Chapter 7 Economic Development Element

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Economic Development Element

Overview 700

The Economic Development Element addresses the future of the District's economy and the creation of economic opportunity for current and future District residents. It includes strategies to sustain Washington's major industries, diversify our economy, accommodate job growth, maintain small businesses and neighborhood commercial districts, and increase access to employment for District residents. 700.1

The critical economic development issues facing the District of Columbia are addressed in this Element. These include:

- Defining the District's role in the national and regional economies
- Increasing job opportunities for District residents
- Identifying locations for future job growth
- Expanding opportunities for small, local, and minority businesses
- Enhancing and revitalizing the city's shopping districts. 700.2

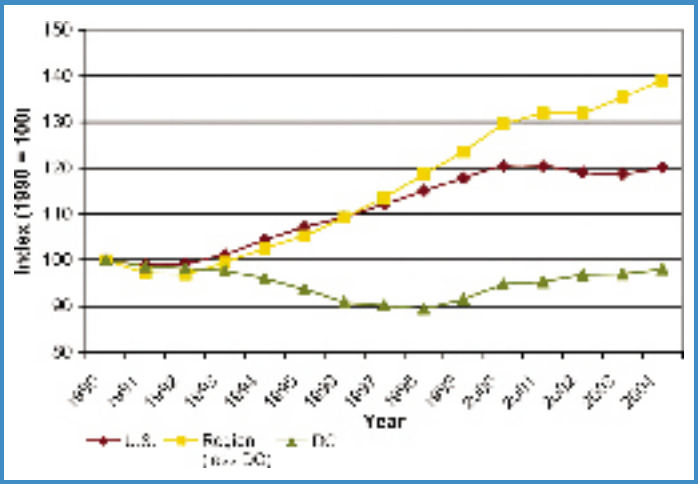
Economic development is about more than simply increasing the number of jobs and improving the District's finances. It is also about fostering good quality jobs with higher wages and better preparing District residents to fill those jobs. It is about spreading the benefits of our strong regional economy more equitably and providing career advancement opportunities for working parents, young adults, and others. Economic development strategies are also critical to improving the quality of life in our neighborhoods, and bringing shopping, restaurants, and basic services to communities that do not have these amenities today. 700.3

In recent decades, the District has faced chronic negative trends that have limited its ability to meet the needs of many residents. These trends include population loss, job decline, high unemployment and poverty rates, fiscal insolvency, and the loss of spending power to the suburbs. Economic indicators also point to growing geographic disparities, with areas in the northwest portion of the city particularly advantaged and areas east of the Anacostia River particularly disadvantaged. While there have been positive signs on many fronts since 2000, the historic east-west divide in the city has only deepened. 700.4

In 1950, the District accounted for nearly 75 percent of the metropolitan area's employment. By 2000, it accounted for less than 25 percent. While these statistics appear startling, the real story is the growth of the regional economy rather than the decline of the District's. In fact, the number of jobs in the District has remained fairly constant over the decades. In 1980, there were 666,000 jobs and in 2000, there were about 672,000 jobs. As shown in Figure 7.1, employment in the District did decline from 1990 to 1998, but it has been growing ever since. 700.5

Figure 7.1

Employment in the District 700.6



Source: DC Office of Planning, 2006

Note: Chart shows employment indexed to its 1990 value. Each subsequent value is a percentage of the 1990 value.

The economic paradoxes of the District of Columbia have been widely documented. The city has more jobs than residents but an unemployment rate that is twice the regional average. Jobs in the District provide some of the highest wages in the country, but over 20 percent of the city's residents live below the poverty line. The region has the fastest annual job growth rate in the country (2.3 percent), yet unemployment in the city is rising. Billions of dollars of income are generated in the District, the majority of which the city is unable to tax because its earners live in other states. 700.7

Fortunately, some of the negative trends of the past are showing signs of reversal. Between 2000 and 2005, the District captured a much larger share of regional employment growth than it did in the 1980s and 1990s. It is positioned at the center of a regional economy that is strong and growing; total employment in the metropolitan area is approaching 3 million, the highest of any region in the country with a comparably-sized central city. Since 1997, the District has seen significant private-sector employment growth, particularly in high-value industries such as legal services, technology consulting, and similar sectors. It is outperforming the region in legal services and scientific research and development. 700.8

The recent housing boom and increase in property values has increased personal wealth for many long-time District homeowners and substantially enhanced city revenues. Downtown retail has begun to rebound after years of decline, and neighborhood shopping districts like U Street and Barracks Row are thriving again. After decades in which retailers shunned areas east of 16th Street NW, new supermarkets are being developed east of the Anacostia River, national/brand tenants are arriving in Columbia Heights and a cultural district is emerging along H Street NE. Tourism has rebounded since 2001 and 1,200 hotel rooms are now under construction. 700.9

Over the next twenty years, the District is projected to add 125,000 jobs. The single greatest economic development challenge facing the city will be to link more of these jobs to District residents. This will not only create wealth and opportunity within the city, it will offset commuter traffic, reduce social service expenses, and improve the quality of life for thousands of households. Confronting this challenge successfully will require a multi-pronged strategy

to improve our educational system, increase vocational training, strengthen workforce preparedness, and improve the regional transportation network to support job access. 700.10

Economic Development Goal 701

The overarching goal for economic development in the District is:

Strengthen the District's economy by sustaining its core industries, attracting new and diverse industries, accommodating future job growth, fostering the success of small businesses, revitalizing neighborhood commercial centers, improving resident job skills, and helping a greater number of District residents find and keep jobs in the Washington regional economy. 701.1

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Policies and Actions

ED-1 Defining Our Economic Future 702

The District economy is underpinned by a handful of "core" industries, including government (particularly federal government), education, professional services, administrative support, membership associations, tourism, and health care. These seven sectors account for three-quarters of the jobs in the city and distinguish the District's economy from the more diverse economies of the surrounding region and nation. Economic development strategies must explore ways to sustain these industries while leveraging them to attract new businesses and jobs. Diversifying the economic base can expand job opportunities for residents and can help the District fare better during economic downturns. 702.1

The city's economy is dominated by the government sector. More than one-third of the jobs in the city are public sector jobs, with the federal government accounting for approximately 28 percent of total employment and local government jobs with District of Columbia agencies accounting for approximately five percent. The government is also directly or indirectly responsible for many of the District's private sector jobs. This has always been the case in Washington, but has become even more so since the federal downsizing of the 1990s. As government employment declined during the 1990s, private employment growth was fueled by government outsourcing and contracting. 702.2

Table 7.1 shows the District's top 20 private industry sectors in 2004 using 3-digit NAICS codes. These 20 industries represent 57 percent of all jobs in the city, and 87 percent of the private sector jobs. 702.3

Table 7.1:

20 Largest Private Sector Industries in the District of Columbia, 2004 702.4

3-digit Industry Code	Employment	Percent of Private	Percent of Public + Private*
NAICS 541 Professional and technical services	93,841	21.9%	14.4%
NAICS 813 Membership associations and organizations	44,078	10.3%	6.7%
NAICS 561 Administrative and support services	41,415	9.6%	6.3%
NAICS 611 Educational services	35,798	8.3%	5.5%
NAICS 722 Food services and drinking places	30,483	7.1%	4.7%
NAICS 622 Hospitals	22,466	5.2%	3.4%
NAICS 721 Accommodation	14,795	3.4%	2.3%
NAICS 624 Social assistance	10,696	2.5%	1.6%
NAICS 621 Ambulatory health care services	10,215	2.4%	1.6%
NAICS 531 Real estate	9,301	2.2%	1.4%
NAICS 511 Publishing industries, except Internet	9,180	2.1%	1.4%
NAICS 522 Credit intermediation and related activities	8,529	2.0%	1.3%
NAICS 623 Nursing and residential care facilities	7,372	1.7%	1.1%
NAICS 999 Unclassified	6,106	1.4%	0.9%
NAICS 238 Specialty trade contractors	5,963	1.4%	0.9%
NAICS 812 Personal and laundry services	5,915	1.4%	0.9%
NAICS 445 Food and beverage stores	5,483	1.3%	0.8%
NAICS 236 Construction of buildings	4,512	1.1%	0.7%
NAICS 515 Broadcasting, except Internet	4,374	1.0%	0.7%
NAICS 814 Private households	4,315	1.0%	0.7%
All other private sector jobs	54,339	12.7%	—
Total Private Employment	429,176	100.0%	65.7%

Source: U.S. Bureau of Labor Statistics, Covered Employment and Wages (CEW) series; DC DOES, Current Employment Survey (CES) Series

NAICS = North American Industry Classification System

Note: Total retail employment (which is composed of several NAICS industries) is estimated at 17,500.

The District's largest private sector industry—accounting for more than one in five private sector jobs—is Professional and Technical Services. This category includes lawyers, architects, engineers, and consultants. The second largest category, Membership Associations and Organizations, includes the many industry, trade, and interest groups in the city. Close behind are Administrative and Support Services, which include all manner of services supporting the office sector, from secretaries to janitors. Other key sectors are Educational Services (8.3%) and Hospitals (5.2%). The tourism "cluster" includes Food Services and Drinking Places, and Accommodation, which together account for over 10 percent of private sector employment. 702.5

The number of jobs in the District has been growing at the rate of about one percent a year since 2000, with a net gain of 32,000 jobs between 2000 and 2005. According to the District Department of Employment Services, and research organizations like the Center for Regional Analysis at George Mason University, this rate of growth will continue for the next 10 years. About 7,000 new jobs a year are anticipated through 2015. Beyond 2015, the pace is expected to slow to about 5,000 new jobs a year. Based on available data, nearly all sectors of the economy are projected to grow during the next decade. 702.6

The District has an enviable mix of assets that include the national capital, high-performing industries, numerous colleges and universities, amenity-rich neighborhoods, and a transportation system that links the entire metropolitan region.

