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Fiscal and Economic Impact Analysis

Reservoir District

Washington, D.C.

Prepared for Trammell Crow Company

August 12, 2026

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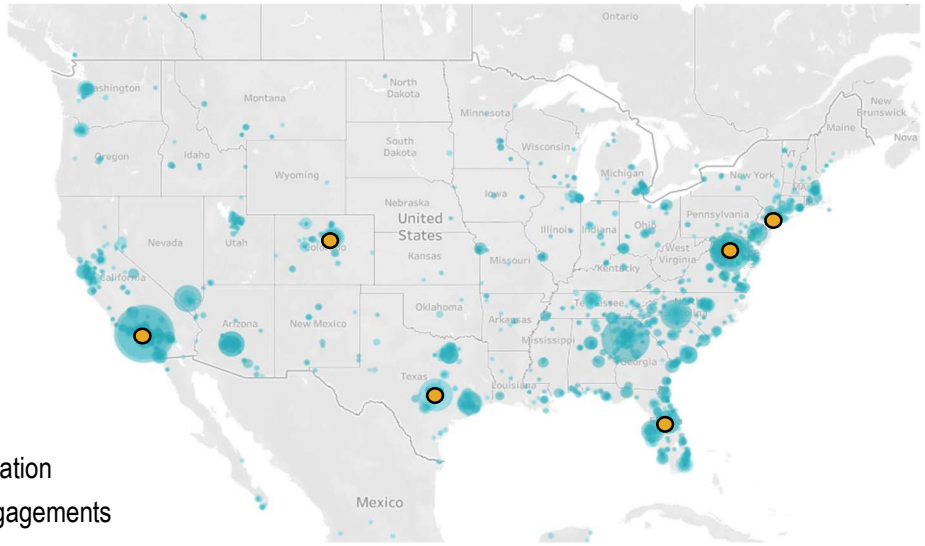
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Project Director

Jacob Ross, Managing Director

P: (240) 404-6811 | jross@rclco.com

Project Manager

Grace Amoh, Senior Associate

P: (240) 380-3102 | gamoh@rclco.com

Additional Authors

Michael Schwartz, Analyst

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Objectives & Key Findings

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OBJECTIVES

Trammell Crow Company ("Client") is planning the development of several buildings in the Reservoir District, near the Bloomingdale neighborhood of Washington, D.C. The project is delivering in partnership with the District, the Office of the Deputy Mayor for Planning and Economic Development ("DMPED"), and multiple developers, including Client, EYA, and Jair Lynch.

In 2015, the Reservoir District received approvals for a specific mix and scale of uses through a Planned Unit Development ("PUD"), which envisioned a mix of market-rate rental apartments, affordable senior apartments, a grocery store, additional ground floor retail, for-sale townhomes, a community center, and medical office space. As part of the PUD process, the Reservoir District also received a special merit designation from the D.C. Mayor's Agent to justify demolition of historic structures, based on its anticipated fiscal and economic impacts.

Since then, the District has delivered the community center, EYA has delivered initial phases of the for-sale townhomes, and Jair Lynch has advanced planning for the market-rate rental apartments, affordable senior apartments, grocery store, and other ground floor retail, with the goal of breaking ground in the near term. Once these components are complete, the remaining planned development at the Reservoir District will be 1,048,000 square feet of medical office space at Parcels 1 and 3, which the Client is currently responsible for delivering. However, Client is exploring a modification to the PUD that would support alternative programs for the portions of the Reservoir District where medical office was originally planned ("Subject Property"), given the vastly changing and deteriorating medical office market conditions at this time.

Against this background, the Client engaged RCLCO to evaluate the fiscal and economic impacts of the Reservoir District based on (1) development that has been delivered or is underway to date ("Existing Uses") and (2) a set of illustrative scenarios that would be permissible under the proposed PUD modification for the Subject Property.

Through this analysis, RCLCO will aim to address the following questions to contextualize how the proposed PUD modifications compare against the project special merit designation:

- **Impacts to-date**: What are the fiscal and economic impacts of the Existing Uses in terms of annual District tax revenues, as well as direct, indirect, and induced job creation?
- **Full buildout impacts under alternative development scenarios**: What would the annual fiscal and economic impacts be at full buildout with the Existing Uses and the Subject Property?
- **Comparative context**: How do these impacts compare to the projected revenues for other notable developments that were approved by the District around 2015, based on forecasts at the time of each project's approval? *Note: comparable projects referenced throughout the analysis vary by metric due to data availability.*

Map of Subject Property
Reservoir District; June 2026

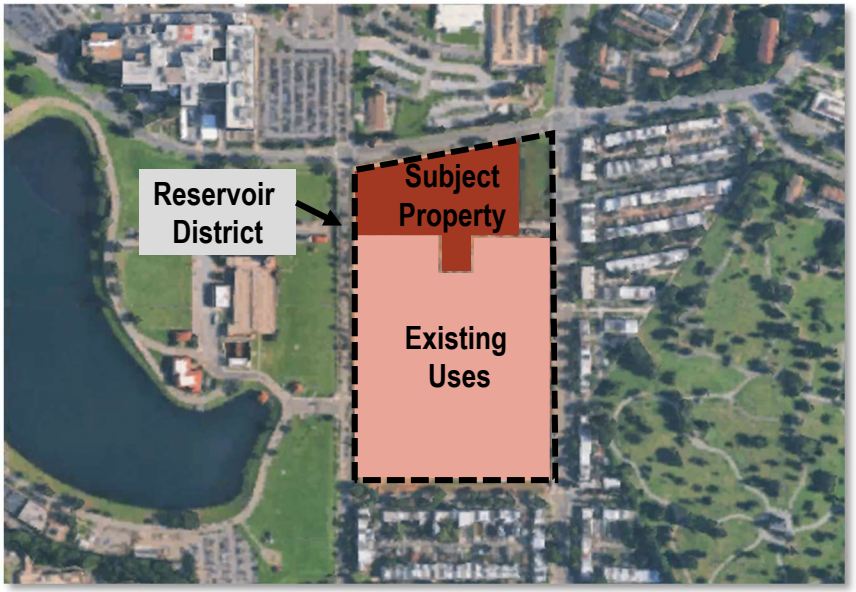


Image Source: Google Maps

KEY FINDINGS

RCLCO evaluated the fiscal and economic impacts of the Reservoir District, both for the existing development already delivered or underway ("Existing Uses") and across several alternative buildout scenarios for the remaining parcels currently approved for medical office ("Subject Property"). Fiscal impacts are measured by the revenues generated for the District of Columbia's Local Fund, net of any transfers or tax increment financing ("TIF") payments. Economic impacts are measured across two dimensions: temporary employment during construction and permanent jobs at project stabilization. All job numbers are full-time equivalent ("FTE") jobs.

RCLCO then compared the revenue and employment generation of the Reservoir District to that of other similar projects that received special merit designation or approvals around 2015, as well as to the projected impacts of the Reservoir District itself at the time of the project's special designation in 2015. Comparisons are made between the forecasted revenues and employment figures from the time of each project's approval and do not reflect current or actual figures. All revenue comparisons are shown in 2015 dollars to allow a consistent basis for comparison.

Fiscal Impact

- **Cumulative revenue (in future-adj. dollars)**: The Reservoir District is on track to be a significant fiscal contributor to the District. Existing Uses are projected to generate $872 million in revenues from 2026 to 2069—a period that concludes 30 years after all properties have delivered. When accounting for the revenues from the Subject Property, total revenues could range from $982 million to $1.5 billion, depending on the mix and scale of uses supported by the market and included in the program.
- **Annual revenue (in 2026 dollars)**: Once stabilized, Existing Uses are poised to generate $9.4 million to the District each year, highlighting the fiscal contributions of the buildings that have already delivered or are underway. These contributions will increase even further after the Subject Property delivers. Depending on the exact mix and scale of uses, annual revenue from the Subject Property is projected to range from $1.3 million to $8.7 million, bringing the total annual fiscal contributions of the Reservoir District to anywhere from $10.7 million to $18.1 million.
- **Peer comparison (in 2015 dollars)**: The Reservoir District compares favorably with other major developments. Existing Uses are expected to generate $7.2 million per year in discounted revenues, above projections for Audi Field ($6.0 million) and St. Elizabeth's East Sports Arena ($4.5 million) at the time. With the delivery of the Subject Property, discounted revenues could range from $8.1 million to $13.7 million, well above peers and in line with the $12.3 million estimated at the time of the 2015 PUD.

Economic Impact

- **Construction employment**: Existing Uses are expected to generate over 2,200 FTE on-site construction jobs over the construction period, including approximately 1,000 that have already been realized and 1,200 that are projected to be necessary in the near term. When including the Subject Property, total construction jobs are expected to reach 3,200 to 4,000, placing the project in the company of landmark developments like Capitol Crossing and CityCenter in terms of construction-phase employment generation, as well as approaching the nearly 4,300 jobs estimated under the 2015 PUD. Including indirect and induced employment, the Reservoir District could support 3,600 to 4,700 FTE jobs from the beginning of construction in 2022 to the delivery of the last phase.
- **Recurring employment**: At stabilization, Existing Uses are projected to support 202 direct permanent jobs on-site, which could expand to 271 to 898 jobs when the Subject Property is completed. With just the Existing Uses, the Reservoir District's employment generation is already in line with forecasts for MLK Gateway (200) and St. Elizabeth's East Sports Arena (300) at the time of designation. With the Subject Property included, the Reservoir District has the potential to rival Audi Field (1,059) under the most intensive scenario. While the current estimate is less than the 3,618 jobs projected under the 2015 PUD, this forecast considered an amount of medical office that is unsupportable in today's market. Even so, the Reservoir District could still generate between 640 and 1,517 jobs at buildout, when including indirect and induced jobs as well.

Fiscal Impact Summary

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CUMULATIVE FISCAL REVENUES

On a cumulative basis, the Reservoir District is already poised to generate $871.8 million (in future-adjusted dollars) to the District through 2069, and this number could reach as high as $1.5 billion with the development of the Subject Property

The table below summarizes the net revenues the Reservoir District is projected to generate to the District's Local Fund from 2026 to 2069, reflecting the time period from today to 30 years after all parcels are assumed to deliver. These figures reflect RCLCO's analysis of the Existing Uses, as well as the range of outcomes at the Subject Property based on four illustrative development scenarios. Program information is outlined on Pages 18 and 19.

- **Existing Uses** are projected to generate $981.1 million in gross Local Fund revenues to the District of Columbia from 2026 to 2069. Of this revenue, $56.3 million is expected to be dedicated to other funds, such as WMATA Capital or the Healthy DC and Healthcare Expansion Fund. An additional $53.0 million is expected to be dedicated to tax increment financing ("TIF") based on the approved 20-year abatement for the Jair Lynch parcels. Following these transfers, net Local Fund revenues are projected to total $871.8 million, a significant addition to the District's budget.
- If additional uses are permitted under the PUD modification, the **Subject Property** could generate an additional $110.5 million to $651.7 million in revenues over the same period, depending on the exact mix and scale of uses. In general, scenarios that incorporate greater amounts of market-driven development tend to generate more revenue than ones with greater amounts of institutional-driven development (e.g., education), which can involve property and/or corporate income tax exemptions.
- In total, the **Reservoir District** could generate between $982.3 million and $1.5 billion in cumulative revenues to the District of Columbia in the long term.

Summary of Cumulative Revenues (in Nominal Dollars)
Reservoir District; 2026-2069

	EXISTING USES		SUBJECT PROPERTY			TOTAL, RESERVOIR DISTRICT	
	TOTAL (A)	+	MIN (B)	MAX (C)	=	MIN (A) + (B)	MAX (A) + (C)
REVENUES							
Gross Local Fund Revenues	**$981,129,000**		**$127,857,000**	**$759,712,000**		**$1,108,986,000**	**$1,740,841,000**
Less Revenue Dedicated to Other Funds	($56,332,000)		($17,385,000)	($107,997,000)		($73,717,000)	($164,329,000)
Less Revenue Dedicated to TIF	($52,967,000)		-	-		($52,967,000)	($52,967,000)
TOTAL LOCAL FUND REVENUES	**$871,830,000**		**$110,472,000**	**$651,716,000**		**$982,302,000**	**$1,523,546,000**

Source: RCLCO

ANNUAL FISCAL SUMMARY

On an annual basis, the Reservoir District is poised to generate $10.7 to $18.1 million (in 2026 dollars) in revenue to the District at full buildout, highlighting the fiscal significance of the project

The table below presents stabilized annual Local Fund revenues for the Reservoir District, broken out by revenue category across Existing Uses and ranges for the illustrative development scenarios at the Subject Property. Figures represent annual revenues at project stabilization and are shown in 2026 dollars.

