

Latin American Festival

ATTRACTING AND RETAINING RESIDENTS

THE CURRENT SITUATION

As noted throughout this report, Washington, DC is a city with tremendous resources, but it has recently been hampered by a negative image. The impact of that image can be measured in dollars and cents, in the numbers of business and job opportunities lost, and in the decline of the city's population over the past few decades. Companies and organizations have been less inclined to locate or remain in the city, and people have been less likely to move here or stay here. The two things go hand in hand. To reverse one cycle, we must reverse both. Successfully retaining and attracting businesses and jobs is interwoven with the need to retain and attract residents.

Business leaders from the Industry Networks told us that the city's past image made it difficult for them to attract talented young executives and managers to work here and that this was a significant constraint on their prospects for expansion within the city. Some people simply have not wanted to live in a place with the tarnished reputation of Washington, DC. Our job is to change their perception for the better.

Between 1950 and 1990, while the population of the metropolitan region grew by nearly two-and-a-half times, the population of Washington, DC consistently declined. Although a loss of population has been typical for most central cities in the northeastern United States, the impacts on Washington, DC have been particularly harsh.

Due to the unusual nature of Washington, DC's economy – a city surrounded by two separate states but with no reciprocal tax-sharing permitted for the city – a Washington, DC resident with a local job is worth much more to the city than a local job held by a non-resident. A recent study by McKinsey and Company showed that employing 100 Washington, DC residents in jobs located within the city, produces 84 percent more in income and sales tax revenue compared to 100 jobs in the city held by suburbanites, who pay no city income or wage taxes, and who spend far less on city sales taxes because they and their families do most of their shopping near their homes and schools. Currently only one-third of the nearly 615,000 jobs located within Washington, DC are held by city residents.

Clearly it is beneficial for the city to attract new residents, starting with the 410,000 people who work here every day but do not live here. Our challenge is to find out how this can be accomplished. We analyzed the past and present exodus from the city to better understand why people leave, why others stay, and how we can effectively use this information to encourage both stability and growth.

Board of Zoning Adjustment
District of Columbia
CASE NO.16553
EXHIBIT NO.210A2

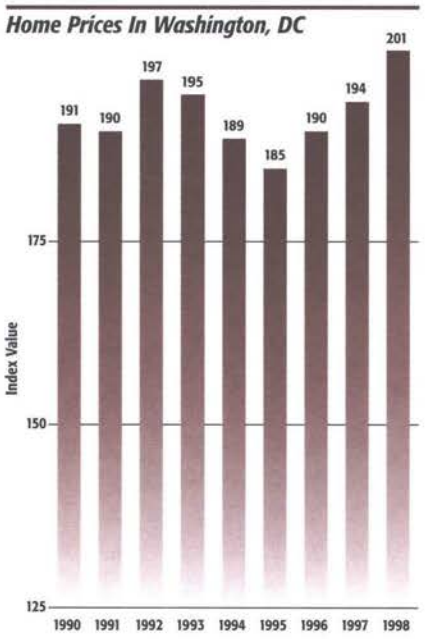
Why They Leave And Why They Come Back

Perhaps most surprising was the shift in the city's population by race and ethnicity. During the 1980s the biggest population losses occurred among African-Americans, with an average decline of over 1,000 households per year. The city's demographic profile was becoming smaller but more diverse, as the number of Hispanic households grew substantially and various other ethnic groups increased slightly.

Losses continued in the early 1990s at a rate nearly five times higher than the previous decade. While African-American households still accounted for the highest rate of people leaving the city – averaging 2,400 annual household departures – the number of white residents also declined by nearly 1,000 households a year, while Hispanic and Asian households continued to increase.

Data are not available on population changes in Washington, DC since 1996, but the high loss rates in the early 1990s indicate that the task of attracting and retaining residents should be a top priority. Our analysis also made clear that the city must try to retain and attract a wide variety of households, not simply middle- and upper-income families, in order to achieve the greatest overall economic success. Diversity makes good economic sense, because it generates a broader range of business activities and a more well-rounded workforce.

George Grier of the Greater Washington Research Center did a study for our Strategic Plan, conducting surveys on migration by asking households who moved into the city to explain the main reasons for their move. His report produced some useful insights. For white, Hispanic, and Asian households, the most common motivation for moving into the city was to be near their job, especially if it was a new job. That tells us it is worthwhile to encourage local employers to offer incentives for their workers to move into the city. The other main reason these people moved here was their desire to take better advantage of the general conveniences and attractions of city living. This underscores the importance of improving the quality of life in Washington, DC, especially the cleanliness and safety of streets and public spaces, efficiency of transportation and services, and availability of good housing and cultural amenities. For African-American households, proximity to family and friends was the reason most frequently given for their move into the city. This tells us that working closely with community institutions – churches, schools, universities, hospitals, banks – to promote homeownership and neighborhood reinvestment, will help keep African-American families in Washington, DC, bring them back from the suburbs, and attract them from other places.



Source: Office of Federal Housing Enterprise Oversight

The Strategic Solution

The city can attract and retain households who represent a broad cross-section of income levels, racial and ethnic backgrounds, and



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other household characteristics. In order to truly prosper and live up to its potential as a world class city, Washington, DC must become a better place to live for all its current and future residents.

That means raising the performance of public schools, improving local government services by having public employees treat residents as their respected customers, strengthening the economy and the workforce development system, and making communities more secure, attractive, and livable.

Increasing homeownership is a central element of our strategy for success. Homeownership stabilizes and strengthens neighborhoods, boosts economic investment, and enables families to take better control of their lives and improve their financial well-being. When homeownership goes up, other remarkable things start happening to communities: Crime goes down. Streets are cleaner. Quality of life improves. Businesses thrive. Neighborhoods come alive.