ED-1.1 Stabilizing and Diversifying Our Economic Base 703

The District can do more to leverage the strengths of its economy and the region's skilled and highly educated labor force. It already has an enviable mix of assets that include the national capital, high-performing industries, numerous colleges and universities, amenity-rich neighborhoods, and a transportation system that links the entire metropolitan region. To increase its competitiveness within the regional economy, the District will need to further diversify its economy in sectors that have growth potential and/or are underperforming. 703.1

Several industries that do not appear in Table 7.1 may become more important to the District's economy in the future. For example, the District has a burgeoning "knowledge" economy comprised of universities, think tanks, broadcasting, publishing, Internet media, and data processing firms. The District is already outperforming the region in many of these industries and it can and should do more to enhance their competitiveness in the future. Expanding knowledge-based industries can position the District to capture a larger share of federal "spin-off" benefits, particularly given its already strong competitive edge in the technology sectors. 703.2

The District is also a center of international business. The foreign missions and offices of global economic organizations such as the World Bank Group and the IMF represent a major economic sector in their own right with a cumulative direct economic impact in the region of over a billion dollars, and much more in terms of contracting. More importantly, the

concentration of missions and institutions makes the District a unique place to conduct business for companies engaging in international investment or transactions. 703.3

Tables 7.2 and 7.3 provide some indication of where the District's economy may be headed. Between 1999 and 2004, Computer Systems Design and Related Services exceeded all other sectors of the economy in both the amount and rate of growth. The industry is expected to be among the fastest growing sectors of the local economy in the future. Legal services and restaurants, also leaders during the past five years, are poised for significant gains. 703.4

Table 7.2:

High Growth Industries, District of Columbia, 1999-2004 703.5

		Total Jobs		Employment Change (000s)	
NAICS	Sector/Industry	1999	2004	Absolute	APGR*
Five 4-digit industries with greatest employment growth:					
5415	Computer Systems Design and Related Services	7,700	14,700	7,000	13.81%
8133	Social Advocacy Organizations	5,400	9,500	4,100	11.96%
5411	Legal Services	31,500	34,600	3,100	1.90%
7221	Full-Service Restaurants	12,500	15,200	2,700	3.99%
7222	Limited-Service Eating Places	7,400	9,600	2,200	5.34%

Source: Department of Employment Services Office of Labor Market Research and Information in cooperation with the Virginia Employment Commission, the Maryland Department of Labor, Licensing and Regulation, the West Virginia Bureau of Employment Programs and the U.S. Bureau of Labor Statistics.

* *APGR = Annualized Percent Growth Rate*

The 15 industries listed in Table 7.3 represent more than half of the job growth expected in the city during the 10-year period between 2002 and 2012. Some of the gains reflect continued growth of core industries like the federal government, universities, hotels, and non-profits. Other gains are in emerging sectors which show promise for even greater expansion in the future. 703.6

Based on regional and national economic data and indicators, opportunities exist to more aggressively market the District as a corporate headquarters location, grow the building trade and construction industries, and expand information-based industries such as broadcast media. There are also untapped opportunities to grow "backward-linked" or supply industries, such as the laundry and catering firms that serve the city's hotels, and

Table 7.3:
Top 15 Projected High Growth Industries, District of Columbia, 2002-2012 703.7

NAICS	Industry Title	New Jobs
813	Religious, Grantmaking, Civic, Professional, and Similar Organizations	5,789
91	Federal Government	5,596
5415	Computer Systems Design and Related Services	4,713
6113	Colleges, Universities, and Professional Schools	4,460
5411	Legal Services	4,125
722	Food Services and Drinking Places	3,219
61	Self-Employed Workers, Primary Job	3,180
5416	Management, Scientific, and Technical Consulting Services	2,671
5617	Services to Buildings and Dwellings	2,480
721	Accommodation	2,396
611	Elementary and Secondary Schools	2,326
5613	Employment Services	1,910
624	Social Assistance	1,833
5413	Architectural, Engineering, and Related Services	1,786
5417	Scientific Research and Development Services	1,759

Source: District of Columbia Department of Employment Services (2005): District of Columbia Employment Projections by Industry and Occupation, 2002—2012.

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"forward-linked" or supplied industries, such as the technology firms that benefit from local university research. The District's retail sector also holds the potential for significant job growth. 703.8

Policy ED-1.1.1: Core Industries

Continue to support and grow the District's core industries, particularly the federal government, professional and technical services, membership associations, education, hospitality, health care, and administrative support services. 703.9

Policy ED-1.1.2: Economic Linkages

Leverage the potential of core industries to provide new employment opportunities, particularly the growth of businesses that supply essential goods and services to the government, universities, hospitals, law firms, hotels, non-profits, and other major employers in the city. 703.10

Policy ED-1.1.3: Diversification

Diversify the District's economy by targeting industries with the greatest potential for growth, particularly technology-based and creative industries, retail, international business, and the building trades. 703.11

Policy ED-1.1.4: Competitive Edge

Maintain and enhance the District's competitive edge relative to the Metropolitan Washington region and United States markets in such industry sectors as government, professional services, education, health care and tourism. This will require continued government support and incentives for economic development programs, government participation in local economic development projects and initiatives, and strengthened capacity among local economic development organizations, community development corporations, and workforce development groups. 703.12

Policy ED-1.1.5: Use of Large Sites

Plan strategically for the District's remaining large development sites to ensure that their economic development potential is fully realized. These sites should be viewed as assets that can be used to revitalize neighborhoods and diversify the District economy over the long term. Sites with Metrorail access, planned light rail access, and highway access should be viewed as opportunities for new jobs and not exclusively as housing sites. 703.13

Action ED-1.1.A: Economic Development Strategic Plan

Prepare an Economic Development Strategic Plan that lays out in greater detail the steps the District must pursue to maintain and grow its economy. This plan should cover all economic sectors, evaluate competitiveness, and include strategies for workforce development and business attraction and retention. It should be developed through broad input from stakeholders, including resident, industry and education interests. 703.14

Action ED-1.1.B: Data Tracking

Maintain and regularly update statistical data on employment in core sectors, wages and salaries, forecasts by sector, and opportunities for future employment growth. 703.15

ED-1.2 Sustaining the Federal Presence 704

Although the number of federal jobs declined between 1990 and 1998, retaining and even increasing federal employment should be an important part of the city's economic development agenda. Not only does the federal government buffer the District's economy from cyclical boom and bust cycles, it generates significant private employment. 704.1

The District's status as the nation's capital and seat of the United States government is intrinsic to the local economy. The federal government employs 191,900 workers in the District, and federal activities account for

almost 35 percent of the region's economic output. It accounts for one in every 3.5 jobs in the District. The continued presence of the federal government and related uses is a key source of the District's preeminence in the region. Supporting this presence is important to maintain the District's central position in the metropolitan economy. 704.2

Decentralization of federal jobs from the city has been a concern since the 1950s. The combination of interstate highways, suburbanization of the workforce, lack of available land, and national security issues resulted in the relocation of many federal offices to Maryland and Virginia in the 1950s and 1960s. Despite the government's continued strong presence in the District, its "60/40 rule" regarding federal employment (see text box) has functioned more as a guiding policy than a strict mandate. 704.3

Looking forward, the District should continue to retain as much federal employment as it can. Federal jobs have historically provided tremendous job opportunities for District residents, ranging from entry level and clerical jobs to advanced managerial and highly skilled positions. 704.5

Even greater opportunities lie in federal procurement. As shown in Figure 7.2, procurement in the metropolitan region surpassed direct federal spending on wages in the mid-1990s, and has continued to grow more rapidly than other categories of federal spending ever since. A substantial amount of procurement spending—more than $11 billion in 2003—already occurs within the District, as shown in Table 7.4. 704.6

More concerted and strategic efforts should be made to capture contract services in the future, leveraging the District's already strong presence in computer systems design; engineering; and management, scientific, and technical consulting services. 704.8

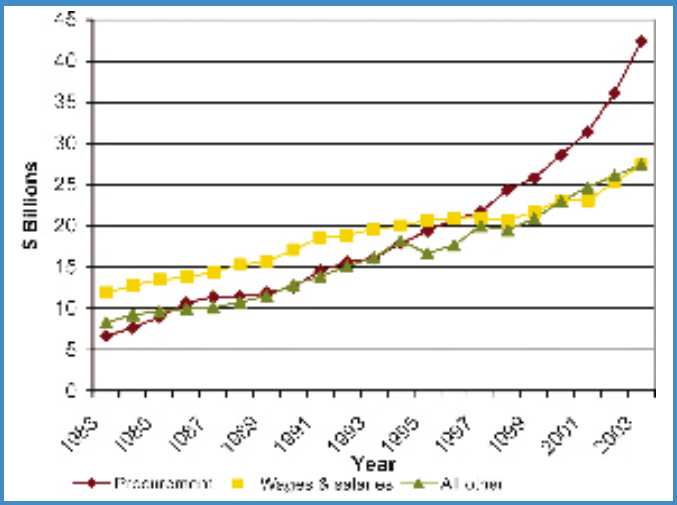
The "60/40" Rule 704.4

The 60/40 rule refers to a federal guideline on the distribution of federal jobs within the Washington Metropolitan Area. The rule was first established in the 1968 Comprehensive Plan as a symbolic commitment to retain the District of Columbia as the seat of the federal government during a period when many jobs and residents were leaving the city for the suburbs. A goal was set to retain at least 60 percent of the region's federal jobs within the District, and thus allow no more than 40 percent of the federal jobs to locate in the Washington suburbs.

The 60/40 rule remains an important guiding principle behind federal location decisions. However, it has functioned as a guideline rather than an absolute standard. The actual regional share of federal jobs dropped below 60 percent in the 1970s and currently stands at about 53 percent. Pressure to relocate federal jobs to the suburbs continues to be strong due to factors such as security, congestion, housing costs, and a desire to be closer to the suburban workforce.

Figure 7.2:

Components of Federal Spending, Washington Metro Area, 1983–2004 704.7



Source: Center for Regional Analysis, George Mason University

Table 7.4:

Federal Procurement By Area and Type, FY 2003 704.9

	Amount (in 1000s)	Percent of Total	Change from Previous Year
District of Columbia			
Research & Development	$370,294	3.3%	-55.54%
Services	$9,471,105	85.3%	11.70%
Supplies & Equipment	$1,258,316	11.3%	-3.53%
TOTAL	**$11,099,715**	**100.0%**	**4.56%**
Suburban Maryland			
Research & Development	$1,412,663	15.9%	-4.10%
Services	$5,929,253	66.7%	23.09%
Supplies & Equipment	$1,550,511	17.4%	-6.16%
TOTAL	**$8,892,427**	**100.0%**	**11.96%**
Suburban Virginia			
Research & Development	$2,498,694	11.3%	15.44%
Services	$16,164,383	72.9%	32.91%
Supplies & Equipment	$3,504,680	15.8%	10.05%
TOTAL	**$22,167,757**	**100.0%**	**26.59%**
Washington PMSA			
Research & Development	$4,281,651	10.2%	-4.22%
Services	$31,564,741	74.9%	0.24%
Supplies & Equipment	$6,313,507	15.0%	2.80%
TOTAL	**$42,159,899**	**100.0%**	**16.89%**

Source: Federal Procurement Data Center; analysis and table by Stephen S. Fuller and John L. Preston. As reported in Fuller, 2004.