- **Existing Uses** are projected to add approximately $9.4 million in net Local Fund revenue to the District of Columbia each year. Revenues are driven primarily by income and sales taxes generated from on-site households. Once the TIF on the Jair Lynch parcels is repaid after the 20-year financing period, property taxes would be fully realized, eclipsing sales taxes as the second-largest revenue driver and adding to the total revenue generation shown below.
- At the **Subject Property,** incremental revenues are expected to range from $1.3 million to $8.7 million per year depending on whether additional uses are permitted under the PUD modification.
- In total, the **Reservoir District** is projected to generate between $10.7 million and $18.1 million per year in additional revenues to the Local Fund.

Summary of Stabilized Annual Revenue (in 2026 Dollars)
Reservoir District; At Stabilization

	EXISTING USES		SUBJECT PROPERTY			TOTAL, RESERVOIR DISTRICT	
	TOTAL (A)	+	MIN (B)	MAX (C)	=	MIN (A) + (B)	MAX (A) + (C)
REVENUES							
Property Taxes	$3,254,000		$30,000	$2,722,000		$3,284,000	$5,976,000
Sales Taxes	$2,340,000		$698,000	$3,961,000		$3,038,000	$6,301,000
Income Taxes	$5,323,000		$498,000	$3,083,000		$5,821,000	$8,406,000
Deed Transfer Taxes	$196,000		-	-		$196,000	$196,000
Deed Recordation Taxes	$196,000		-	-		$196,000	$196,000
Other	$609,000		$289,000	$357,000		$898,000	$966,000
Lottery	$58,000		-	-		$58,000	$58,000
Gross Local Revenues	**$11,974,000**		**$1,514,000**	**$10,123,000**		**$13,488,000**	**$22,097,000**
Less Revenue Dedicated to Other Funds	($692,000)		($215,000)	($1,462,000)		($907,000)	($2,154,000)
Less Revenue Dedicated to TIF	($1,864,000)		-	-		($1,864,000)	($1,864,000)
TOTAL LOCAL FUND REVENUES	**$9,419,000**		**$1,300,000**	**$8,661,000**		**$10,719,000**	**$18,080,000**

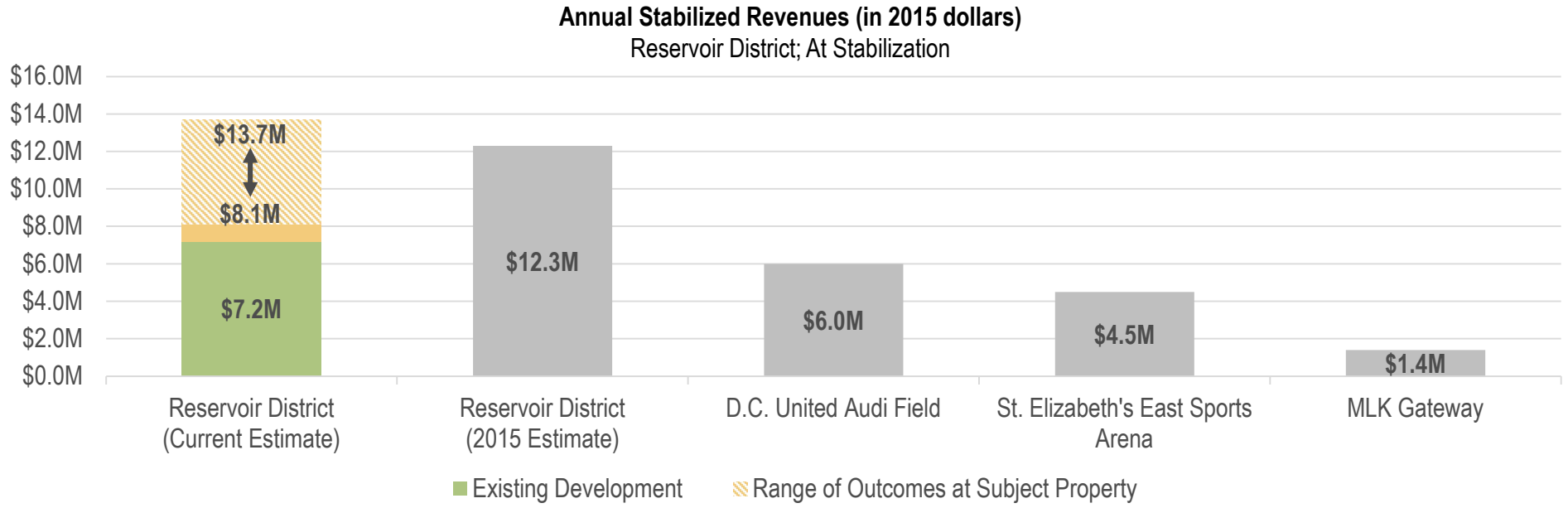
Source: RCLCO

FISCAL IMPACT COMPARISON

When compared to projects approved around the same time, the Reservoir District already exceeds peers in terms of revenue generation, with future development at the Subject Property extending that advantage further

To provide comparative context for the expected fiscal impact of the Reservoir District, RCLCO discounted the project's forecasted annual revenue generation at stabilization to 2015 dollars, based on changes in the Consumer Price Index ("CPI"). This approach enabled a like-for-like comparison against other major developments approved by the District around the same time, as well as the original estimate for the 2015 Reservoir District PUD.

- **Existing Uses:** Considering the rate of inflation, the $9.4 million in revenues in today's dollars (see Page 10) is equivalent to approximately $7.2 million in 2015 dollars. This level of revenue generation already surpasses that which was projected for other projects around the time of their approval: St. Elizabeth's East Sports Arena ($4.5 million), D.C. United's Audi Field ($6.0 million), and MLK Gateway ($1.4 million). This comparison highlights the extensive fiscal benefits of the Existing Uses relative to other projects, even before considering the impact of future development at the Subject Property.
- **Subject Property:** Estimated revenues across a range of possible scenarios at the Subject Property are expected to extend the lead further. Depending on the exact program, the Reservoir District's total discounted revenues could reach between $8.1 million and $13.7 million (in 2015 dollars). This estimate remains in line with the $12.3 million fiscal impact projected for the Reservoir District during its special designation in 2015.



Note: Under "Reservoir District (Current Estimate)", the solid yellow bar shows the increase in total Reservoir District revenue under the minimum Subject Property scenario. The striped yellow bar shows the additional increase up to the maximum Subject Property scenario, indicating the full range of total Reservoir District revenue.
Source: Government of the District of Columbia, DMPED Investor Handouts; RCLCO

Economic Impact Summary

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CONSTRUCTION ECONOMIC IMPACT

The Existing Uses are projected to generate nearly 2,600 total jobs during construction period, with full buildout of the Reservoir projected to generate up to 4,700 total jobs

The Reservoir District has employed—and will continue to employ—a large number of construction workers to build out the 25-acre site. Employment impacts are measured across direct, indirect, and induced categories. Direct jobs reflect on-site construction activity, while indirect and induced jobs capture effects that ripple through the broader economy of the District. These figures represent total employment over the construction period; because jobs are measured annually and summed across all construction years, positions that persist across multiple years are counted more than once.

- **Direct Employment:** Construction of Existing Uses is estimated to support 2,234 direct FTE jobs, while the Subject Property could add between 920 and 1,809 direct positions depending on the exact mix and scale of uses. In total, the project-wide direct FTE employment could range from 3,154 to 4,043 jobs. Because these jobs are measured in annual job-years and development is expected to occur in phases over a multi-year period, this estimate is equivalent to an average of 294 to 449 FTE on-site construction jobs in any given year during the development process.
- **Total Employment:** Inclusive of indirect and induced employment generated off-site, the Existing Uses are expected to generate 2,582 FTE jobs, while the Subject Property could potentially add between 1,056 and 2,156 FTE jobs. The direct jobs created would include carpenters, electricians, etc., and other jobs created would be related to business-to-business spending (indirect), e.g., contracted services and material providers, or off-site employee spending (induced), e.g., dining. These totals bring the potential construction employment from the Reservoir District to a range of 3,638 to 4,738 FTE jobs, equivalent to an average of 338 to 526 FTE jobs in any given year during the development process.

Summary of Construction Jobs (FTE)
Reservoir District; 2022 to 2030-2033

	EXISTING USES		FUTURE SCENARIOS			PROJECT TOTAL	
	TOTAL (A)	+	MIN (B)	MAX (C)	=	MIN (A) + (B)	MAX (A) + (C)
CONSTRUCTION EMPLOYMENT							
Direct	2,234		920	1,809		3,154	4,043
Indirect	165		50	182		215	347
Induced	183		86	165		269	348
TOTAL CONSTRUCTION EMPLOYMENT	**2,582**		**1,056**	**2,156**		**3,638**	**4,738**

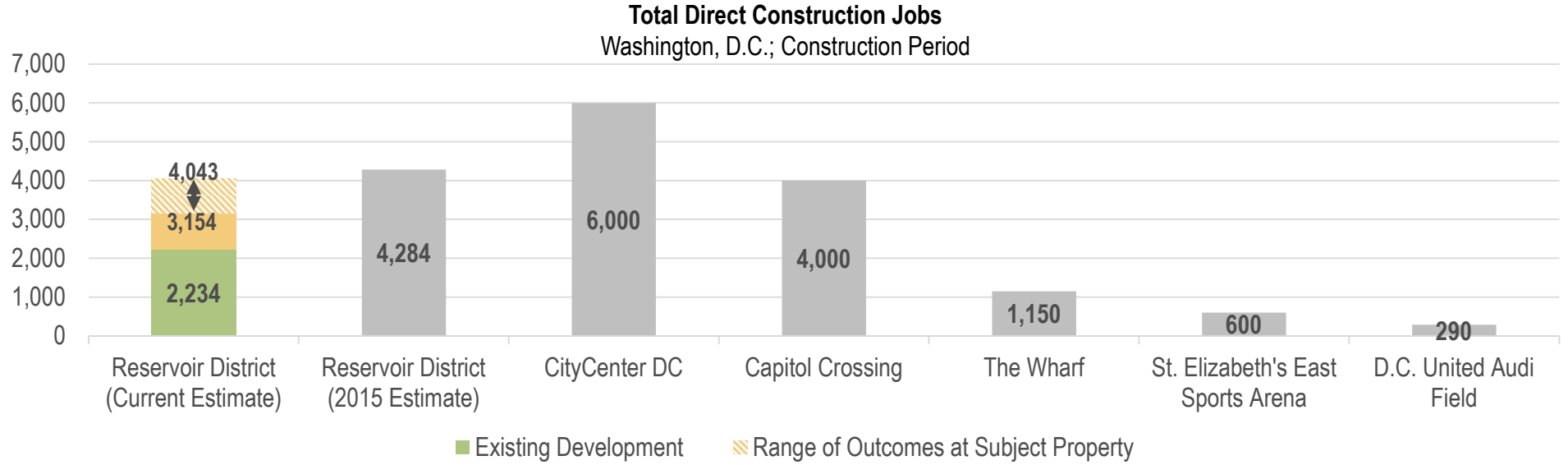
Note: Construction timeline varies based on future scenario
Source: IMPLAN; RCLCO

CONSTRUCTION ECONOMIC IMPACT COMPARISON

The Reservoir District is comparable to other major developments across the District in terms of estimated employment generation during construction

Estimated construction employment at the Reservoir District is above average compared with that of other projects approved earlier or around the same time. The chart below benchmarks direct, on-site construction employment at the Reservoir District against projected employment for five other large development projects in the District. All projections are based on estimates developed around the time of each project's approval. Because these figures represent total direct employment summed over each project's construction period, positions that persist across multiple years are counted in each year they occur.