The strategy is clear: retain and attract residents by increasing homeownership; making neighborhoods more attractive to current and potential residents of all income levels and diverse backgrounds; ensuring public safety for families and communities; improving access to cultural and recreational amenities; and getting businesses, community institutions, and faith-based organizations actively involved in expanding the human potential of the city.

The first action focuses on using major employers, churches, schools, and other community institutions to promote homeownership.

ACTION 18

Promote Homeownership with Employers, Churches and Schools

Working through the Washington, DC Partners in Homeownership, recruit major neighborhood employers such as universities and hospitals, and key community institutions including churches and schools, to offer incentives for people moving to and living in Washington, DC's neighborhoods and generating 1,000 new homeowners annually.



The next action emphasizes creating a more exciting, 24-hour downtown that draws people in day and night, with far more people living, shopping, and having fun there.

ACTION 19

Increase Downtown Housing and Mixed-Use Retail, Services, and Arts

Increase rental housing and homeownership in the downtown area east of 15th Street, NW, by making more publicly owned sites available for residential and mixed-use development including retail stores and services, by providing tax increment financing, and by offering land use incentives such as zoning modifications which grant commercial and retail density bonuses to encourage housing development. Construct or expand arts, entertainment,

and cultural activities and facilities in and near downtown, including a new national music museum.

The third action puts the spotlight on neighborhood arts, culture, and heritage tourism, bringing more prominently into public view what is now the best-kept secret of Washington, DC: the beauty and history of our many diverse communities.

ACTION 20

Support and Develop Neighborhood Arts, Culture, and Tourism

Provide increased public and private financial support for neighborhood tourism, historic heritage tours, arts festivals and cultural activities, and create a citywide Heritage Tourism Trail including the African-American Civil War Memorial and other sites. Establish a non-profit Cultural Development Corporation to build and/or manage arts, entertainment, cultural, and specialty retail activities and facilities in neighborhoods throughout the city.

This key action supports neighborhood reinvestment by eliminating blighted eyesores and pockets of crime that detract from quality of life, replacing them with new development that enhances the community environment.

ACTION 21

Demolish and Redevelop Blighted Properties

Condemn, acquire and demolish vacant and blighted buildings in Washington, DC's neighborhoods and make the land available to those who have a feasible plan for redevelopment. Grant the Condemnation Board the legislative authority to demolish property consistent with historic preservation guidelines.

The last action will make communities safer by providing a powerful tool for law enforcement officials to stamp out drug dealing, prostitution, and other harmful pursuits. Once the police start impounding cars driven by people engaged in illegal activities, visitors from the suburbs will stop using our neighborhoods as "drive-throughs" for obtaining illicit substances and services.

ACTION 22

Enhance Community Safety by Impounding Cars Used in Crime

Remove barriers to implementation of existing laws by developing a secured parking lot for motor vehicles used in criminal activities that are confiscated and impounded by police officers.

CONCLUSION

Washington, DC's greatest resource is its people. By focusing on workforce development and on attracting and retaining residents, our plan demonstrates that investing in people is the best strategy for growing our economy.

CHAPTER FOUR: STRATEGIC AREAS

WHILE THE PREVIOUS CHAPTERS of this report discussed ways that Washington, DC could become a better place to live and a more prosperous place to work at a job or own a business, this section will specifically address the neighborhoods, the city blocks, and the buildings where all of this positive change will actually take place.

Place matters. It matters if we are going to grow businesses and jobs. It matters if we are going to attract and retain residents in the city. We must have real places – vibrant and welcoming places – where companies and associations can take root, where the Industry Networks can thrive, and where people can live and work and raise their families with dignity and opportunity. Successful development of the city's strategic areas will be a prime generator of economic vitality, and these areas will benefit from this accelerated growth.

The entire plan, and particularly this part of it, is about taking an economy that is working well for so many of us, and making sure that it works for each and every resident, worker, and visitor in Washington, DC.

We have an opportunity to gather the seeds of our current economic prosperity and use them to invest in our neighborhoods – our businesses and commercial districts, our homes and schools, our streets and transportation facilities, our parks and playgrounds, our libraries and museums, our art galleries and theaters. It all starts with jobs, and our plan is about creating better jobs for more people.

Our plan for the city's strategic areas is not a plan just for downtown, nor one that will benefit only the upper-income residents of the city. This is a plan for all people and communities; it was written by a broad cross-section of the city and it is designed to benefit everyone.

The actions detailed in this section, some of which are already being carried out, may seem self-evident. You may have heard a few of them discussed on previous occasions. Other actions are new ideas and have not been attempted before in our city. Either way, what is different here is the way they are knit together as part of a comprehensive economic strategy, and more importantly, this time the proposed actions will actually get accomplished.

We divide this chapter on strategic areas into sections on downtown and on neighborhoods. Traditionally in Washington, DC, downtown has been the main concern of economic development. In our report, many more key actions are focused on developing and improving neighborhoods.

DOWNTOWN

Downtown Washington, DC is a story of current success and abundant opportunity. The recent construction and opening of the MCI Center has dramatically set off a $3.1 billion building boom that is transforming the city

center – particularly the east end of downtown – with new offices and hotels. Downtown Washington, DC has already shown a remarkable 75 percent increase in visitors and tourists. The new Downtown DC and Golden Triangle Business Improvement Districts (BIDs), with their smiling personnel in colorful uniforms bringing a "clean, safe, and friendly" ambience to the streets of our central business areas, have been a positive force for change. A sure sign of improvement is the real estate market, which leased over one million square feet of additional office space last year and has increased occupancy rates by one-third since 1992. Washington, DC now contains over 100 million square feet of office space, the third largest concentration of any city in the nation, exceeded only by New York and Chicago. Currently demand for office space is high, vacancy rates are low, and growth is evident on every corner.