Policy ED-1.2.1: Sustaining the Federal Workforce

Advocate for the retention of the federal workforce within the District, consistent with the Federal Elements of the Comprehensive Plan. 704.10

Policy ED-1.2.2: Federal Workforce Growth

Support the growth of the federal workforce in the District, particularly in leased office space whose owners pay District property taxes. Consistent with the Federal Elements, ensure that federal expansion plans support the District's neighborhood revitalization and job creation programs. 704.11

Policy ED-1.2.3: Procurement and Outsourcing Opportunities

Improve the District's competitive position for capturing Federal procurement and outsourcing dollars. The District should help local

businesses take advantage of procurement opportunities while working to attract new firms that can also take advantage of these opportunities. The District should work closely with local and regional economic development agencies to formulate attraction and retention strategies for such businesses, including tax and financial incentives. 704.12

Action ED-1.2.A: Retention and Recruitment Programs

Work with private-sector economic development organizations to discourage federal jobs and agencies from leaving the city, and to enhance the District's ability to capitalize on federal procurement opportunities. 704.13

Action ED-1.2.B: Technical Assistance

Provide local firms with technical assistance in bidding on federal procurement contracts so that the District's companies and workers may capture a larger share of this economic activity. Periodically evaluate the success of local technical assistance programs, and make adjustments as needed to achieve higher rates of success. 704.14

Action ED-1.2.C: Retaining Federal Employment

Work proactively with NCPC to develop strategies such as the "60/40 rule" to avoid relocation of federal jobs from the District to suburban and exurban locations. 704.15

ED-1.3 Creating a Knowledge Economy 705

The District is uniquely positioned to grow those industries that rely on access to cutting-edge technology and that specialize in a range of services such as information exchange, design, and media. The city already has a dynamic learning and research environment, a thriving arts and creative scene, quality work spaces, and a proven record of attracting such firms and employees. These industries can add significant value to the city's economy, and can support a range of opportunities for employment and career advancement. They also offer relatively high wages and flexible working conditions. 705.1

As noted earlier in this chapter, the District has a budding technology sector, as demonstrated by robust employment growth in several technology-intensive industries. The District also has employment concentrations in broadcasting, Internet-related services, data processing, and information services, such as libraries and syndicates. The District's technology sector is related in part to the presence of the national capital and also to the presence of colleges and universities. The federal presence supports extensive research and development activities through laboratories such as the National Institute of Health. The universities often host cutting-edge research and development that in turn may spawn successful firms, often founded by student entrepreneurs. 705.2

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Particular research fields with strong ties to the District include information technology, clinical research, and economics. These are all uses that can take advantage of the District's predominant commercial development type—multi-tenant, Metro-accessible office buildings. On the other hand, capturing biotechnology and research labs may be more difficult. While the District has the right elements for these uses, including universities, funding sources, and a highly educated regional labor pool, they typically prefer less costly rents in a campus-like setting. A handful of large sites in the city offer this setting, but there is competition to use these properties for other uses such as housing and federal office space. 705.3

Rounding out the "knowledge economy" cluster are the cutting-edge arts, design, media, information, Internet, and entertainment industries. For example, the District already has the nation's second largest video game design industry in the country. The District should do more to capitalize on its potential as a global information, research, and data center. As the generator of much of the nation's news, the District should also take advantage of the success of established broadcast media such as CNN, BET, and XM Satellite Radio and accommodate not only radio and television, but also production and post-production facilities. The District already has a wealth of technology firms, but lags in the creative side of new media such as web design and video production. Similarly, the District should continue to foster design-driven industries, along with creative destinations that rely on cutting-edge technology such as the Spy Museum and Newseum. 705.4

Policy ED-1.3.1: Technology-Intensive Industries

Aggressively pursue technology-based and creative industries, such as computer systems design, information services, data processing, and broadcasting firms. Promote the development of space that is attractive to these firms, both in new and existing buildings. Such space should include relatively lower-cost, large floor plate buildings with high load-bearing capacity and good access to transportation. 705.5

Policy ED-1.3.2: University Partnerships

Enhance partnerships with universities and other institutions to generate business and employment growth in the research and development sectors, and to continue technology transfer programs for District businesses and entrepreneurs. 705.6

Policy ED-1.3.3: Media and Design

Capitalize on the success of established broadcast media and design companies by continuing to grow these industries, and by growing related industries such as web design and multimedia content. 705.7

Policy ED-1.3.4: Incentives

Provide incentives, marketing efforts, and zoning tools to attract and retain "knowledge cluster" and creative industries. Take full advantage of

federal incentives, such as research and development tax credits, to attract such firms. 705.8

Enhancing partnerships with universities and other institutions generates business and employment growth in the research and development sectors.

Policy ED-1.3.5: Technology Infrastructure

Focus technology attraction efforts on sites and corridors where technology infrastructure (such as fiber optics cable) is already in place. Proximity to such infrastructure provides an advantage for firms that rely on the movement of large amounts of data. The capacity and need for such infrastructure should be considered when planning for the redevelopment of strategic corridors, such as New York Avenue. 705.9

Action ED-1.3.A: Knowledge Cluster Action Strategy

Conduct a more detailed assessment of the knowledge cluster in the District. Such a study should be guided by a Task Force that represents economic development organizations, private industry, residents, and research institutions. It should include a review of national best practices, as well as actions to promote the development of research-driven and creative firms in the District. 705.10

Action ED-1.3.B: Branding Washington as a Creative Hub

Develop a marketing and branding campaign that establishes a stronger identity for the District of Columbia as a center for creativity and innovation, capitalizing on established institutions such as the city's museums, think tanks, arts establishments, universities, and media industries. 705.11

Action ED-1.3.C: Technology in NoMA and the Near Southeast

Identify opportunities for knowledge- and technology-based industries within the emerging business districts of North-of-Massachusetts Avenue (NoMA) and the Near Southeast. 705.12

See also the Arts and Culture Element for policies on attracting and retaining a creative workforce, and the Educational Facilities Element for policies and actions on educational partnerships.

ED-2 The Spatial Impacts of the Job Market 706

The addition of 125,000 jobs during the next 20 years will create the demand for office, retail, hospitality, institutional, and industrial space. Estimates of floor space needs for the 20-year period vary from around 35 million to 65 million square feet, depending on the mix of jobs and space utilization trends. Several hundred acres of land will be required to sustain this development, in a variety of settings with a variety of building types. Accommodating this growth will pose a challenge for the District, given that it is a mature city with fixed boundaries. 706.1

By most indicators, the District's office market is performing well. Its vacancy rate is just 6.7 percent, the lowest of any major U.S. market. The average asking rent remains above $45 per square foot—second only to Midtown Manhattan.

Different sectors of the economy will generate the demand for different types of space. The federal government, professional/technical services, and member associations will drive the demand for office space, especially in Central Washington. The education and hospital sectors will drive demand for institutional space, typically on campuses or in campus-like settings. Such settings may also be attractive to growth industries such as those in technology and design. Administrative and support services will generate demand for light industrial (also called office/flex) space, and the tourism sector will rely on retail, hotel, and cultural space in Central Washington and elsewhere. 706.2

The following sections of the Economic Development Element explore the impact of projected job growth on each of these market segments. The policies and actions are intended to accommodate long-term economic growth needs by coordinating land use and transportation decisions and maximizing access to employment for District residents. These policies are supplemented by the job training and development policies that appear later in this Element, and by the commercial and industrial land use policies in the Land Use Element. 706.3

ED-2.1 The Office Economy 707

The District has one of the largest inventories of office space in the nation, with over 112 million square feet. Among American cities, only Midtown Manhattan, Lower Manhattan, and Downtown Chicago boast a greater concentration of office buildings. By most indicators, the District's office market is performing well. Its vacancy rate is just 6.7 percent, the lowest of any major U.S. market. The average asking rent remains above $45 per square foot—second only to Midtown Manhattan. 707.1

Central Washington includes a number of sub-markets, each providing different amenities and locational advantages. The largest of these sub-markets are Downtown, traditionally defined as the area east of 16th Street and south of Massachusetts Avenue; and the Golden Triangle, extending from 16th Street west to Foggy Bottom and north to Dupont Circle. Smaller office districts exist in Georgetown, on Capitol Hill, along the avenues of Upper Northwest Washington, around L'Enfant Plaza, and in the Southeast Federal Center and North Capitol Street areas. The large geographic expanse of the city's office market has been driven at least partially by height limits and the sizeable area dedicated to federal uses and open space in the heart of the city. 707.2

The city's more well-established business districts, such as Downtown and the Golden Triangle, are approaching build-out. As a result, development is pushing east towards Union Station and the North-of-Massachusetts-Avenue (NoMA) areas, and south toward the Anacostia River. Almost nine

million square feet of office space is now under construction in the city, much of it in these areas. 707.3

Although the District's commercial land supply is adequate to accommodate the job forecasts, the market faces a number of challenges to its continued high performance. While absorption has been brisk (about 1.75 million square feet per year), approximately half of the space due to come online in the coming years is speculative. In addition, recent federal security standards and related military base closures may open up large quantities of inexpensive office space in Arlington, potentially impacting the demand for space in the District (see "Planning for BRAC" text box). At the same time, some of the existing space in Central Washington has reached the end of its economic life and is in need of renovation or replacement. Going forward, there will be a need for strategies to retain existing office tenants and to attract new tenants through creative marketing. 707.4

Policy ED-2.1.1: Office Growth

Plan for an office sector that will continue to accommodate growth in government, government contractors, legal services, international business, trade associations, and other service-sector office industries. The primary location for this growth should be in Central Washington and in the emerging office centers along South Capitol Street and the Anacostia Waterfront. 707.6

Policy ED-2.1.2: Corporate Headquarters

Promote the qualities that favor the District as a headquarters or branch setting for multi-national corporations, including its economic, social, political and locational attributes. Focus in particular on companies that contract with the federal government but are currently headquartered elsewhere. Construct incentive packages to encourage large corporations to locate and maintain their offices in the District. 707.7

Policy ED-2.1.3: Signature Office Buildings

Emphasize opportunities for build-to-suit/signature office buildings in order to accommodate high-end tenants and users and corporate headquarters. Consider sites in secondary office centers such as NoMA and the Near Southeast for this type of development. 707.8

Planning for BRAC

(Base Realignment and Closure) 707.5

The Department of Defense periodically reorganizes America's military infrastructure to more effectively and efficiently support its operations. This may result in the redeployment of personnel to new sites, the development of new facilities, and the closure of military bases across the United States. The latest round of base closings, announced in 2005, would close Walter Reed Hospital and scale back operations at Washington Navy Yard and Bolling Air Force Base. According to the George Mason School of Public Policy's Center for Regional Analysis, the District could lose more than 7,500 military and civilian jobs as a result.