- **Existing Uses:** The construction of the Existing Uses at the Reservoir District is estimated to generate 2,234 direct construction jobs, exceeding St. Elizabeth's East Sports Arena (600 jobs) and D.C. United's Audi Field (290 jobs), both of which received a special merit designation. This positions the project's existing footprint as a meaningful construction employment generator relative to other major projects, attributable to the large and multi-phase nature of the Reservoir District, which has driven job creation across many years.
- **Subject Property:** If additional uses are permitted under the PUD modification, future development at the Subject Property is poised to support between 920 and 1,809 additional direct construction jobs on-site, bringing the total to a range of 3,154 to 4,043 over the full project timeline. The Reservoir District has the potential to surpass the scale of Capitol Crossing (4,000 jobs) and approach the scale of CityCenter (6,000 jobs) in total construction job generation. Additionally, the estimated number of construction jobs created could approach the 4,284 jobs originally estimated under the 2015 PUD.



Note: Under "Reservoir District (Current Estimate)", the solid yellow bar shows the increase in total Reservoir District construction employment under the minimum Subject Property scenario. The striped yellow bar shows the additional increase up to the maximum Subject Property scenario, indicating the full range of total Reservoir District construction employment.

Source: IMPLAN; Government of the District of Columbia; DMPED Investor Handouts; RCLCO

RECURRING ECONOMIC IMPACT

Existing Uses are already projected to generate 422 total recurring jobs, and the Subject Property is poised to increase total employment generation from the Reservoir District to as many as 1,517 jobs at full buildout

The Reservoir District will create recurring impacts from ongoing site operations (e.g., retail) as well as household and employee spending. Using the program assumptions outlined on Pages 18 and 19, RCLCO estimated the number of direct recurring jobs at the Reservoir District. Then, RCLCO quantified the indirect and induced jobs the economic activity from the Reservoir District is expected to support elsewhere in the District.

- **Existing Uses** are projected to support 202 direct FTE jobs, mainly attributable to planned ground floor retail in the Jair Lynch Parcels and the community center. For every direct job created by the Existing Uses, another 1.1 jobs are expected to be supported elsewhere in the District, primarily for household-serving uses such as healthcare, banks, and restaurants given the large residential base on-site.
- The **Subject Property** could add between 218 and 1,095 FTE jobs, depending on whether additional uses are permitted under the PUD modification. Certain uses—such as education, healthcare, office, and hotel—are expected to generate higher levels of direct employment, with more modest indirect and induced job creation due to limited off-site employee spending. In contrast, rental apartments may generate lower levels of direct employment but are likely to produce greater indirect and induced job creation as on-site households spend elsewhere in the District. Additionally, rental apartments would expand housing opportunities and help alleviate supply constraints, advancing key policy objectives.
- In total, the **Reservoir District** could support a range of 640 to 1,517 total recurring jobs. Of these jobs, an estimated 271 to 898 are direct jobs generated at the Reservoir District itself, while another 369 to 619 are indirect or induced jobs.

Summary of Recurring Jobs (FTE)
Reservoir District; At Stabilization

	EXISTING USES		FUTURE SCENARIOS			PROJECT TOTAL	
	TOTAL (A)	+	MIN (B)	MAX (C)	=	MIN (A) + (B)	MAX (A) + (C)
Stabilized Recurring Employment							
Direct	202		69	696		271	898
Indirect	27		7	271		34	297
Induced	193		142	128		335	322
Total	**422**		**218**	**1,095**		**640**	**1,517**

Note: Figures may not sum to totals shown due to rounding.
Source: IMPLAN; RCLCO

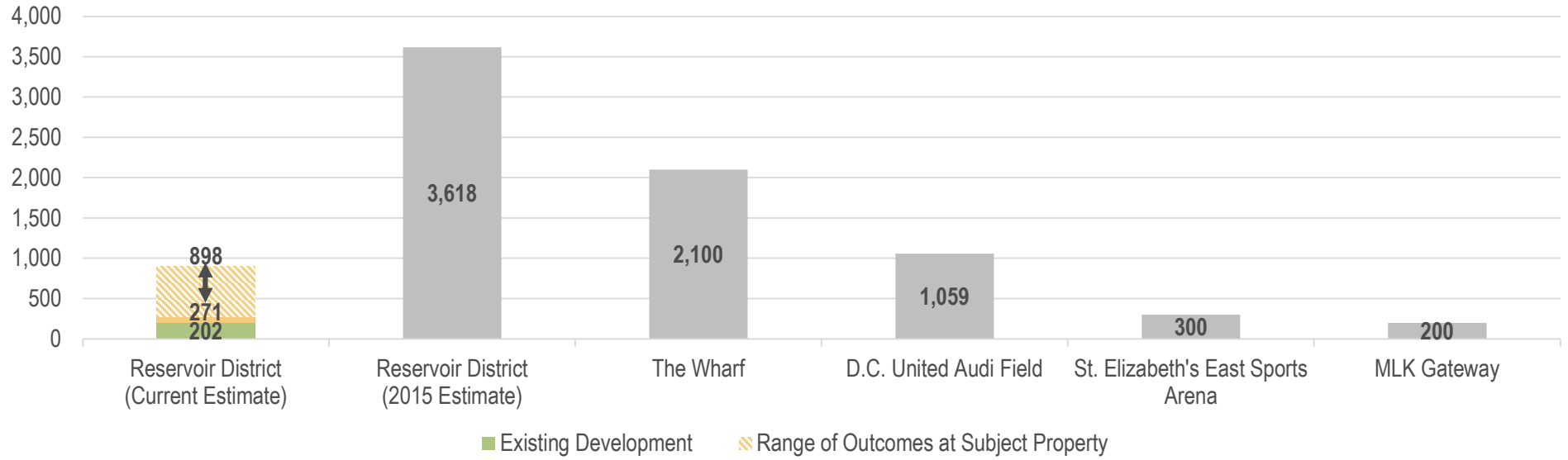
RECURRING ECONOMIC IMPACT COMPARISON

Direct recurring job creation for the Existing Uses is projected to be comparable to smaller peer projects, with future development at the Subject Property poised to close the gap with larger mixed-use developments

Given its large residential base and more neighborhood-scale density (especially compared to The Wharf), the Reservoir District is expected to produce a moderate number of recurring jobs compared to peers. To provide further comparative context, RCLCO benchmarked the permanent, recurring employment generated on-site at the Reservoir District at stabilization against that which was projected for other major developments in the District at the time of their approval. The Existing Uses are anticipated to contribute meaningful stabilized recurring employment, with future scenarios expected to close the gap with larger mixed-use developments.

- **Existing Uses:** The Reservoir District's existing development is projected to support 202 direct jobs on-site at project stabilization, comparable to MLK Gateway (200 jobs) and approaching St. Elizabeth's East Sports Arena (300 jobs).
- **Subject Property:** Further development at the Subject Property is expected to add between 69 and 696 direct recurring jobs, bringing the total to a range of 271 to 898 jobs, approaching Audi Field (1,059 jobs) depending on the exact mix and scale of uses. Although the estimated number of recurring jobs does not reach the 3,618 originally projected under the 2015 PUD, which contemplated an amount of medical office space that is unsupportable in today's market, the Reservoir District still has the potential to be a substantial employment generator.

Total Direct Recurring Jobs
Washington, D.C.; At Stabilization



Note: Under "Reservoir District (Current Estimate)", the solid yellow bar shows the increase in total Reservoir District employment under the minimum Subject Property scenario. The striped yellow bar shows the additional increase up to the maximum Subject Property scenario, indicating the full range of total Reservoir District employment.
Source: IMPLAN; Government of the District of Columbia; RCLCO

Program Assumptions

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EXISTING PROGRAM ASSUMPTIONS

Townhomes and a community center have already delivered in the Reservoir District, with rental housing, ground floor retail, and an additional phase of townhomes expected to deliver in the coming years

The Reservoir District program assumptions below reflect the mix of uses across the project's delivered and in-progress components and were used by RCLCO to examine fiscal and economic impacts, alongside RCLCO-sourced assumptions drawn from industry-standard databases including Oxford Economics, Esri, and the U.S. Census Bureau.

- **Completed / Partially Complete**: The District's 290,000 square foot community center has been delivered and is operating. EYA's 146 for-sale townhomes are underway, with the majority of homes already sold and an estimated final completion date of Q4 2027.
- **Under Construction:** Jair Lynch currently has three parcels that are planned to begin construction in the near term, consisting of 584 rental apartments, including 299 market-rate units, 150 workforce units, and 135 affordable units; 57,000 square feet of retail, including a 22,500 square foot grocery store; and 413 parking spaces. These parcels are expected to deliver between 2027 and 2028 at the earliest.

Summary of Existing Real Estate Program
Reservoir District; June 2026

	Community Center	EYA Townhomes	Jair Lynch Parcel 2 East	Jair Lynch Parcel 2 West	Jair Lynch Parcel 4	TOTAL
CONSTRUCTION TIMING						
Begins	2022	2024	2027 (est.)	2027 (est.)	2026 (est.)	**2022**
Delivers	2024	2027	2028 (est.)	2028 (est.)	2027 (est.)	**2028 (est.)**
REAL ESTATE PROGRAM						
Community Center	289,573 SF					**289,573 SF**
Townhomes		146 Units				**146 Units**
Apartments			135 Units	125 Units	324 Units	**584 Units**
Retail				15,564 SF	41,758 SF	**57,322 SF**
Restaurant				*12,012 SF*	*8,258 SF*	*20,270 SF*
Grocery					*22,500 SF*	*22,500 SF*
Other Retail				*3,552 SF*	*11,000 SF*	*14,552 SF*
Parking			45 Spaces	84 Spaces	284 Spaces	**413 Spaces**

Source: Client

FUTURE PROGRAM ASSUMPTIONS

Four possible scenarios were considered to estimate representative outcomes at the Subject Property if additional uses were permitted under the PUD modification

The scenarios below are illustrative of a range of development outcomes that could be enabled with different zoning than the PUD currently allows. These program assumptions were analyzed by RCLCO to understand the breadth of potential fiscal and economic outcomes that could be expected.

- **Healthcare:** The Subject Property incorporates medical office and other healthcare-related space, as currently envisioned under the PUD. However, the scale of this space is lower than that which is reflected under the PUD, to account for current market conditions. Additionally, the property has ground floor retail.
- **Education:** The Subject Property serves as an office building anchored by a university or as a university's satellite campus, with accompanying ground floor retail. Education uses could also support nearby medical users.
- **Rental Apartment**: The Subject Property is residential-focused, with 421 market-rate and 105 affordable apartment units and ground floor retail.
- **Mixed-Use Hospitality:** The Subject Property includes a 290-key hotel, 117,500 square feet of traditional office, and 15,000 square feet of ground floor retail, creating a dynamic mixed-use environment.

Summary of Future Real Estate Program Scenarios
Reservoir District; June 2026

	Subject Property Healthcare	Subject Property Rental Apartments	Subject Property Education	Subject Property Mixed-Use Hospitality
CONSTRUCTION TIMING				
Begins	2028	2028	2030	2028
Delivers	2031	2030	2033	2030
REAL ESTATE PROGRAM				
Apartments		526 Units		
Retail	15,000 SF	15,000 SF	15,000 SF	15,000 SF
Restaurant	*3,750 SF*	*7,500 SF*	*7,500 SF*	*8,250 SF*
Other Retail	*11,250 SF*	*7,500 SF*	*7,500 SF*	*6,750 SF*
Healthcare / Education Space	145,000 SF		250,000 SF	
Office				117,500 SF
Hotel				290 Rooms
Parking	401 Spaces	316 Spaces	900 Spaces	201 Spaces

Note: In all scenarios, there is no proposed reduction to the ground floor retail requirement as required by the PUD.
Source: Client

Fiscal Impact Methodology

RCLCO
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DEFINITION OF NET REVENUES

The following report highlights how the Reservoir District will contribute fiscally to the District of Columbia by analyzing the Local Fund revenues the development will generate, less transfers to other funds. The analysis starts with an estimate of gross General Fund revenues, including property taxes, sales taxes, and income taxes, among other revenue sources. The analysis then deducts dedicated revenues, such as parking taxes that go toward WMATA, to arrive at Local Fund revenues. In the case of the Reservoir District, the analysis also deducts Real Property Tax revenue for uses within the TIF district, which would not be capturable by the District as a result of the approved abatement.

