



**GOVERNMENT OF THE
DISTRICT OF COLUMBIA**

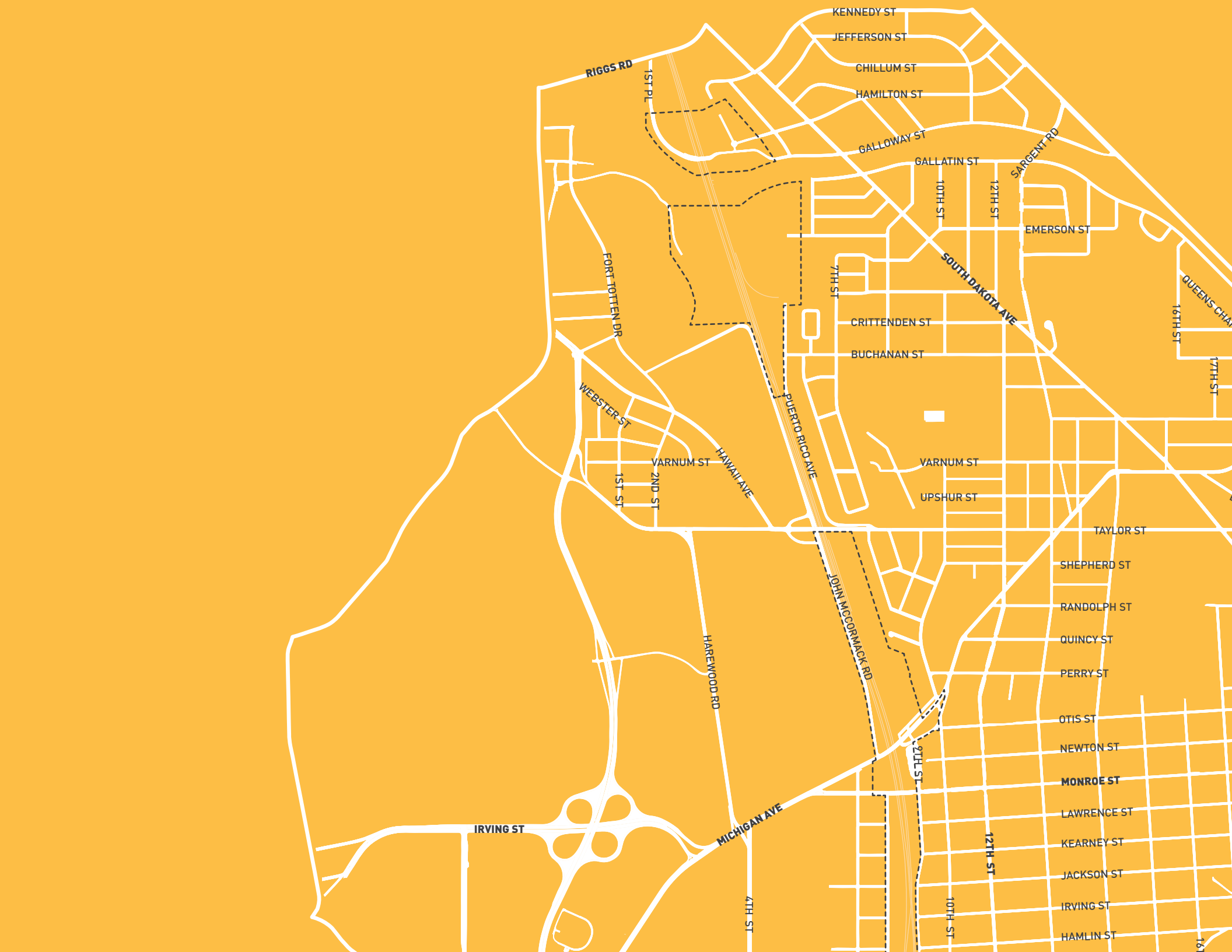
VINCENT C. GRAY, MAYOR

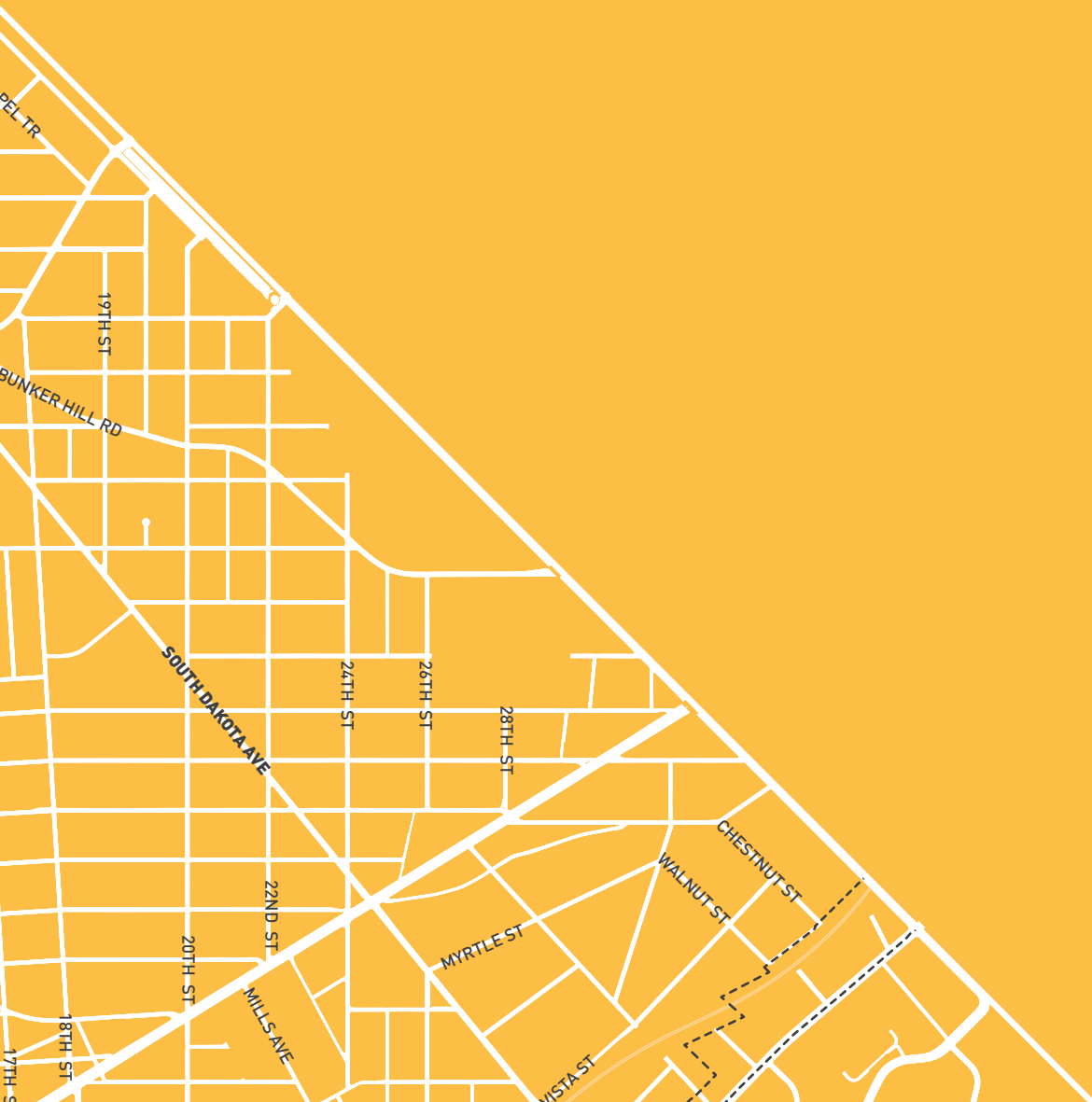
AUGUST 2014

APPENDICES



The District of Columbia
WARD 5 INDUSTRIAL LAND TRANSFORMATION STUDY





KEY:



NOTE: SOUTH WARD 5 CAN BE FOUND ON THE BACK INSIDE COVER

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APPENDIX A:

WARD 5 PDR BUSINESSES

SUB-AREA 01: FLORIDA AVENUE MARKET

15 Minute Emergency Locksmith

A Litteri, Inc.

A My Company

A-1 Wholesale, Inc.

Ace Wholesale, Inc.

African Foods Wholesale

Amalgamated Casualty Insurance Company

Big Valley, Inc.

Brother Produce

Capital Ice

Capitol City Wholesalers, Inc.

D & H Company, Inc.

Dongbu Group

East West Technical Services, LLC

Express Supply Corp.

Florida Avenue Hess

Florida Beef, Inc.

Florida Market Station

Forus Wholesale Company

Fresh Farm

Georgetown Sales, Inc.

Godly Concepts & Graphic Unlimited

Great DC Wholesale

Hartman Brothers Poultry

Hartman Enterprises, Inc.

Herbs NA Trading Co

House of Mohan Corporation

Imex, Corp

J C Enterprises

Jumbo Trading Company, Inc.

La Villa Food Products

Lee & Lee Company, Inc.

Leo Dekelbaum & Sons

Lida Wholesale

M H Enterprises, LLC

Market Sandwich Shop

Masad, Inc.

Metro Carry Out

Mexican Fruits, LLC

Moda Trading, Ltd.

N-T-Joe's Wholesale, Inc.

Pan Trading Company

Place Vendome Corporation

PNC Bank, National Association
Roberts Auto Service, Inc.
Sam Sung Tofu
Seven Seven Wholesale, Inc.
Subway Sandwich & Salads
Sunlight Enterprise
Super 8 Motel
Super Foods, Inc.
Timeco, Inc.
Total Health-Injury Ctr of DC
Trade Linker International, Inc.
Triple Timber Trading, Inc.
True Tai Food Depot, LLC
U S A Produce
U S A Washington Wholesalers, Inc.
U-Store Management Corporation
Victors Trading, Inc.
W&W Wholesale
Well Dunn Catering, Inc.
Ws Wholesale, Inc.
Young H Suh
Yum Yum Carry Out

SUB-AREA 02: NEW YORK AVENUE GATEWAY

A Plus Towing
American Society For Deaf Children, Inc.
Arbor Education and Training
ASAP Locksmith
Capital Dialysis
Center For Life Enrichment, Inc.

Centurylink, Inc.
City Year, Inc.
Emcor Facilities Services
Federal Express Corporation
Friendship Food Service System, Inc.
Green's Delivery Service
Heads Up D C
Herson Auto Parts & Glass, Inc.
M & S Gas & Quick Shop, Inc.
McDean Electrical
Metropolitan Complex Heliport
Monumental Communication, LLC
National Black Sisters Conference, Inc.
Pathways To Housing DC
Triumph Communications
XM Satellite Radio, Inc.

SUB-AREA 03: RAIL YARDS

Aramark Corporation

SUB-AREA 06: NEW YORK STRIP

Bruno Chumpitazi
Capitol Service Center

SUB-AREA 07: IVY CITY

1source, Inc.
24 7 Auto Lock Out and Keys Reprogram
Always Available Locksmith
Bass & Treble

Catholic Charities
Cavalier Press, Inc.
Chase Auto Repair
City General, Inc.
City Security Consultants, Inc.
D.C. Cash & Carry, LLC
Demand Novelty, Inc.
E and F Automotive, Inc.
Elite Wines Imports, Inc.
J T Auto Service Center
Joe's Autobody
Louie's Carryout
Lovedes, LLC
Marmara Corporation
May Co Inc
Molecular System, Inc.
MPGA Technology
National Auto Maintenance
Nation's Capital Archives & Storage Systems, Inc.
Oceanpro Industries, Ltd.
Office of Advisory Neighborhood Communications
Onesource, LLC
Pete Pappas & Sons, Inc.
Prime Cab Associates
Republic Gardens
Scope Services
Serbay Marble & Granite, Inc.
Sohone, Inc.
Superior Autobody & Repair
The Apollo Greek Food & Pastries, Inc.
The Valence Group
United House of Prayer For All People

Unity Health Care
VMS

SUB-AREA 08: WEST VIRGINIA AVENUE

Abe's Transportation, Inc.
B & J Auto Service
Coat of Armour, Inc.
Dick Moby, Inc.
Fcw Group
Jebix Corp
Motir Service, Inc.
Mr Pocketbook
National Heating Corporation
Panda
PPS, Inc.
Strauss Phototechnical Service, Inc.
Tag EZ Corp
United States Seafood Market
Washington Team, Inc.

SUB-AREA 09: MONTANA AVENUE CIRCLE

A S Enterprises, Inc.
A-1 Telecom Engineering Corp
Ace Imports
AF Ventures, LLC
Ah Jordan Plumbing & Mechanical, LLC
Anacostia Cab
Angie Karn

Aqua Restaurant & Bar
Atlantic Motors, Inc.
Auto-Maxima Corp
Bmd, Inc.
Brink's, Incorporated
Bryant Bryant Williams, PC
C & E Auto Services, Inc.
C & V Construction Associates, LLC
Capital Care
Capital Service Center
Caslon Press
Ce Williams Construction
Chesapeake Leasing
Classic Cab Co
Covenant Construction, Inc.
Covenant Office Products, Inc.
D & S Inc
Dai-Ksi/C, Signature, Inc.
District Office and Computer Supplies Co.
Dream's Auto Sales & Export, Inc.
Drenkcenter
Dynamic Concepts, Inc.
Dynamic Engineering
Elio Brothers Services, Inc.
Federal Valet Car Parking, Inc.
First Choice Masonry, Inc.
First Group America
First Impression Canopy Co
First Vehicle Services, Inc.
Foremost Advanced Creations, LLC
Forney Enterprises, Inc.
Fuel, Inc.