Opportunity: Developing Downtown

However, downtown also once had seven major department stores and now has just one. Some large employers have moved workers to "back office" facilities in the suburbs, or simply moved out of the city altogether.



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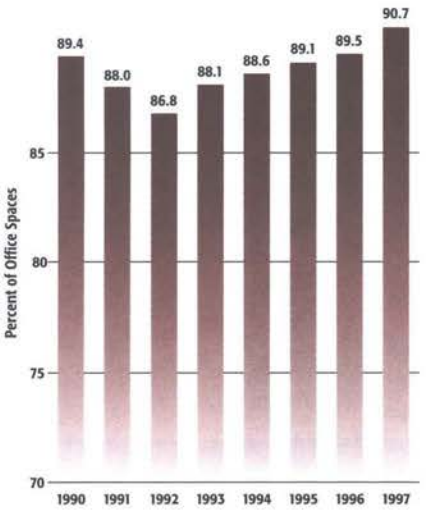
While the bulk of downtown Washington, DC is bustling with office space occupied by lawyers, lobbyists, consultants, federal agencies, and others, two-thirds of those people commute to work daily from Maryland or Virginia. Their incomes are not subject to any reciprocal taxation by the city.

This tells us something important. In addition to encouraging more of these workers to live in the city, we should increase opportunities for the downtown commuters to spend their money in the city at night. The best way to do this is to turn downtown into a lively mixed-use area; a 24-hour city of restaurants, entertainment, and arts, with more people on the streets, more demand for services, more retail stores, and more housing.

Some of the work is already being done through the BIDs, in partnership with many other public and private sector groups. By keeping the streets and sidewalks cleaner and safer, by marketing downtown to businesses, visitors, and shoppers, and by encouraging the improvement of public spaces and fostering the growth of cultural amenities, downtown is becoming more attractive and lively.

For many businesses, there still is no better place to locate than Washington, DC with its prestige and its proximity to the White House, Congress and other important federal institutions. The growing cost of office space and traffic congestion in the suburbs has recently become another factor in promoting renewed business and association interest in a downtown location.

Washington, DC Office Occupancy Rates



Source: Goodman, Segar, Hogan, Hoffler

The opening of the Reagan Building with its International Trade Center, the great success of the MCI Center, the commitment to build a new $650 million Washington Convention Center and the opportunity to redevelop the existing one, the planned development of Gallery Place, the success of the new BET Jazz Restaurant, and many other recent investments all point to a bright future for downtown.

The accelerating pace of change highlights the need to focus particular attention on a few key issues: expanding day and evening retail and entertainment activity, building a critical mass of downtown housing, and dealing with traffic congestion while promoting increased tourism. The key actions proposed directly address these three major needs. The first action focuses on creating a new F Street retail corridor that would include at least a portion of the historic former Woodward and Lothrop Department Store Building at Metro Center, which was going to be the new home of the Washington Opera but now is up for sale.

ACTION 23

Attract Retail Investment Downtown in the F Street Corridor

Attract investment to the F Street retail corridor and the Woodward and Lothrop building downtown through public-private cooperation.

The next action addresses the need to redevelop a city government-owned site on Pennsylvania Avenue, bringing in new revenue by constructing an elegant mixed-use building that will be an asset to the area, and increasing the supply of downtown housing. Action 19 in Chapter Four on Strategic Populations also emphasizes the need for more housing and retail stores to be built downtown. This action – redeveloping the Department of Employment Services (DOES) building – is also for neighborhoods. DOES would move to a brand new building constructed in a neighborhood near a Metro station. The new building would serve as a catalyst to help revitalize that community's commercial district, much as the Reeves Municipal Building helped revive business activity around 14th and U Streets, NW.

ACTION 24

Use Relocation of Employment Services to Enhance Development

Redevelop the Department of Employment Services (DOES) building at Sixth Street and Pennsylvania Avenue, NW, for mixed-use space, including housing, and build a new headquarters for DOES as part of a neighborhood development strategy.

The last action deals with encouraging more visitors and improving the quality of life in downtown and neighborhoods by getting tour and charter buses and trucks off the streets where they bring noise, congestion, pollution, and cause parking problems. A special parking facility would help mitigate these problems.

ACTION 25

Create Parking Facilities for Tour Buses

Establish centrally-located parking facilities for tour and charter buses, trucks, and other large commercial vehicles, in order to reduce downtown and neighborhood traffic congestion, noise and air pollution, and make downtown and neighborhoods more attractive to visitors. Provide convenient local transportation and other amenities at these sites to promote tourist use, and encourage bus companies to create more jobs in the city for local residents.



Design of new Washington Convention Center

OPPORTUNITY: NOMA – NORTH OF MASSACHUSETTS AVENUE

One of the newest near-downtown development opportunities is in the area north of Massachusetts Avenue, appropriately called "NoMa." This area, directly north of the central business district, will be anchored by the new Washington Convention Center on the west, Union Station on the east, and New York Avenue on the north. The excitement generated by the MCI Center nearby has sparked interest in the potential of NoMa as a vibrant mixed-use community. It can become Washington, DC's answer to New York's SoHo and San Francisco's South of Market – a multimedia and technology district that includes housing, arts and entertainment, and other attractions. Cable News Network, National Public Radio, Atlantic Video, and other media and technology companies already operate in the area, which stretches eastward from Mt. Vernon Square near downtown, along the New York Avenue corridor to the planned site of a new Metrorail station serving the Red Line at New York and Florida Avenues, NE.

NoMa is a future business and job generator for the city, especially for companies in the Information Technology/Telecommunications and Media/Publications Industry Networks. Its location near the Congress, excellent transportation accessibility, and availability of vacant land and underutilized industrial-type buildings and warehouses make it a prime candidate for economic investment. The Washington, DC Marketing Center is recruiting technology firms and promoting innovative development to attract small entrepreneurs involved with computer graphics, software, the internet, multimedia, fiber optics, and similar cutting edge products and services. As this New York Avenue gateway is served by both freight rail and trucking, it can serve as an ideal "inland port" and the city's major foreign trade zone for international commerce.

