.

The above recommended BID Tax changes were based on a series of Board of Directors working committee meetings that took place over the fall of 2016 in order to assess priority needs and work program responses. The working committees were:

- BID Tax Analysis
- Economic Development
- Marketing & PR
- Parks & Public Realm (including Clean Team services)
- Transportation & Infrastructure

The committee working on the BID Tax analysis took the recommendations for priorities and work program emphasis and factored those findings into expense projections for the next five years of operations. The committee then did a baseline forecast of revenues for the next five years based on development projects that are under construction or in the development pipeline. The “gap” between the forecasted revenues and the budgets necessary to administer work programs became the basis for the recommended BID Tax adjustments.

The committee, working with BID staff, evaluated increases in each of the BID Tax categories that would be fair and equitable across the board, i.e. each category would share in a portion of the increase in order to enhance revenues to fill the “gap”. The BID Tax Analysis committee made recommendations for increases in each category to the BID Executive Committee, which were unanimously approved. The full BID board reviewed the recommended BID Tax increase on November 2016, and subsequently unanimously approved the changes. The General Membership of the BID was mailed the proposed BID Tax changes with a voting ballot 30 days prior to the Capitol Riverfront BID Annual Meeting on January 12, 2017. The recommended BID Tax changes were approved by the General Membership.

It is anticipated that the BID Tax changes, if approved by the DC Council, will not be adjusted over the next five-year renewal period.

Assumptions

The Capitol Riverfront BID is different from other DC BIDs in a number of ways:

- It is a 500-acre new growth neighborhood with a variety of sub-areas experiencing different activity cycles – these new sub-areas will require additional services as they grow.
- The Clean Team will need to maintain high level of service in existing areas (residential growth, retail growth, and also ongoing construction projects). The hours of service continue to increase to meet demand and expanding activity cycles. During later part of the renewal period, Buzzard Point will have the soccer stadium and new residential demands, whereas now there is minimal activity.
- Nationals Park puts additional demand on the neighborhood Clean Team services with at least 81 games a year, concerts, events, etc.
- The BID maintains and programs two world class parks, including security services.
- There is a pressing need to build each park’s capital reserves to repair and replace items as they are damaged or fail.

- The neighborhood is experiencing a land use shift – i.e., the neighborhood is becoming predominantly residential in use, with not as much office development as first projected. A larger residential population exerts more demand on the need for Clean Team services versus an eight-hour office population.

Uses of Enhanced Revenues

The revenue increases created by the BID Tax changes will be used in the following ways:

- ***Clean Team Services***
 - New team members and routes for growing sub-areas such as Buzzard Point and the Ballpark District
 - New equipment to increase efficiency, more trash & recycling cans

- **Increased Marketing & PR Efforts**
 - More media ad placements and social media efforts
 - Planning for the MLB All Star Game events
 - Planning for the BID's ten year anniversary
- **Funds for Parks Capital Reserve Funds**
 - Total of \$240,000 – \$120,000 for each park over the next five years
- **New Position – Marketing & Residents Council**
 - Establish a residents' council to better communicate with our growing residential population
 - Assist in marketing efforts for the BID and events planning
- **New Community Events**
 - Open house event to drive apartment lease-ups
 - New farmers market on Sundays, other events to attract visitors
 - Expanded street banners and snow flakes in new sub-areas
- **Administrative Cost Increases**
 - New office lease in three years, new Clean Team space lease
 - COL/merit increases for staff annual reviews

Conclusion

The Capitol Riverfront Business Improvement District looks forward to continuing services for another five years. The BID is committed to creating a clean, safe, and friendly neighborhood and assisting in the development of the Capitol Riverfront as a vibrant new mixed-use riverfront community in Washington, DC. We are proud of the accomplishments of the first ten years of operations and are ready to continue the partnerships with the many stakeholders that leveraged our resources into new and exciting projects and achievements.

The Capitol Riverfront neighborhood is achieving a vision initiated by Mayor Williams and the DC Office of Planning almost 15 years ago and later enhanced by the Anacostia Waterfront Corporation, the Mayor Fenty and Mayor Gray administrations, and now the Mayor Bowser administration. None of the accomplishments to date would have been possible without the commitment, dedication, and support of our board members and property owners, tenants, and residents, a variety of District Government agencies, the Executive Office of the Mayor and the Deputy Mayor for Planning and Economic Development, Ward 6 Council Members Tommy Wells and Charles Allen, the hard-working Clean Team members, and a dedicated BID staff. By working together the vision to create a vibrant riverfront neighborhood is now becoming a reality.

In fact, the fiscal analysis conducted for the 2017 *GreenPrint of Growth Study* found that over the next twenty years, new development in the entire 500 acre Capitol Riverfront neighborhood is projected to produce \$2.7 billion in tax revenue, 14,000 permanent jobs, and 800 construction jobs each year. Vision followed by public investment that has leveraged private redevelopment is producing an impressive return on investment for the District Government.

As the neighborhood transitions into a high density mixed use community with unique access to new parks, the United States Capitol, and the Anacostia River, it is gratifying to see the vision and aspirations become reality in the form of new development projects and continued growth. The Capitol Riverfront Business Improvement District is excited about the next five years of operations and the next wave of development that will attract new businesses, residents, tenants, and visitors to the Capitol Riverfront neighborhood.

The BID is pleased that the board and general membership endorsed the BID's application for another five years of operations, and we thank them for their confidence and support. The BID will remain the management organization that seeks to manage rapid growth while creating community and serving as the voice of advocacy and continuity.

The Capitol Riverfront BID has been the constant voice for a neighborhood that has seen amazing growth over the past ten years. The neighborhood's evolution from a light industrial "backyard" to a regional waterfront community is not yet complete and the next five-years of operations will see the Capitol Riverfront BID adapt to these ever changing conditions. Many BIDs in the U.S. are operating and managing what are considered "mature" downtowns – our journey as a new growth area adjacent to Downtown DC is not complete and will not be finished for another ten years. While we are not yet considered a "mature" market, we are firmly established as the District's fastest growing neighborhood that will continue to experience the issues and opportunities of a neighborhood on a fast growth trajectory.