Gibbs Contracting, Inc.
Global Healthcare Services, Inc.
Global-Salut, LLC
H M B Art Transfer, Inc.
Hanger Prosthetics & Orthotics, Inc.
HSA, Inc.
Hugee Corporation
Immaculate Health Care Services, Inc.
International Limousine Service, Inc.
Jindalandre Automotive
Joe Jackson Associates PC
K F C National Management Company
Ladders & Things, LLC
Lamar Home Care & Staffing, Inc.
Lamond Hawkins DBA Hawk Contractors
Maaco-Collision
MacArthur Warehouse
MAI Linh Transportation
Metro Air Balancing, Inc.
Metropolitan Investment Company
Micon Constructions, Inc.
Mini Health Club
MNG Peacok
Murak, Inc.
Nationwide Building Construction, Inc.
New China Inc
P J Construction Services
Parkway Service Center, Inc.
Perkins General Hauling, Inc.
Progressive Life Center
Progressive Life Institute, Inc.
Punch Out Specialist Team

Randy's Limousine Service
Restaurant Equipment & Supply Depot Corporation
S & K Security Consultants, Inc.
Scheib Earl of DC, Inc.
Serco JI Assoc
Sharcon Hospitality of D.C. Four, LLC
Sharcon Hospitality of D.C. Three, LLC
Smartroute Systems, Inc.
St Aloysius Choir
Teresa's Garden Center
The Trac Company
Twenty-Eight, Inc.
Tytan Mechanical Services
U Haul Co of Maryland, Inc.
Unitech, LLC
United Cerebral Palsy of Washington, D.C. & Northern Virginia, Inc.
Van Tech Industries, LLC
W S Jenks
West Brothers Imports
Yellow Cab Company of DC, Inc.

SUB-AREA 11: V STREET

2325 Bladensburg Road Corporation
Alstom Train Life Services
Amazon Lock and Key
American Medical Response, Inc.
American Traffic Solutions, Inc.
Art Surround
Battle's Transportation, Inc.

Capital Eagle, Inc.
Children's Hospital (corporation)
Construction Management and Technology, Inc.
D C Association For Retarded Citizens
Davis Memorial Goodwill Industries Inc
Days Inn
DC ARC
DC Line, Inc.
DHL Express (USA), Inc.
District Paving Corporation
E & P, Inc.
FBI Citizens Academy Alumni Association of Washington, DC
Fort Myer Construction Corporation
Golden Eagle Construction Co
Great American Corporation
Hogs On Hill
Homeward, Inc.
Jones and Wood, Inc.
Local 639 Legal Services Fund
Mamo Kacha Inc
Martin Stanley Commercial, Inc.
News World Communications, Inc.
Oncore Construction
Quik Serve Foods, Inc.
RNS Foodmart, LLC
Royal Buffet
Ryder Integrated Logistics
Shi & Ren, LLC
Sky, LLC
Solo Furniture Installer & Liquidator, Inc.
Southern Wine Spirits

Sunrise
Teamsters Local Union 639
The American Family Coalition Inc
The ARC of The District of Columbia, Inc.
The Excel Institute, Inc.
The Supreme Court of the United States
Tiempos USA, LLC
Times Color Graphics, LLC
United States China Association
United States Postal Service
Vorv Firm, PLLC
Washington Food Marketing Service, Inc.
Washington Golf Monthly Inc
Washington Times Aviation, Inc.
Washington Wholesale Liquor Co, Inc.

SUB-AREA 12: ADAMS PLACE

A.M. Briggs, Inc.
Anchor Construction Corporation
Arise Bazaar
Automotive Etc Local Union 922
Bethesda Hotel & Restaurant
C. & F Construction Co.
Capital Carpet & Furniture, Inc.
Capitol Building Services, LLC
Central Parking System, Inc.
Club Envy
Concrete Mixes, Inc.
Council of School Officers Local 4
Crown Insurance Co
DC Star Night Club

DC Towing, LLC
 DC Government - Property Management Office -
 Warehouse Facility
 Deli City Restaurant, Inc.
 Fire Fighters Association Local 36
 General Merchandise, Inc.
 Georgetown Cab Assoc, Inc.
 J A M Empanadas, Inc.
 Max Alperstein Department Stores, Inc.
 Mazique, Edward C Parent Child Center, Inc.
 McDean, Inc.
 Metropolitan Baking Company, Inc.
 Moving Picture Machine Operators Local
 Nazcon, Inc.
 Osborne Construction, Inc.
 Refugee Resettlement, District of Columbia
 Human Resources Office of
 Roguife, Inc.
 S & J Service, Inc.
 Teamsters Joint Council No 55
 Teamsters Local 67
 The Consortium For Child Welfare
 The Stadium Group, LLC
 Tompkins Builders, Inc.
 Tompkins Chas H Co Storage Yard
 Transit Employees Federal Credit Union
 Unity Health Care, Inc.
 Washington, DC WIC
 Washington Floral Design Group

SUB-AREA 13: MONTANA AVENUE

All Make Auto Mechanic Body
 American Promotional Events Inc
 Ashkar Brothers, Inc.
 A-Z Limo Service, LLC
 Blaydes Industries, Inc.
 Collision Auto Clinic
 Crane Rental Company, Inc.
 D C National Cab Co, Inc.
 Driveways & Highways, LLC
 Eastern Power Service.
 Franklin Parking, LLC
 G T S Auto Services Incorporated
 Imperial Cab
 M Mat Auto Body
 National Auto Care, Inc.
 Odoro
 Plastic Illuminated Signs Divi
 Rodgers Brothers Custodial Service, Inc.
 Rodgers Roll-Off Services, Inc.
 Sawari
 Total Healthcare Innovations
 Universal Auto Sales, Inc.
 Washington Home Doctors, Inc.
 Y & G Auto Repair and Body Shop
 Zeb & Seble, LLC
 Zion Kitchen

SUB-AREA 14: EVARTS & 26TH STREET

A Always Emergency A Locksmith
 Allstar Towing, Inc.
 Art Laser, Inc.
 District Ornamental Iron, Inc.
 L&S Construction Corp
 Loye & Chres Auto Palace
 Tri-Star Services, Inc.
 Woo C Tae

SUB-AREA 15: WMATA STORAGE

A&T Towing
 Bonnette & Associates Funeral Home, Inc.
 Calvert L Hart
 Challenger Cab Co
 Dave Motors, Inc.
 DC Central Kitchen, Inc.
 General Diesel, LLC
 Gentle Movements, Inc.
 John John, Inc.
 Larry's World of Fitness
 Nationwide Electrical Services, Inc.
 Noel Enterprises
 Washington Locksmith Company, Inc.
 Washington Metropolitan Area Transit Authority

SUB-AREA 16: BLADENSBURG ROAD

AVSmoot, LLC
Capitol Hill Emergency Towing
Chun & Chun Custom Cleaners
Consolidated Maintenance Supply, Inc.
Dag Petroleum 3200 Bladensburg
DC Brau Brewing Company
Dial Cab Company
Dollars Plus
Executive Cab
Expert Auto Sales, Inc.
Ferguson Enterprises, Inc.
GSC-Sigal, LLC
GSC, Inc.
JAS and Jassi, Inc.
Lenz Supply Corp.
Marios Garage
Medical Supply Systems, Inc.
New Again Auto Body of DC, LLC
New Centry Carry Out
PA Services
The Goodyear Tire & Rubber Company
Thornton Corporation
Worldwide Parking, Inc.

SUB-AREA 17: 5TH STREET

A & A Communications, Inc.
A Cameron
Allen-Mitchell & Company

B & R Manufacturing and Screen Printing, Inc.
Bertina Jones
DC Express Cab, Inc.
DC Fire Protection, LLC
Fort Myer Construction Corporation
Greenway Global Construction, LLC
Henry's Movers
Inmarsat, Inc.
Mullen's Transfer & Storage Co, Inc.
Nationwide Electrical Service
Production By Design
Silver Auto Care Center
United States Postal Service

SUB-AREA 18: RHODE ISLAND METRO

Autozone, Inc.
Behavioral Health & Substance Abuse Network, Inc.
Centennial Contractors Enterprises, Inc.
Center For Empowerment and Employment Training
Cross Cuts
DC Fire Department Federal Credit Union
Frank Auto Service
GMCHC Family Life Community Center
Howard University, Inc.
Intown Mini-Storage, Inc.
Kash King 6
New Concept Auto Repair, Inc.
Ordered Steps Foundation

Refunds To Go
Rhode Island Express
Sun Market
SunTrust Bank
Susie Elizabeth Crowder Owens Empowerment Center, Inc.
Tolson Incorporated
United States Postal Service
Washington CCE DC
Xzotech Sign & Display, LLC

SUB-AREA 19: REED STREET

Calvary Healthcare, Inc.
Washington Tires

SUB-AREA 20: 8TH STREET

Absolute Builders, Incorporated
CSI Engineering PC
D C Wheel Productions, Inc.
Dick's Auto Body
Excel Movement Studios
J's Drywall, Inc.
Lee's Auto Service
Narh, Inc.
Printing By Yazge, Inc.
Rooftech, LLC
Union Floor Covering, Inc.
United Cerebral Palsy
William E Doar Jr Educational Foundation, Inc.

SUB-AREA 21: BROOKLAND METRO

Killian Cable Contracting

SUB-AREA 22: UNIVERSITY HEIGHTS

Capital Area Food Bank

DC H A Region 2 Potomac

Menus Catering, Inc.

SUB-AREA 23: FOOD BANK SITE

Amplify Modeling and Promotions, LLC

CWACD Interprises

Dominique Transportation Services, LLC

GTG Trading Group DBA Turgla Fine Glassware

Hasan Greene and Associates

Low Brau, LLC

Roubin & Janeiro of Virginia, Inc.

Winebow Imports, Inc.

SUB-AREA 24: FORT TOTTEN TRASH TRANSFER SITE

Aggregate Industries

B

APPENDIX B: WARD 5 INDUSTRIAL MARKET ANALYSIS

EXECUTIVE SUMMARY

In January, 2013, Mayor Vincent C. Gray in partnership with Councilmember Kenyan McDuffie established a Ward 5 Industrial Land Use Task Force, spearheaded by the Director of the Office of Planning. The Task Force charge included developing a plan to review current industrial land use conditions, establish goals, make recommendations and project future utilization of existing industrially zoned land within Ward 5. As an initial part of this analysis, the Office of Planning hired a multi-disciplinary team led by Ayers Saint Gross to prepare a future plan for Ward 5 industrial areas incorporating a broader set of implementation actions. This work included a review of existing market conditions and employment trends in Ward 5 and DC as compared to the region.

Preservation of industrial property remains critical to supporting a diverse economy. Industrial properties used for Production, Repair and Distribution (PDR) facilities provide significant contributions to the local economy. These daily operations located in Ward 5, such as the maintenance of the Department of Public Works trucks or wholesale distribution of sundries, rely on locations close to their workforce and customer base, and enable DC's residential and tourism growth. Industrial property users need local space with proximity to customers and a stable workforce, and often benefit from touting their status as DC-based companies.

Industry groups like manufacturing, waste management, information (media and communication), wholesale distribution and production provide entry-level jobs with the potential for a stable career, advancing job opportunities for those without college degrees. Many of the existing businesses in Ward 5 invest heavily in both formal and informal on-the-job training programs, advancing workforce development efforts.

In recent years, the District's industrial space absorption and PDR employment growth have been modest. However, history is not destiny. Emerging industries and on-going shifts in the national economy are changing the nature and scale of demand for industrial buildings and land. New businesses are evolving in older industrial buildings responding to demand for new services and products, particularly for local, sustainable production. Ward 5 is very well-positioned to meet these

emerging demands and to continue to support existing businesses essential to the District economy.

Within the Washington, DC region, the District of Columbia has the smallest inventory of industrial space, estimated at more than 11 million square feet. Almost half of the 1,030 acres of valuable industrial land is owned and operated by the public sector. In contrast, industrial land in northern Virginia is tied to the strength of the defense industry and suburban development patterns create a mismatch in competition with the District. The DC industrial market does not compete with suburban Virginia for industrial tenants, but readily fights for tenants with the more affordable Prince George's County and environment-rich Montgomery County.

In Prince George's County, the building stock and price point prove a competitive advantage as tenants often choose Cheverly over locations in Ward 5. In Montgomery County, Silver Spring and other popular enclaves with industrial property and adjacent amenities compete for emerging tenants, including popular sustainable businesses. Many of the District of Columbia industrial property owners search for ways to keep existing businesses with slightly higher rents per square foot and more flexible lease terms, but are hampered by the older building stock's limited flexibility.

Ward 5 incorporates a large section of the city with a stable and potentially growing industrial employment base, transportation resources and anchor institutional users. The demographic profile suggests:

- » growing population and household base;
- » median household income of \$49,000 that is approximately \$10,000 less than DC's median income;
- » 40 percent of Ward 5 residents with incomes less than \$35,000 in 2010 as compared with one-third of DC households;
- » high unemployment (15 percent in 2011) and underemployment;
- » 57 percent of employed residents working in services industries.

Unlike historic residential or office stock, older industrial buildings do not typically meet modern industrial users' needs. Based on data from CoStar, a national data provider, 83 percent of the space is categorized as class C. Only one in 10 buildings are between 5,000 and 15,000 square feet. In Ward 5, 90 percent of the existing industrial building stock is more than 40 years old and almost one-third of the stock was built before 1950.

The extensive supply of vacant industrial space in Prince George's County creates a glut in the marketplace that puts DC's building stock at a bigger

disadvantage. Lower rents and sales prices as well as more convenient access to interstate highways have attracted a variety of businesses to the county. The industrial users that have come and stayed in DC generally have had compelling reasons to do so. Most often they involve servicing a DC customer base, needing a DC address, taking advantage of a DC workforce or locating near the business owner's home.