At the same time, housing is essential for NoMa to thrive. From traditional townhomes to unconventional live-work spaces, both newly built and renovated housing will help attract the type of young and energetic, high-quality workforce that is particularly drawn to a vibrant urban lifestyle. NoMa will be a magnet for performing and visual artists, and generate recreational and cultural activities ranging from restaurants and cafes to art galleries and studios.



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ACTION 26

Develop NoMa as a Technology, Media, Housing and Arts District

Develop "NoMa" – North of Massachusetts Avenue – as a new mixed-use information technology, communications media, arts and entertainment, and housing district in the area from the new Washington Convention Center east to Union Station and north to New York Avenue. Create special financial incentives for technology firms in NoMa by abating or reducing all city taxes. The Department of Housing and Community Development should support a NoMa plan to identify major opportunities for private and public investment and development, including a new Metro station at New York and Florida Avenues, NE. Implement the foreign trade zone and establish an "inland port" in the New York Avenue corridor to promote international business activities and make use of federal foreign trade incentives.

NEIGHBORHOODS

Our city's neighborhoods are the crown jewels of Washington, DC, and one of our greatest assets. Overall, they compare quite favorably with urban communities in other cities around the world. Recently, many neighborhoods are on the rebound. Home prices and homeownership are increasing, with people and businesses moving back in, renovating stores, theaters, and houses. This year the Department of Housing and Community Development invested $70 million in neighborhoods, leveraging an additional $230 million in other public and private funds. This $300 million community investment is creating 6,000 neighborhood jobs, 1,700 new and renovated homes and apartments, affordable homeownership opportunities for 1,500 families, 250,000 square feet of neighborhood retail and office space, the revitalization of 16 community business districts, and nearly 50 new or renovated neighborhood service centers – including health care and child care, arts and recreation, education and job training, parks and playgrounds.

Industry Networks need more than downtown office and retail space in which to do business. They also need places to conduct satellite operations. While most of this activity currently takes place in the suburbs, Washington, DC's neighborhoods can and should successfully compete for such space. Our neighborhoods are better served by public transportation, more centrally located within the region, less expensive in terms of office rents, and closer to major magnets such as the federal government and downtown Washington, DC. From Adams Morgan to Anacostia, and Columbia Heights to Marshall Heights, they all offer the charm of communities with historic character and spirited grassroots institutions.

In addition to office space built primarily around neighborhood Metro stations, we now have an opportunity to bring large new retail stores into Washington, DC for the first time in decades. Dr. Michael Porter of Harvard Business School, who did a study for our Strategic Plan on how universities can help promote neighborhood businesses, predicted in his article on "The Competitive Advantage of the Inner City" that major retailers would soon begin moving back into urban areas. The trends he forecast are now coming

true in Washington, DC. The suburbs are currently overrun with retail chains, while many of the city's neighborhoods are underserved. Our residents frequently travel out to suburban shopping malls to make major purchases, an inconvenience to our citizens and a loss of jobs, business opportunities, and sales tax revenues for the city.

In the constant search for new markets to tap, retail chains are looking at the city with renewed interest. If large enough parcels of land are available at accessible locations, the opportunity currently exists to bring major retailers to neighborhood commercial sites across the city, on both sides of the Anacostia River. Safeway, Giant, Home Depot, Lowe's, Magic Johnson Movie Theaters, Shoppers Food Warehouse, Fresh Fields, and many other well-known retail businesses are considering making large investments by building new neighborhood stores in Washington, DC. Once developable land is fully assembled, financial incentives are packaged, and regulatory approvals expedited, the city's communities can look forward to better and more convenient shopping and services, with new jobs, business opportunities, and tax revenues to strengthen our economy. Currently, developers and retailers have their eye on several major sites. Most of these sites are near existing or planned Metro stations.


Ron Engle

Opportunity: Metro Stations

After careful discussion and analysis in preparing this strategic plan, we have determined that the most important physical resource available to strengthen the economy of our city's neighborhoods are the Metro stations. Every Metro station – existing ones such as Anacostia, ones now under construction like Columbia Heights, and the one planned for construction at New York and Florida Avenue – can be an anchor, a magnet, and a gateway for expanding businesses and jobs to serve our city's neighborhoods and the people who live and work there.

Metro stations should be the focal point of commercial development and business activity all over the city. We commissioned a study by David Lee, a nationally respected African-American architect and planner from Boston, to help put this concept to the test. David Lee and his associates studied the existing land uses around 16 neighborhood Metro stations, interviewed business and community leaders, spoke to government agency representatives, met with Metro officials that own and market land for development around the stations, read existing community plans, and interacted with the six Industry Network groups to determine possible demand for business growth and commercial development around neighborhood Metro sites.

The Washington Metropolitan Area Transit Authority (WMATA) owns considerable property around their Metrorail stations, plus additional land in our city's neighborhoods for the Metrobus system. While it makes sense to develop property around Metro stations, good development does not always occur. To date there has been no systematic citywide effort to make sure such development actually happens. This action will finally accomplish that vitally important goal.

In each of the areas his team reviewed, David Lee found much room for improvement: uninviting streetscapes, unattractive retail storefronts, vacant lots and buildings, unanchored gateway locations, and historically significant sites that were not receiving the proper attention. He suggested many ways that negatives could be turned into positives in order to attract shopping and other businesses, turn historically significant sites into major tourist attractions like the landmark Frederick Douglass House in Anacostia, and make neighborhoods better places to live. Now, taking his report as a starting point, we can work together to turn these sites into economically thriving areas.