The indirect impacts of the BRAC may be even greater than the direct impacts. Specifically, new Department of Defense security standards may result in the vacating of almost 7.2 million square feet of space in Arlington and Alexandria. As contractors and federal tenants leave this space for secured facilities at Fort Belvoir and elsewhere, the local office market may quickly become saturated. Possible impacts on the District could be a downward adjustment in office rents and leasing rates, an increase in vacancy rates, and the loss of firms to Virginia as cheaper space becomes available.

In the long-term, there may also be positive impacts from the military realignment. The possibility of future land transfers from federal ownership to the District could mean new economic development opportunities for the city.

Policy ED-2.1.4: Diversified Office Options

Diversify the tenant base by attracting both high-end, mid-range, and low-end office space users, and by supporting a range of office space types. Recognize that while many firms seek to be located in the District, some may prefer lower-end space over premium Downtown office space. 707.9

Policy ED-2.1.5: Infill and Renovation

Support the continued growth of the office sector through infill and renovation within established commercial districts to more efficiently use available space while providing additional opportunities for new space. 707.10

Policy ED-2.1.6: Local-Serving Office Space

Encourage the development of small local-serving offices within neighborhood commercial districts throughout the city to provide relatively affordable locations for small businesses and local services (such as real estate and insurance offices, accountants, consultants, and medical offices). 707.11

Action ED-2.1.A: Office Sector Assessment

Conduct a comprehensive evaluation of the District's office market at least once every two years, including employment forecasts; space demand estimates; inventories of planned and proposed projects; analysis of location trends; analysis of regional competition including taxes, amenities, and the regulatory environment; and shifts in occupant needs. Use the findings of the evaluation to assist local Business Improvement Districts and Community Development Corporations, and to develop appropriate District economic development strategies and programs. 707.12

Action ED-2.1.B: Marketing Programs

Prepare and implement a marketing plan for the District of Columbia's office space, working collaboratively with local economic development organizations such as the Board of Trade and Chamber of Commerce. The marketing plan should focus on companies that are headquartered elsewhere but conduct extensive business with the federal government, including legal firms, national membership organizations and technology-intensive industries, and the domestic offices of international firms. 707.13

Action ED-2.1.C: Back Office Construction Incentives

Explore the feasibility of financial and/or regulatory incentives to encourage the development of lower-cost office space and office space for small and/or non-profit businesses in underinvested areas and in commercial districts outside Downtown. 707.14

ED-2.2 The Retail Economy 708

Gallery Place has become a major shopping, entertainment, and dining destination, drawing a mix of tourists, workers, and residents.

A robust retail sector has the potential to generate significant tax revenue, provide employment and income for residents, enhance the vitality of the city, and improve shopping, dining, and entertainment choices for District neighborhoods. In recent years, the range of retail options in the city has been increasing. Gallery Place and U Street have become major shopping, entertainment, and dining destinations, drawing a mix of tourists, workers and residents. Established retail districts such as Friendship Heights, Georgetown, and Adams Morgan continue to draw patrons from outside as well as inside the city. Retail is also returning to the city's eastern quadrants, including locations like Anacostia Gateway and Barracks Row, after years of decline. 708.1

Nonetheless, the District still loses, or "leaks," an estimated $1 billion per year in retail spending from its resident population, amounting to almost $4,000 per household. The leakage is even higher when the potential spending of the daytime population, including workers and visitors, is included. The District's underperforming retail sector has a pronounced impact on its fiscal health, since retailing pays both real property taxes and sales taxes, and is more also likely to employ District residents than office development (see text box on next page). 708.2

Efforts are underway to expand retail choices and strengthen existing retail businesses, both in Central Washington and in District neighborhoods. Continued planning and market assessment will be needed to ensure that the District is targeting an optimal mix of goods and services, and in the right locations. An effective retail strategy should include a focus on those uses that are missing or under-represented today, such as grocery stores, home furnishings, and home improvement stores. It should also assess the potential for new retail formats, such as "vertical" car dealerships that make more efficient use of limited and expensive land. If the full market potential of retail is tapped, as much as seven to ten million square feet of floor space might be accommodated in the next 20 years. 708.3

Policy ED-2.2.1: Expanding the Retail Sector

Pursue a retail strategy that will allow the District to fully capitalize on the spending power of residents, workers and visitors, and that will meet the retail needs of underserved areas. 708.4

Policy ED-2.2.2: Downtown Shopping

Strengthen Downtown Washington as a regional retail destination in order to capitalize on its status as a transit hub and its historic role as the cross-roads and central marketplace for the Washington metropolitan area. Downtown should be developed and promoted as a regional retail destination of choice, with multiple traditional and non-traditional retail anchors, a well-programmed variety of consumer goods retailers, specialty shops, retailers unique to the Washington region, and a wide variety of restaurants and entertainment venues. 708.5

The Importance of Retail Sales to the District's Finances 708.6

An analysis of the fiscal impacts of different land uses was performed as part of the revision of the Comprehensive Plan to better understand the implications of future land use decisions. This analysis found that retail floor space generated more tax revenue for the city than comparable amounts of housing or office space. In fact, 100 square feet of "typical" retail space generated $1,995 of revenue annually, compared to $1,246 for office space, and $869 for market-rate condominiums. For a "typical" market-rate condominium, 70 percent of the municipal revenues generated were from income taxes and 25 percent were from property taxes. By contrast, almost three-quarters of the municipal revenue derived from retail space was from sales tax.

Grocery stores and supermarkets should be developed in neighborhoods where residents currently travel long distances for food and other shopping services

The analysis found that mixed use development may be more favorable than single-use development from a revenue standpoint. Combining retail and residential uses allows the District to capture sales taxes, income taxes, and property taxes, while also reducing retail "leakage" and providing housing for the local workforce. Likewise, retail in tandem with office development provides an opportunity to capture worker spending on retail sales, currently a missed opportunity in many parts of Downtown.

Some caveats to this analysis are worth noting:

- Although retail uses are the best generator of revenue, this is dependent on the health of the economy and the specific mix of retail businesses. Some types of retail clearly generate more sales tax revenue per square foot than others.
- Office uses are the most reliable generator of revenue since a higher proportion of the revenue comes from property taxes, which fluctuate less than income and sales taxes.
- The fiscal impacts of residential uses are highly sensitive to the income levels and household characteristics of occupants. For example, a market rate housing unit occupied by two income earners with no children generates more revenue and requires fewer municipal expenses than an affordable family unit.

While fiscal impacts alone should not drive land use decisions, this type of data can help the city create balance, and achieve an appropriate mix of uses and activities as it grows.

Policy ED-2.2.3: Neighborhood Shopping

Create additional shopping opportunities in Washington's neighborhood commercial districts to better meet the demand for basic goods and services. Reuse of vacant buildings in these districts should be encouraged, along with appropriately-scaled retail infill development on vacant and underutilized sites. Promote the creation of locally-owned, non-chain establishments because of their role in creating unique shopping experiences. 708.7

Policy ED-2.2.4: Destination Retailing

Continue to encourage "destination" retail districts that specialize in unique goods and services, such as furniture districts, arts districts, high-end specialty shopping districts, and wholesale markets. Support the creative efforts of local entrepreneurs who seek to enhance the District's destination retailing base. 708.8

Policy ED-2.2.5: Business Mix

Reinforce existing and encourage new retail districts by attracting a mix of nationally-recognized chains as well as locally-based chains and smaller specialty stores to the city's shopping districts. 708.9

Policy ED-2.2.6: Grocery Stores and Supermarkets

Promote the development of new grocery stores and supermarkets, particularly in neighborhoods where residents currently travel long distances for food and other shopping services. Because such uses inherently require greater depth and lot area than is present in many commercial districts, adjustments to current zoning standards to accommodate these uses should be considered. 708.10

Policy ED-2.2.7: Planning For Retail

Coordinate neighborhood planning efforts with the District's economic development planning and implementation programs in order to improve retail offerings in local commercial centers. 708.11

Action ED-2.2.A: Retail Action Agenda

Prepare and implement a citywide Retail Action Agenda. The Agenda should include an evaluation of the current and projected amount of market-supportable retail, strategies for overcoming retail development barriers, neighborhood-specific evaluations, and recommendations for new retail development and assistance programs. 708.12

Action ED-2.2.B: Retail Ceiling Heights

Determine the feasibility of zoning amendments which would permit higher ground floor retail ceiling heights in commercial and mixed use districts. The building height limits in several zone districts preclude the development of ground floor space in keeping with national standards without reducing overall gross leasable building area or placing a portion of the ground floor below the street level. 708.13

The economic impact of tourism includes both direct employment in the hospitality industry and spending by tourists and business travelers during their stays in the District. The Washington Convention Center alone is estimated to have generated more than $700 million in direct spending by attendees in 2005.

ED-2.3 The Tourism and Hospitality Economy 709

The District is a premier tourism, convention and special events destination. Its array of attractions and cultural venues, particularly the national museums and federal monuments, rivals that of other great cities around the globe. With 19 million annual visitors, the District ranks fourth among the top United States destinations for domestic travelers and eighth among foreign visitors. Away from the National Mall, an increasingly rich and diverse set of visitor amenities has been developed, including theaters, galleries, restaurants, night clubs, historic trails, and historic home museums, which are enjoyed by visitors and residents alike. Added to this are the District's newly expanded convention facilities and the associated increase in convention travel. 709.1

The economic impact of tourism includes both direct employment in the hospitality industry and spending by tourists and business travelers during their stays in the District. Hotels, bars, and restaurants directly provide more than 45,000 jobs in the city. The Washington Convention Center alone is estimated to have generated more than $700 million in direct spending by attendees in 2005. New hotels such as the 400-room Mandarin Oriental in Southwest have added to the lodging choices in the District. Additional hotels, including a new Convention Center headquarters hotel, are planned to attract larger conventions. 709.2

Future growth is expected in both the tourism and convention sectors, with strong job gains projected during the next five years. The opening of new attractions such as the renovated National Portrait Gallery and the US Capitol Visitors Center will attract new visitors and also bring repeat visitors back to the capital. The new ballpark, scheduled to open in 2008, will have a particularly strong impact on visitor spending. In addition, features such as the African-American Heritage Trail, the Fort Circle Parks, the National Arboretum, Kenilworth Aquatic Gardens, and the Frederick Douglass Home offer an opportunity to explore the city "beyond the monuments" while also supporting neighborhood businesses and providing a better understanding of the city's history and culture among visitors. 709.3

Meeting the increased demand for visitor services will require sustained efforts to improve the hospitality workforce, upgrade transportation capacity, address public concerns about security, and maintain public access to key attractions and amenities. It will also require proactive measures to address neighborhood concerns about tour buses, parking, and other tourism impacts. 709.4

Policy ED-2.3.1: Growing the Hospitality Industry

Develop an increasingly robust tourism and convention industry, which is underpinned by a broad base of arts, entertainment, restaurant, lodging, cultural and government amenities. Strive to increase: (a) the total number of visitors to Washington; (b) the number of visitors staying in the District (rather than in suburban hotels); and (c) longer visitor stays in Washington. Promote

the District not only as the preferred base for exploring the city's attractions but also the preferred overnight base for visiting regional attractions. 709.5

Policy ED-2.3.2: Visitor Attractions

Provide new and enhanced visitor attractions and entertainment venues in the District, particularly attractions that complement the traditional museums and monuments and draw more international visitors and young adults to the city. New attractions should create a clear identity for the District as the region's major entertainment center. 709.6

Policy ED-2.3.3: Amenities Beyond the Mall

Promote the development of cultural amenities beyond the Mall in an effort to more fully capitalize on the economic benefits of tourism. 709.7

See also the Arts and Culture Element for policies on promotion of the visual and performing arts, and the Historic Preservation Element for policies on heritage tourism.