Emerging industries will be attracted to the affordable space in Ward 5, especially smaller businesses. These smaller businesses naturally occur in PDR industries.

The success of the District of Columbia relies on its industrial land to support essential municipal services, including construction and roadway material supply, maintenance and storage of public vehicles, public utilities maintenance and waste storage and transfer. Continued population growth will only increase future demand for these municipal services.

In total, the demand for such service-related industrial land is between 157,000 and 336,000 square feet. A large percentage of this space will be produced with the renovation of existing properties, estimated to represent 25 percent of the total demand. Additional future space will be needed to replace obsolete building stock.

As Ward 5 redevelopment occurs, job growth will increase with both the intensification of existing space and entry of new entrepreneurs. Future demand will require development of more small-scale spaces for PDR users and makers, bolstering the Ward 5 economy and creating new jobs. Employment growth within existing Ward 5 industrial businesses and spaces will add 2,700 to 3,000 new jobs. Redevelopment to create new space will support an additional 700 to 1,500 new jobs. In total, this job growth represents between 35 to 39 percent potential job growth by 2024.

EXISTING CONDITIONS

Industrial development is often clustered along infrastructure-supported corridors with excellent access to rail and/or major truck routes, focusing on the operational needs for users. Unlike office or other types of real estate markets, industrial land use decisions emphasize the functional nature of sites and specific user's needs. Attracting traditional industrial tenants depends heavily on the physical layout and capacity to meet the user's building requirements (including ceiling clearances, number of loading docks, floor load capacity, etc).

The Ward 5 industrial area offers access to both rail and major truck routes. Properties along these transportation corridors are the core of industrial development in the District of Columbia. Only a few other smaller industrial clusters exist in DC along other rail lines and near the Anacostia River (e.g., Buzzard Point, Capitol Riverfront). As encroachment from other land uses crowds out these traditional industrial users, the need to understand the existing supply and future demand for Ward 5's industrial property increases in importance. The area's educational assets include three institutions of higher education— Catholic University, Gallaudet University and Trinity Washington University – and six charter schools.

This review of existing conditions considers basic information on the demographics of Ward 5 residents and workers, physical property information relevant from a market perspective and transportation infrastructure.

Ward 5 Largest Private Employers	
Business Name	Business Type
Tiempos USA LLC	Temporary employment service
Service Benefit Plan Administrative Services Corporation	Business processing and technology infrastructure
Dynamic Concepts, Inc.	Construction and information technology
News World Communications Inc- Washington Times	Newspaper
Federal Express Corporation	Delivery service
Global Healthcare Service Inc	Home healthcare services
District Paving Corporation	Construction company
DC Healthcare, Inc.	Group home operator
Federal Valet Car Parking Inc.	Hired vehicles
Washington Wholesale Liquor Company	Wholesale distributor
International Limousine Service, Inc.	Hired vehicles
World Vision Inc	Non-profit
AM Briggs Inc	Wholesale food distributor
U Street Parking	Parking management company
City General Inc	Electrical contractors
Oceanpro Industries	Wholesale food distributor
Source: Dun & Bradstreet: Partners for Economic Solutions, LLC, 2013.	

PRODUCTION, DISTRIBUTION AND REPAIR INDUSTRIES

In the Washington area, manufacturing and other industries that require industrial property account for a small share of employment and, as such, demand for industrial property does not dominate the discussion of the District of Columbia's long-term economic health. While these industries can be critical economic engines bringing jobs and tax revenues to the local economy, the District of Columbia's industrial history highlights localized industrial growth. When DC is compared to other jurisdictions, it is evident that no clear policy in support of industrial growth exists. In DC industrial land uses include light production, assembly, distribution and repair operations typically referred to as Production, Distribution and Repair (PDR) users. These PDR uses include municipal operations such as fleet maintenance for the Department of Public Works.

Municipal PDR Facilities

As the local government, the District of Columbia includes many agencies and departments that require industrial space for production, distribution and repair operations. Over the last 20 years, as demand for higher density and other properties has reduced the supply of industrial property, these municipal users find it challenging to remain on industrial property within DC.

Stakeholder interviews with current DC agencies operating within Ward 5 revealed an unmet demand for land and building space to accommodate ongoing operations. In fact, the recent purchase of 1431 Okie Street for more than \$2.5 million per acre by the Department of Public Works suggests a heightened urgency to secure land for long-term needs. It is important to note that almost half of the Ward 5 industrial land is owned by the District of Columbia, federal government, Washington Metropolitan Area Transit Authority (WMATA) and Amtrak. Leased space occupied by municipal agencies represents a small amount of all Ward 5 municipal space. Finally, a portion of the existing land area consists of small green spaces or other non-developable parcels of land owned by the District of Columbia but not occupied by a local government agency or a department.

PROPERTY INVENTORY

This analysis focuses on trends in the demand and supply of industrial space. These trends reflect information from a detailed property inventory, which captures data from the District of Columbia Department of Tax and Revenue, Commercial Assessors Computerized Assessment System and information from private data sources, including CoStar. The field inventory conducted by Ayers Saint Gross used existing property information from

the District of Columbia's Geographic Information System (GIS) to match ownership information and estimates of building condition with assessment data. To supplement this information, each parcel's identifying square/suffix/lot number was matched with data from CoStar to establish a master list of properties. CoStar's database of privately-held industrial buildings, as reported by individual brokers or property representatives (verified when possible), does not include small properties of less than 5,000 square feet, government-owned buildings and some owner-occupied structures. Therefore, information on properties under 5,000 square feet does not have the same level of detail as that captured in both datasets.

The property inventory provided useful information about the size of parcels, connections among properties, ownership patterns and amount of vacant land. A review of base data from the DC Office of Tax and Revenue on land acreage per parcel highlighted several important conditions:

- » Most parcels are small and privately owned. In fact, 82 percent of the parcels in the Ward 5 area are less than one acre and an additional 10 percent are less than two acres.
- » Large parcels in excess of 10 acres are owned by large entities, including Amtrak and WMATA, and used for transit-related activity, not manufacturing.

Ward 5's industrial corridor has relatively few vacancies. The majority of the most visible vacant sites are located along New York Avenue. These properties include the future Walmart site and former Hecht's warehouse building being considered for redevelopment.

As would be expected, Ward 5 has a large number of government-owned parcels. A few of the properties include the United States Postal Service (USPS), but mainly these government entities include transit and transport agencies. The National Arboretum parcel on the southeastern edge of the Ward 5 industrial properties establishes a natural boundary and a unique cultural resource for area workers and residents.

EXISTING BUSINESSES

The existing base of more than 500 businesses represents a large number of typical PDR users as well as those in emerging markets. These existing businesses account for jobs for local DC residents and produce goods and services necessary to keep the diverse District economy functioning. The warehouse and distribution market within Ward 5 consists of long-time operators with more than one location in the Washington region and those specializing in distributing to DC-based businesses necessitating a DC location. Auto repair services, particularly body shops and taxi repair

shops, are concentrated within the Ward 5 industrial areas. Another major cluster focuses on home improvement contractors and other specialty trade operators like plumbers. A few of these critical industries with specific operations are profiled below to highlight the strength and importance of the existing business base.

AVSmoot, LLC

Founded in 2005, AVSmoot LLC began in Southeast DC as a small operation (less than 15 employees) providing historic restoration and other general contracting services. This work includes painting and repairing building exteriors, windows, doors and other ornamental components to help maintain historic structures. The firm moved to Ward 5, renting space on Bladensburg Road, in 2007. AVSmoot, categorized as one of only three DC manufacturing businesses, employs 30 full-time employees. During peak construction periods, AVSmoot grows its employment base to an estimated 80 jobs. While less than half the employees are DC residents, AVSmoot screens candidates for residency, attempting to give priority to locals.

For the specialized field of historic restoration, AVSmoot conducts diligent workforce development efforts to locate and train qualified staff. AVSmoot pre-screens applicants for its specialized apprenticeship program in partnership with Booker T. Washington Public Charter School for Technical Arts. The firm sends applicants to the school to receive core curriculum training and assigns a dedicated staff member to create unique curriculum using preservation briefs from the US Department of Interior. This apprenticeship program, reviewed by the District of Columbia Department of Employment Services, has an internal textbook generated by AVSmoot. This significant investment in workforce development reflects a dedication to find, train and retain quality employees. Over the years, AVSmoot used private employment service companies that trained ex-offenders and other government-led workforce development programs with limited success.

DCI - Dynamic Concepts Incorporated

Dynamic Concepts, Inc (DCI), based in Ward 5 and founded in 1979, provides technology network infrastructure, utility construction and project management services. The company began providing information technology and worked on stadium score boards and other high profile projects. As one of Ward 5 largest employers, DCI offers technical jobs and entry-level construction positions, participating in the District of Columbia apprenticeship program and providing internal training programs. At the peak of the construction period, DCI employed more than 490 full-time employees. Currently, DC employs slightly less than 300 employees and rough estimates suggest that DC residents account for 60 percent of the workforce.

Ocean Pro- Pro-Fish (Profish Limited)

OceanPro provides seafood to more than 2,500 accounts throughout the metropolitan DC region and supports local non-profits such as Miriam's Kitchen, DC Central Kitchen, Habitat for Humanity and others. Founded in DC in 1988 under the name "Profish Limited," the privately held company focused on a primary service of seafood processing and fresh fish wholesale. Initially employing only two individuals, the company has grown to an estimated workforce of 98. As Profish expanded, the company acquired a warehouse building in Ivy City off of New York Avenue to take advantage of the corridor's access to suppliers and local restaurants to get their product to their customers more quickly. The company changed its name to OceanPro Industries, Ltd in 1995. It boasts a low turnover rate and offers in-house training programs to encourage advancement opportunities for entry-level employees. Approximately 40 percent of its employees are DC residents.

The business owners plan to remain in Ward 5 as it works best for their operations. In fact, the owners of ProFish are committed to the Ivy City neighborhood and recently purchased two new properties. These two new businesses include a 5,800 square-foot smokehouse, which will employ approximately 15 employees. The second business will provide much needed retail amenities for neighbors with the establishment of the Ivy City Tavern.

FREIGHT AND ROAD INFRASTRUCTURE

As the nation's capital, the District of Columbia has a limited industrial base located mainly along the rail line and at the Navy Yard. DC's service-based economy uses industrial property to support private and municipal service providers and those producers in need of a DC location. In the District of Columbia, much of the freight rail activity is regional pass-through freight traffic or local, in part due to the distance to regional airports (Dulles and Baltimore Washington International). For businesses, local rail usage depends on access to the rail network. This access from either a siding or a spur (switching mechanism) if already in place creates a huge value for existing businesses. In DC, CSX operates approximately 25 miles of rail. The addition of new switching mechanisms is often not cost-effective. Programs to incentivize and expand freight capacity by adding these switching mechanisms are not uncommon in jurisdictions that rely on freight activity.

In addition to operating freight rail operations through Ward 5 and the District of Columbia, CSX allows the Maryland Area Regional Commuter (MARC) train and Amtrak to operate passenger rail along its lines. This activity may be expanded with additional investment from these operators.

As freight activity shifts to intermodal operations, the use of trucks for goods distribution continues to gain popularity. DC operates as an employment center attracting 461,600 commuters during the weekdays from the surrounding jurisdictions¹. This influx of commuter traffic creates congestion and delays for distribution activities. In general, the District of Columbia's truck traffic accounts for only 5 percent of total traffic volume as compared to 15 percent in cities of comparable size. The majority of the truck traffic originates in Maryland, with between 12 to 15 percent using New York Avenue as the route into the District's industrial warehouse activity centers due to the favorable road geometry. The

¹United States Department of Commerce, Census Bureau, Commuter Adjusted Daytime Population, 2010.

Wisconsin Governor Scott Walker has approved four awards for freight rail loans, totaling more than \$7.6 million to improve railroad infrastructure and support economic growth within the state. These awards will be administered through the Wisconsin Department of Transportation's (WisDOT) Freight Railroad Infrastructure Improvement Program (FRIIP). Loans through FRIIP are to be used to improve rail infrastructure, highway/grade crossings and construct new rail-served facilities. Wisconsin has provided more than \$117 million in loans through FRIIP since 1993.

only other road more heavily traveled with truck traffic is Georgia Avenue, where proposed public transit improvements are likely to impact capacity. Large tractor-trailers constitute approximately 10 percent of truck traffic on these corridors. Freight distribution centers are unlikely to be attracted to DC except those highly focused on the local market, e.g., FedEx's local distribution center on New York Avenue, NE.

DEMOGRAPHIC PROFILE

Demographic profiles offer a more detailed overview of household characteristics, resident employment trends and the local business environment. This information helps explain the dynamics of specific market patterns and trends, and provides the basis for conclusions about the future potential of a specific area.

The profile is based on best available data and information collected from a variety of local, regional and national sources. This information reflects data from the 2010 US Census, American Community Survey, County Business Patterns, Environmental Systems Research Institute (Esri), a national data provider, and other sources.

Over the course of the last decade, the Metropolitan Washington region's population increased by 14 percent. Based on a current population estimate by ESRI, the District of Columbia's population losses in the 1990s reversed and the city gained an estimated five percent or 29,600 new residents, as shown in Table 1. DC made impressive monthly gains of 1,100 residents over the last four years. Ward 5 experienced stable population growth, accounting for 10 percent of the total DC population growth, gaining an estimated 2,865 new residents since 2000. Within Ward 5, households grew more rapidly, adding 8.8 percent from 2000 to 2010, compared to DC which increased by 7.4 percent adding 18,369 new households. Interestingly, the distribution of ages among residents in Ward 5 and the District of Columbia as a whole varied most dramatically on the proportion between the ages of 25 to 34.