Ron Engle

ACTION 27

Focus Business Activity Near Neighborhood Metro Stations

Provide public and private incentives for investment in the areas around neighborhood Metro stations, targeting both existing stations like Anacostia and newly constructed stations such as Columbia Heights. These Metro stations will serve as the primary anchors for economic development in neighborhoods, with an emphasis on promoting community shopping facilities, banks, and related office, commercial, retail, and tourist activity to expand businesses, jobs and services.

To succeed in promoting neighborhood commercial districts, both around Metro stations and in other parts of the city, merchants need to be organized to provide cleanliness, safety, and a pleasing environment for shoppers, workers, visitors, and residents. The new Business Improvement Districts – Downtown DC, Golden Triangle, and now Georgetown – point the way to a new model of accomplishing this important task. The financing arrangements of the downtown model would not necessarily work well in many neighborhood settings, however, where too often both property owners and merchants do not have the resources to support a full-time BID.

Therefore, we need to develop "BID-like" organizations with a more mixed approach to financing, with additional resources from the city government, private foundations, and other sources to match the contributions of property owners and merchants. Also, community development corporations and community-based organizations should play a key role in neighborhood-style BIDs.

ACTION 28

Create Business Improvement Districts for Neighborhoods

Create Business Improvement Districts (BIDs) or "BID-like" organizations, and provide support for Merchants' Associations in neighborhood commercial areas to offer increased cleanliness, attractiveness, public safety and security, streetscape improvements, and coordinated marketing campaigns.

One of the greatest potential development opportunities in the city is the New York Avenue corridor directly north of Union Station, where acres of developable land currently are underutilized, vacant, or abandoned. All of this will change virtually overnight once a

Metrorail station is built on the existing Red Line at New York and Florida Avenues. It makes good sense to do this. New York Avenue is one the city's most heavily traveled thoroughfares, a federally designated highway, and a priority transportation corridor eligible for special federal funding for major improvements. The longest gap between Metro stations in Washington, DC is on the Red Line between Rhode Island Avenue and Union Station. New York Avenue is right in the middle of that gap.

Since the Metro trains already run on the tracks above ground, the New York Avenue station also would be above ground, and much less expensive to build than digging a new tunnel for an underground station. Once the Metro station is constructed, the NoMa initiative can attract technology businesses to the area, which is wired for fiber optic cable that facilitates high-speed internet access. Federal Express and the Capital Commerce Center on Eckington Place are the tip of the iceberg in terms of business demand for this well-located area, as the recent commitment of a major global internet firm, Qwest Communications International, to lease 100,000 square feet of space at 1500 Eckington Place for their a new "cyber center" clearly demonstrates. Also, the area is large enough to build new housing and make it a mixed-use, 24-hour community.

ACTION 29

Build a Metro Station at New York Avenue to Spur Development

Create a public-private financing mechanism to build a new Metrorail station on the existing Red Line near New York Avenue and Florida Avenue NE, enabling a large area of currently vacant and underutilized land and buildings to be developed for thousands of new jobs and housing opportunities.

To stimulate business activity around Metro stations in neighborhoods throughout the city, we must take full advantage of the business incentives available. The best tools in the city's incentive toolbox come in the form of the special Enterprise Zone designation the city received last year from the President and Congress. Unfortunately, the formula used to determine the boundaries of the zone – high poverty census tracts – produced an oddly-shaped map that included some areas of the city but excluded many others that were equally deserving of assistance. The best way to remedy this unfair situation is for the Congress to pass legislation proposed by Congresswoman Eleanor Holmes Norton that would extend these incentives to cover the entire city.

Washington, DC Economic Incentives for Business Expansion

Revenue Bond Program Transactions

Fiscal Year	Total Dollars	Growth Rate
1996	$121,890,000	–
1997	$247,905,000	2.12%
1998	$544,135,000	2.11%

Source: IRB Program

ACTION 30

Have Federal Incentives Cover Every Neighborhood in the City

Encourage the Congress to pass Congresswoman Eleanor Holmes Norton's bill applying the special Enterprise Zone economic incentives to every census tract in Washington, DC.

OPPORTUNITY:
TARGETED NEIGHBORHOOD ECONOMIC DEVELOPMENT

The Washington Navy Yard on M Street SE is a historic landmark and major tourist destination. It is also an active U.S. Navy facility that is in the process of doubling its size by bringing in 5,000 Navy jobs. Since the Navy's private contractors are required to be near the Admiral's office, thousands of additional jobs will locate in the vicinity, and two new private office buildings already are being planned for construction on M Street near the Navy Yard Metro station.

The opportunity to leverage the Navy Yard's expansion to promote economic and community development on both sides of the Anacostia River waterfront is too good to pass up. The Navy agrees, and it is actively working with community groups through Bridges to Friendship, an initiative involving many federal agencies working with non-profit groups such as Friendship House, Covenant House, and Ellen Wilson Community Development Corporation, to provide training, jobs, and business opportunities for people in the nearby neighborhood.

This is just the beginning. Groups ranging from public housing residents to merchants on 8th Street SE are working together to use the Navy Yard expansion as a catalyst for positive economic change. A nonprofit development group, Manna, Inc., will prepare a waterfront area development plan to take full advantage of the economic momentum, including the recent Urban Land Institute (ULI) study of the Southwest Waterfront, and the M Street plan being developed by the National Capital Planning Commission. The opportunities are exciting.

> ACTION 31
> **Use Navy Yard Expansion to Generate Local Business and Jobs**
> Using 5,000 new jobs as leverage, expand the Washington Navy Yard by redeveloping the surrounding area and generating business activity and employment on both sides of the Anacostia River. In preparation, the Department of Housing and Community Development should provide funding for an economic development plan to attract new investment in the Southeast/Southwest waterfront area.

