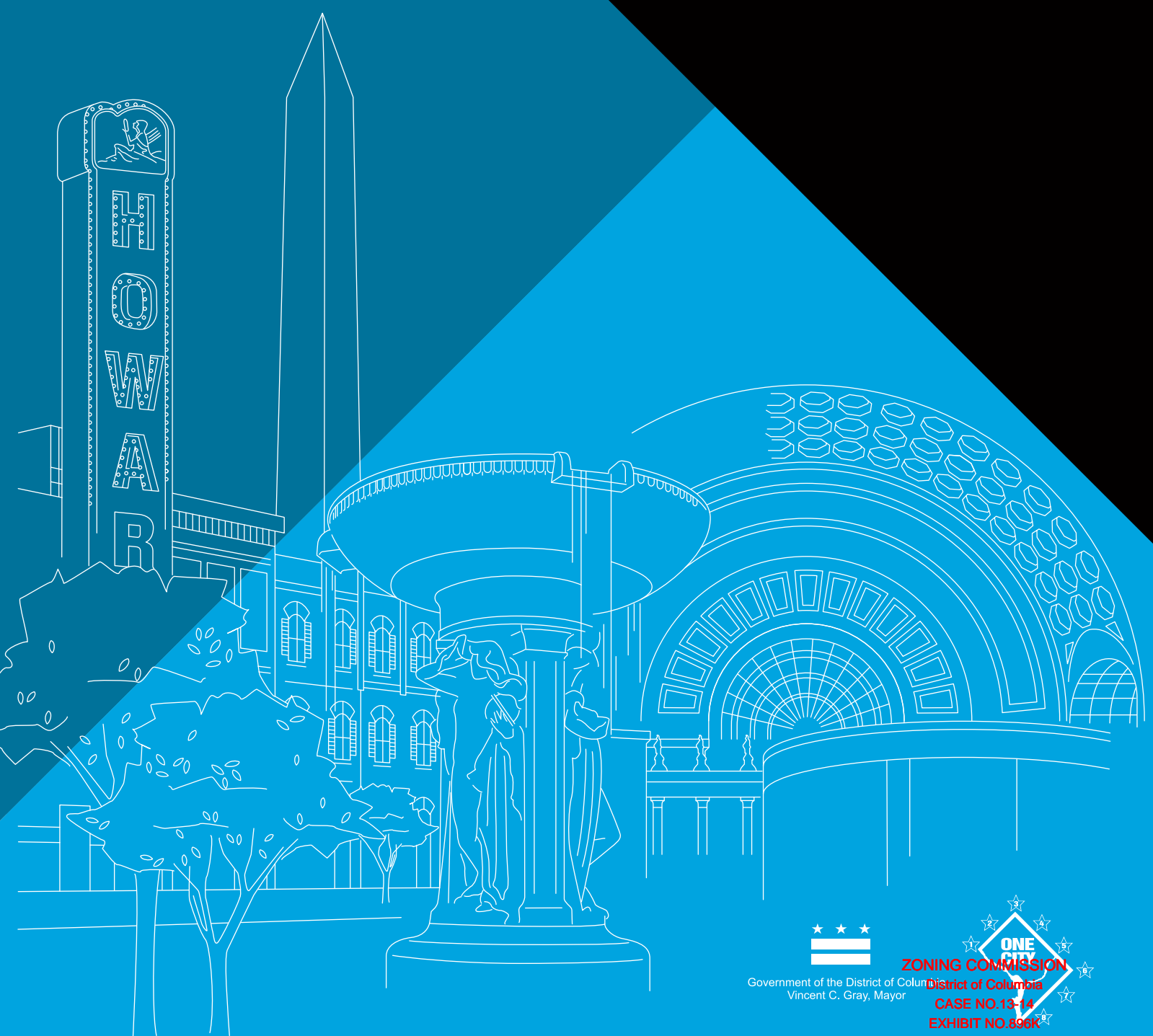


THE FIVE-YEAR

ECONOMIC DEVELOPMENT STRATEGY

FOR THE DISTRICT OF COLUMBIA



Government of the District of Columbia
Vincent C. Gray, Mayor












SECTION C

STRATEGIC INITIATIVES

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Sector Icon Key:

- FEDERAL GOVERNMENT *and* FEDERAL GOVERNMENT CONTRACTORS 
- PROFESSIONAL SERVICES 
- TECHNOLOGY 
- HOSPITALITY 
- RETAIL 
- REAL ESTATE *and* CONSTRUCTION 
- HIGHER EDUCATION *and* HEALTH CARE 

Going Forward: Strategic Initiatives

Six bold visions and supporting goals were crafted based on the findings from key stakeholder interviews, background research and analyses. Turning the bold visions into reality will result in **100,000 new jobs and generation of an additional \$1 billion in tax revenue to support optimal city services.** In the next five years DC can transform itself by establishing the most business-friendly economy in the nation, creating the largest technology center on the East Coast, becoming the nation’s destination of choice, ending retail leakage, building a best-in-class global medical center and becoming the top North American destination for foreign

investors, businesses and tourists. A set of **tactical strategic initiatives** described in this section supports each of the six bold visions and their goals.

Detailed and specific initiatives are necessary for the successful implementation of *The Five-Year Economic Development Strategy*. It is important to note that while some initiatives outlined in the following pages are execution-ready, others require pending resources. The resources and assets of both the public and private sectors are essential in implementing these initiatives.