Policy ED-2.3.4: Lodging and Accommodation

Support the development of a diverse range of hotel types, serving travelers with varying needs, tastes, and budgets. New hotels should be encouraged both within Central Washington and in outlying commercial areas of the city, particularly in areas which presently lack quality accommodation. 709.8

Policy ED-2.3.5: Federal Coordination

Continue to work with federal entities in the planning of visitor attractions, including new federal monuments and memorials, so that the District can plan for complementary amenities and incorporate these features into its marketing programs. The District should also coordinate with the federal government to address security measures which may affect the accessibility and appearance of visitor attractions. 709.9

Policy ED-2.3.6: Entertainment Districts

Support the continued concentration of entertainment uses in the Gallery Place/Convention Center area to create a stronger and more visible destination for visitors, workers, and residents, and to avoid the over-concentration of these uses in neighborhoods where they might have adverse impacts. Improve streetscape and transportation connections between this area and the National Mall to foster its continued success. 709.10

Policy ED-2.3.7: Visitor Information Services

Provide more effective visitor information services, including information on tourist attractions and services, and transportation, lodging, dining, cultural and entertainment options. 709.11

See the Transportation Element for additional guidance on improved signage to attractions and destinations within the District.

Policy ED-2.3.8: Spin-Off Industries

Promote the development of hospitality-supply industries within the District to capture a greater share of the employment and income benefits associated with this labor-intensive sector. Presently, many of the industries that provide supplies to local hotels and restaurants are located outside of the city. 709.12

Policy ED-2.3.9: Hospitality Workforce Development

Recognize the potential for the hospitality sector to generate entry level jobs and opportunities for upward mobility for District residents by promoting vocational, job training, and job placement initiatives in this sector, and by working with local hotels, the District of Columbia Hotel Association, the Washington Convention and Tourism Corporation, and others. 709.13

Action ED-2.3.A: Assessment of Supply Industries

Conduct an assessment of the industries that provide goods and services to the District hotels and restaurants, such as caterers, laundries, and janitorial services. Based on the findings of the assessment, consider incentives and regulatory tools which might help the District capture a larger share of these businesses, along with possible locations for such uses within the city. 709.14

Action ED-2.3.B: Promote Unique Assets

Investigate opportunities for further promotion of Washington's more esoteric attractions so that visitors may be drawn to new destinations in the city, thereby extending their stays and creating more economic benefits for the city. For example, consider tour packages that include "Undercover Washington" (featuring the FBI Building, Watergate, the Spy Museum, etc.); "Naturalist's Washington" (featuring the C & O Canal, Dumbarton Gardens, the Anacostia River, Rock Creek Park, and the National Arboretum) and "Washington at War" (featuring the Fort Circle Parks, Marine Corps Historical Museum, and the war memorials). Consider also a permanent fair or series of destinations showcasing the 50 states that draws on the District's status as the nation's capital. 709.15

Action ED-2.3.C: Ballpark Economic Strategy

Develop a strategic plan to capitalize on the economic opportunities of the new Major League Baseball park, including the development of additional restaurants, entertainment, and hospitality services in the ballpark vicinity. 709.16

See the Arts and Culture Element for additional actions relating to tourism.

ED-2.4 The Institutional Economy 710

The District's institutions, including colleges, universities, and hospitals, make a significant contribution to the local economy. As of 2004, Colleges, Universities and Professional Schools accounted for 30,500 jobs in the District, representing nearly five percent of total employment. Of the District's top 20

private employers, the District's Department of Employment Services reports that universities occupy the number one, two, four, nine, and 12 slots. George Washington University is the largest private employer in the city, followed by Georgetown. Employment at colleges and universities in the District peaked in 1999, declined for the next two years, and has been on the rise since. The District Department of Employment Services indicates this sector will gain about 4,500 jobs between 2002 and 2012. 710.1

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Several of the District's universities also have affiliated teaching hospitals. These include Washington Hospital Center (a private teaching hospital affiliated with several DC universities), Georgetown University Hospital/ Medstar Health, Howard University Hospital, and the George Washington University Hospital. These four institutions are the third, seventh, eighth, and 15th largest private employers in the District. Hospitals accounted for approximately 22,500 jobs in 2004, representing 3.4 percent of private sector employment. 710.2

Policy ED-2.4.1: Institutional Growth

Support growth in the higher education and health care sectors. Recognize the potential of these industries to provide employment and income opportunities for District residents, and to enhance the District's array of cultural amenities and health care options. 710.3

See also the Educational Facilities Element for additional policies related to colleges and universities.

Policy ED-2.4.2: Secondary Benefits

Promote the development of local businesses and enterprises that rely on the concentration of universities and health care institutions in the city, including both firms that provide supplies to these industries, and firms that benefit from their knowledge and research capacity. 710.4

Policy ED-2.4.3: Higher Education and Health Care Linkages

Encourage continued linkages between the higher education and health care industries through facilities such as medical schools, teaching hospitals, and medical research centers. 710.5

See also the portions of this Element on the "Knowledge Economy" and "Increasing Access to Employment" for additional policies and actions relating to higher education.

ED-2.5 The Production, Distribution, and Repair Economy 711

Production, Distribution and Repair (PDR) jobs include the construction trades, utilities, transportation, publishing, manufacturing, wholesalers, and service providers such as commercial laundries. When these various industries are considered collectively, they account for approximately 10 percent of the District's employment. PDR employment in the District has

Industrial Land Use Study 711.3

In 2005, the DC Office of Planning commissioned a detailed study of the city's industrial lands from a land use, economic, and market perspective. This work included:

- A survey of existing industrial tenants, and field surveys and mapping of land use patterns and physical characteristics of each industrial area
- An opportunities and constraints analysis of each sub-area based on the field surveys and mapping
- An economic analysis of the role that PDR businesses play in the DC economy
- Development of evaluation criteria for rezoning requests.

Based upon a detailed demand analysis, the study found that DC currently requires 70 acres of additional land in which to house its municipal-industrial functions alone. The study also found that there is a limited supply of this type of land, and that much of the District's industrial land is either undevelopable, has been rezoned, or is under significant development pressures.

The study provided future land use recommendations regarding where industrial land should be preserved and where it may be rezoned. Two tracks of recommendations are provided. The first emphasizes zoning strategies to provide appropriate standards and protections for PDR businesses where continued PDR use is appropriate. The second consists of policy responses such as Industrial Business Improvement Districts, contracting assistance, and industrial parks, all of which are intended to promote business development and growth in the PDR sectors.

been stable over the past several years. Declines in some sectors, such as manufacturing, have been offset by growth in other sectors, such as construction and warehousing. PDR jobs are particularly desirable in the District, as they offer competitive wages to persons with limited education and academic credentials. 711.1

As discussed in the Land Use Element, the areas that currently accommodate many of the city's PDR jobs have come under scrutiny as developers have run short of more favorably-located sites. This is particularly true around the New York Avenue Metro station, but is also the case on the New York Avenue industrial corridor and in other industrial areas such as Blair Road and Buzzard Point. Although Washington has never been an "industrial" city, it still must grapple with how much industrial land it can afford to lose before basic support services and municipal government functions are impaired (see "Industrial Land Use Study" text box). 711.2

The production, distribution, and repair sector plays an important role in supporting other sectors of the economy. The federal government, the hospitality industry, the construction trades, and many of the District's large private employers require services that are delivered from warehouses, trucking and distribution centers, and wholesale or manufacturing facilities. Media companies whose operations involve an industrial component, such as studios, also may locate in the District's industrial zones. 711.4

Policy ED-2.5.1: Industrial Land Retention

Retain an adequate supply of industrially zoned land in order to accommodate the production, warehousing, distribution, light industrial, and research and development activities which sustain the local economy, support municipal services, and provide good employment opportunities for District residents. 711.5

Policy ED-2.5.2: Retaining Heavy Industry

Ensure that basic manufacturing (M-zoned) land is retained within the District to support the heavy industries that are essential to the local economy, such as concrete and asphalt batching plants and waste transfer facilities. 711.6

Action ED-2.5.A: Industrial Business Improvement Districts

Consider the formation of an Industrial Business Improvement District (BID) along the New York Avenue

corridor to coordinate development activity, promote industrial tenant attraction and retention, and improve the functionality of the corridor as a viable industrial area. 711.7

See also Land Use Element Section LU-3.1 for additional policies and actions related to Industrial land retention.

ED-3 Supporting the Neighborhood Business Environment 712

The distinct characteristics of many of the District's neighborhoods are expressed in their local shopping areas. Neighborhood business districts often reflect the ethnic heritage, building patterns, and architectural and social history of the communities that surround them. They provide places to interact with neighbors, and in many cases, a public domain with active street life and character. 712.1

From an economic development standpoint, the District's neighborhood shopping areas generate property and sales taxes, provide jobs, and meet local needs for goods and services. The economic health of these areas varies widely across the city. In shopping districts that are thriving, the city will promote continued patronage, variety, and quality, while addressing issues such as parking and aesthetics. In shopping districts that are struggling, more strategic decisions must be made, taking into account the long-term viability of each area. A range of solutions—including phasing out obsolete commercial areas in favor of new uses like housing—may be needed to address chronic challenges such as boarded up storefronts, concerns about public safety, and a lack of access to financing. 712.2

Neighborhood business districts often reflect the ethnic heritage, building patterns, and architectural and social history of the communities that surround them. They provide places to interact with neighbors, and in many cases, a public domain with active street life and character.