The Navy Yard expansion is tied to improvement of the Anacostia River waterfront on both sides of the river. The Department of Housing and Community Development and the Office of Planning are working with community groups and the three District of Columbia Council members representing Wards 6, 7, and 8, to plan for the future of East of the River neighborhoods. The plan will focus on opportunities to grow businesses and jobs around Metro stations and other key sites. Also, it will emphasize increasing homeownership and reducing the concentration of blighted apartment buildings. Currently there is a renaissance of single-family homeownership taking place East of the River, with over 1,100 new homes being developed for sale, competing in quality and price with houses in Prince George's County and other

suburban areas that have drawn away Washington, DC's families during the past two decades.



Frederick Douglass House

ACTION 32

Rebuild East of the River With Major Stores and Homeownership

Produce a comprehensive development plan for East of the River neighborhoods promoting community and regional retail and office space around Metro stations and other large sites such as Camp Simms, St. Elizabeth's, and the Anacostia River waterfront, combined with a strong focus on increasing homeownership, and reducing the concentration of blighted and vacant apartment buildings.

Another targeted strategic economic development area is the Georgia Avenue corridor, the longest continuous avenue in the city. This long commercial strip is in some difficulty, even though it is bordered on both sides by many attractive and stable neighborhoods. A partnership of the city government, local businesses and residents, and federal officials, is searching for ways to strengthen the corridor. The main emphasis will be on using the Metro stations as anchors, along with key sites such as Howard University, the new Washington Convention Center, and the Eastern Avenue gateway to the city. Increasing homeownership and preserving the quality of housing in the surrounding residential areas is also a vital part of the overall strategy.

ACTION 33

Invest in Georgia Avenue to Grow Jobs and Improve Neighborhoods

Focusing on key anchors such as Howard University, the new Washington Convention Center, two existing and two Metro stations under construction, and the Eastern Avenue gateway, build a public-private partnership to enhance business activity and create jobs by attracting new commercial investment and development along Georgia Avenue. At the same time, strengthen the quality of life, improve public works, public education, and public safety, and increase affordable homeownership by renovating housing and expanding home financing in adjacent residential communities, such as Fannie Mae and Howard University are doing in the LeDroit Park neighborhood.

Many of the targeted areas highlighted in our strategic plan were also included in the city's application for a federal Empowerment Zone, which can bring additional resources for economic and community development. The joint application, together with Prince George's County, represents unprecedented regional cooperation to address similar problems across a common border, and to connect Washington, DC's residents to suburban jobs and business opportunities. This cooperation is now happening, and it will continue whether we win or lose the nationwide competition for a federal Empowerment Zone designation.

ACTION 34

Use the Empowerment Zone to Increase Community Investment

Take advantage of the city's joint Empowerment Zone application with Prince Georges' County as a means of enhancing economic investment in targeted neighborhoods

OPPORTUNITY: COMMUNITY DEVELOPMENT CORPORATIONS



A report last year by the Local Initiatives Support Corporation (LISC) and the Center for National Policy, and a recent public television documentary called "Rebuilding Washington's Neighborhoods Block by Block," highlighted the role of Washington, DC's community development corporations (CDCs) and other nonprofit development groups in revitalizing our city's neighborhoods. Recently, CDCs have developed most of the shopping centers in the city, in Marshall Heights, Columbia Heights, H Street, and the new Good Hope Marketplace in Southeast. The city government provides support through federal Community Development Block Grant (CDBG) and HOME funds, with private sector funds coming from foundations, banks, corporations, and special assistance groups like LISC, the Enterprise Foundation, and the Neighborhood Reinvestment Corporation.

LISC has been the most active, helping to fund CDCs for 17 commercial and residential development projects worth $27.5 million in total community investment during the past four years alone. LISC staffs the Community Development Support Collaborative, an effective Washington, DC institution that pools the resources of foundations, banks, and corporations to finance capacity-building for community development organizations. With all of the good work being done, much more support is still needed. It will make a major difference in implementing a successful economic strategy to strengthen our city's neighborhoods.

ACTION 35

Increase Support for Community Development Organizations

Increase public and private support for technical assistance provided to community development corporations and community-based organizations to expand their capacity to develop businesses, jobs, commercial and residential buildings, and promote homeownership.

OPPORTUNITY:
BROWNFIELDS CLEAN-UP AND REDEVELOPMENT

Next to our people, the second most important resource the city has is land. Washington, DC is relatively small in geography, with no opportunity to expand its boundaries. As economic demand increases, space is at a premium. Businesses are constantly searching for sites on which to develop offices, stores, service centers, warehouses, wholesale markets, light manufacturing facilities, and other job-creating uses. We can expand our available assets by reclaiming land that is now environmentally hazardous or damaged, called "brownfields." Increasing the supply of developable land is not only good economics, it is good environmentalism. It will improve the quality of life in neighborhoods, because many of these sites are currently blighted and serve only as vacant junk yards or crime spots. Cleaning up and redeveloping brownfields also is another good opportunity to involve both the business community and neighborhood residents in planning together for sustainable prosperity.

ACTION 36
Clean Up and Redevelop Hazardous "Brownfield" Sites
Clean up and redevelop environmentally hazardous "brownfields" sites, providing new business and job opportunities for environmentally sensitive activities, and expanding available land resources for economic development.

CONCLUSION

In focusing on Strategic Areas, as in the other chapters of this report, our plan proposes key actions that will grow businesses and jobs, improving prosperity and quality of life for families and communities. It does not deal with every single issue of concern to citizens, not does it propose every single good idea or program. Many major issues, from fixing the schools, to filling the potholes, to picking up the recycling, to policing the streets, are already being addressed in many other public and private contexts. While all of these and many more problem areas remain vitally important to the success of our economic strategy, we have stuck to our knitting and designed our key actions to be carried out in conjunction with these other ongoing efforts. We are not trying to reinvent the wheel; rather we are searching for the best way to do the job that we all need and want.