With the median Ward 5 household income at \$46,950, more than half of the households have an income less than \$50,000. According to ESRI, DC's median household income reached \$57,850 in 2012, with 9.7 percent of residents earning \$200,000 or more. The data for Ward 5 demonstrate a high level of poverty with 40 percent of households reporting incomes below \$35,000, including 19 percent with incomes of less than \$15,000.

Resident-based employment by occupation and industry for the most recent year indicates that most DC residents work in white-collar professional jobs— 68.2 percent of Ward 5's employed residents, as shown in Table A-1 in

Table 1. Population and Age Distribution, and Households by Type, 2010				
	DC		Ward 5	
	Number	Percent	Number	Percent
Population Trends				
1990	606,900		83,421	
2000	572,059		71,444	
2010	601,723		74,309	
1990-2010 Change	(5,177)	-0.9%	(9,112)	-10.9%
1990-2000 Change	(34,841)	-5.7%	(11,977)	-14.4%
2000-2010 Change	29,664	4.9%	2,865	4.0%
Household Trends				
1990	249,634		30,633	
2000	248,338		28,138	
2010	266,707		30,605	
1990-2010 Change	17,073	6.8%	(28)	-0.1%
1990-2000 Change	(1,296)	-0.5%	(2,495)	-8.1%
2000-2010 Change	18,369	7.4%	2,467	8.8%
Population by Age (2010)				
Under 20 Years	123,720	20.6%	15,773	21.2%
20 to 24 Years	64,110	10.7%	7,487	10.1%
25 to 34 Years	124,745	20.7%	11,129	15.0%
35 to 44 Years	80,659	13.4%	8,920	12.0%
45 to 54 Years	75,703	12.6%	10,520	14.2%
55 to 64 Years	63,977	10.6%	9,143	12.3%
65 to 74 Years	36,969	6.1%	5,167	7.0%
75 to 84 Years	21,525	3.6%	3,958	5.3%
85 Years and Over	10,315	1.7%	2,212	3.0%
Total Population	601,723	100.0%	74,309	100.0%
Median Age	33.9		38.1	
ESRI, 2010 Census Profile, ESRI, Census 1990-2000 Comparison Profile: Partners for Economic Solutions, 2013.				

the end of this section. In comparison, three out of four DC residents work in white-collar professional jobs. In Ward 5, more residents hold service sector jobs at 19.4 percent, three percent higher than DC residents. For blue-collar jobs, Ward 5 again has a higher proportion of residents with 12.4 percent compared to 8.1 percent in DC. This number reflects the larger share of Ward 5 residents working in retail, construction and transportation, warehousing and utilities. It is important to note that while residents work in these occupations and industries, many may not work in Ward 5 or even within the District of Columbia. Data are not available for the number of Ward 5 residents employed within the ward. However, 2010 Census Data show that in the District of Columbia approximately 73 percent or 215,072 residents work in the same area in which they reside.

Measuring the level of employment within a specific jurisdiction gives another indication of the residents' economic status. The most recently available information indicated that Ward 5 had an unemployment rate of 15 percent in 2011. Unemployment rates for DC reached 12.5 percent above the national average of 8.8 percent during the same period. Ward 5 has a significant portion of its population underemployed due in part to limited education and training. Within Ward 5, almost half (47 percent) of the population has a high school diploma or less education. While this is unsurprising in an urban environment, only 36 percent of DC residents fall into this same category. Also, when compared to DC, Ward 5 has half the rate of residents with graduate or professional degrees.

INDUSTRIAL SPACE TRENDS

Industrial space tends to fall into two distinct categories: industrial and flex space. Modern industrial buildings designed for manufacturers and assembly operations often vary with the specific industry, but speculative buildings are typically designed with 18- to 20-foot ceilings, truck docks and open space that can be subdivided and customized for multiple tenants. Flex space provides a more adaptable type of built industrial product, segmenting the industrial space environment. Flex space is typically single-story space with a portion finished as offices and a portion retained as space for warehousing, repair or production. Typically, it is developed as a long linear building in bays with separate entrances that can be combined to provide a range of sizes, from 1,000 to more than 20,000 square feet. Truck docks or roll-up doors are provided on the back of the building to facilitate movement of goods with office space at the front. The interior space can be customized to the specific tenant's needs to include more or less office space. For many cost-sensitive tenants, flex space provides lower-cost office space than is available in multi-story office buildings. Parking is

typically provided in a surface lot, often at the front door.

NATIONAL TRENDS

Beginning in the 1990s, the construction of industrial space climbed as the tighter market conditions (low vacancy, rising rents) made it feasible to pay for new construction with prevailing rents. Builders used this opportunity to increase the national supply of industrial space along major interstates and in growing metropolitan markets. The nature of industrial development places large quantities of space on the market at a single point in time due to the scale of typical speculative industrial projects. A dramatic increase in the supply during the late 1990s exceeded demand, creating an increase in vacant space and resulting in declining rents.

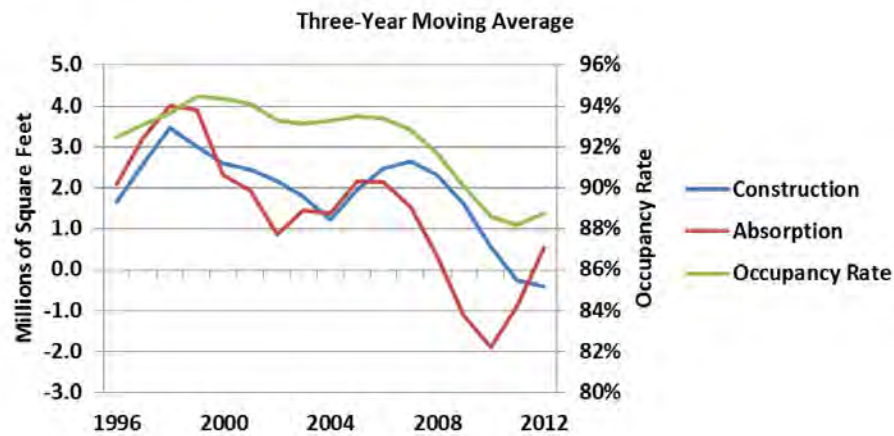
Over the last decade, the demand for warehouse and distribution space continued to dominate industrial real estate trends, reflecting the climb in consumer demand through e-commerce. As the financing markets recovered from the Great Recession (2008 to 2010), the construction pace for industrial space began to rise. However, the impact of declining construction in the early 2000s created pent-up demand for industrial space, particularly flex space, warehouse and distribution facilities. The nation's vacancy rates continue to drop below 10 percent, reaching 8.5 percent in the second quarter of 2013.

Table 2. Households by Income, 2009

	DC		Ward 5	
	Number	Percent	Number	Percent
Income				
Less than \$10,000	27,704	11.0%	3,571	12.2%
\$10,000 to \$14,999	12,177	4.9%	1,993	6.8%
\$15,000 to \$24,999	21,274	8.5%	3,137	10.7%
\$25,000 to \$34,999	21,752	8.7%	3,073	10.5%
\$35,000 to \$49,999	30,047	12.0%	3,594	12.3%
\$50,000 to \$74,999	39,188	15.6%	5,230	17.9%
\$75,000 to \$99,999	26,606	10.6%	3,028	10.3%
\$100,000 to \$149,999	31,706	12.6%	3,597	12.3%
\$150,000 to \$199,999	16,712	6.7%	1,302	4.4%
\$200,000 or More	23,557	9.4%	763	2.6%
Total Households	250,723	100.0%	29,288	100.0%
Median Household Income	\$57,853		\$46,951	
Mean Household Income	\$77,749		\$61,035	

Source: ESRI, 2005-2009 ACS Population Summary; Partners for Economic Solutions, 2013.

Figure 1. Regional Industrial Construction and Absorption



National trends in e-commerce and logistics are changing the demand for distribution facilities. The growing importance of e-commerce has greatly expanded the need for distribution facilities to pack and deliver goods ordered on-line. Companies are focused on improving their distribution system to speed delivery to the customer and cut the costs of logistics. For many, this has meant turning to a third-party logistics provider (e.g., Amazon) to take advantage of the latest in modern technology and a well-developed distribution network. This practice places a premium on specialized distribution facilities close to major markets with good access to the interstate highway system and near to UPS and FedEx truck hubs with an ample labor pool, particularly during seasonal surges.

REGIONAL TRENDS

Regional industrial market trend information represents data from CoStar, a national data provider, and information provided from direct interviews with area brokers, property owners and developers. To understand the regional context, market data for the Washington region², District of Columbia and Prince George's and Montgomery counties constitute the competitive industrial environment.

An initial review of regional trends shows large fluctuations in supply and demand of both industrial and flex space. These swings often mirror

the national trends but also highlight the impact of business activity and employment. It is important to remember that comparisons between years in construction often show abrupt increases or declines because industrial buildings are larger in size.

The Washington region had a total inventory of 161 million square feet of industrial space at the end of 2012. Over the 1994-2012 period, the inventory increased by a net of 32.4 million square feet or 25 percent. As the nation's construction of industrial space slowed, the region constructed slightly more than 1 million square feet annually over the past 10 years (2003-2012), which represented a 48 percent drop in the pace from the previous 10-year period.

In the District of Columbia, the total inventory of industrial space declined from 12.2 million square feet in 1993 to 11.1 million square feet in the third quarter of 2013, with a 7.3-percent drop since 2000. In the Washington region, the demolition or conversion of existing buildings decreased the total supply of industrial space by 1.24 million square feet from 2009 to 2012. In DC, the pressure for conversion of industrial space in Capitol Riverfront with the addition of the Nationals ballpark and other mixed-use redevelopments reduced the overall supply. However, industrial space occupancy rates remain relatively stable, ranging from 95 percent in 2006 to 92.6 percent in 2012. These occupancy rates indicate limited tenant turnover due in part to the high cost and large effort associated with relocation of industrial space users.

The competitive market for industrial space in suburban Maryland includes Montgomery and Prince George's counties, as limited opportunities to cross the Potomac River constrain direct competition with Virginia submarkets. In Montgomery County, the net change in inventory averaged 147,100 square feet annually from 1994 through 2002 and fell to 46,500 square feet from 2003 through 2012. With a total inventory of 14.3 million square feet, Montgomery County added no industrial space on a net basis from 2009 through 2012 and actually saw a net reduction of 124,000 square feet as industrial space was demolished, probably to allow redevelopment for other uses. Prince George's County has the largest supply of industrial space with an estimated 49.9 million square feet as of the second quarter of 2013. While the construction pace slowed in Prince George's County, the county added almost three million square feet of industrial space since 2000 and reports a second quarter 2013 average vacancy rate of 8.6 percent for industrial space.

² Defined to include the District of Columbia and Arlington, Berkeley, Calvert, Charles, Fairfax, Fauquier, Frederick, Jefferson, King George, Loudoun, Montgomery, Prince George's, Stafford and Prince William counties and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park.

Net absorption is measured as the change in the number of occupied square feet from one year to the next. From 1993 through 2012, net absorption in the region totaled 27.2 million square feet, a 23 percent increase in occupied space. Both Montgomery and Prince George's counties had positive absorption, gaining 1.3 million and 5.8 million square feet of industrial space, respectively. Shown in Table A-2 in the end of this section, the region had a large drop in occupancy with negative absorption of 5.65 million square feet from 2008 through 2010. By the end of 2010, the regional occupancy rate had fallen to 87.7 percent. Net absorption turned positive again in 2011 and 2012, adding 2.15 million square feet of occupied space and increasing the occupancy rate to 89.7 percent. In DC, occupancy rates started at 85.3 percent in 1993, below the healthy level of 92 to 95 percent. After increases to 95 percent in 2006, the overall occupancy fell to 89.6 percent in 2011 as construction somewhat outstripped demand. With the net absorption of 298,000 square feet in 2012, the occupancy rate climbed back to 92.9 percent.

The Washington region's inventory of flex space totaled 68 million square feet at the end of 2012, a 50 percent increase over the 1993 level. Unlike industrial space construction, which declined sharply during the last decade, the average annual pace of flex construction in the region remained relatively steady, averaging 1.29 million square feet annually from 1994 through 2012 and 1.22 million square feet from 2003 through 2012.

Within the region, Montgomery County represents the largest competitive share of flex space, totaling 11.7 million square feet in 2012. Research and development laboratories for the biotech industry represent a significant share of Montgomery County's flex space inventory, particularly along the I-270 corridor and Great Seneca Science Corridor portion of the county.

In Prince George's County, the construction of flex space over the last 12 years resulted in a 16.5 percent expansion of the inventory from 8.3 million to 9.7 million square feet of space.

With approximately 1.4 million square feet of flex space, the District of Columbia has the smallest share within the competitive marketplace. In fact, DC's supply of flex space declined over the last 10 years, as older obsolete flex buildings were demolished in the North of Massachusetts Avenue (NoMa) district. The overall health of the DC flex market is reflected in occupancy rates well over 95 percent since 2007.

Net absorption of flex space in the Washington region averaged 1.11 million and 1.09 million per year during the past two decades, respectively (See

Table A-3 in the end of this section). However, the 10-year averages mask a great variation – annual absorption reached 2.98 million square feet in 2005 but only 250,000 in 2007. Though slow through the Great Recession, averaging 461,000 square feet annually from 2008 through 2010, absorption recovered to average 891,000 square feet in 2011 and 2012. In Montgomery County, absorption of flex space averaged 204,000 square feet annually through 2002. Then annual absorption slowed to an average of less than 11,000 square feet with years of negative net absorption outnumbering years of positive absorption. In Prince George's County the dramatic increase in supply of flex space resulted in a glut of space with vacancy rates climbing from 10.8 percent in 2007 to a peak of 18.3 percent in 2009 and only shifting slightly to 16.8 percent in 2012. That is still well above the desired range of 5 to 10 percent vacancy. DC absorption was constrained by its available supply of flex space: absorption trends show an estimated 110,000 square feet annually for both 2005 and 2007, but during 2006, 2008 and 2009, less than 7,000 square feet was absorbed annually.