ED-3.1 Strengthening Neighborhood Commercial Centers 713

Part of growing an inclusive city involves improving access to basic goods and services for residents in all parts of the city. Currently, some areas of the District lack basic amenities such as grocery stores, hardware stores, drug stores, and dry cleaners. In other parts of the city, these services exist but they are poorly sited and do not provide the sense of community identity that they could. 713.1

Recently, commercial districts such as U Street have re-emerged as walkable shopping areas, with new development reinforcing the traditional pedestrian pattern. Other commercial districts have not fared as well. This is especially true along long arterial streets, and in neighborhoods where certain commercial uses are in oversupply or are causing problems. The future market feasibility of each commercial area should be evaluated based on a number of factors, including architectural design and character, lot and block patterns, property ownership, surrounding uses, market competition, community support, traffic and parking, and the mix of existing businesses. 713.2

Commercial districts such as U Street have re-emerged as walkable shopping areas, with new development reinforcing the traditional pedestrian pattern.

The Restore DC Main Street program has helped revitalize the Barracks Row commercial district.

To sustain viable commercial centers, it is essential that the city provide the police and fire protection, street and sidewalk maintenance, lighting, sanitation, and code enforcement services necessary to ensure the health and safety of merchants, residents, and shoppers. Transit and parking improvements are particularly important to improve access and minimize neighborhood disruption. The District is currently implementing a number of programs with these objectives. For example, the Great Streets initiative is focusing on capital improvements such as street lighting and tree planting. The Restore DC Main Street program is focusing on small business development and technical support. 713.3

Ultimately, the success of each neighborhood commercial district will depend on private investment and cooperation among merchants and property owners. Community development corporations and business improvement districts can assist through the services they provide and the local business enterprises they support. The city can assist by providing technical assistance, financial incentives, and support to merchant associations, and by coordinating its revitalization programs with those of the private and non-profit sectors. 713.4

See the Framework Element (Generalized Policy Map) for a discussion of the District's commercial centers, including neighborhood centers, multi-neighborhood centers, regional centers, and Main Street mixed use corridors.

See the Land Use Element for a discussion of the District's land use and development policies in neighborhood business districts.

Policy ED-3.1.1: Neighborhood Commercial Vitality

Promote the vitality and diversity of Washington's neighborhood commercial areas by retaining existing businesses, attracting new businesses, and improving the mix of goods and services available to residents. 713.5

Policy ED-3.1.2: Targeting Commercial Revitalization

Continue to target government economic development programs to areas of greatest need, including older business areas and commercial centers that inadequately serve surrounding areas. Focus on those areas where the critical mass needed to sustain a viable neighborhood commercial center can be achieved. 713.6

Policy ED-3.1.3: Commercial District Associations

Encourage business improvement districts, merchant associations, Main Street organizations, and other commercial associations that enhance economic development and commercial revitalization efforts, particularly in underserved and/or rapidly gentrifying neighborhoods. 713.7

Policy ED-3.1.4: Assistance for CDCs

Encourage a network of active and effective community development corporations (CDCs) and similar neighborhood-based economic development

groups. The District should assist CDCs and similar organizations in acquiring the necessary technical and financial skills to participate in neighborhood revitalization projects. It should integrate the work of such groups into the city's overall planning and economic development initiatives. 713.8

Policy ED-3.1.5: Public-Private Partnerships

Leverage the expenditure of public funds to produce private sector investments, including joint development on publicly-owned land and redevelopment in areas considered to be high risks by investors. Support the involvement of local community development corporations in commercial development and revitalization efforts within these areas. 713.9

Policy ED-3.1.6: Revitalization Planning

Link commercial revitalization strategies to capital budget priorities and larger neighborhood and transportation investment plans, including programs to improve transit to neighborhood centers. 713.10

Policy ED-3.1.7: Community Equity Investment

Provide opportunities for community equity investment in local economic development projects. This may include methods of business financing that provide District residents with greater opportunities for equity shares in new development. 713.11

Action ED-3.1.A: Neighborhood Commercial Revitalization

Expand commercial revitalization programs such as tax increment financing, Great Streets, and the District's Main Street program to include additional commercial districts, particularly in the northeast and southeast quadrants of the city. 713.12

See also Action ED-2.2-A on the Retail Action Agenda.

ED-3.2 Small and Locally-Owned Businesses 714

Small goods and services businesses are an important part of what makes the District's neighborhood commercial areas work. They provide full and part time employment opportunities for city residents and contribute to the city's tax base. They help sustain the diversity of neighborhood shopping areas, and enable the marketplace to respond to changing business conditions and consumer preferences. It is the city's small business proprietors that have initiated many of the District's commercial revitalization efforts, driven by a desire and commitment to upgrade their businesses, properties, and neighborhoods. 714.1

Approximately 95 percent of the businesses in the District have fewer than 50 employees. While these businesses represent just 34 percent of the District's private sector jobs, they are an essential part of the city's economic

The District recognizes that neighborhood shopping areas should evolve in response to changes in consumer tastes and preferences, but it also recognizes the importance of avoiding displacement and economic hardship for the businesses that have anchored our city's shopping areas for years.

base. Sectors with high numbers of small businesses include construction, wholesale trade, retail trade, and food services. In fact, the average retail business in the city has about 10 employees and the average food service business has 17 employees. 714.2

The success of small businesses in these sectors and others is particularly important in the city's economically distressed communities. Small businesses in these areas can catalyze neighborhood renewal and provide local jobs. The availability of working capital and other forms of financial and technical assistance is important to promote their success. 714.3

One of the potential downsides of revitalization is the loss of small businesses as national chains move in. This can also result in the replacement of basic services with high-end specialty shopping that is not affordable to many residents. The District recognizes that neighborhood shopping areas should evolve in response to changes in consumer tastes and preferences, but it also recognizes the importance of avoiding displacement and economic hardship for the businesses that have anchored our city's shopping areas for years. 714.4

New programs may be needed to reduce "commercial gentrification" in the future. Measures should include but not be limited to income and property tax incentives, assistance to commercial tenants seeking to purchase their buildings, commercial land trusts (which buy local commercial space and hold it in perpetuity for the benefit of the community), and relocation assistance programs for displaced business. Zoning strategies, such as limits on the size of businesses or the length of street frontage, and tying zoning relief (variances, etc.) to explicit requirements for the preservation of local serving small businesses also should be included. There are also federal programs like the HUBZone (Historically Underutilized Business Zone). 714.5

Policy ED-3.2.1: Small Business Retention and Growth

Encourage the retention, development, and growth of small and minority businesses through a range of District-sponsored technical and financial assistance programs. 714.6

Policy ED-3.2.2: Small Business Incubators

Provide low-cost rental space ("incubators") for small, home-grown businesses and start-up companies, particularly companies that are responsive to technological and economic innovation in the marketplace. A variety of spaces should be considered for business incubators, including vacant storefronts and surplus public buildings. 714.7

Policy ED-3.2.3: Access to Capital

Expand access to equity, debt capital, long-term debt financing, and small business loans for small and medium-sized businesses. These tools should be used to leverage private investment in facade improvements, new and expanded business ventures, streetscape improvements, and other outcomes that help revitalize commercial districts and generate local jobs. 714.8

Policy ED-3.2.4: Large Business Partnerships

Promote collaborations and partnerships between small businesses and the District's major employers to increase contracts for small and disadvantaged businesses, including federal outsourcing contracts. 714.9

Policy ED-3.2.5: Technology Transfer and Innovation

Support ongoing efforts by the District's colleges and universities to promote technology transfer and innovation, and provide technical and financial assistance to help local entrepreneurs and small businesses. These efforts should include small business "clinics" and small business course offerings at institutions of higher education. 714.10

Policy ED-3.2.6: Commercial Displacement

Avoid the displacement of small and local businesses due to rising real estate costs. Programs should be developed to offset the impacts of rising operating expenses on small businesses in areas of rapidly rising rents and prices. 714.11

Policy ED-3.2.7: Assistance to Displaced Businesses

Assist small businesses that are displaced as a result of rising land costs and rents, government action, or new development. Efforts should be made to find locations for such businesses within redeveloping areas, or on other suitable sites within the city. 714.12

Policy ED-3.2.8: LSDBE Programs

Expand opportunities for local, small, and disadvantaged business enterprises through city programs, incentives, contracting requirements, and other activities. 714.13

Action ED-3.2.A: Anti-Displacement Strategies

Complete an analysis of alternative regulatory and financial measures to mitigate the impacts of "commercial gentrification" on small and local businesses. Measures to be assessed should include but not be limited to income and property tax incentives, historic tax credits, direct financial assistance, commercial land trusts, relocation assistance programs, and zoning strategies such as maximum floor area allowances for particular commercial activities. 714.15

Action ED-3.2.B: Business Incentives

Use a range of financial incentive programs to promote the success of new and existing businesses, including enterprise zones, minority business set-asides, loans and loan guarantees, low interest revenue bonds, federal tax credits for hiring District residents, and tax increment bond financing. 714.16

Action ED-3.2.C: Shopsteading Program

Investigate the feasibility of a shopsteading program that would enable entrepreneurs and small businesses to open shop in currently vacant or abandoned commercial space at greatly reduced costs. 714.17

Small and Minority Businesses 714.14

Minority business enterprises represent an important sub-set of small businesses in the city. Their growth and expansion remains a particularly high economic development priority. The District has established a Small Business Development One-Stop satellite center in the Department of Employment Services headquarters, in partnership with the DC Minority Business Development Center. The partnership focuses on enhancing the performance and profitability of minority business enterprises and provides an important resource for minority business recruitment, seminars, business skill enhancement, incubation services, networking events, and pro bono counseling.

Continued efforts are needed to improve education, job training, and job readiness so that residents are equipped with the education and skills necessary to enter and remain in the workforce in jobs and careers that provide sufficient wages.