In downtown, and especially in our neighborhoods, the Strategic Economic Development Plan and the 40 key actions to be accomplished during the first year will get us part of the way to where we want to be. If we all keep working closely together, and take additional actions in the years ahead to keep the strategy moving farther and faster, we will most certainly succeed in creating a better city for every family and community.

CHAPTER FIVE: IMPLEMENTATION

READERS OF THIS REPORT may be wondering if it will be any different from the many that have come before, reports that have done little more than collect dust on bureaucrats' bookshelves.

In fact, some members of our own steering committee were skeptical about this plan – at first. But they soon saw that their skepticism was ill-founded. This is not a discussion document, nor is it a wish-list prepared by well-meaning academics removed from the reality of how things really work and get done in our city. The full implementation of this strategy is built into the plan itself.

All 40 key actions set forth in this Strategic Plan will have a designated implementation body responsible for getting the job done. Many of these lead organizations have already stepped forward, and they are now hard at work and moving ahead with their initiatives and projects.

KEY ACTIONS

The final four actions are presented in this concluding chapter. They are designed to make sure that the other 36 actions are successfully realized, and that the overall economic strategy produces the results of growing business, jobs, people, and communities.

Two of these actions are structural changes in city government, and another is a structural change that implements a new non-profit corporation as a government-supported public-private partnership. These changes will make accountability and responsibility for plan implementation clearer and more effective.

The first proposal is to create a new position of Deputy Mayor for Economic Development. That person's responsibility would be to work with every government department and agency in carrying out the Strategic Economic Development Plan for Washington, DC.

ACTION 37

Provide Administrative Management and Leadership

Establish a position, such as a Deputy Mayor for Economic Development, to serve as a main point of contact for businesses, and to coordinate economic development activities conducted by city departments and agencies, including the Department of Housing and Community Development. The Deputy Mayor's office would focus primarily on administrative and policy coordination, rather than on expediting large projects or negotiating development deals. For example, this office would design a comprehensive asset management strategy to more effectively utilize available surplus city-owned property designated for economic development. The Deputy Mayor

would be responsible for coordinating city government implementation of the Strategic Economic Development Plan for Washington, DC, working in collaboration with the new National Capital Revitalization Corporation, the private sector, and community groups.

The second initiative proposes the formation of a citywide economic development corporation. A public-private partnership, it will be a vital organization – similar to those that have proved beneficial in many other cities – whose mission will be to make sure that economic development moves forward.

ACTION 38
Implement the Citywide Economic Development Corporation
Implement the National Capital Revitalization Corporation (NCRC) as a non-profit, citywide economic development organization to make loans or investments in projects and businesses, buy and sell land and buildings, perform additional development-related functions, and incorporate other public and private economic development activities and programs.

The third proposal is to establish a much-needed Office of Management and Budget. This entity would coordinate spending, taxes, and regulations across the city government, making sure they all fit together in order to carry out the economic strategy. Too often we have heard horror stories from people trying to do professional or personal business in the city, people who have been encouraged to do something by one city department, only to have another city department give them a costly fine, cause a needless delay, or even shut them down. We were told again and again that the lack of coordination in city government makes conducting daily business difficult and frustrating. Disorganization and lack of professionalism has driven away far too many businesses, jobs, and residents.

ACTION 39
Improve Budget Coordination and Regulatory Streamlining
Create an Office of Management and Budget in the Mayor's Office to evaluate and monitor departments and agencies, and to coordinate budget, regulatory, and policy priorities with the goal of promoting a business and resident-friendly city. Adopt clearinghouse recommendations of the Business Regulatory Reform Commission that establish comprehensive evaluation and monitoring functions.

Finally, we have already enlisted a dedicated group of business, community, civic, and government leaders who are taking responsibility for making sure that we all do our job – turning the plan into a success for our citizens and neighborhoods.

ACTION 40

Establish Ongoing Monitoring to Implement the 40 Key Actions

Establish an ongoing Steering Committee of business, civic, community and government leaders to monitor on a regular basis the progress of the Strategic Economic Development Plan for Washington, DC, and particularly to implement the 40 key actions during the coming year. Both the Industry Networks and the Steering Committee will meet monthly to move forward all 40 action initiatives. They will delineate explicit goals and set measurable performance standards as benchmarks to monitor the results produced. Also, they will establish clear lines of accountability and responsibility for completing each project, and prepare quarterly progress reports covering each of the 40 actions. Implementation of each action will be led by an ad hoc group of key stakeholder organizations and individuals, meeting regularly to accomplish the most important tasks. One organization and one or more designated leaders will commit to bringing each of the 40 action groups together, focusing on successfully achieving important outcomes within the next 12 months.

CONCLUSION

These four actions taken together will move the process forward and provide a solid foundation and management structure for implementing the Strategic Economic Development Plan for Washington, DC. The last action – Number 40 – is what the plan really is all about: "By the People, For the People." People are the heart and soul of this enterprise. Four hundred people in the city created the plan, and thousands will work to carry it out. Most importantly, more than half a million will benefit from living and working in better, more prosperous city.

Our plan's title calls attention to "The Economic Resurgence of Washington, DC." Through various examples and statistics, we document the surprisingly robust comeback of our city from its recent difficulties. Behind all the positive numbers and graphs are the lives of real people, and many individuals and families have improved their circumstances compared to a few years ago. But others are still facing tough times, which is why our economic strategy is so important. People need jobs, and we can help improve their chances of finding and keeping one.

The third part of the plan's title is "Citizens Plan for Prosperity in the 21st Century." If "prosperity" is the goal, then "citizens plan" is the means. We now have a workable plan, thanks to the active involvement of so many citizens contributing their time, energy, wisdom, and resourcefulness. They – and you – have given us a direction to go forward, and told us how to get there. So let us begin together, taking the first steps on a journey to a brighter future for all the citizens of Washington, DC.