To develop a forward-looking projection of revenues, this analysis assumes the District's underlying tax rates and structure will remain consistent with those in the Fiscal Year ("FY") 2026 Approved Budget and Financial Plan. For more details on the methodology, please see the graphic below.

Calculation of Revenues
Reservoir District; June 2026

GROSS REVENUES		TRANSFERS		TOTAL LOCAL FUND REVENUES
Property Taxes	–	**WMATA Operations**	=	
▶ Real Property [1] ▶ Public Space Rental				
▶ Personal Property		**WMATA Capital**		
Sales Taxes		**Commission on Arts and Humanities**		
▶ General Sales ▶ Alcohol				
▶ Meals ▶ Cigarette		**Healthy DC Fund**		
▶ Hotel ▶ Motor Vehicle				
▶ Parking ▶ Motor Fuel		**Alcoholic Beverage Regulation Administration**		
Income Taxes		**Highway Trust Fund**		
▶ Individual ▶ Unincorporated Business				
▶ Corporate Franchise		**Housing Production Trust Fund**		
Deed Transfer Taxes		**Other Funds**		
Deed Recordation Taxes		**TIF District**		
Other				
▶ Economic Interest ▶ Gross Receipts				
▶ Estate ▶ Non-Tax				
Lottery				

[1] Some Real Property Tax revenues were deducted before determining Net Fiscal Impact to account for the tax abatement that would apply to Parcel 2 West and Parcel 4.

REVENUES

Property Tax

In the District of Columbia, the primary sources of Property Tax revenue include real property tax, personal property tax, and public space rental. To calculate the property tax revenue the Reservoir District will generate to the District of Columbia, RCLCO applied the following methodology:

- **Real Property Tax**: For uses that have already delivered and are generating property tax revenue, RCLCO considered the existing assessed value and property tax generation. For uses that are under construction, planned, or part of the scenarios for the Subject Property, RCLCO projected the assessed value of each component based on comparable properties in the District and then applied the relevant real property tax rate. For more information on the estimated assessed values and corresponding property tax rates, please see Exhibit I-1a and Exhibit I-4. When determining cumulative revenue generation over the next 30 years, RCLCO assumed assessed values would increase by an average of 2.5% per year to account for inflation and market escalation.
- **Public Space Rental**: For select revenues that cannot be easily calculated based on the development that is likely to take place, RCLCO allocated anticipated revenues on a per resident and/or employee basis, as detailed on Exhibit I-2. RCLCO assumed current budget estimates would increase by an average of 2.5% per year to account for inflation and other market escalations. Next, RCLCO projected the number of residents and employees at the Reservoir District for any given year using the program information on Pages 18 and 19, the U.S. Census Bureau data on household sizes by housing type, and industry-standard assumptions on square footage per employee. In the case of Public Space Rental revenues, RCLCO applied the volume of Public Space Rental revenues per employee to the number of employees at the Reservoir District in any given year.
- **Personal Property Tax**: To project the Personal Property Tax revenue associated with the Reservoir District, RCLCO estimated the value of personal property based on its improved value, using the same approach used to calculate assessed values for Real Property Tax revenue (see *Real Property Tax*). For more information on the estimated assessed values and corresponding property tax rates, please see Exhibit I-1a and Exhibit I-4. Next, RCLCO examined the relationship between improved value and taxable personal property value in the District of Columbia, as reported in the D.C. Tax Facts Visual Guide Report. Based on this information, RCLCO estimated the value of taxable personal property would be equivalent to 2.69% of improved value. RCLCO assumed the first $225,000 of personal property value would be exempt and then applied the Personal Property Tax rate of $3.40 per $100 of assessed value to the remainder. When determining cumulative revenue generation over the next 30 years, RCLCO assumed assessed values would increase by an average of 2.5% per year to account for inflation and market escalation.

Sales and Excise Tax

In the District of Columbia, the primary sources of Sales and Excise Tax revenue include General Sales Tax, Alcohol Tax, Cigarette Tax, Motor Vehicle Tax, and Motor Fuel Tax. To calculate the Sales and Excise Tax revenue the Reservoir District will generate to the District of Columbia, RCLCO applied the following methodology:

- **General Sales:** The District applies different General Sales Tax rates based on the types of purchases taking place. To project General Sales Tax revenue at the Reservoir District, RCLCO considered the following sources:
  - **General Sales Tax**: RCLCO applied a sales tax rate of 6.00% to all purchases made in FY 2026 and earlier and a rate of 7.00% to all purchases made in FY 2027 and later, reflecting an increased sales tax expected to go into effect October 1, 2026. RCLCO applied this rate to all on-site retail sales, online spending from on-site residents and businesses, and construction material spending.
    - On-Site Retail Sales: To calculate Sales Tax revenue from on-site retail sales, RCLCO first examined the program information on Pages 18 and 19, estimating the amount of occupied retail in any given year using industry-standard assumptions on stabilized occupancy rates. Next, RCLCO used client-provided rents, while also leveraging the firm's past work in the Washington, D.C. region, to develop estimates of sales per square foot by type of tenant, summarizing this information to obtain different thresholds for Grocery, Restaurant, and Other Retail users. In each case, RCLCO assumed the appropriate threshold would increase by an average of 2.5% per year to account for inflation and other market escalations. To calculate on-site retail sales, RCLCO applied these thresholds to its estimate of occupied retail in any given year. Finally, RCLCO applied the relevant Sales Tax rate to 100.0% of Other Retail sales and 10.0% of Grocery sales, accounting for the fact that many grocery purchases in the District are not subject to this Sales Tax rate.
    - Online Spending from On-Site Residents: To calculate Sales Tax revenue from the online spending of on-site residents, RCLCO estimated the number of on-site households using industry-standard assumptions on stabilized occupancy rates by type of housing unit. Next, RCLCO utilized Client-provided rent and sale price estimates to project the average incomes of on-site households by type of housing unit, assuming on-site households will not spend more than 25.0% (owners) to 30.0% (renters) of their incomes on their mortgage/rent. When doing so, RCLCO considered different income levels for residents of market-rate, workforce, and affordable units and assumed these income levels would increase by an average of 2.5% per year to account for inflation and other market escalations. After projecting the average incomes of on-site households by type of housing unit, RCLCO estimated households would spend approximately 28% of their income on retail spending, based on data from Esri. Of this spending, RCLCO determined approximately 17% of retail spending would take place online, based on data from the Federal Reserve Bank of St. Louis. Using this information, RCLCO projected annual online spending from on-site residents and applied the sales Tax rate.

Sales and Excise Tax (Continued)

- Online Spending from On-Site Businesses: To calculate Sales Tax revenue from the online spending of on-site businesses, RCLCO considered the number of on-site employees in any given year, as calculated previously (see *Public Space Rental*). Next, RCLCO estimated businesses would spend an average of $270 per employee in FY 2026 on annual retail purchases and assumed this amount would increase by an average of 2.5% per year to account for inflation and other market escalations. Of all retail purchases made by businesses, RCLCO estimated approximately 80.0% would take place online. Using this information, RCLCO projected annual online spending from on-site businesses and applied the Sales Tax rate.
- Construction Material Spending: To calculate Sales Tax revenue from construction material spending, RCLCO considered Client-provided information on anticipated construction timing and costs, assuming costs would increase by an average of 2.5% per year. Based on previous work with developers in the Washington, D.C., region, RCLCO estimated that approximately 50.0% of these costs would be attributable to material purchases, and that approximately 5.0% of material purchases would take place within the District as opposed to other local jurisdictions. RCLCO also included FF&E costs, as provided by the client. Using this information, RCLCO projected annual construction material spending and applied the Sales Tax rate.

- **10.00% Food Service Sales Tax**: The 10.00% Food Service Sales Tax applies to restaurant meals, liquor and soft drinks for consumption on the premises, and rental vehicles. To calculate Food Service Sales Tax revenue, RCLCO considered its previously described projections of on-site retail sales (*General Sales Tax*). After doing so, RCLCO applied the 10.00% Food Service Sales Tax rate to 100.0% of Restaurant sales. In addition, RCLCO also applied the 10.00% Food Service Sales Tax rate to 5.0% of Grocery sales to account for the fact that prepared food purchases are subject to this tax as well.
- **10.25% Sales Tax**: The 10.25% Sales Tax applies to alcoholic beverages sold for off-the-premises consumption, rental or leasing of rental vehicles, and tickets to events at Nationals Park or Capital One. In the case of the Reservoir District, RCLCO determined that beer and wine sales are likely to be the primary source of this tax revenue. To project this tax revenue, RCLCO considered its previously described projections of on-site retail sales (see *General Sales Tax*) and estimated 10.0% of Grocery sales would involve the purchase of beer and/or wine. RCLCO then applied the 10.25% Sales Tax rate.
- **14.95% Hotel Sales Tax**: The 14.95% Hotel Sales Tax applies to hotel receipts. RCLCO determined hotel receipts by multiplying hotel keys, occupancy, and average daily rates ("ADR") based on Client-provided data. The daily receipts were multiplied by 365 to arrive at annual hotel receipts, and assumed to increase by an average of 2.5% per year to account for inflation and other market escalations. RCLCO then applied the Hotel Sales Tax rate.
- **18.00% Parking Sales Tax**: The 18.00% Parking Sales Tax applies to charges associated with parking motor vehicles in lots or garages.
- **Alcohol**: The District applies various taxes to alcoholic beverages manufactured or brought into the District, the volume of which is likely to increase or decrease based on the number of residents and employees in the District. Based on the FY 2026 Approved Budget and Financial Plan, RCLCO used historical and current figures for Alcohol Tax revenue. See Exhibit I-2. RCLCO assumed budget estimates would increase by an average of 2.5% per year to account for inflation and other market escalations. RCLCO then applied these amounts to the previously determined number of on-site residents and employees (see *Public Space Rental*) to arrive at Alcohol Tax revenue from the Reservoir District in any given year.

Sales and Excise Tax (Continued)

- **Cigarette**: The District applies taxes on the sale of cigarettes and other tobacco products, the volume of which is likely to increase or decrease based on the number of employees and residents in the District. Based on the FY 2026 Approved Budget and Financial Plan, RCLCO projected the revenue that each new employee and resident would generate. See Exhibit I-2. RCLCO assumed budget estimates would increase by an average of 2.5% per year to account for inflation and other market escalations. RCLCO then applied these amounts to the previously determined number of on-site residents and employees (see *Public Space Rental*) to arrive at the Cigarette Tax revenue from the Reservoir District in any given year.
- **Motor Vehicle**: The District applies an excise tax on motor vehicle sales, the volume of which is likely to increase or decrease based on the number of residents in the District. Based on the FY 2026 Approved Budget and Financial Plan, RCLCO projected the revenue that each new resident would generate. See Exhibit I-2. RCLCO assumed budget estimates would increase by an average of 2.5% per year to account for inflation and other market escalations. RCLCO then applied these amounts to the previously determined number of on-site residents (see *Public Space Rental*) to arrive at Motor Vehicle Tax revenue from the Reservoir District in any given year.
- **Motor Fuel**: The District applies an excise tax on motor fuel sales, the volume of which is likely to increase or decrease based on the number of residents and employees in the District. Based on the FY 2026 Approved Budget and Financial Plan, RCLCO projected the revenue that each new employee would generate. See Exhibit I-2. RCLCO assumed budget estimates would increase by an average of 2.5% per year to account for inflation and other market escalations. RCLCO then applied these amounts to the previously determined number of on-site residents and employees (see *Public Space Rental*) to arrive at Motor Fuel Tax revenue from the Reservoir District in any given year.