<p>1</p> <p>Most business-friendly economy in the nation</p> <ul style="list-style-type: none"> Invest in services that simplify the process for launching and operating a business in the District Maintain a well-prepared workforce that meets the needs and demands of employers across major sectors 	<p>2</p> <p>Largest technology center on the East Coast</p> <ul style="list-style-type: none"> Double the number of tech jobs in DC within five years Double the amount of capital invested in DC tech companies within five years Attract the best academic institutions to contribute to an innovation ecosystem 	<p>3</p> <p>Nation's destination of choice</p> <ul style="list-style-type: none"> Invest in and build a nationally recognized infrastructure system Attract and retain talent by leveraging the convenience and excitement of living in DC Rival marketing efforts of the nation's top destinations in promoting tourism Become renowned for delivering the highest standards in hospitality and service 	<p>100,000 new jobs and \$1 billion new tax revenue</p>
<p>4</p> <p>End of retail leakage</p> <ul style="list-style-type: none"> Meet the retail needs of the District's neighborhoods Attract the optimal types of retailers for job creation and tax-base expansion Market real estate opportunities in the District to retailers in order to develop retail-dense areas in the city 	<p>5</p> <p>Best-in-class global medical center</p> <ul style="list-style-type: none"> Establish a medical hub that brings together area hospitals and research institutions Target redevelopment sites for medical and university research and facility development Leverage anchor medical institutions as impetus for growing the nearby local economy 	<p>6</p> <p>Top North American destination for foreign investors, businesses and tourists</p> <ul style="list-style-type: none"> Enabling 200 DC businesses to become active in foreign markets within five years Attracting at least \$500 million in foreign investment within five years Doubling the number of Chinese tourists within five years 	

5 Build Best-in-Class Global Medical Center

With 16 hospitals and more than 10 major universities and colleges, the District is well positioned to become an internationally recognized global medical center. The combined higher education and health care sector is the District's second largest by employment after the federal government. Large anchor institutions within higher education and health care have great potential to spur business development in surrounding neighborhoods. Focusing on the expansion and clustering opportunities within this sector can create the necessary momentum for collaboration, innovation and breakthrough research. In order to build a best-in-class global medical center in the District, the city will prioritize the following goals:

- Establish a medical hub that brings together area hospitals and research institutions
- Target redevelopment sites for medical and university research and facility development
- Leverage anchor medical institutions as impetus for growing the nearby local economy

MOVING FORWARD: STRATEGIC INITIATIVES



Develop the McMillan Reservoir site as a medical office hub.

The 25-acre former McMillan Reservoir Sand Filtration site is an ideal area to develop a medical hub that can rival the medical cluster in Houston. Not only will this site provide a focal point for our medical institutions, but it also delivers much-needed expansion space for area hospitals.

DMPED, in partnership with Trammell Crow Company, a leading real estate developer, will host a McMillan Forum in the coming months to bring together hospitals and medical institutions to gather input and feedback on the development of the McMillan site as a medical hub.



Initiate regular communication among the Deputy Mayor of Planning and Economic Development (DMPED), universities, hospitals and local developers to keep them abreast of each other's new projects.

Universities and medical institutions in the District are continually challenged by the limited expansion options within the city. In response, some universities and hospitals have moved or taken their administrative functions outside of the District. DC will work with these institutions and local developers to identify opportunities for them to expand in the District, close to their central facilities.

DMPED has begun the process of communicating development opportunities to several area universities and hospitals. Projects such as Saint Elizabeths and McMillan have been discussed as potential opportunities for obtaining additional space. Looking ahead, continued collaboration with the

Consortium of Universities of the Washington Metropolitan Area and the medical institutions will foster expansion.



Begin a process to assist small businesses in obtaining procurement contracts at hospitals and universities.

Hospitals and universities are among the largest purchasers of goods in the District. DMPED and DSLBD will partner to investigate procurement contract opportunities on behalf of local small businesses. The concept has been introduced to some universities and hospitals and DSLBD is looking into the feasibility of a small business procurement program.

6 Become Top North American Destination for Foreign Investors, Businesses and Tourists

The District of Columbia is a distinctively international city that has drawn in foreign government entities, businesses, institutions and investors. It is home to the World Bank, the International Monetary Fund, global companies and 176 embassies. Several of its universities have developed programs overseas for many years. However, the city has only recently begun to leverage its unique position to actively attract international businesses, investments and tourists.

The influx of international visitors in recent years reflects the District's attractive economy and amenities as well as global trends. In 2011, the nation's capital welcomed 17.9 million visitors, topping the previous record of 17.4 million in 2000. Arrivals of international visitors reached 1.8 million last year, an annual increase of 4.1 percent. Chinese visitors took the top spot with an estimated 210,000 tourists.³ The average Chinese tourist spends \$716 per stay in the District compared to \$551 for overall overseas visitors. In 2011, Chinese tourists spent more than \$150 million in DC, according to Destination DC.

The District has become an increasingly popular destination for foreign capital. In 2011, CityCenterDC received \$700 million in investment from Qatar.⁴ This is just one example of the District's ability to attract foreign capital. In the last year, \$40 million in EB5 funds (immigration investor program) was raised to support the CityMarket at O Street project.⁵ In light of these emerging trends and opportunities, it is natural for the District to focus on attracting foreign investment and tourists.

In June 2012, the Mayor completed his first visit abroad to China, where he met with dozens of business leaders interested in investing in DC. Since the Mayor's China trip, the District has hosted numerous Chinese delegations and business leaders in Washington to further explore business, development and investment opportunities. The Gray administration will also capitalize on engagement with countries like Brazil, and South Africa as potential export markets.