WARD 5 TRENDS

The Ward 5 area within the District of Columbia has more than 65 percent of the total DC supply of industrial space with approximately 7 million square feet and 580,000 square feet of flex space. Over the past several decades, CoStar reported a stable but slightly declining amount of industrial space in both DC and Ward 5. A more dramatic decline in the amount of flex space for Ward 5 (approximately 200,000 square feet) represents the demolition of one obsolete flex building.

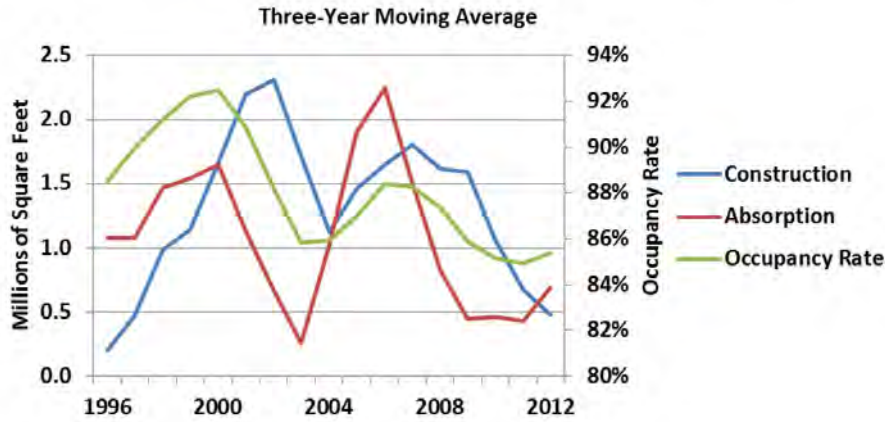
The historic trends for industrial activity understate the potential to reinvent industrial property in Ward 5. As such these historic trends are not indicators of overall growth.

Table 3. Ward 5 Building Condition, 2013

Class	Rentable Building Area	Percent
Class A	177,000	2%
Class B	1,254,000	15%
Class C	6,735,000	82%
Total	8,166,000	

Source: CoStar; Partners for Economic Solutions, 2013.

Figure 2. Regional Flex Space Construction and Absorption



Detailed review of Ward 5's industrial and flex inventory revealed distinctions between transit-proximate property and those auto-accessible properties along Bladensburg Road and New York Avenue. The statistics show that of the 3.2 million square feet of space along Washington Metropolitan Area Transit Authority's (WMATA) Metrorail Red Line, vacancy rates averaged between 2.5 to 6.0 percent over the last five years, landing at 4.7 percent in 2012. Along the auto-accessible portion of the Ward 5 industrial area, the larger inventory (estimated at 4.4 million square feet) had vacancy rates between 10 to 15 percent over the past five years. Furthermore, rents in the transit-proximate inventory averaged \$3.50 to \$4.00 more per square foot. A portion of this distinction reflects the larger scale of buildings along New York Avenue as compared to the narrow sites along Metrorail's Red Line.

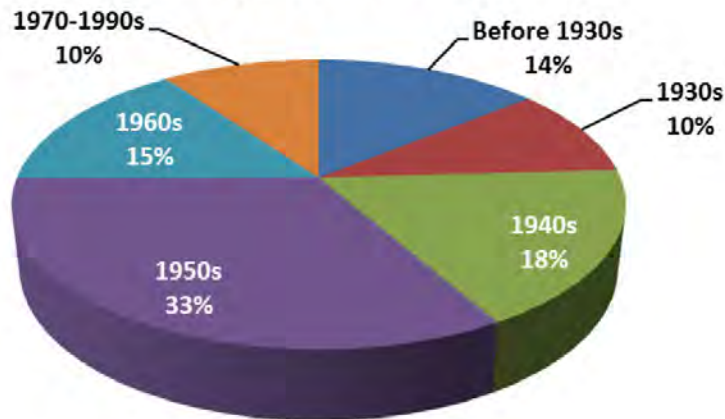
Classification of commercial space helps to evaluate existing supply properly by differentiating buildings based on physical condition and general operating performance. Class A space consists of investment-grade properties that command the highest rents and / or sale prices due to exemplary location, tenant layout, floor plans and modern mechanical systems. Class B space includes more speculative properties that receive less per square foot for rents and do not offer the same features or amenities as Class A space. Class C space consists of older building stock that gets the lowest rents and / or sales prices compared to other commercial classes. According to CoStar, more than 82 percent of the industrial space in Ward 5 is classified as Class C. Table 3 highlights the class of space reported by CoStar for those properties within its inventory. It should be noted that this includes private real estate, not government-owned property or buildings constructed as built-to-suit for a specific user.

Unlike historic residential or office stock, older industrial buildings do not typically meet modern industrial users' needs. Often these older structures do not function well and are unsuitable for upgrading the building technology in a cost-effective way. In Ward 5, 90 percent of the existing industrial building stock is more than 40 years old and almost one-third of the stock was built before 1950.

Much of Ward 5's older industrial stock exists in buildings between 15,000 to 100,000 square feet. It represents a wide range of building sizes, except that modern distribution facilities located along the I-95 corridor typically have 250,000 square feet at a minimum. In Prince George's County, the largest portion of vacant space consists of properties between 30,000 to 50,000 square feet. One in five buildings within Ward 5 is within this range.

In the Washington region, industrial space had an average asking rental rate of \$9.31 per square foot in the second quarter of 2013, compared to \$9.67

Figure 3. Age of Building Stock



per square foot in Ward 5 and \$10.35 per square foot in DC. A review of industrial rent trends for industrial space in Ward 5, DC and Prince George's and Montgomery counties demonstrates that in both Ward 5 and DC tenants pay more for typically older space. In 2009, the gap between rents in Ward 5 and neighboring Prince George's County averaged between \$3.50 and \$4.00 per square foot. (See Figure 2.) The differences between the average rent in Prince George's County and Ward 5 highlight DC's higher land prices. Over the last four years, these rents slowly declined in the District of Columbia and Ward 5, reducing the average rent gap to \$1.65 per square foot in 2012.

Interviews with brokers indicated that this drop in rents reflected the impact of the Great Recession, which created a need to achieve higher occupancy. Another factor in the decline of rents is the term of many leases for industrial buildings in Ward 5. For example, the V Street industrial corridor location between freight lines and New York Avenue and Bladensburg Road has more modern facilities, but rents remain low due to long term leases for anchor users and the physical constraints on expansion or reconfiguration.

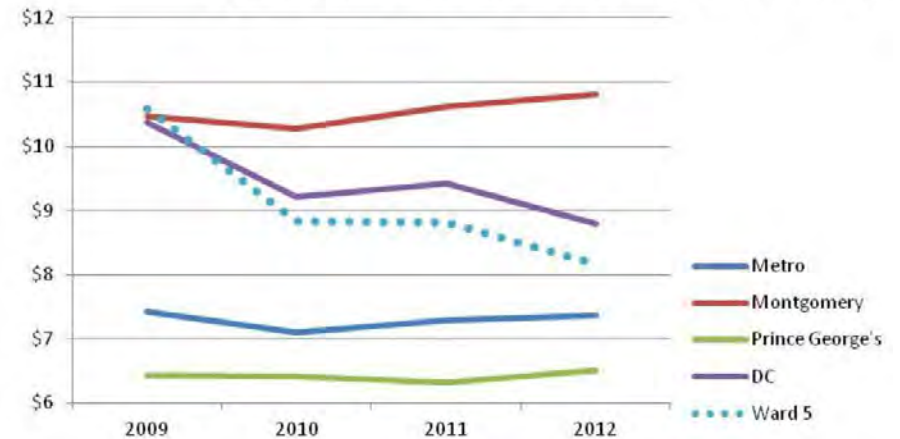
In Ward 5, the supply of flex space has not kept pace with demand and vacancy is especially tight in the District of Columbia. Demand for DC flex space showed more robust growth over the last 20 years, but the inventory did not grow. For the Washington region's flex space, the average rental rate reached \$12.33 in the second quarter of 2013, according to CoStar.

INDUSTRIAL DEMAND

Traditionally, industrial demand relates directly to employment growth in industries that require industrial warehouse or flex space. The demand for industrial space in Ward 5 reflects the historical absorption trends; industry patterns for manufacturing, wholesale trade, transportation and warehousing employment; and emerging research that points to growth in new industries interested in industrially zoned property. In addition to the private sector demand, there is strong demand from the public sector for the same type of space. Municipal service providers including, but not limited to, the DC Department of Public Works (DPW) and DC Department of Transportation (DDOT) often require industrial space for production, repair/maintenance and storage facilities. Finally, institutional anchors, such as local universities, generate a small amount of demand for service facilities within and near their campus boundaries.

Projecting industrial demand in a mature, urban market involves several factors beyond employment growth. Even an overall employment decline

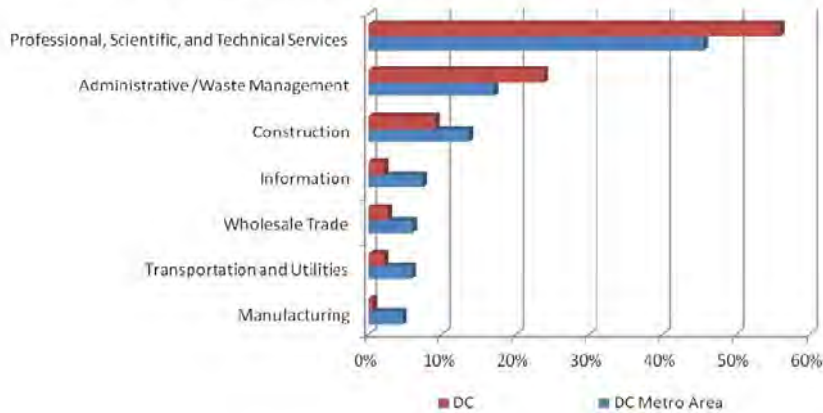
Figure 4. Industrial Rents Trends (2009-2012)



would not eliminate the need for new spaces that meet the particular needs of growing companies.

- » Available vacant space may not meet the specific business's needs in terms of size, layout, ceiling heights, truck access, visibility or location relative to Metrorail or other similar companies.
- » The nature of space needs changes over time. Many warehouses built before the 1960s are unsuitable for automated retrieval systems or inventory stacking. Obsolete buildings need to be replaced with more efficient facilities.
- » Changing regulations, such as the Food and Drug Administration's food safety requirements, can render existing facilities obsolete.
- » Demand from cost-sensitive retailers shifts some flex space to primarily retail use, which is not reflected in the industrial employment statistics.
- » The blurring of the line between traditional office space and flex office space means that demand for flex space often involves a wide range of non-industrial tenant types.
- » Potential returns from redevelopment or conversion to other uses will continue to result in removal of well-located urban properties from the industrial land inventory, particularly those near Metrorail stations.

Figure 5. Employment by Selected Industries, DC Metro Area & DC, 2011



It is also important to acknowledge the role that individual entrepreneurs can play in an industrial market, particularly one as small as Ward 5's. One successful business can completely shift a market within just a few years. No one expected Baltimore to become a major leader in athletic apparel, yet entrepreneur Kevin Plank's innovative synthetic fabric led to the creation of Under Armour, which now occupies hundreds of thousands of square feet of industrial and office space in that city. In the same way that Living Social's expansions and contractions have impacted DC's Pennsylvania Quarter office market, the fortunes of individual companies, whether part of an emerging industry or an innovative company in a mature industry, could significantly change the Ward 5 industrial market.

National and international economic trends and developments also impact industrial demand, as evidenced by the growth in demand for logistics to support e-commerce.

At this stage, demand projections can provide guidance as to the likely scale of demand. Most of Ward 5's current industrial users are relatively stable and likely to remain so into the future, but actual demand may vary significantly from the projections depending on the actions of individual entrepreneurs and the future quality of placemaking that supports those actions.

EMPLOYMENT TRENDS

Economic conditions in the national and regional marketplace impact spending and development opportunities. Employment trends are key indicators for industrial and commercial demand.

The District of Columbia's employment base responds to shifts within the federal government, as one of its largest employers. Over the past decade, total employment grew by 12 percent in DC and 13 percent in the Washington region. Government employment provides a steady and growing base that protected the DC economy from the worst of the downturn. In addition, growth in professional, scientific and technical services, health care, education and construction continued to fuel both the Washington region and DC's economy.

A close review of the specific industries located on industrial properties in DC matched with the largest generator of demand for office space (professional, scientific and technical services) highlighted the lower proportion of jobs in these PDR industries. In DC, the regional trends for PDR employment continue to decline with the exception of construction activity. While construction activity reflects the boom and bust business cycles, many of these jobs are not located in traditional industrial space but rather on the building sites. In DC, administrative, support and waste management accounts for a larger percentage of total jobs, 24 percent in 2011 compared to 17 percent in the DC Metro area (see Figure 5). Data from the District of Columbia's Department of Employment Services (DOES) measures total DC employment at 721,634 as of September 2012 in 36,276 establishments.

In the Washington region, the employment trends for businesses that use industrial property highlight demand for the same top three industries as in DC: professional scientific and technical services; administrative/waste management; and construction. Unsurprisingly, the employment in manufacturing, transportation and utilities and wholesale trade consists of a larger overall share throughout the region. The suburban Maryland and Virginia markets have more distribution-appropriate properties and building stock supporting logistics and growth in that industry, especially along major transportation routes. Within the competitive landscape, the District of Columbia and Ward 5 do not compete for these same companies because the District's road network is more locally focused.