Income Tax

In the District of Columbia, the primary sources of Income Tax revenue include Individual Income Tax, Corporate Franchise Tax, and Unincorporated Business Tax. To calculate the Income Tax revenue the Reservoir District will generate to the District of Columbia, RCLCO applied the following methodology:

- **Individual Income Tax**: RCLCO applied the Income Tax rate schedule, as of FY 2026, to the incomes of on-site households and on-site employees to determine Individual Income Tax revenue from the Reservoir District in current and future years.
  - Individual Income Taxes from On-Site Households: To determine Individual Income Taxes from on-site households, RCLCO calculated a weighted average household income for households at the Reservoir District using its previous projections of average household income by type of housing unit and on-site households by type of housing unit (see *General Sales Tax*). Of this weighted average household income, RCLCO assumed no more than 80.0% would be taxable. RCLCO used this information and then applied the Income Tax rate schedule to determine the average Income Tax revenue of on-site households. Finally, RCLCO applied these projections to the number of households at the Reservoir District in any given year.

Income Taxes (Continued)

- Individual Income Taxes from On-Site Employees: To determine Individual Income Taxes from on-site employees, RCLCO considered its previous projection of on-site employees (see *Public Space Rental*). Based on an analysis of U.S. Census Bureau data, RCLCO projected 32.5% of on-site employees would be likely to live in the District and thus be subject to its Individual Income Tax. Next, RCLCO determined the average wages of these employees by using data from the U.S. Census Bureau, specifically looking at retail, real estate leasing, hospitality, education, healthcare, professional services, parking management, and recreation center wages. When doing so, RCLCO assumed that average wages would increase by an average of 2.5% per year to account for inflation and other market escalations, and that no more than 80.0% would be taxable. RCLCO used this information and then applied the Income Tax rate schedule, historical and current, to determine the average Income Tax revenue of on-site employees. Finally, RCLCO applied these projections to the number of employees at the Reservoir District living elsewhere in the District in any given year.

- **Corporate Franchise Tax:** The District applies a Corporate Franchise Tax on the net income of corporations that operate in the District based on an analysis of the FY 2026 Approved Budget and Financial Plan. See Exhibit I-2. RCLCO assumed this amount would increase by an average of 2.5% per year to account for inflation and other market escalations. RCLCO then applied the actual and projected amounts to the previously determined number of on-site employees (see *Public Space Rental*) to arrive at Corporate Franchise Tax revenue from the Reservoir District in any given year. RCLCO assumed the existing Community Center and potential Education use would not generate any Corporate Franchise Tax revenue given their user base.

- **Unincorporated Business Tax**: The District applies an Unincorporated Business Tax on the net income of unincorporated businesses that operate in the District and meet certain revenue thresholds. Based on an analysis of the FY 2026 Approved Budget and Financial Plan, RCLCO projected the revenue that each new employee would generate. See Exhibit I-2. RCLCO assumed this amount would increase by an average of 2.5% per year to account for inflation and other market escalations. RCLCO then applied the actual and projected amounts to the previously determined number of on-site employees (see *Public Space Rental*) to arrive at Unincorporated Business Tax revenue from the Reservoir District in any given year. RCLCO assumed the existing Community Center and potential Education use would not generate any Unincorporated Business Tax revenue given their user base.

Deed Transfer Taxes

For residential properties with assessments over $400,000 and commercial and mixed-use properties with assessments over $2,000,000, the District levies a 1.45% Deed Transfer Tax at the time of property transfers. For the purpose of this analysis, RCLCO examined the frequency at which market-rate/mixed-income rental apartment communities, affordable seniors housing communities, office, and hotel in the District have historically sold, looking specifically at sales from the last three years per CoStar data. Using this information, RCLCO estimated the real estate within the development would sell every 20 to 29 years depending on commercial use. For more information, please see Exhibit I-1a. For residential properties, RCLCO assumed a 9.1% turnover for townhomes each year based on U.S. Census Bureau ACS data for single-family attached homes values at or above $1 million in the District of Columbia. Next, RCLCO relied upon the anticipated assessed values (see *Real Property Tax*) during these years, applying the Deed Transfer Tax rate to projected revenues.

Deed Recordation Taxes

For residential properties with assessments over $400,000 and commercial and mixed-use properties with assessments over $2,000,000, the District levies a 1.45% Deed Recordation Tax at the time of property transfers. For the purpose of this analysis, RCLCO examined the frequency at which market-rate/mixed-income rental apartment communities, affordable seniors housing communities, office, and hotel in the District have historically sold, looking specifically at sales from the last three years per CoStar data. Using this information, RCLCO estimated the real estate within the development would sell every 20 to 29 years depending on commercial use. For more information, please see Exhibit I-1a. For residential properties, RCLCO assumed a 9.1% turnover for townhomes each year based on U.S. Census Bureau ACS data for single-family attached homes values at or above $1 million in the District of Columbia. Next, RCLCO relied upon the anticipated assessed values (see *Real Property Tax*) during these years, applying the Deed Recordation Tax rate to project revenues to the District.

Other

In the District of Columbia, the primary sources of Other revenue include Economic Interest Tax, Estate Tax, Gross Receipts Tax, and Non-Tax. To calculate the Other revenue the Reservoir District will generate to the District of Columbia, RCLCO utilized the District of Columbia's FY 2026 Approved Budget and Financial Plan for projected revenues, in addition to population and employment estimates for the District of Columbia. RCLCO then calculated the per-employee and per-resident revenues. Budget estimates were projected to increase by an average of 2.5% per year to account for inflation and other market escalations. For more information, please see Exhibit I-1a for model assumptions and Exhibit I-2.

More specifically, RCLCO applied the following methodology:

- **Economic Interest Tax**: The District applies a tax on the transfer of economic interest, the volume of which is likely to increase or decrease based on the number of employees in the District. Based on an analysis of the FY 2026 Approved Budget and Financial Plan, RCLCO determined the revenue that each new employee would generate. RCLCO assumed budget estimates would increase by an average of 2.5% per year to account for inflation and other market escalations. RCLCO then applied these amounts to the previously determined number of on-site employees (see *Public Space Rental*) to arrive at Economic Interest Tax revenue from the Reservoir District in any given year.
- **Estate Tax**: The District applies a tax on the transfer of the taxable estates of deceased persons, the volume of which is likely to increase or decrease based on the number of residents in the District. Based on an analysis of the FY 2026 Approved Budget and Financial Plan, RCLCO determined the revenue that each new resident would generate. RCLCO assumed budget estimates would increase by an average of 2.5% per year to account for inflation and other market escalations. RCLCO then applied these amounts to the previously determined number of on-site residents (see *Public Space Rental*) to arrive at Estate Tax revenue from the Reservoir District in any given year.

REVENUES

Other (Continued)

- **Gross Receipts Tax**: The District imposes taxes upon the gross receipts generated by select businesses and industries. Based on an analysis of the FY 2026 Approved Budget and Financial Plan, RCLCO determined the revenue that each new employee and resident would generate. RCLCO assumed budget estimates would increase by an average of 2.5% per year to account for inflation and other market escalations. RCLCO then applied these amounts to the previously determined number of on-site employees and residents (see *Public Space Rental*) to arrive at Gross Receipts Tax revenue from the Reservoir District in any given year.
- **Non-Tax**: The District collects revenue from various Non-Tax sources, including Licenses and Permits and Charges for Services. Based on an analysis of the FY 2026 Approved Budget and Financial Plan, RCLCO determined the actual and projected revenue that each new employee and resident would generate. RCLCO assumed budget estimates would increase by an average of 2.5% per year to account for inflation and other market escalations. RCLCO then applied these amounts to the previously determined number of on-site residents and employees (see *Public Space Rental*) to arrive at Non-Tax revenue from the Reservoir District in any given year. While the District also collects Non-Tax revenue from Fines and Forfeits and other Miscellaneous sources, RCLCO made the conservative assumption the Reservoir District would generate no such revenues during the abatement period.

Lottery Revenues

The District applies a tax on lottery winnings, collected from District residents over the course of the year. Based on an analysis of the FY 2026 Approved Budget and Financial Plan, RCLCO determined the revenue that each new resident would generate. RCLCO assumed budget estimates would increase by an average of 2.5% per year to account for inflation and other market escalations. RCLCO then applied these amounts to the previously determined number of on-site residents (see *Public Space Rental*) to arrive at Lottery revenue from the Reservoir District in any given year.

Economic Impact Methodology

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ECONOMIC IMPACT METHODOLOGY

Determination of Economic Impact

Projections of employment counts related to the construction of the Reservoir District and its annual operation were estimated using the IMPLAN model, using data specific to the District of Columbia. The model enables analysis of the specific sectors of an area's economy that are impacted when a new investment or new employment, or other measure, is added to a particular sector or sectors. These inter-industry relationships can be expressed in terms of dollar impacts or employment impacts. The results are shown in this report as "employment," "labor income," and "economic output." Separate calculations are provided for two categories of benefits: temporary (construction phase) benefits; and permanent or recurring benefits associated with the ongoing operation of new businesses within the project. This report focuses on employment impacts, examining the potential for the Reservoir District to generate both construction and recurring jobs.

IMPLAN

RCLCO's analysis considers the direct (i.e., on-site) impacts associated with the proposed development, as well as "multiplier" impacts within the regional economy (these "indirect" and "induced" impacts are both calculated for the relevant geography). These multiplier impacts have been projected using the IMPLAN model. IMPLAN was created in 1979 by the U.S. Forest Service to assist the Forest Service in land and resource planning management. In 1992, IMPLAN was transferred under a technology transfer agreement to the Minnesota IMPLAN Group, Inc. (MIG Inc.), which was run by former researchers from the University of Minnesota (the university worked on the original program and subsequently developed the current modeling system). In 2013, MIG Inc. merged with IMPLAN Group LLC and relocated their headquarters to North Carolina. Today, IMPLAN is privately held and sells a suite of products and consulting services that involve the IMPLAN software.

The IMPLAN model can be used to generate estimates of direct, indirect, and induced effects of a change in the local or regional economy. This report focuses on employment benefits using the following measure: new full-time and part-time jobs, reflecting the number of jobs/workers employed in any given year.

- **Direct Effects** are the set of revenues and expenditures applied to the predictive model for impact analysis. These can include the revenues generated from on-site commercial uses, the expenditures related to operations of the on-site commercial land uses, and the investment in project construction. The household income of new residents, total new jobs, and the corresponding employee compensation at the project are also considered direct effects.
- **Indirect Effects** are impacts resulting from purchases of goods and services to support project construction and businesses selling goods and services to a project (i.e., business-to-business transactions in support of the proposed development).
- **Induced Effects** result when households, direct employees, and indirect employees spend their compensation on different goods and services within the economy (i.e., consumer-to-business transactions as a result of the proposed development). The indirect and induced effects are together referred to as the "multiplier effect" of the direct jobs or expenditures associated with the development of a project.

INPUTS

One-time Impacts from Construction

To assess the one-time economic impact resulting from the construction of the proposed development, RCLCO input the construction costs of each land use into IMPLAN, utilizing Client-provided information and figures from the fiscal model. Next, RCLCO input the projected employee compensation, assuming 50% of Client-provided hard costs would be attributed to labor. Lastly, RCLCO input estimated construction employment, dividing total employee compensation by the average compensation per employee, using industry-level data on construction wages from the U.S. Census Bureau for the District of Columbia and an IMPLAN adjustment factor to account for the costs of health insurance, vacation time, etc. Calculations of construction employment for the various existing development programs and future development scenarios were broken out by the following sectors:

- **IMPLAN Code 35 – Construction of New Health Care Structures:** Trammell Crow Healthcare
- **IMPLAN Code 48 – Construction of New Educational and Vocational Structures:** Community Center, Trammell Crow Education
- **IMPLAN Code 51 – Construction of Other New Non-residential Structures:** Trammell Crow Mixed-Use Hospitality
- **IMPLAN Code 52 – Construction of New Single-Family Residential Structures:** EYA Townhomes
- **IMPLAN Code 53 – Construction of New Multifamily Residential Structures:** Jair Lynch Parcels, Trammell Crow Rental Apartments

Annual recurring impacts: Off-Site Spending from Households

To assess the economic impact resulting from residential development at buildout, RCLCO calculated the average take-home pay by use, multiplying household income figures from the fiscal model by an estimated effective tax rate. RCLCO then input the total take-home pay by use into IMPLAN, multiplying the average take-home pay by the total households each year. The existing developments with household income inputs are as follows, with the household income estimates reflecting the time the component was delivered or is expected to be delivered.