Action ED-3.2.D: Small Business Needs Assessment

Conduct an assessment of small and minority business needs and existing small business programs in the District. The study should include recommendations to improve existing small business programs and to develop new programs as needed. 714.18

Action ED-3.2.E: Best Practices Analysis

Analyze what other cities have done to encourage and foster their small business sectors, including the development of business parks and incubators. Use this best practice information to inform District policy. 714.19

ED-4 Increasing Access to Employment 715

At the heart of an economic development agenda for the District is the need to create good quality jobs and wages for District residents. "Quality" jobs should offer stable employment with opportunities to advance. By improving the District's educational system and job readiness programs, more residents may participate in the workforce, and the benefits of a stronger and more diverse economy can be more widely realized. 715.1

According to employment projections prepared by the Department of Employment Services (DOES), over half of the jobs to be created by 2012 will require a bachelor's degree or better. District students need to be equipped with the education needed for these jobs so they can fully participate and benefit from economic growth. 715.2

In addition, the need to improve occupational skills, job training, and job placement in the city is clear. Although the region's 3.2 percent unemployment rate in 2005 was lower than other comparable regions, and its job growth rate of 2.3 percent was the best in the nation, the District itself lags in key employment indicators. Its unemployment rate has been several percentage points above the region's, and often twice as high. As shown in Figure 7.3, since 2000 the District has seen the peculiar trend of job growth coupled with rising unemployment. 715.3

According to employment projections prepared by the Department of Employment Services, over half of the jobs to be created by 2012 will require a bachelor's degree or better. District students need to be equipped with the education needed for these jobs so they can fully participate and benefit from economic growth.

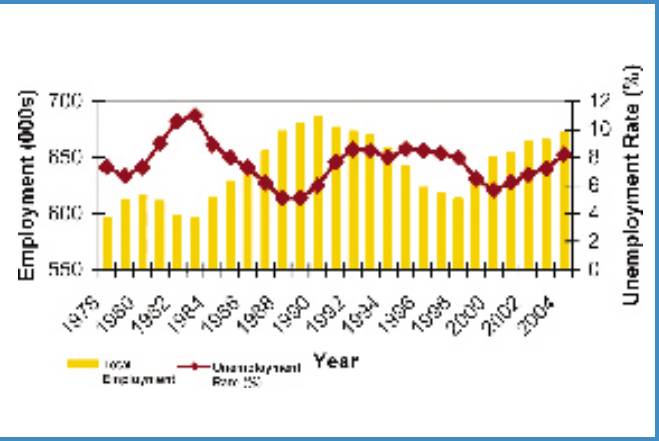
Comprehensive action is needed on multiple fronts to address the issue of long-term unemployment. Continued efforts are needed to improve education, job training, and job readiness so that residents are equipped with the education and skills necessary to enter and remain in the workforce in jobs and careers that provide sufficient wages. Job readiness requires more than just reading, writing, and arithmetic skills; it also requires essential life skills—so-called "soft skills", such as problem-solving, interacting with others, behaving responsibly, and organizing time effectively. 715.5

There is also a need to recognize that many of the job opportunities potentially available to District residents are located outside the city. In fact, nine in ten of the new jobs created in metropolitan Washington during the

next 20 years will be in the suburbs. Many of these jobs will be service, repair, sales and clerical positions suitable for entry-level employees or employees without advanced degrees. Thus, an important part of improving access to employment is improving access to the region's job centers. 715.6

Figure 7.3:

Unemployment Rate and Total Unemployment, District of Columbia, 1978-2004 715.4



Source: DC Department of Employment Services, 2006

ED-4.1 Linking Education and Employment 716

The District continues to face serious challenges with respect to literacy, high drop-out rates, low test scores, and poor student performance. In 2005, the District's State Education Office reported that 37 percent of the District's residents functioned at or below a third-grade reading level. Nearly 75,000 District adults lacked a high school diploma or equivalent. Many of these individuals do not possess the skills that District jobs require—as a result, non-residents acquire most local jobs and residents do not. Looking forward, one of the District's most significant economic development challenges will be to improve its educational system to ensure that District residents obtain the skills necessary to secure and keep good jobs, especially in high-growth occupations. The city's literacy and educational deficiencies pose perhaps the greatest obstacle of all to achieving the vision of a more inclusive city. 716.1

As noted in the Educational Facilities Element of this Plan, the District's public schools are in the midst of extensive reforms to improve curricula and upgrade the learning environment. More far-reaching efforts may be needed to create a supportive environment for learning outside the classroom, including strengthening services for families and resources for parents. Early childhood learning is also critical, ensuring that the city's youngest residents have healthy, stimulating, and supportive pre-school years. 716.2

In addition to strengthening basic curriculum and improving teacher quality, the District will support further efforts by the Board of Education and Public Charter School Boards to create vocational and magnet schools. Through its Career Technical Education Department, DCPS has already launched 12 career academies in its senior high schools. The academies provide distinct learning experiences, in some cases through business sponsorships, and give students a fast track into their chosen career. They emphasize achievement and performance, and encourage students to actively apply their skills and talents. 716.3

Although the work environment in the city is perpetually changing, it appears certain that living wage jobs in all industries will require higher skill levels in the future than they have in the past. Notably absent from the list of high growth occupations are those that simply require a high school diploma or equivalent.

Although the work environment in the city is perpetually changing, it appears certain that living wage jobs in all industries will require higher skill levels in the future than they have in the past. Notably absent from the list of high growth occupations are those that simply require a high school diploma or equivalent. The District's share of jobs requiring post-graduate education is already triple the national average (9.9 percent compared to 3.3 percent). Conversely, positions requiring only a high school diploma currently represent 41 percent of the District's jobs, compared to 55 percent at the national level. 716.4

It is clear that the District's "new economy" is bringing with it new skill and knowledge requirements. Developing and implementing a 21st century workforce curriculum will be essential to meet these requirements. Although it may take years to completely close the city's educational gap, the District and all of its workforce development partners are committed to a more comprehensive and integrated workforce preparation system moving forward. This will require more resources for adult education, certificate and associate programs, and the University of the District of Columbia, public-private partnerships with colleges and universities, as well as resources for our K-12 schools. 716.5

See the Educational Facilities Element for additional policies and actions related to educational facilities including the desire for an east of the Anacostia River higher education campus.

Policy ED-4.1.1: Educational Improvements

Continue collaborative efforts with the District of Columbia Public Schools and DC Charter School organizations to improve the quality of public education, reduce the drop out rate, and improve basic competency and skill levels among District youth. Every District child should be guaranteed a safe and productive learning environment that promotes academic and personal achievement. 716.6

Policy ED-4.1.2: Career-Oriented Curriculum

Encourage the DC Public Schools and Public Charter Schools to continue to provide career magnet campuses, such as McKinley Technology High School and Marriott Hospitality Charter School. District government will advocate on behalf of its residents for expanded vocational training within its public schools. 716.7

Policy ED-4.1.3: Certification and Associate Programs

Support the continued contributions of colleges and universities in providing career-building opportunities for District adults, including literacy and job training programs as well as professional certificate and two-year degree programs. The District will strongly support the University of the District of Columbia (UDC) as a public institution of higher learning, a place of continuing education, and a ladder to career advancement for District residents. 716.8

See the Educational Facilities Element for additional policies and actions related to UDC and improving access to higher education.

Policy ED-4.1.4: Adult Education

Increase and more effectively target resources for adult education and workforce development, vocational training, and technical training for unskilled adult workers. 716.9

Policy ED-4.1.5: Learning Outside the Classroom

Support greater opportunities for learning and student achievement outside the classroom, including tutoring and mentoring programs by the District's major employers, non-profits, and volunteers; and a full array of after school programs. 716.10

Policy ED-4.1.6: Agency Coordination

Promote collaboration between the District's education, human services, juvenile justice, and workforce development agencies to better serve the city's youth, reduce barriers to employment, and connect District students with education and training opportunities that lead to successful employment. 716.11

Tutoring and mentoring programs support learning and achievement outside the classroom.

Action ED-4.1.A: Master Education Plan

Support implementation of the Master Education Plan by the DC Public Schools to improve the performance of District schools and the expanded capacity of DC youth to join the future workforce. 716.12

Action ED-4.1.B: Vocational School Development

Support the conversion of at least five surplus DC Public School campuses to magnet or vocational high schools by 2010, with programs that prepare students for careers in the fastest growing sectors of the regional economy. 716.13

Action ED-4.1.C: Expanded Youth Services

Expand the youth services functions of the DC Workforce Investment Council, including the federal job corps program, the Mayor's Youth Leadership Institute and Summer Training Program, the DC Children and Youth Investment Trust Corporation, and the Passport to Work summer employment program. 716.14

Action ED-4.1.D: Youth Training Strategic Plan

Develop a strategic plan to determine needs, overall direction, and critical long and short-term actions for the development of youth training programs targeted to the needs of local business. 716.15

Action ED-4.1.E: Partnerships for Outside the Classroom Learning

Track the mentoring and tutoring programs offered by the city's institutional and non-profit organizations to better understand where there may be duplication and where there may be gaps. 716.16

Action ED-4.1.F: Retaining College and University Students Post Graduation

Establish programs to retain graduating university students as employed District residents. This could include placement programs to match students

A competitive and marketable workforce is crucial to the economic health of the District. Workforce development strategies must combine public and private investment and initiative to close the occupational skills "vacuum" that now exists in the city.

with employment opportunities in the city, loan forgiveness, and other programs to encourage graduates to live and work in the city. 716.17

ED-4.2 Increasing Workforce Development Skills 717

A competitive and marketable workforce is crucial to the economic health of the District. Workforce development strategies must combine public and private investment and initiative to close the occupational skills "vacuum" that now exists in the city. The goal of these strategies should be to help District residents achieve economic self-sufficiency while providing a skilled labor pool that meets the needs of local employers. 717.1

In 1999, the District of Columbia Workforce Investment Council (DCWIC) was created to improve the skill level and employability of District residents. The Council is a public-private partnership consisting of private sector businesses, government leaders, faith and community leaders, labor leaders, educational representatives, and several DC Council members. For the last six years, DCWIC has led the charge to improve career information, counseling, job search assistance, and training. 717.2

A range of efforts has been launched by DCWIC in the last five years, including labor market surveys, a $20 million Lifelong Learning Initiative, $120 million in tax increment financing to help spur job creation in District neighborhoods, a Faith and Community-Based Initiative, various Internet applications to improve case management, and new partnerships with the private sector. The District is also about to create a Job Opportunity Bank, with private sector funds used to provide job training programs and workforce development grants. 717.3

Despite these initiatives, there is room for improvement. Some of the District's job placement and training services continue to have low success rates. From the employer's perspective, there is frustration that the reading, math skills, and computer knowledge of residents is still not at the level needed by business. Some members of the business community have called for customized training to specifically address employer needs. From the resident's perspective, the administration of workforce development programs is perceived as slow and cumbersome. This is made more complicated by the myriad of agencies involved, the lack of effective monitoring, and the urgency of finding employment for those who seek assistance. 717.4

Presently, the District's workforce development programs are administered through more than 20 federal and city agencies, including the District Department of Employment Services and the District Department of Human Services. Many of these programs are operated through private and non profit organizations. The District itself operates a network of One-Stop Career Centers, each providing a range of job placement services. 717.5

The District also has created programs to support the hiring of local residents and local firms, particularly for District government contracts.