CONCLUSION

WHAT AN EXCITING TIME THIS IS TO BE IN WASHINGTON, DC. With this plan, and the commitment that hundreds of people have made to seeing it through, real change is beginning to unfold. It's a change that reflects the strength of the city today as well as our dreams of what the city will become. It's a change for us to enjoy now and for our children to prosper from in the future. It's a change that's good for city residents, as well as for all those who live and work in, and visit, metropolitan Washington.

To those who doubt us – to those who are cynical about the future of Washington, DC, we have a very simple message: Just wait and see. You won't have long to wait.

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APPENDIX: 40 KEY ACTIONS

I. STRATEGIC INDUSTRIES

A. GROW INDUSTRY NETWORKS

ACTION 1: REDUCE TAXES TO ENCOURAGE BUSINESS USE OF NEW TECHNOLOGY

ACTION 2: CREATE A HOSPITALITY INDUSTRY PLAN FOR THE ENTIRE CITY

ACTION 3: INVOLVE UNIVERSITIES IN SUPPORTING ECONOMIC DEVELOPMENT

ACTION 4: STREAMLINE HEALTH CARE INDUSTRY REGULATIONS

ACTION 5: LAUNCH A MEDIA CAMPAIGN TO IMPROVE THE CITY'S IMAGE

ACTION 6: ESTABLISH A TECHNOLOGY COUNCIL TO ATTRACT AND EXPAND FIRMS

B. GROW BUSINESSES AND JOBS

ACTION 7: EXPAND THE MARKETING CENTER TO RETAIN AND ATTRACT FIRMS

ACTION 8: IMPLEMENT REFORMS IN CONSUMER AND REGULATORY AFFAIRS

ACTION 9: PROVIDE TARGETED INCENTIVES TO GROW FIRMS AND EXPAND JOBS

ACTION 10: ASSIST LOCAL FIRMS IN OBTAINING FEDERAL AND PRIVATE CONTRACTS

ACTION 11: INCREASE CAPITAL AVAILABILITY FOR COMMUNITY-BASED BUSINESSES

ACTION 12: PROMOTE METROPOLITAN COOPERATION FOR MUTUAL ECONOMIC BENEFIT

ACTION 13: STRENGTHEN ECONOMIC PARTNERSHIP WITH THE FEDERAL GOVERNMENT

II. STRATEGIC POPULATIONS

A. WORKFORCE DEVELOPMENT

ACTION 14: ESTABLISH THE WORKFORCE INVESTMENT BOARD AS A CLEARINGHOUSE

ACTION 15: EXPAND THE ROLE OF THE UNIVERSITY OF THE DISTRICT OF COLUMBIA

ACTION 16: SUPPORT PUBLIC "SCHOOL-TO-CAREER" PROGRAMS AND CHARTER SCHOOLS

ACTION 17: CONNECT WASHINGTON, DC RESIDENTS TO METROPOLITAN JOBS

B. ATTRACTING AND RETAINING RESIDENTS

ACTION 18: PROMOTE HOMEOWNERSHIP WITH EMPLOYERS, CHURCHES, AND SCHOOLS

ACTION 19: INCREASE DOWNTOWN HOUSING AND MIXED-USE RETAIL, SERVICES AND ARTS

ACTION 20: SUPPORT AND DEVELOP NEIGHBORHOOD ARTS, CULTURE, AND TOURISM

ACTION 21: DEMOLISH AND REDEVELOP BLIGHTED PROPERTIES

ACTION 22: ENHANCE COMMUNITY SAFETY BY IMPOUNDING CARS USED IN CRIME

III. STRATEGIC AREAS

A. DOWNTOWN

ACTION 23: ATTRACT RETAIL INVESTMENT DOWNTOWN IN THE F STREET CORRIDOR

ACTION 24: USE RELOCATION OF EMPLOYMENT SERVICES TO ENHANCE DEVELOPMENT

ACTION 25: CREATE PARKING FACILITIES FOR TOUR BUSES

ACTION 26: DEVELOP "NOMA" AS A TECHNOLOGY, MEDIA, HOUSING AND ARTS DISTRICT

B. NEIGHBORHOODS

ACTION 27: FOCUS BUSINESS ACTIVITY NEAR NEIGHBORHOOD METRO STATIONS

ACTION 28: CREATE BUSINESS IMPROVEMENT DISTRICTS FOR NEIGHBORHOODS

ACTION 29: BUILD A METRO STATION AT NEW YORK AVENUE TO SPUR DEVELOPMENT

ACTION 30: HAVE FEDERAL INCENTIVES COVER EVERY NEIGHBORHOOD IN THE CITY

ACTION 31: USE NAVY YARD EXPANSION TO GENERATE LOCAL BUSINESSES AND JOBS

ACTION 32: REBUILD EAST OF THE RIVER WITH MAJOR STORES AND HOMEOWNERSHIP

ACTION 33: INVEST IN GEORGIA AVENUE TO GROW JOBS AND IMPROVE NEIGHBORHOODS

ACTION 34: USE THE EMPOWERMENT ZONE TO INCREASE COMMUNITY INVESTMENT

ACTION 35: INCREASE SUPPORT FOR COMMUNITY DEVELOPMENT ORGANIZATIONS

ACTION 36: CLEAN UP AND REDEVELOP HAZARDOUS "BROWNFIELD" SITES

IV. IMPLEMENTATION

ACTION 37: PROVIDE ADMINISTRATIVE MANAGEMENT AND LEADERSHIP

ACTION 38: IMPLEMENT THE CITYWIDE ECONOMIC DEVELOPMENT CORPORATION

ACTION 39: INCREASE BUDGET COORDINATION AND REGULATORY STREAMLINING

ACTION 40: ESTABLISH ONGOING MONITORING TO IMPLEMENT 40 KEY ACTIONS