- **EYA Townhomes:** Estimated household income of $255,000 (as of FY 2026), categorized as IMPLAN code 10009 – HH GT $200K.
- **Jair Lynch Parcel 2 East Apartments:** Estimated household income of $65,000 (as of FY 2029), categorized as IMPLAN code 10005 – HH $50–70K.
- **Jair Lynch Parcel 2 West Apartments:** Estimated household income of $114,000 (as of FY 2029), categorized as IMPLAN code 10007 – HH $100–150K.
- **Jair Lynch Parcel 4 Apartments:** Estimated household income of $108,000 (as of FY 2028), categorized as IMPLAN code 10007 – HH $100–150K.

The future development scenario with a household income input is:

- **Trammell Crow Rental Apartments**: Estimated household income of $115,000 (as of FY 2031), categorized as IMPLAN code 10007 – HH $100–150K.

INPUTS

Annual Recurring Impacts: Employment and Compensation

RCLCO directly input site-specific employment and compensation data to improve the accuracy of the economic impact assessment. Direct on-site employment by land use was sourced from the fiscal model, then multiplied by an estimated average employee income for the different sectors from the Census Bureau (escalated annually) and an IMPLAN adjustment factor to account for the costs of health insurance, vacation time, etc. to calculate total employee compensation for each use. Each land use was assigned the IMPLAN industry code that best reflects its on-site operations, as follows:

- **Community Center:** categorized as IMPLAN code 487 – Fitness and Recreational Sports Centers.
- **Townhomes:** no industry employment inputs.
- **Apartments:** categorized as IMPLAN code 430 – Tenant-Occupied Housing to represent apartment management.
- **Restaurant:** categorized as IMPLAN code 491 – Full-Service Restaurants.
- **Grocery:** categorized as IMPLAN code 389 – Retail Food and Beverage Stores.
- **Other Retail:** categorized as IMPLAN code 394 – Retail General Merchandise Stores.
- **Healthcare:** categorized as IMPLAN code 468 – Outpatient Care Centers.
- **Education:** categorized as IMPLAN code 463 – Junior Colleges, Colleges, Universities, and Professional Schools.
- **Office:** categorized as IMPLAN code 450 – All Other Miscellaneous Professional, Scientific, and Technical Services.
- **Hotel:** categorized as IMPLAN code 489 – Hotels and Motels.
- **Parking:** categorized as IMPLAN code 502 – Other Personal Services.

To further refine indirect and induced job impacts for retail categories, including Restaurant, Grocery, and Other Retail, RCLCO input both direct employment and economic output, which was calculated by using sales per square foot metrics to estimate the total revenue generation of a given establishment.

Disclaimers

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CRITICAL ASSUMPTIONS

Our conclusions are based on our analysis of the information available from our own sources and from the client as of the date of this report. We assume that the information is correct, complete, and reliable.

We made certain assumptions about the future performance of the global, national, and local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing these conclusions. However, given the fluid and dynamic nature of the economy and real estate markets, as well as the uncertainty surrounding particularly the near-term future, it is critical to monitor the economy and markets continuously and to revisit the aforementioned conclusions periodically to ensure that they are reflective of changing market conditions.

It is important to recognize that stable and moderate growth patterns are historically not sustainable over extended periods of time, the economy is cyclical, and real estate markets are typically highly sensitive to business cycles. Further, it is very difficult to predict when inflection points in economic and real estate cycles will occur.

With the above in mind, we assume that the long-term average absorption rates and price changes will be as projected, realizing that most of the time performance will be either above or below said average rates.

Our analysis does not consider the potential impact of future economic shocks on the national and/or local economy, and does not consider the potential benefits from major "booms" that may occur. Similarly, the analysis does not reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. Also, it is important to note that it is difficult to predict changing consumer and market psychology.

As such, we recommend the close monitoring of the economy and the marketplace, and updating this analysis as appropriate.

Further, the project and investment economics should be “stress tested” to ensure that potential fluctuations in revenue and cost assumptions resulting from alternative scenarios regarding the economy and real estate market conditions will not cause failure.

In addition, we assume that the following will occur in accordance with current expectations:

- Economic, employment, and household growth
- Other forecasts of trends and demographic and economic patterns, including consumer confidence levels
- The cost of development and construction
- Tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth)
- Availability and cost of capital and mortgage financing for real estate developers, owners and buyers
- Competitive projects will be developed as planned (active and future) and that a reasonable stream of supply offerings will satisfy real estate demand
- Major public works projects occur and are completed as planned

Should any of the above change, this analysis should be updated, with the conclusions reviewed accordingly (and possibly revised).

GENERAL LIMITING CONDITIONS

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

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Appendix: Supporting Exhibits

RCLCO
REAL ESTATE CONSULTING

LIST OF EXHIBITS

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I. ASSUMPTIONS

Exhibit I-1a

Summary of Economic, Demographic, and Real Estate Assumptions
Reservoir District
FY 2026

	FY 2026		
LOCAL TAX RATES	**Effective Rates**	**Other Fund Rates**	**Source**
Real Property Tax - Class 1A	$0.85 / $100 AV		Office of Tax and Revenue
Real Property Tax - Class 1B			
Class 1B First Rate	$0.85 / $100 AV	< $2,558,000	Office of Tax and Revenue
Class 1B Second Rate	$1.00 / $100 AV	$2,558,000 +	Office of Tax and Revenue
Real Property Tax - Class 2			
Class 2 First Rate	$1.65 / $100 AV	$5,000,000 Or Less	Office of Tax and Revenue
Class 2 Second Rate	$1.77 / $100 AV	Up to $10,000,000	Office of Tax and Revenue
Class 2 Third Rate	$1.89 / $100 AV	$10,000,000 Or More	Office of Tax and Revenue
Real Property Tax - Class 3	$5.00 / $100 AV		Office of Tax and Revenue
Real Property Tax- Class 4	$10.00 / $100 AV		Office of Tax and Revenue
Homestead Exemption	$91,950		Office of Tax and Revenue
Est. Annual Tax on Currently Vacant Property	$0.00 / $100 AV		Integrated Tax System Public Extract; RCLCO
Personal Property Tax	$3.40 / $100 AV	$225,000	Office of Tax and Revenue
Sales Tax	6.00%	4.25%	FY 2026 Approved
Meals Tax	9.00%	1.00%	FY 2026 Approved
Parking (Commercial Parking Spaces)	0.00%	18.00%	FY 2026 Approved
Hotel Tax	11.20%	4.75%	Office of Chief Financial Officer; FY 2026 Approved
Individual Income Tax			
Income $0 - $9,999	4.00%		Office of Tax and Revenue
Income $10,000 - $39,999	6.00%		Office of Tax and Revenue
Income $40,000 - $59,999	6.50%		Office of Tax and Revenue
Income $60,000 - $249,999	8.50%		Office of Tax and Revenue
Income $250,000 - $349,999	9.25%		Office of Tax and Revenue
Income $350,000 - $499,999	9.25%		Office of Tax and Revenue
Income $500,000 - $999,999	9.75%		Office of Tax and Revenue
Income Over $1,000,000	10.75%		Office of Tax and Revenue
Transfer & Recordation Tax, Effective Rate			
Properties Valued >$400K	2.90%	15.00%	Office of Tax and Revenue
Deed Transfer Tax - >$400K	1.45%		Office of Tax and Revenue
Deed Recordation Tax - >$400K	1.45%		Office of Tax and Revenue
Properties Valued <$400K	2.20%		
Deed Transfer Tax - <$400K	1.10%		Office of Tax and Revenue
Deed Recordation Tax - <$400K	1.10%		Office of Tax and Revenue
Commercial and Mixed-Use Valued >$2M	2.90%		
Deed Transfer Tax - >$2M	1.45%		Office of Tax and Revenue
Deed Recordation Tax - >$2M	1.45%		Office of Tax and Revenue
RESIDENTIAL VARIABLES			**Source**
Average Single-Family Attached Turnover	9.1% turnover/yr		ACS PUMS
Ramp-Up Vacancy	Year 1	Year 2	
Single-Family Attached	30%	5%	RCLCO
Apartment	25%	0%	RCLCO

Exhibit I-1a

Summary of Economic, Demographic, and Real Estate Assumptions
Reservoir District
FY 2026

	FY 2026		
COMMERCIAL & OTHER VARIABLES			**Source**
Ramp-Up Vacancy	Year 1	Year 2	
Retail	25%	5%	RCLCO
Restaurant	25%	5%	RCLCO
Grocery	0%	0%	RCLCO
Office	50%	25%	RCLCO
PERSONAL PROPERTY TAX VARIABLES			**Source**
Assessed Value as % of Improvement Value	2.69%		DC Tax Facts Visual Guide Report; Integrated Tax System Extract; RCLCO
SALES / MEALS TAX VARIABLES			**Source**
% of Grocery Sales that are HH Items	5%		RCLCO
% of Grocery Sales that are Beer/Wine	10%		RCLCO
% of Income Spent on Retail	28%		Esri; RCLCO
MEALS TAX VARIABLES			**Source**
% of Grocery Sales Subject to Meals Tax	5%		RCLCO
F&B Sales as % Total Hotel Revenue	20%		RCLCO
INCOME TAX VARIABLES			**Source**
	Tax Rate		
Income $0 - $9,999	4.00%		Office of Tax and Revenue
Income $10,000 - $39,999	6.00%		Office of Tax and Revenue
Income $40,000 - $59,999	6.50%		Office of Tax and Revenue
Income $60,000 - $249,999	8.50%		Office of Tax and Revenue
Income $250,000 - $349,999	9.25%		Office of Tax and Revenue
Income $350,000 - $499,999	9.25%		Office of Tax and Revenue
Income $500,000 - $999,999	9.75%		Office of Tax and Revenue
Income Over $1,000,000	10.75%		Office of Tax and Revenue
% Of Income That Is Taxable	80%		RCLCO
% That Use Homestead Exemption			
Single-Family Attached	17%		Integrated Tax System Public Extract (Reservoir District)
% Count Towards Subject Site Total	100%		RCLCO
Income from Employees			
% Live in the District	32.5%		Census OnTheMap
% Count Towards Subject Site Total	100%		RCLCO

Exhibit I-1a

Summary of Economic, Demographic, and Real Estate Assumptions
Reservoir District
FY 2026

	FY 2026		
RECORDATION TAX VARIABLES	**DISTRIBUTION**	**AVG. HOLD PERIOD**	**Source**
Single-Family Attached			
% Taxed at >$400K Rate	100%		Integrated Tax System Public Extract; RCLCO
% Taxed at <$400K Rate (Residential Only)	0%		Integrated Tax System Public Extract; RCLCO
% Taxed at >$2M Rate (Commercial / Mixed-Use Only)	N/A		Integrated Tax System Public Extract; RCLCO
Apartment		22	CoStar; based on an analysis of 25+ unit market-rate and mixed-income apartment buildings that have sold in the last three years relative to the overall inventory of these buildings in the District
% Taxed at >$400K Rate	0%		
% Taxed at <$400K Rate (Residential Only)	N/A		
% Taxed at >$2M Rate (Commercial / Mixed-Use Only)	100%		
Office		20	ısed on office buildings that have sold in the past three years relative to overall inventory
% Taxed at >$400K Rate	0%		CoStar; RCLCO
% Taxed at <$400K Rate (Residential Only)	N/A		CoStar; RCLCO
% Taxed at >$2M Rate (Commercial / Mixed-Use Only)	100%		CoStar; RCLCO
Hospitality		29	ır; based on hotels that have sold in the past three years relative to overall inventory in D
% Taxed at >$400K Rate	0%		CoStar; RCLCO
% Taxed at <$400K Rate (Residential Only)	N/A		CoStar; RCLCO
% Taxed at >$2M Rate (Commercial / Mixed-Use Only)	100%		CoStar; RCLCO
Retail		22	CoStar; based on an analysis of 25+ unit market-rate and mixed-income apartment buildings that have sold in the last three years relative to the overall inventory of these buildings in the District
% Taxed at >$400K Rate	0%		
% Taxed at <$400K Rate (Residential Only)	N/A		
% Taxed at >$2M Rate (Commercial / Mixed-Use Only)	100%		
Other		22	CoStar; based on an analysis of 25+ unit market-rate and mixed-income apartment buildings that have sold in the last three years relative to the overall inventory of these buildings in the District
% Taxed at >$400K Rate	0%		
% Taxed at <$400K Rate (Residential Only)	N/A		
% Taxed at >$2M Rate (Commercial / Mixed-Use Only)	100%		