For example, the First Source Program is a cooperative effort between businesses and the city to ensure that District residents have the first opportunity to apply for and be considered for jobs (see "First Source Program" text box). In addition, DC Law 2-156 requires contractors who perform construction and renovation work with District government assistance to initiate apprenticeship programs through the D.C. Apprenticeship Council. There are also programs to eliminate discriminatory hiring practices. 717.6

Pursuing the District's goal of "increasing access to education and employment" is also about providing opportunities for career advancement for residents. Many of the city's entry level jobs have high turnover, low job security, few benefits, and remote possibilities for advancement. While these jobs may offer important initial opportunities, measures are also needed to provide opportunities for upward mobility and promotion. Some sectors, such as health care, higher education, and federal employment, may offer more promise for advancement than others. 717.8

Policy ED-4.2.1: Linking Residents to Jobs

Promote measures which increase the number of District jobs held by District residents. According to the 2000 Census, 71 percent of the jobs in the city were held by non-residents, up from 67 percent in 1990. While recognizing that some imbalance is inevitable due to the relatively large number of jobs and small number of residents in the city, the District should work to increase the percentage of resident workers through its job training and placement programs. 717.9

Policy ED-4.2.2: Linking Job Training to Growth Occupations

Target job training, placement, and vocational programs towards core and growth sectors and occupations, such as hospitality, higher education, health, construction, retail, and office support. 717.10

Policy ED-4.2.3: Focus on Economically Disadvantaged Populations

Focus workforce development efforts on economically disadvantaged communities, particularly those with many unemployed or marginally employed residents. Assistance should also be focused on groups most in need, including persons with limited work skills, single mothers, youth leaving foster care, ex-offenders, and persons with limited English proficiency. 717.11

Policy ED-4.2.4: Neighborhood-Level Service Delivery

Emphasize the delivery of workforce development programs at the neighborhood level. Continue neighborhood faith-based and community-

First Source Program 717.7

The First Source Agreement Program assures city residents priority for new jobs created by municipal financing and development programs. It mandates that all projects funded in whole or in part with District of Columbia funds, or other funds which the District administers, shall provide for increased employment opportunities for District residents.

Each employer in the program must sign an agreement ensuring that:

- All job openings created are listed with the Department of Employment Services
- 51 percent of new hires are District residents.

Employers who receive other District government benefits, such as Industrial Revenue Bonds, are also covered.

The program:

- Provides employment opportunities for DC residents
- Provides monitoring to ensure that employers are in compliance with the law
- Helps employers hire qualified District residents
- Assists employers in meeting contractual commitments.

based initiatives which deliver job training and placement services to unemployed and underemployed residents. 717.12

Policy ED-4.2.5: Business and Labor Partnerships

Facilitate communication and partnerships between business, labor, commercial associations, and educational institutions to improve the skill levels of the District's workforce, improve job training and placement resources, and improve the labor pool available to the District's major employers. These partnerships could result in apprenticeship programs, pre-apprenticeship programs, entrepreneurial skills training, mentorship agreements, customized on-site job training, and vocational training. 717.13

Policy ED-4.2.6: Entry-Level Opportunities

Support the creation of entry level career opportunities, particularly for lower income youth and adults, and persons with special needs. Recognize the need for complementary efforts to provide affordable child care options, transportation, counseling, and other supportive services. 717.14

Policy ED-4.2.7: Living Wage Jobs

Promote the attraction and retention of living wage jobs that provide employment opportunities for unskilled and semi-skilled workers. Use marketing strategies and incentives to encourage the relocation of firms with such positions to the District. 717.15

Policy ED-4.2.8: Limited English Proficiency and Literacy

Encourage English-as-a-Second-Language (ESL) programs and literacy training for residents in need of such services in order to overcome barriers to employment. 717.16

Policy ED-4.2.9: Upward Mobility

Encourage continuing education and career advancement programs to provide opportunities for upward mobility among the District's workforce. Encourage the growth of businesses which have been shown to provide career advancement or "ladder" opportunities for employees. 717.17

Policy ED-4.2.10: Market-Responsive Programs

Maximize the use of technology and labor market data to help District residents find suitable employment, training, and education. Examples of such applications include DOES publications such as "25 Hot Jobs" and the "Industry Profile Handbook." 717.18

Policy ED-4.2.11: Innovation in Training

Support innovative training strategies to fill skill gaps in the local labor force, including partnerships with the private sector, industry associations and individual government agencies. Examples of such strategies include the Cadet Training Program of the DC Fire and Emergency Medical Services

Department, and the GSA's pre-apprenticeship program for the Southeast Federal Center. 717.19

Policy ED-4.2.12: Local Hiring Incentives

Maintain requirements for resident job training and placement for projects built and/or operated with any form of public subsidy/loan, grant or other incentives. Promote incentives for similar training and hiring programs by the private sector. 717.20

Policy ED-4.2.13: Equal Opportunity Compliance

Ensure compliance by private sector employers in meeting equal opportunity and affirmative action requirements for groups that are under-represented in the District's economy. 717.21

Policy ED-4.2.14: Alternative Work Arrangements

Encourage increased opportunities for alternative work schedules, such as part-time employment, flextime, job-sharing, and in-home employment to accommodate the needs of working parents, and others with dependent care responsibilities or mobility limitations. 717.22

See the Land Use Element for additional policies related to home based business.

Policy ED-4.2.15: Involvement of Educational Institutions

Seek the involvement of the Board of Education, the Board of Trustees of the University of the District of Columbia, and other educational institutions in the planning and implementation of workforce development programs. Encourage these entities to support the District's training efforts through their basic and adult education programs. 717.23

Action ED-4.2.A: Alliances with External Organizations and Entities

Use Memorandums of Understanding (MOUs) to develop alliances, networks, and other relationship building strategies that enhance the success of the District's workforce development initiatives. Such MOUs currently exist with organizations like the AFL/CIO, WMATA, and the Washington Post. 717.24

Action ED-4.2.B: Labor Market Monitoring

Maintain accurate data on the job market to better connect job seekers with job opportunities in high-growth, high-demand sectors. Monthly data on employment, occupation and income should continue to be compiled by the Department of Employment Services. 717.25

Action ED-4.2.C: Employer Needs Assessments

Conduct annual surveys of employer needs, particularly in high growth industries. Develop new workforce development services and strategies to respond to these changing needs. 717.26

Job training programs should be assessed to track their effectiveness and, if necessary, modify and improve them.

Action ED-4.2.D: Outreach to Residents and Employers

Improve the distribution of information on the District's job training, skill enhancement, and job placement programs, particularly in communities with high rates of unemployment. Ensure that outreach strategies provide for persons with limited reading proficiency. 717.27

Action ED-4.2.E: Workforce Investment Act

Continue implementation of the Workforce Investment Act, including programs for coordinated, customer-friendly, locally-driven job training and placement systems. Measures to improve the coordination of job training programs to avoid duplication of efforts and more effectively target District resources should be identified and implemented. 717.28

Action ED-4.2.F: Training Program Tracking

Track the effectiveness of job training programs. Use assessments of such programs to modify and improve them. 717.29

Action ED-4.2.G: Best Practices Analysis

Conduct a best practices analysis of national models for success in job training and readiness and use the results to evaluate and improve the District's programs. 717.30

Action ED-4.2.H: Incentive Programs

Identify possible new or strengthened economic incentives that encourage District businesses to hire jobseekers that are disadvantaged and hard-to-serve, similar to the Work Opportunity, Welfare-to-Work, Empowerment Zone, and Renewal Community Employment tax credit programs. The feasibility of a community investment tax reduction should be explored for firms that establish major job training or retraining programs. 717.31

ED-4.3 Getting to Work 718

In 2000, 28 percent of all employed District residents worked in the suburbs. This percentage is fairly typical of large, older central cities—the comparable 2000 figures for Boston, Baltimore, San Francisco, and Philadelphia were 32, 38, 23, and 25 percent, respectively. However, the figure for the District was 22 percent in 1990, indicating fairly rapid growth in the number of reverse commuters in recent years. Despite the District's best efforts to connect residents to DC jobs, the city is part of a regional economy and its residents are part of a regional labor pool. Most of the entry level and semi-skilled jobs in this economy are located in the Maryland and Virginia suburbs. 718.1

The District's location at the center of the regional transportation network and Metrorail system provides good access to rail-served job centers like Bethesda and Rosslyn. However, there are few options other than driving or long bus commutes to reach the employment centers with the fastest projected growth rates—places like Reston and Fort Belvoir, Virginia, or National Harbor and

Konterra (Beltsville), Maryland. Even within the city, there are challenges to commuting resulting from crowded Metrorail trains and buses, congested roads, and costly parking for those who cannot conveniently use transit. 718.2

The extension of Metro to Tysons Corner and Dulles Airport will improve transit access to the region's job centers, but its completion is many years away. Shorter-term and less expensive solutions, including ride-matching, carpooling, and vanpooling programs; shuttles to the region's job centers; and additional reverse commuter bus routes, will be needed. Such solutions must be forged through regional agreements and partnerships, working through entities such as the Greater Washington Board of Trade, the DC Workforce Investment Council, and the Metropolitan Washington Council of Governments. 718.3

Sustained investments in the city's transportation system will improve access to jobs for District residents, particularly transit improvements between neighborhoods with high unemployment rates and the city's major employment centers.

Policy ED-4.3.1: Transportation Access to District Jobs

Improve access to jobs for District residents through sustained investments in the city's transportation system, particularly transit improvements between neighborhoods with high unemployment rates and the city's major employment centers. 718.4

Policy ED-4.3.2: Links to Regional Job Centers

Continue to seek inter-jurisdictional transportation solutions to improve access between the District neighborhoods and existing and emerging job centers in Maryland and Virginia. These solutions should include a balance between transit improvements and highway improvements. They should also include transportation systems management initiatives such as shuttles, ridesharing, and vanpooling. 718.5

Policy ED-4.3.3: Regional Job Connections

Support regional efforts to reduce unemployment, including partnerships with the region's major employers and programs that link District residents to jobs in fast-growing suburban employment centers. 718.6

Policy ED-4.3.4: Regional Access to Central Washington

Provide sustained investments to the District's transportation network to ensure that that both District and regional workers can access the growing employment areas of Central Washington and the Anacostia Waterfront. 718.7

Action ED-4.3.A: Regional Initiatives

Actively participate in the Greater Washington Regional Jobs Initiative, Bridges to Work, and similar partnerships that link suburban employers with city-based providers of job training and placement, transportation, child care, and related support services. 718.8

See the Transportation Element for additional policies and actions on mobility, access to employment, and commuting to jobs.