As shown in Table A-6³ in the end of this section, private employment in the

³ Table A-10 in the end of this section provides greater detail on District employment trends, drawing on data from the Census Bureau's County Business Patterns.

District of Columbia grew by 13 percent over the past 10 years with the exception of a small dip from 2008 to 2009. This addition of an estimated 10,100 jobs in DC focused on education and the health care industry. During the past five years, public sector employment added 11,600 net new jobs. While the local government shrunk, shedding more than 5,000 jobs, the federal government grew by nine percent, adding more than 17,200 jobs since 2007. For purposes of this analysis, a comparison of private sector employment as a percent of total employment may obscure many of the trends. For this reason, the analysis considers private employment alone as a comparison.

Establishment Size

Small businesses dominate the industrial sectors in the District. As shown in Table 4, more than three-quarters of all businesses in manufacturing, wholesale trade and transportation and warehousing have less than 10 employees in DC. Interestingly, 74 percent of construction businesses have less than 10 employees. In fact, within all PDR industries, one out of two businesses have fewer than five employees. With the exception of transportation and warehouse industries, the number of large businesses that employ more than 250 employees continues to decline. Only 31 businesses have 250 employees or more, and only one business has 1,000 or more employees.

Small businesses are a major economic engine of the nation. David Birch's seminal research in the 1970s and 1980s demonstrated that 80 percent of new jobs are created by small businesses⁴. This is not to deny the importance of large businesses in creating the income and demand that small businesses build upon, but America's economic vitality lies primarily among its small businesses. As a result, policymakers are coming to recognize the importance of small businesses and entrepreneurs for the future economy.

	Manufacturing		Wholesale Trade		Transportation & Warehousing		Construction		Total	
	2000	2011	2000	2011	2000	2011	2000	2011	2000	2011
Number of Employees										
1-4	174	100	372	446	204	191	329	438	1,079	1,175
5-9	72	58	201	260	110	103	155	210	538	631
10-19	45	17	68	93	28	29	54	92	195	231
20-49	25	15	44	47	26	17	40	59	135	138
50-99	18	6	35	32	19	17	42	49	114	104
100-249	9	2	10	9	13	11	20	18	52	40
250-499	5	2	14	4	5	10	16	9	40	25
500-999	-	-	-	1	3	4	1	-	4	5
1000 or more	-	-	-	-	-	-	1	1	1	1
Total	348	200	744	892	408	382	658	876	2,158	2,350
Percent of Establishments by Number of Employees										
1-4	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
5-9	20.7%	29.0%	27.0%	29.1%	27.0%	27.0%	23.6%	24.0%	24.9%	26.9%
10-19	12.9%	8.5%	9.1%	10.4%	6.9%	7.6%	8.2%	10.5%	9.0%	9.8%
20-49	7.2%	7.5%	5.9%	5.3%	6.4%	4.5%	6.1%	6.7%	6.3%	5.9%
50-99	5.2%	3.0%	4.7%	3.6%	4.7%	4.5%	6.4%	5.6%	5.3%	4.4%
100-249	2.6%	1.0%	1.3%	1.0%	3.2%	2.9%	3.0%	2.1%	2.4%	1.7%
250-499	1.4%	1.0%	1.9%	0.4%	1.2%	2.6%	2.4%	1.0%	1.9%	1.1%
500-999	0.0%	0.0%	0.0%	0.1%	0.7%	1.0%	0.2%	0.0%	0.2%	0.2%
1000 or more	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Sources: County Business Patterns, U.S. Bureau of the Census, 2013; Partners for Economic Solutions, 2013.

Figure 6. Ward 5 Employment by Industry, 2013

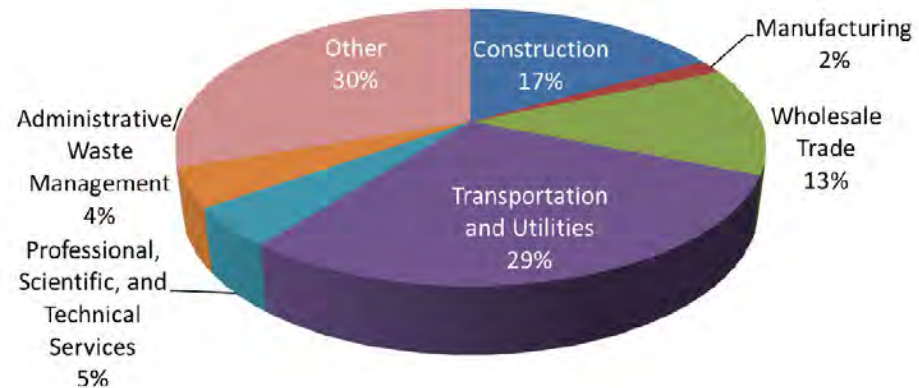


Table 7. Industrial Employment Sectors Demonstrating Employment Growth 2005-2011, DC Metropolitan Area

NAICS Code	Industry	Employees		2007-2011 Change	
		2007	2011	Number	Percent
Manufacturing					
336	Transportation equipment manufacturing	1,750	3,750	2,000	114%
325	Chemical manufacturing	3,135	3,421	286	9%
3254	Pharmaceutical and medicine manufacturing	2,076	2,466	390	19%
3334	Ventilation, heating, air-conditioning, and commercial refrigeration equipment manufacturing	175	750	575	329%
312	Beverage and tobacco product manufacturing	428	492	64	15%
335	Electrical equipment, appliance, and component manufacturing	374	415	41	11%
3114	Fruit and vegetable preserving and specialty food manufacturing	151	399	NA	NA
3328	Coating, engraving, heat treating, and allied activities	116	198	82	71%
3351	Electric lighting equipment manufacturing	175	180	5	3%
3366	Ship and boat building	a	175	NA	NA
3359	Other electrical equipment and component manufacturing	92	148	56	61%
3343	Audio and video equipment manufacturing	b	122	NA	NA
316	Leather and allied product manufacturing	a	b	NA	NA
3113	Sugar and confectionery product manufacturing	b	b	NA	NA
3169	Other leather and allied product manufacturing	a	b	NA	NA
3324	Boiler, tank, and shipping container manufacturing	a	b	NA	NA
3365	Railroad rolling stock manufacturing	-	b	NA	NA
3325	Hardware manufacturing	a	17	NA	NA
3151	Apparel knitting mills	-	a	NA	NA
Wholesale Trade					
4242	Drugs and druggists' sundries merchant wholesalers	1,547	2,256	709	46%
4247	Petroleum and petroleum products merchant wholesalers	431	503	72	17%
Information					
5112	Software publishers	12,422	15,600	3,178	26%
519	Other information services	2,683	5,957	3,274	122%
5179	Other telecommunications	744	3,750	3,006	404%

Note: a=0-19 employees, b=20-99 employees, c=100-249 employees, e=250-499 employees, f=500-999 employees, g=1,000-2,499 employees, h=2,500-4,999 employees, i=5,000-9,999 employees

North American Industry Classification System (NAICS) codes nest industries within larger sectors. A four-digit code represents a subsector within the three-digit industry (e.g., 4242 Drugs and druggists' sundries merchant wholesalers is a subsector of 424 Merchant wholesalers, durable goods).

Source: County Business Patterns, U.S. Bureau of the Census; Partners for Economic Solutions, 2013.

Entrepreneurial economies have been shown to perform better economically.⁵ Recent research for the Small Business Administration (SBA) examined the links between economic performance and entrepreneurship. It found that from 1990 to 2001, the most entrepreneurial regions had 125 percent higher employment growth, 58 percent higher wage growth and 109 percent higher productivity than the least entrepreneurial regions.

Ward 5 Employment

Information on total employment by place of work is provided by District of Columbia Department of Employment Service and ESRI, a national data provider. Within Ward 5, there are approximately 10,700 jobs on industrially zoned land. These estimates provide information on the types of jobs categorized by two-digit North American Industry Classification (NAICS). Within Ward 5, the following industries provide the largest share of jobs: transportation and utilities; wholesale trade; and construction. It should be noted that the jobs associated with both transportation and construction are not necessarily performed in Ward 5. For example, the transportation workers may travel throughout the city as bus drivers. The transportation and utilities industry focuses primarily on logistics and vehicle maintenance in Ward 5 with approximately 3,100 employees. Much of this employment relates to government activity associated with the Washington Metropolitan Area Transit Authority (WMATA) and the United State Postal Services (USPS). Figure 6 shows the distribution of jobs within Ward 5.

⁴ Birch, D.L. *Job Creation in America*. New York: The Free Press. 1987.

⁵ Advanced Research Technologies, LLC, *Innovation-Entrepreneurship Nexus: A National Assessment of Entrepreneurship and Regional Economic Growth and Development*, Small Business Administration Office of Advocacy, April, 2005.

Seventeen percent of employees in Ward 5 work in construction. This accounts for approximately 1,800 jobs with Fort Myers Construction as the largest area private employer.

Industry Detail

Shifts in employment within a large industry sector, such as manufacturing, often mask different, countervailing shifts among subsectors. Examining employment trends on the basis of smaller industry breakdowns can reveal industry sectors that are growing despite a decline in the larger sector.

Growing industry sectors in the overall DC metropolitan area are shown in Table 7. These industries include software publishers, other telecommunications, and information services, transportation equipment manufacturing (presumably related to the relocation of VW America to Northern Virginia), pharmaceutical and medicine manufacturing, and ventilation, heating, air-conditioning and commercial refrigeration equipment manufacturing.

In the Washington region, technology sector employment represents 10 percent of total employment with an average of 3.6 patents per inventory. The majority of this regional growth represents communications patents. While this activity suggests the Washington region has a role to play as a technology hub, in particular for cyber security and advanced technology, the gains in this sector do not equate to high growth. In fact when compared with other regions the Washington region lags behind.

Tables A-9 to A-16 in the end of this section provide DC employment data by detailed industry for 2002 to 2011. PDR industry sectors that grew from 2007 to 2011 include food and accommodations; transportation and warehousing; and waste management and

Table 8. DC Job Growth By Industry

Industries	2007	2011	Percent Growth (2007-2011)
Construction			
Utility system construction	44	315	615.9%
Foundation, structure, and building exterior contractors	510	583	14.3%
Building finishing contractors	390	497	27.4%
Other specialty trade contractors	215	335	55.8%
Wholesale Trade			
Hardware, and plumbing and heating equipment and supplies merchant wholesalers	37	62	67.6%
Drugs and druggists' sundries merchant wholesalers	93	109	17.2%
Transportation and Utilities			
Support activities for transportation	398	531	33.4%
Information - Media & Communications			
Broadcasting (except Internet)	4,323	4,678	8.2%
Other Information Services	1,208	2,430	101.2%
Cable and Other Subscription Programming	766	1,293	68.8%
Professional, Scientific, and Technical Services			
Architectural, engineering & related services	6,284	7,933	26.2%
Computer systems design & related services	11,077	14,164	27.9%
Management, scientific & technical consulting services	14,981	20,349	35.8%
Advertising & related services	5,884	7,065	20.1%
Administrative and Support and Waste Management			
Business support services	2,106	2,826	34%
Travel arrangement & reservation services	1,135	1,345	19%
Other support services	1,071	1,150	7%
Accommodation and Food Services			
Limited-service eating places	10,469	11,021	5%
Special food services	6,106	8,302	36%
Drinking places (alcoholic beverages)	1,996	2,573	29%
Food service contractors	5,523	7,515	36%
Caterers	580	775	34%
Sources: County Business Patterns; Partners for Economic Solutions, 2013.			

support services. Table 7 shows the District of Columbia's job growth by industry sector. The list is relatively limited, in part due to the effects of the Great Recession. Detailed data are available only through 2011; some industries may have regained enough jobs in 2012 and the first half of 2013 to reverse losses shown in the 2002-2011 trends. There also may have been gains not evident from the data due to the practice of showing the number of employees by ranges in cases where there were less than three businesses in the category, or one of the businesses had a disproportionately high percentage of the sector's employee count. Additionally, these employment trends do not capture the self-employed, who likely increase activity in industry sectors like arts and entertainment.

Manufacturing

Throughout the nation, manufacturing has declined and shifted to a new industrial revolution. As old "smoke stack" manufacturing moved out of industrial property, leaving large plants vacant, small-scale manufacturing users moved into the same buildings in smaller space increments. While these new "makers" are still manufacturers, their business model seems more akin to tech incubator models. In fact, the declining cost of advanced fabrication tools, development of maker spaces (such as TechShop DC, Fab Lab DC, HacDC, and Reverse Space in Herndon, VA), and affordable e-commerce systems are three important trends that are contributing to the recent growth of small-scale manufacturers.

Already within Ward 5 are specialty manufacturers like Northeast Iron Works and AVSmoot LLC. Both companies continue to expand as demand for customized products grows throughout DC.

Advanced Fabrication Tools

The increasing affordability of advanced fabrication tools, such as desktop CNC (computer numerical control) milling machines and desktop 3D printers, has been an important factor in the growth of small-scale manufacturers. While recent media coverage has highlighted sub-\$2,000 consumer-oriented CNC machines and 3D printers, there have been equally significant advances in highly engineered, mid-priced CNC tools from American companies.

A 3D printer uses an additive process that pushes a plastic filament through a heated "print head" to extrude successive layers of molten plastic in thin layers to build an object. 3D printers can create intricate shapes, but they can work with only a handful of materials. CNC milling machines, in contrast, are subtractive. They can cut molds of nearly any size or design and they can be used on many types of materials including wood, metal and

plastic. This ability to precisely shape varied materials makes a CNC mill a more versatile tool for a vast number of manufacturing applications. Several American toolmakers have focused on smaller scale CNC machines for specialty manufacturing. Their products are based on simple and robust machine architecture that requires minimal maintenance and repairs. Replacement parts and repair components are generally affordable stock items and machines have been designed in modules so that expansion capabilities can be added as they are needed.