Exhibit I-1a

Summary of Economic, Demographic, and Real Estate Assumptions
Reservoir District
FY 2026

	FY 2026		
DEMOGRAPHICS			**Source**
District Population	692,100		Office of Chief Financial Officer; FY 2026 Revenue Estimate
District Households	335,600		Office of Chief Financial Officer; FY 2026 Revenue Estimate
District Employment	731,200		Office of Chief Financial Officer; FY 2026 Revenue Estimate
Total District Population and Employment	1,423,300		Office of Chief Financial Officer; FY 2026 Revenue Estimate
Total Subject Site Population and Employment	0		
Average Persons per Household			
Existing Households	0.00		
Apartment	1.69		ACS 2021-2024 1-Year Est
Single-Family Attached	2.51		ACS 2021-2024 1-Year Est
PERSONAL PROPERTY TAX BASE VARIABLES			**Source**
Avg. Amount Exempt (Under 225000)	25.7%		DC Tax Facts Visual Guide Report
FUTURE PROPERTY TAX BASE VARIABLES	**Land Value**	**Improved Value**	**Source**
Rental Apartments			
Apartment	$63,000 /unit	$264,000 /unit	District of Columbia Assessor's Office
Hospitality	$48,000 /Room	$242,000 /Room	District of Columbia Assessor's Office
Retail			
Retail	$80 /FAR SF	$520 /FAR SF	District of Columbia Assessor's Office
Restaurant	$80 /FAR SF	$520 /FAR SF	District of Columbia Assessor's Office
Grocery	$80 /FAR SF	$190 /FAR SF	District of Columbia Assessor's Office
Office	$80 /FAR SF	$300 /FAR SF	District of Columbia Assessor's Office
Parking	$0 /Space	$0 /Space	District of Columbia Assessor's Office
SPENDING PATTERNS			**Source**
Retail			
Retail	16.85% Online	$351 / SF	Census Consumer Expenditure Survey; Federal Reserve Bank of St. Louis
Grocery	16.85% Online	$570 / SF	Census Consumer Expenditure Survey
Businesses	80.00% Online	$270 / Employee	RCLCO
OTHER	**Efficiency**	**Occupancy**	**Source**
Parking		100% Effective Occ.	
Monthly	70% Of Spaces	100%	RCLCO
Daily	15% Of Spaces	100%	RCLCO
Hourly	15% Of Spaces	100%	RCLCO
EMPLOYEE ESTIMATES	**SF / Employee**		**Source**
Rental Apartments			
Apartment	0.02 /Unit		National Apartment Association
For-Sale Residential			
Single-Family Attached	0.00 /Unit		RCLCO
Hospitality	0.4 /Room		Shyft
Retail			
Retail	450 /GSF		RCLCO
Restaurant	200 /GSF		RCLCO
Grocery	900 /GSF		RCLCO
Office	225 /GSF		RCLCO
Civic / Public	10,000 /GSF		RCLCO
Property Tax-Paying Other	5,000 /GSF		RCLCO
Parking	0.01 /Space		RCLCO

Exhibit I-1a

Summary of Economic, Demographic, and Real Estate Assumptions
Reservoir District
FY 2026

	FY 2026		
SCHOOL FUNDING	**Spending**	**Other**	**Source**
Public Education System Spending			
Public Education System Spending in District, Less Allocated Categories	$3,345,537,078		FY 2026 Approved
Remaining Per Student	$33,681		
Total Public School Students in District		99,329	Office of Deputy Mayor for Education; RCLCO
District of Columbia Public Schools (DCPS) Students		51,528	Office of Deputy Mayor for Education; RCLCO
District of Columbia Public Charter Schools (DCPCS) Students		47,801	Office of Deputy Mayor for Education; RCLCO
% of Children Under Age of 18 Attending Public School		79.3%	
Children Under Age of 18 in District		125,278	Esri; RCLCO
Children Per Housing Unit			
Apartment		0.06	ACS PUMS; RCLCO
Condominium		0.09	ACS PUMS; RCLCO
Single-Family Attached		0.13	ACS PUMS; RCLCO
Single-Family Detached		1.50	ACS PUMS; RCLCO

OTHER		**Source**
Materials as % of Hard Costs	50%	RCLCO
Construction Materials Purchased in District	5%	RCLCO

ESCALATION AND FINANCING RATES AND TAX ABATEMENT		
Revenues	2.5% per yr	
Commercial	2.5% per yr	
Residential	2.5% per yr	
Expenditures	2.5% per yr	
Property Values	2.5% per yr	
Tax Abatement Start Year	2030	Office of Chief Financial Officer
Tax Abatement End Year	2049	
HELPER CALCULATION		
Maximum Year with Data	2026	
Sales Tax Year	2027	

Source: RCLCO

Exhibit I-1b

Summary of Variable Assumptions for Existing Uses and Subject Property
Reservoir District
FY 2026

	EXISTING USES	SUBJECT PROPERTY Min	SUBJECT PROPERTY Max
CONSTRUCTION			
Year Construction Begins	2022	2028	2030
Year Construction Ends	2028	2030	2033
Total Hard Costs	$438,000,000	$187,500,000	$368,200,000
Total FF&E Costs		$1,600,000	$13,600,000
DEVELOPMENT			
Number of Townhome Units (Sold)	124		
Number of Townhome Units (Remaining)	22		
Number of Townhome Units (Total)	146		
Number of Market-Rate or Workforce Apartment Units	449	421	421
Number of Affordable Apartment Units	135	105	105
Number of Apartment Units (Total)	584	526	526
Number of Hotel Rooms (Limited-Service)			
Number of Hotel Rooms (Full-Service)		290	290
Parking Spaces (Non-Revenue Generating)	288	316	900
Parking Spaces (Revenue-Generating)	125	201	401
Gross Square Feet (Community Center)	289,573		
Gross Square Feet (Other)		145,000	250,000
Gross Square Feet (Office)		117,500	117,500
Gross Square Feet (R&D)			
Gross Square Feet (Other)			
Gross Square Feet (Education)			
Gross Square Feet (Ground Floor Retail)	14,552	6,750	11,250
Gross Square Feet (Ground Floor Restaurant)	20,270	3,750	8,250
Gross Square Feet (Ground Floor Grocery)	22,500		
OPERATIONS			
Stabilized Healthcare Occupancy Rate		100%	100%
Stabilized Hotel Occupancy Rate		85%	85%
Stabilized Office Occupancy Rate		90%	90%
Stabilized Ground-Floor Retail Occupancy Rate (if applicable)	93%	80%	100%
Stabilized Ground-Floor Retail Occupancy Rate (if applicable)	93%	80%	100%
Stabilized Ground-Floor Retail Occupancy Rate (if applicable)	100%	80%	100%
Stabilized Rental Apartment Occupancy Rate	95%	95%	95%
Stabilized Townhome Occupancy Rate	99%		
Stabilized Civic / Public Occupancy Rate	100%	100%	100%
Stabilized Parking Occupancy Rate	100%	100%	100%
Assumed Healthcare Rent (in 2026 Dollars)		$13,050,000	$13,050,000
Average Sales Price (Townhomes Units Sold)	$1,100,000		
Average Sales Price (Townhomes Units Remaining)	$1,150,000		
Average Sales Price (All, to the Nearest $5,000)	$1,110,000		
Assumed Hotel ADR (if applicable, in 2026 Dollars)		$295	$295
Assumed Office Rent (if applicable, in 2026 Dollars)		$90	$90
Assumed Parking Revenue (if applicable, in 2026 Dollars)	$5-$8	$0	$3
Assumed Ground-Floor Retail Sales (if applicable, in 2026 Dollars)	$410	$588	$667
Assumed Ground-Floor Restaurant Sales (if applicable, in 2026 Dollars)	$615	$882	$1,000
Assumed Ground-Floor Grocery Sales (if applicable, in 2026 Dollars)	$666	$956	$1,083
OTHER			
Average Household Income - Apartment (Existing)			
Average Household Income - Townhome (Existing)	$255,000		
Average Household Income - Apartment (New)	$60,000-$106,000	$102,000	$102,000
Average Household Income - Townhome (New)	$255,000		

Source: Client; RCLCO

Exhibit I-2

Allocation of Revenues
Washington, D.C.
FY 2026

	FY 2026 Approved	Allocation			Per Person	
REVENUE (THOUSANDS)	ESTIMATE	UNALL.	EMP.	RES.	PER EMPLOYEE	PER RESIDENT
PROPERTY						
Real Property	$2,751,103	100%	0%	0%	$0.00	$0.00
Personal Property	$80,392	100%	0%	0%	$0.00	$0.00
Public Space Rental	$38,477	0%	100%	0%	$52.54	$0.00
Total Property	**$2,869,971**	**98.7%**	**1.3%**	**0.0%**	**$52.54**	**$0.00**
SALES AND EXCISE						
General Sales	$2,127,033	100%	0%	0%	$0.00	$0.00
Alcohol	$6,817	0%	30%	70%	$2.79	$6.90
Cigarette	$8,673	0%	30%	70%	$3.55	$8.78
Motor Vehicle	$45,884	0%	0%	100%	$0.00	$66.33
Motor Fuel	$21,152	0%	30%	70%	$8.66	$21.40
Total Sales and Excise	**$2,209,560**	**96.3%**	**0.5%**	**3.2%**	**$15.01**	**$103.40**
INCOME						
Individual Income	$3,258,162	100%	0%	0%	$0.00	$0.00
Corporate Franchise	$922,101	0%	100%	0%	$1,259.01	$0.00
U.B. Franchise	$175,798	0%	100%	0%	$240.03	$0.00
Total Income	**$4,356,061**	**74.8%**	**25.2%**	**0.0%**	**$1,499.04**	**$0.00**
GROSS RECEIPTS						
Public Utilities	$124,559	0%	72%	28%	$122.83	$50.01
Toll Telecommunications	$34,347	0%	51%	49%	$24.12	$24.12
Insurance Premiums	$186,780	0%	58%	42%	$148.44	$112.84
Ballpark Fee	$52,266	0%	100%	0%	$71.36	$0.00
Private Sports Wagering	$18,884	0%	30%	70%	$7.74	$19.11
Games of Skill	$136	0%	30%	70%	$0.06	$0.14
Health Related Taxes	$211,528	100%	0%	0%	$0.00	$0.00
Total Gross Receipts	**$628,500**	**33.7%**	**43.6%**	**22.7%**	**$374.54**	**$206.21**
OTHER TAX						
Estate	$45,606	0%	0%	100%	$0.00	$65.92
Deed Recordation	$241,620	100%	0%	0%	$0.00	$0.00
Deed Transfer	$177,834	100%	0%	0%	$0.00	$0.00
Economic Interest	$20,168	0%	100%	0%	$27.54	$0.00
Total Other Tax	**$485,227**	**86.4%**	**4.2%**	**9.4%**	**$27.54**	**$65.92**
TOTAL TAX (GROSS)	**$10,549,320**	**83.9%**	**13.7%**	**2.5%**	**$1,968.66**	**$375.54**
NONTAX						
Licenses and Permits	$146,551	0%	51%	49%	$102.90	$102.90
Fines and Forfeits	$304,764	100%	0%	0%	$0.00	$0.00
Charges for Services	$72,690	**75%**	**8%**	**18%**	$7.44	$18.39
Miscellaneous	$565,218	100%	0%	0%	$0.00	$0.00
Total Nontax	**$1,089,223**	**84.9%**	**7.4%**	**7.7%**	**$110.34**	**$121.29**
NONTAX	**$1,089,223**	**84.9%**	**7.4%**	**7.7%**	**$110.34**	**$121.29**
LOTTERY	**$31,112**	**0.0%**	**0.0%**	**100.0%**	**$0.00**	**$44.97**
GROSS LOCAL REVENUE	**$11,669,654**	**83.7%**	**13.0%**	**3.2%**	**$2,079.01**	**$541.80**