Prior to the development of these smaller scale products, there were few suitable options for affordable CNC machinery. Many companies selling low-cost CNC tools are typically resellers of lower-quality machinery made in Asia. At the other end of the spectrum, many top-quality CNC machine makers from the US, Japan, and Europe offer highly engineered equipment that commands top prices (\$20,000 and above per machine). With costs ranging from \$4,000 to \$8,000 per machine, the smaller scale CNC milling machines that are now available from several US tool makers are more affordable for start-up manufacturers because these machines require a lower initial investment.

The availability of high quality machinery with advanced capabilities at a lower cost has removed a significant barrier to entry for innovators and inventors. The same is true of high-cost CAD (computer-aided design) software that previously was available to industrial designers but is now often free, open sourced, or is offered as an affordable desktop toolset to an expanding market of users.

These recent trends in greater accessibility of lower cost desktop tools for design and fabrication have diminished the necessity for a shop full of tools and machines in order to produce innovative products. These trends also support the growth of small-scale manufacturers that have more flexible, ad hoc production capabilities compared to traditional large scale, centralized manufacturers.

Administrative/Support/Green Sectors

The administrative and support and waste management sectors encompass a wide variety of industries ranging from janitorial and security services to waste collection and disposal. Most relevant to Ward 5 are green industry opportunities related to recycling and brownfield remediation.

Green Jobs

Green jobs can be defined as those jobs that produce an eco-friendly product or service that helps to increase energy efficiency and reduce

carbon emissions. Consulting and engineering services associated with building energy audits and improvements as well as construction services could take advantage of Ward 5 industrial space. Brownfield remediation often requires large equipment best accommodated in industrial districts such as in Ward 5.

Methods for collecting both green industry and green jobs data continue to improve and change as this sector of the US economy evolves. For most specific wage and employment data by business establishments, the District's Department of Employment Services (DOES) gathers direct input from District of Columbia businesses. These data, gathered each quarter, are the Quarterly Census of Employment and Wages (QCEW) reported to the US Bureau of Labor Statistics (BLS). Data are organized by industry using the North American Industry Classification System (NAICS), which identifies a code for each industry, allowing jobs data by business establishment to be aggregated to the industry level. Over the last several years, BLS evaluated each of the 333 industries at the six-digit NAICS code level⁶ to assess which industries had the potential to produce green goods or services.

In the nation, approximately 2.4 percent of all jobs in 2010 were categorized as green goods and services (GGS) by BLS. The District had a much higher rate of green jobs – 3.9 percent of all DC jobs in 2010 (excluding the self-employed) – for a total of 26,941 green jobs. Interestingly, private companies provided 44 percent of these GGS jobs. Local and federal government contribute substantial numbers of green jobs with a higher share of public sector jobs classified as green as compared to private-sector jobs. Most of the District's private-sector green jobs are involved in professional, scientific and technical services or other services.

Information from O-Net, an online site established by the US Department of Labor's Employment Training Administration, tracks green jobs and the potential wages associated with each position. O-Net also offers a trend analysis of the potential occupations that are expected to grow most rapidly within a specific GGS sector. Within DC, green job growth is more likely to occur within professional, scientific and technical services as well as public administration.

Data demographers agree that the green sector of any geography's economy reflects patterns of the general economy over time. In instances

⁶Six-digit industry level provides the greatest breakdown to the most specific categories. The evaluation of green industries was conducted based on the 2007 NAICS definitions, not the updated 2012 categories. See Table A-1 in the end of this section for a complete list of industries providing green goods and services.

where manufacturing dominated the landscape, emerging green industries tend toward production of green goods. As would be expected, the industries associated with DC's green economy relate most directly to regulation, compliance and policy. Perhaps the most dominant impact on the green industries is the presence of the federal government and jobs in public administration. Mass transit and waste management and treatment systems account for many of DC's green jobs, indicating the scale of these operations but not necessarily the growth of green industries.

In 2011, the Brookings Institution issued a report on the Clean Economy using a modified definition based on information from business-level data from Dun & Bradstreet (D&B), supplemented by additional databases and publications. This study measured 22,462 clean economy jobs in the District of Columbia, representing approximately 3 percent of all jobs. Again as with other measures of green economy, the District of Columbia's specializations in education and environmental regulation place the jurisdiction at the top of the national competition, according to the Brookings report. This reflects the nature of regulation and compliance decisions being made at the federal level by the US Environmental Protection Agency (EPA) and other agencies that influence the green economy.

In Ward 5, the waste administration and construction industry have the majority of green jobs. There are smaller green businesses such as the historic window refurbishing business located on Bladensburg Road.

Information, Media and Communications

The information industry includes those technology companies with new software that are usually synonymous with Silicon Valley. The District of Columbia and Metro DC continue to gain jobs with close ties to the national security industry and cyber protection. While this growth suggests a number of new start-up businesses, interviews with industry experts suggest that such companies are most eager to locate in hip downtown DC neighborhoods. These tech start-ups do not want to move into a pioneering location unless it is close to public transit and many of the amenities are already in place. As a result, tech start-ups are not likely to be a subsector within the broader industry category attracted to Ward 5.

As the nation's capital, the District of Columbia has more than 32,000 individuals employed in media and communication-related work according to the Department of Employment Services. The concentration of television and radio broadcasting is more than five times the national average. This industry includes telecommunications, broadcasting, cable and other information services as well as the more traditional newspaper and

publishing businesses. Within Ward 5, these types of establishments range from the Washington Times to Black Entertainment Television (BET). These entities continue to evolve as the media industry becomes more technologically adept.

Opportunities exist for developing shared facilities and operations for media and related businesses. These would likely occur in a shared or co-working space as few of these entrepreneurs will have the capital necessary to pay for large amounts of space and infrastructure and equipment upfront.

The DC Office of Motion Picture and Television Development tracks and promotes the growth of the media and communication industry within DC. The local industry contributes approximately \$45 million for its digital media production and \$25 million for production. This activity reflects the success of documentary and commercial film production in DC. There is potential to expand the digital media subset within media and communication, adding video gaming, mobile and smart phone app production. A recently completed study by ER&M demonstrates both a demand for expanded sound stages and a need for additional film incentives to build on the needs for the film industry within DC. The scale of this development would consist of two new soundstages between 7,000 to 15,000 square feet each and ancillary spin-off development.

Arts and Entertainment

The arts and entertainment industry accounts for a large portion of DC employees – both DC and non-DC residents. Table A-17 in the end of this section indicates that the District of Columbia has approximately 80,000 people employed in the arts. In DC, these jobs include a large portion in the public sector with museums and other cultural institutions employing artists, docents, etc. In addition, many creative writers, bloggers, musicians, photojournalists and artists are self-employed.

In 2005, the District of Columbia Office of Planning studied the creative sector to both quantify the number of jobs and economic impact of the creative economy. The Creative DC Action Agenda identified those detailed industry categories with relevant employment. To understand the current activity within the arts and entertainment industry, a revised estimate of the total DC creative workers was prepared. The calculation for these employees includes a review of the non-employer 2010 Census information for those industry sectors previously identified as "creative" and a placeholder for the government sector employment from the 2007 Economic Census. It should be noted that the 2007 Economic Census data may overestimate the amount of government employment in arts and entertainment industry, as these numbers were generated prior to the Great Recession.

A review of Ward 5-specific employment data indicates that less than one percent of employees work in the arts and entertainment industry. The total of 31 employees very likely represents a significant undercounting of actual jobs, as a large share of self-employed artists may live along the Red Line and rent commercial space. Recent information about the growing artist community in the Brookland subarea within Ward 5 suggests a growing number of individuals employed in the arts. Activity at the artist swap and the popularity of new artist lofts in Brookland continue to attract new residents from around the metropolitan region. Catholic University serves as an anchor to this activity within the Ward 5-designated arts district.

Over the past decade as land and space became more expensive throughout the District of Columbia, artists in need of inexpensive studio space moved to Brentwood and Brookland. The Brookland neighborhood houses a series of galleries, arts space, dance studios (Dance Place), music schools (Benjamin T. Rome School of Music) and less formal community-driven cultural events. Art Enables, a non-profit located on Rhode Island Avenue, focuses on artists with developmental disabilities and hosts an annual event to highlight the active arts community in Brookland.

Development patterns in Brookland continue to support the increased demand for artist space. Recently completed Monroe Street Market at the Brookland Metro includes 27 artist studios that range from 300 to 625 square feet and have ceilings that are 17 to 25 feet high. Each studio has a garage door that allows the space to open up to a communal space. Other amenities of the new development include an outdoor stage and the Edgewood Arts Building, a 3,000 square-foot, multi-purpose space.

Wholesale Trade and Food Production

The wholesale trade industry unloads and packages goods to sell directly to retailers. This industry has many submarkets and niche operators, but the concentration within the District of Columbia is in nondurable goods, including food, office supplies and sundries. The District of Columbia's estimated average annual wage data from the Bureau of Labor Statistics (BLS) suggest that working in wholesale trade provides a stable average annual income of \$65,800. This compares to retail positions with an average earning potential of \$33,800 in DC.

Within Ward 5, 13 percent of all jobs are in wholesale, capturing more than 1,330 employees. Ward 5 wholesale operations tend to focus on food and sundries. The large majority of these wholesalers are clustered in the Florida Avenue market. Estimates of sales activity at the Florida Avenue market reached \$43 million in total annual sales, with more than 220 employees.

The food cluster at the Florida Avenue market has almost 100 employees generating \$30 million in annual sales, approximately 70 percent of total sales for this venue. Union Market is attracting consumers from the neighborhood, the city and the region with entrepreneurial spaces for both production and retail. Finally, the movement to purchase locally-grown and produced foods continues to gain momentum throughout the nation. Typically, the locally produced food movement starts as specialty or artisan products in small batch production facilities.

Union Kitchen, located just outside Ward 5, provides shared commercial kitchen facilities for young small companies in a 7,300 square-foot warehouse. Specialized facilities include food prep and cooking areas, dry storage, frozen storage and cold storage supported by a full slate of business services. Union Kitchen members cooperate in purchasing and customer networking. The inclusion of artists provides entrepreneurs with access to branding, illustrating and web design services to assist in their marketing efforts.

The incubators serving the wholesale food producer industry, including Union Kitchen, are very supportive. The start-up companies are well served, but when they graduate they're on their own. It's hard to get continuing education and technical assistance in the second stage. Finding second-stage spaces of 3,000 to 5,000 square feet for a single company is very difficult in DC. The tenants are not credit worthy. Union Kitchen deals with that by making space available in exchange for an equity share in the business.

Interviews with professionals in this business suggested that the demand continues to exist for assembly operations that build on the existing transportation infrastructure in Ward 5 and available labor force.

Beverage Production and Distribution

The growth of the beverage production and distribution industry around the nation continues to gain popularity as craft beer and wine attract a more affluent young crowd. Unlike many states, the District of Columbia allows retailers to buy alcohol directly from local suppliers without the need for a wholesale distributor. In DC, smaller beverage producers are able to self-distribute. These and other regulatory advantages feed the interest in beverage production and distribution in DC. Ward 5 has more than four breweries, a gin distillery and one wine vintner with storage facilities in the area. This expanding market presents a unique opportunity for Ward 5.

Urban Agriculture

The movement to expand agriculture in urban environments continues to gain interest. Many low-income communities do not have easy access to fresh produce and healthy food alternatives. The addition of urban agriculture through community gardens, can address concerns about poverty and access to produce by offering a more affordable option. Within Ward 5, large institutional users, such as Gallaudet University, may offer an immediate source to composting material and a partnership for such efforts. The main constraint on these operations in the District is the cost and limited availability of land.

In 2010, the purchase of a former Chicago meatpacking plant sparked the creation of a net-zero facility for an innovative urban agriculture experience. Initial plans to renovate the former plant and create a vertical farm complete with a brewery (tea and beer), aquaponics farm (with both plant and fish) and commercial kitchen and food incubator all within a net-zero closed waste system began immediately. The Plant has a for-profit and non-profit division of space. The Plant is owned by Bubbly Dynamics, LLC, founded and run by John Edel, the Plant's Executive Director. "Plant Chicago" is the name of the non-profit that owns and operates most of the vertical farming space in the building. It will also own and operate the shared kitchen and will conduct research and educational programming in the building. Making change incrementally, the less than 100,000 square foot warehouse consists of approximately 35,000 square feet leased to for-profit entities. These tenants include 312 Aquaponics, Arize, Greens & Gills, Nature's Little Recyclers, Peerless Bread and Jam. Fundraising continues for potential expansion into roughly 45,000 square feet of food production space.

DEMAND POTENTIAL

There are several sources of demand for new users of industrially zoned property in Ward 5. These include:

- » traditional PDR users both public and private with a specific need to be located within the boundaries of DC;
- » emerging businesses interested in locating in DC due to the prestige factor associated with the nation's capital, access to its affluent customer base or the potential for inexpensive space with the flexibility to expand easily;
- » businesses pushed out of other industrially zoned property elsewhere in DC;
- » new companies started by DC residents who prefer not to commute out to the suburbs.

These four main sources of demand represent the bulk of new users attracted to Ward 5's industrially zoned property. The potential performance of new industrial and flex buildings or rehabbed industrial/flex buildings in Ward 5 depends on their tenants' ability to compete for and capture these four main sources of demand.

A key constraint on the ability to redevelop land within Ward 5's industrial inventory is the existence of many stable operating businesses. The area is home to long-term businesses, each with an established customer base, that provide critical services for a diverse economic base. Redevelopment of specific buildings and properties could risk displacing existing businesses, which often depend on lower rents.