Exhibit I-2

Allocation of Revenues
Washington, D.C.
FY 2026

	FY 2026 Approved	Allocation			Per Person	
REVENUE (THOUSANDS)	ESTIMATE	UNALL.	EMP.	RES.	PER EMPLOYEE	PER RESIDENT
TRANSFER TO OTHER FUNDS						
PROPERTY						
Real Property Transfer to TIF	-$14,465	100%	0%	0%	$0.00	$0.00
Real Property Transfer to PILOT	-$12,992	100%	0%	0%	$0.00	$0.00
Real Property Transfer to Walter Reed Development Fund	-$639	100%	0%	0%	$0.00	$0.00
Real Property Transfer to St. Elizabeth East Campus Redevelopment	-$304	100%	0%	0%	$0.00	$0.00
Total Property Dedicated to Other Funds	**-$28,399**	**100.0%**	**0.0%**	**0.0%**	**$0.00**	**$0.00**
SALES AND EXCISE						
General Sales Transfer to WMATA Operations	-$75,492	100%	0%	0%	$0.00	$0.00
General Sales Transfer to WMATA Capital	-$178,500	100%	0%	0%	$0.00	$0.00
General Sales Transfer to Convention Center	-$203,990	100%	0%	0%	$0.00	$0.00
General Sales Transfer to Economic Development Special Account	$0	100%	0%	0%		
General Sales Transfer to Healthy Schools Fund	$0	100%	0%	0%	$0.00	$0.00
General Sales Transfer to Healthy DC Fund	-$1,936	0%	30%	70%	-$0.79	-$1.96
General Sales Transfer to Commission on the Arts and Humanities	-$44,783	100%	0%	0%	$0.00	$0.00
General Sales Transfer to Ballpark Revenue Fund	-$16,640	100%	0%	0%	$0.00	$0.00
General Sales Transfer to TIF	-$30,448	100%	0%	0%	$0.00	$0.00
General Sales Transfer to PILOT	$0	100%	0%	0%	$0.00	$0.00
General Sales Transfer to St. Elizabeth East Campus Redevelopment	-$143	100%	0%	0%	$0.00	$0.00
Alcohol Transfer to Alcoholic Beverage and Cannabis Administration	$0	0%	30%	70%	$0.00	$0.00
General Sales Transfer to Medical Cannabis Social Equity Fund	$0	0%	30%	70%	$0.00	$0.00
Motor Fuel Transfer to Highway Trust Fund	-$21,152	0%	30%	70%	-$8.66	-$21.40
Total Sales and Excise Dedicated to Other Funds	**-$573,083**	**96.0%**	**1.2%**	**2.8%**	**-$9.46**	**-$23.36**
GROSS RECEIPTS						
Public Utilities Transfer to Ballpark Revenue Fund	-$7,842	0%	72%	28%	-$7.73	-$3.15
Toll Communications Transfer to Ballpark Revenue Fund	-$1,997	0%	51%	49%	-$1.40	-$1.40
Insurance Premiums Transfer to Healthy DC and Health Care Expansion Fund	-$95,575	0%	58%	42%	-$75.96	-$57.74
Ballpark Fee Transfer to Ballpark Revenue Fund	-$52,266	0%	100%	0%	-$71.36	$0.00
Private Sports Wagering Transfer to Dept. Behavioral Health	$0	0%	30%	70%	$0.00	$0.00
Private Sports Wagering Transfer to Neighborhood Safety and Engagement Fund	$0	0%	30%	70%	$0.00	$0.00
Private Sports Wagering Transfer to Early Childhood Development Fund	-$16,346	0%	30%	70%	-$6.70	-$16.54
Health Related Taxes Transfer to Nursing Facility Quality of Care Fund	-$21,569	100%	0%	0%	$0.00	$0.00
Health Related Taxes Transfer to Hospital Fund	-$8,454	100%	0%	0%	$0.00	$0.00
Health Related Taxes Transfer to Hospital Provider Fee Fund	-$176,117	100%	0%	0%	$0.00	$0.00
Health Related Taxes Transfer to Stevie Sellows Quality Improvement Fund	-$5,388	100%	0%	0%	$0.00	$0.00
Total Gross Receipts Dedicated to Other Funds	**-$385,554**	**54.9%**	**31.0%**	**14.1%**	**-$163.15**	**-$78.83**

Exhibit I-2

Allocation of Revenues
Washington, D.C.
FY 2026

	FY 2026 Approved	Allocation			Per Person	
REVENUE (THOUSANDS)	ESTIMATE	UNALL.	EMP.	RES.	PER EMPLOYEE	PER RESIDENT
OTHER TAX						
Deed Recordation Transfer to West End/Firehouse Maintenance Fund	-$246	100%	0%	0%	$0.00	$0.00
Deed Recordation Transfer to Repayment of Revenue Bonds	-$2,260	0%	51%	49%	-$1.59	-$1.59
Deed Recordation Transfer to Development and Rehabilitation Capital Project	$0	100%	0%	0%	$0.00	$0.00
Deed Recordation Transfer to Housing Production Trust Fund	-$25,296	100%	0%	0%	$0.00	$0.00
Deed Transfer Transfer to West End/Firehouse Maintenance Fund	-$246	100%	0%	0%	$0.00	$0.00
Deed Transfer Transfer to Repayment of Revenue Bonds	$0	0%	51%	49%	$0.00	$0.00
Deed Transfer Transfer to Development and Rehabilitation Capital Project	$0	100%	0%	0%	$0.00	$0.00
Deed Transfer Transfer to Housing Production Trust Fund	-$20,936	100%	0%	0%	$0.00	$0.00
Economic Interest Transfer to Development and Rehabilitation Capital Project	$0	100%	0%	0%	$0.00	$0.00
Economic Interest Transfer to Housing Production Trust Fund	-$3,025	0%	100%	0%	-$4.13	$0.00
Total Other Tax Dedicated to Other Funds	**-$52,010**	**89.8%**	**8.1%**	**2.1%**	**-$5.72**	**-$1.59**
LOTTERY						
Lottery Transfer to Neighborhood Safety and Engagement Fund	$0	0%	30%	70%	$0.00	$0.00
Lottery Transfer to Early Childhood Development Fund	$0	0%	30%	70%	$0.00	$0.00
Total Lottery Dedicated to Other Funds	**$0**	**0.0%**	**0.0%**	**0.0%**	**$0.00**	**$0.00**
DEDICATED TO OTHER FUNDS	**-$1,039,046**	**80.5%**	**12.6%**	**6.9%**	**-$178.32**	**-$103.78**

Source: FY 2026 Approved Budget; RCLCO

Exhibit I-3

Allocation of Expenditures
Washington, D.C.
FY 2026

	FY 2026 Approved	Allocation			Per Person	
EXPENDITURE - LOCAL FUNDS COMPONENT (THOUSANDS)	ESTIMATE	UNALL.	EMP.	RES.	PER EMPLOYEE	PER RESIDENT
Governmental Direction and Support	$1,016,465	58%	23%	19%	$315.61	$278.28
Economic Development and Regulation	$362,538	17%	18%	65%	$87.29	$342.40
Public Safety and Justice	$1,602,428	13%	35%	53%	$757.18	$1,225.01
Public Education System	$3,734,639	92%	2%	6%	$90.92	$326.73
Human Support Services	$2,446,981	29%	4%	67%	$133.33	$2,381.45
Operations and Infastructure	$1,122,934	11%	42%	47%	$642.12	$770.14
Financing and Other	$282,203	72%	14%	13%	$54.63	$54.63
Bond Issuance	$11,000	100%	0%	0%	$0.00	$0.00
Debt Service	$1,339,364	100%	0%	0%	$0.00	$0.00
Subtotal, Operating Expenditures	**$11,918,552**	**56.0%**	**12.8%**	**31.2%**	**$2,081.07**	**$5,378.63**
Paygo Capital	$42,144	100%	0%	0%	$0.00	$0.00
Transfer to Trust Fund for Post-Employment Benefits	$73,600	100%	0%	0%	$0.00	$0.00
Repay Contingency Reserve Fund	$0	100%	0%	0%	$0.00	$0.00
Transfer to Enterprise and Other Funds	$7,100	100%	0%	0%	$0.00	$0.00
TOTAL EXPENDITURES AND TRANSFERS	**$12,041,396**				**$2,081.07**	**$5,378.63**

Source: FY 2026 Approved Budget; RCLCO

Exhibit I-4

Select Assessed Value Comparables
Washington, D.C.
June 2026

Property	Address	Year Built/Renovated	Units	Square Feet	2026 Land Value / SF or Unit	2026 Improved Value / SF or Unit	2026 Total Value / SF or Unit	Weight
Education					**$471**	**$461**	**$932**	**100%**
GW Cloyd Heck Marvin Center	2119 H ST NW	1969		67,262	$766	$399	$1,165	50%
Johns Hopkins	555 Pennsylvania Ave NW	2023		420,000	$176	$523	$699	50%
Healthcare					**$106**	**$127**	**$233**	**100%**
1145 Medical Office Building	1145 19th St NW	1967 / 2020		133,000	$188	$52	$240	20%
2120 L St NW	2120 L St NW	1970		118,368	$144	$52	$195	40%
Sibley Medical Office Building	5215 Loughboro Rd NW	2011		159,091	$27	$239	$266	40%
Office					**$80**	**$304**	**$384**	**100%**
250 M	250 M Street SE	2021		227,948	$90	$233	$323	33%
99 M	99 M Street SE	2018		235,000	$59	$422	$481	33%
1015 Half	1015 Half Street SE	2011		396,344	$90	$259	$349	33%
Hospitality					**$48,288**	**$243,208**	**$291,496**	**100%**
AC Marriott	867 New Jersey Ave SE	2022	225		$28,019	$241,017	$269,036	20%
Courtyard by Marriott	140 L Street SE	2006	204		$55,016	$224,152	$279,168	20%
Pendry Washington DC – The Wharf	655 Water St SW	2022	131		$24,102	$297,845	$321,948	20%
Canopy by Hilton Washington DC The Wharf	975 7th St SW	2017	175		$38,970	$270,760	$309,730	20%
Salamander Washington, D.C.	1330 Maryland Ave SW	2003	373		$95,334	$182,264	$277,598	20%
Grocery					**$84**	**$192**	**$276**	**100%**
Giant	1400 7th St NW	2013		55,164	$96	$295	$391	33%
Safeway	3830 Georgia Ave NW	1960/2014		64,033	$18	$240	$258	33%
Whole Foods	1440 P St NW	1999		81,306	$138	$42	$180	33%
Retail					**$76**	**$516**	**$592**	**100%**
District Winery	385 Water Street SE	2017		17,000	$116	$445	$561	20%
Present Company Public House	438 Massachusetts Ave NW	1980 / 2012		4,005	$184	$314	$498	5%
Monroe Street Retail	625 Monroe St NE	2014		32,500	$172	$316	$488	5%
Hell's Kitchen & Dock Shop	652 Wharf St SW	2023		14,400	$50	$566	$615	70%
Rental Apartment					**$62,731**	**$264,448**	**$327,179**	**100%**
Reverb	2131 9th St NW	2023	312		$35,362	$288,472	$323,834	25%
J Linea	2009 8th St NW	2020	132		$135,552	$177,880	$313,432	25%
Rialto	410 Rhode Island Ave NE	2022	74		$45,486	$310,690	$356,177	25%
Rowan	2607 Reed St NE	2021	353		$34,523	$280,748	$315,272	25%

Source: District of Columbia Property Assessor; CoStar; RCLCO

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