Within DC, the area enjoys a competitive advantage associated with lower cost land and space; this attracts non-traditional PDR users to Ward 5. In addition, these established businesses or rental buildings offer property owners a sufficient return on their investment. This suggests less willingness to redevelop and take on new risk and debt when current operations offer a strong or adequate cash flow. Furthermore, the lingering supply of aging industrial facilities offers entrepreneurs a place to develop new businesses with much lower start-up costs than more centrally located modern space.

Attracting private developer interest and investment in new industrial space may be challenging given the current rent structure and land costs. There are already plans to transition some of Ward 5's industrial property to mixed-use projects with higher density development at higher rents and

prices to warrant the cost of displacing existing uses and incurring the risks of development. The large supply of flex space in Prince George's County indicates the distinctive advantages of "greenfield" development. New development on vacant land is typically much easier without the difficulties of land assembly and the cost of moving existing businesses. Land is less expensive and less constrained by the pattern of existing development and businesses unwilling to sell their properties. A Ward 5 industrial renaissance would need to start with unique accessibility advantages (e.g., near a Metrorail station) or with interesting historic buildings suitable for adaptive reuse.

The future mix of jobs reflects a review of recent trends and expected growth within specific industry subsectors and emerging industries. This prediction relies on DC industry employment projections from the District Department of Employment Services, projections that reflect national and regional changes in the economic mix. These initial estimates provide a baseline for projecting future growth by industry. Most often these estimates reflect trends analysis created for a different purpose. Depending on the specific industry, the ratio of jobs to square feet of industrial space varies greatly. By applying industry standards for the amount of building space per employee specific to each subsector, the need for new industrial and/or flex space was determined. This effort relies on employee densities estimated by industry such as one manufacturing employee per 400 to 450 square feet, one transportation/warehousing employee per 2,500 square feet and one wholesale trade employee per 1,000 square feet.

Flex space requires slightly more space per employee than does office space (estimated as 360 square feet), although the availability of shared spaces in incubator buildings will reduce this demand slightly. Some flex firms require substantially more space up to 700 square feet per employee to accommodate prototype production.

Using these standards, evaluating the Ward 5 industries and projecting the low baseline for future demand of industrial space represents the baseline estimates. Specific interviews with target industries planning to remain and expand their presence in Ward 5 shifted these projections. To capture the growth in these industries as well as shrinking presence from industries not likely to remain in DC over the long term, the consultant, Partners for Economic Solutions (PES), then adjusted these projections to allow for growth in niche emerging industries based on industry research and feedback from local businesses in those niches. Further research on best practices around the nation and internationally suggest missed opportunities for Ward 5 to expand the definition of PDR users. This

Table 9. Total Industry Demand By 2024			
Private Industrial Space Demand	Supportable Square Feet		
	Low	Medium	High
Construction	3,500	7,600	9,900
Manufacturing - Food Production	5,500	19,900	32,300
Wholesale Trade	12,400	22,000	28,700
Transportation and Utilities	7,000	8,600	10,400
Information - Media & Communications	65,000	100,300	159,600
Professional, Scientific, and Technical Services	25,400	33,500	48,900
Administrative and Support and Waste Management	18,400	18,400	18,400
Educational & Health Services	9,800	10,100	10,300
Arts, Entertainment, and Recreation	9,600	13,700	17,200
Total	156,600	234,100	335,700
Source: Department of Employment Services; Partners for Economic Solutions, 2013.			

research suggests greater demand than the occupational projections would indicate for specific industries including: manufacturing— food production; information—media and communications; and arts, entertainment and recreation.

In consideration of the total private demand potential for Ward 5 industrial users, Table 9 projects the total potential development in square feet by growing or emerging industry categories, specifically related to the industrially zoned properties. Additional detail on the demand analysis is available in Table A-18 in the end of this section. These demand figures represent total demand for 2014-2024.

For this analysis, industrial demand splits among traditional industrial space for light and heavy industrial users with flex space. National and regional trends suggest the division between industrial space and flex space in DC would be 25 percent industrial and 75 percent flex. Flex is the preferred product due to its ability to shift among tenant types. In total, there is demand for between 157,000 to 336,000 square feet. Unlike traditional calculations for supportable space consideration, the nature of industrial development does not suggest a simple subtraction of unmet demand from the existing supply. A large percentage of this space will be produced with the renovation of existing space, estimated to represent 25 percent of the total demand. The replacement of obsolete building stock must be added to the total amount of existing space.

As Ward 5 redevelopment occurs, job growth will increase with both the intensification of existing space and entry of new entrepreneurs. Future demand will require development of more small-scale spaces for PDR users and makers, bolstering the Ward 5 economy and creating new jobs. Within the existing Ward 5 industrial space, job projections suggest the addition of 2,700 to 3,000 new jobs. The redevelopment of specific parcels will add 700 to 1,500 new jobs. In total, this job growth represents between 35 to 39 percent potential job growth. The anticipated redevelopment would generate an estimated \$1.8 to \$4.3 million in additional annual revenue to the District of Columbia.

MUNICIPAL USE NEEDS

One of the critical policy issues to be addressed in the plan for Ward 5's industrial area relates to ensuring that District government agencies have sufficient land and buildings to meet the city's service needs. Fleet maintenance, bus and snowplow storage, supply warehousing and other basic municipal functions must be accommodated and allowed to grow or change over time. District agencies currently employ more than 1,300 employees and occupy large portions of industrial land in Ward 5. More than 70 percent of the District agencies' employees are DC residents.

The increasing demand for space by government and public entities reflects both household and job growth. Related is the growth in transit ridership

and demand for better transit service, which translates into more bus garages, proposed light rail yards and other related services. Further, the plan to build a new stadium for the Washington Nationals on a site in Buzzard Point has created the immediate need to relocate several key public functions related to District operations, water and sewer service, and bus maintenance and storage. Many of these needs are quasi-industrial in nature and will be hard to site. Bus garages, helipads, vehicle storage and maintenance have unique site selection criteria for functionality and depend on lower-cost larger industrial parcels with limited proximity to residential neighborhoods. Similar issues affect the District's municipal space needs. Many municipal and public uses—vehicle storage and repair, salt storage, fleet maintenance and storage, etc.—are industrial or quasi-industrial in nature.

This need for space and the desire to be a good neighbor create a push for a new public relationship within Ward 5. Dedicated government resources could create a new state-of-the-art municipal headquarters operation with public amenities in Ward 5. This type of project would showcase not only the demand for municipal space but the potential to use sustainable practices, co-location of municipal tenants and high efficiency of land optimizing utility for existing DC owned Ward 5 properties.

Another potential municipal use in Ward 5 is the public school system as the charter school movement in DC continues to gain momentum. These price-conscious operators search for large parcels of land with capacity to accommodate school operations. With five existing public charter schools and one under construction in Ward 5, schools are likely to continue to vie for industrially zoned property.

IMPLICATIONS FOR INDUSTRIAL USES IN WARD 5

DEVELOPMENT PRESSURES AND THREATS

Given escalating land prices in DC, reinvestment in older industrial buildings and sites is not well supported by the potential returns. The lower rents required by many industrial tenants do not provide sufficient return to justify new construction at the existing low densities. Due to the gap between development costs and supportable private investment, public investment may be required to keep rents affordable. Another opportunity to fill the gap may be generated by intensification of the sites' use by replacing existing low-density structures with larger structures that include other higher-value uses. Compatible uses might be co-located so as to achieve the optimal financial blend within the project.

In some instances, attracting private developer interest and investment to complete large-scale building or site redevelopment will require potential returns from higher density development at higher rents and prices to warrant the cost of displacing existing uses and incurring the risks of development. A hybrid zoning category that might take advantage of existing floor area ratio (FAR) potential for more dense development with limited parking would help fill the gap. Such development would allow higher rents from the top-floor tenants of the building to help subsidize lower rents from first-floor PDR users.

Examples of former industrial areas converted to mixed-use environment suggest successfully shifting market demand from industrial users to allow for infill development opportunities requires political will and public sector financial investment. These opportunities for mixed-use development should be carefully targeted and limited so as not to increase land values and push out traditional PDR users.

WORKFORCE OPPORTUNITIES

The importance of entry-level positions with the opportunity for advancement cannot be understated. Throughout the District of Columbia, underemployed residents with no college education need access to jobs. A close review of those PDR industries represented in the total demand analysis shows that many of these industries provide higher levels of on-the-job training and apprentice programs. Data from the DC Department of Employment Services highlights the percentage of jobs within each industry based on experience and education (see Figure 7).

The PDR industries that dominate in Ward 5 offer entry-level positions with few requirements for higher education and opportunities for on-the-job training. These jobs include opportunities for advancement.

An entry-level employee with only a high school General Educational Development (GED) may be able to get a low-paying job as a packer in a transportation company. This employee likely begins as an hourly shift worker. Once this employee receives a promotion to a material mover, the earning potential increases by more than one-third, as shown in Table 10. Further promotions to truck operator and supervisor also are available.

The one-stop job centers operated by the DC Department of Employment Services (DOES) assist unemployed residents. DOES also offers life skills training and skills training for specific industries like construction. The DC Office of the State Superintendent for Education's (OSSE) Adult and Family Education programs provide basic adult education, including English as a second language through community-based organizations.

Workforce development efforts often incorporate industry specific training. These training programs tie organizations with job seekers, creating a relationship that can not only enhance their workforce skills but also offer a career pathway. These pre-apprenticeship and apprenticeship programs with a proven track record are offered in public and charter high schools, including Cardozo Senior High School and Phelps ACE High School, Sasha Bruce Youthbuild and the Booker T. Washington Public Charter School for Technical Arts.

The DC-based United Planning Organization (UPO), founded in 1962, offers a series of employment and career development programs targeted at low-income DC residents. The three-tiered career development module offers assistance to those residents unemployed for more than one year as well as residents with existing credentials and no gaps in employment history. Finally, UPO's fast-track services help underemployed residents or recently unemployed residents out of work for six months or less. In 2012, UPO supported more than 700 DC residents.

BUSINESS DEVELOPMENT

Ward 5 has a valuable base of businesses in need of support from public agencies to protect their ability to operate successfully in the city. First and foremost, these companies require zoning protections to preserve land for industrial uses and avoid the speculative price and rent increases that accompany changes to commercial and/or residential uses. Buffering of industrial properties and other investments help them to be better neighbors and prevent residents from trying to constrain the businesses' operations. Reducing day-to-day frictions between industry and residents would improve the lives of both.

Focus group participants highlighted the need for regulatory reform to streamline the permitting process. The time and cost involved in securing a permit is very expensive to small businesses, in particular.

Figure 7. Education Requirements by Occupation (DC)

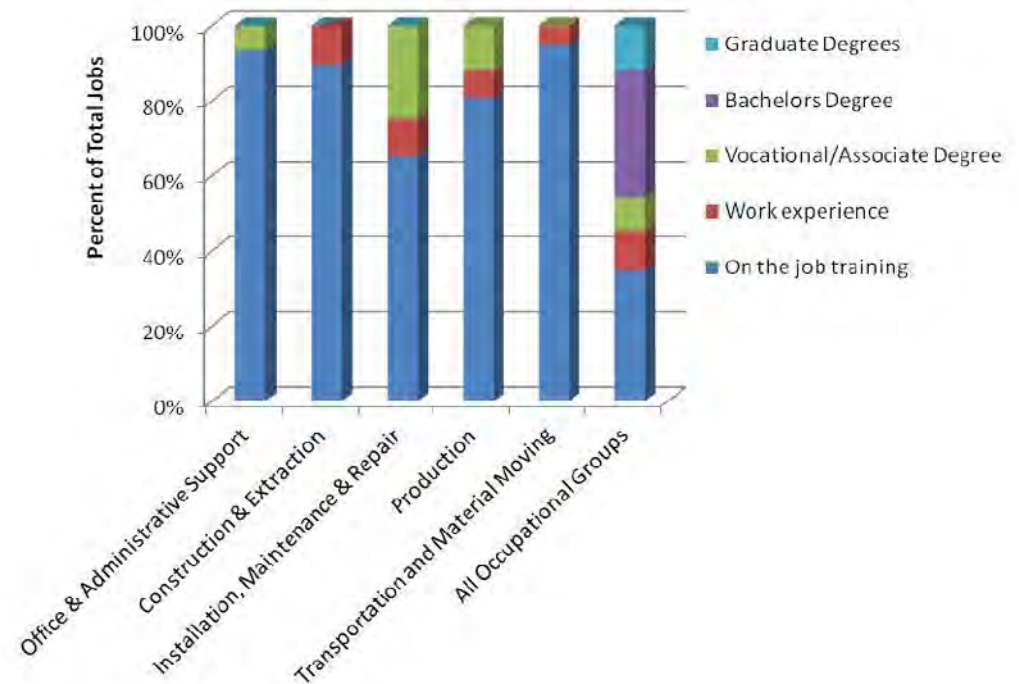


Table 10. Career Ladder and Earning Potential

Example DC Jobs	Average Annual Wage
Supervisors of Transportation and Material-Moving Machine and Vehicle Operators	\$64,770
First-Line Supervisors of Helpers, Laborers, and Material Movers	\$48,230
Industrial Truck and Tractor Operators	\$41,530
Laborers and Freight, Stock, and Material Movers	\$33,100
Packers and Packagers	\$20,690
Source: Bureau of Labor Statistics, Partners for Economic Solutions, 2013.	

Other specific issues reported by existing businesses include:

- » limited on-site parking and the resulting frictions generated by employees' parking on residential streets;
- » regulations related to truck traffic and permitting procedures that reduce the flexibility for wholesalers and distributors;
- » inadequate lighting creating personal safety concerns;
- » homeless individuals loitering and urinating on their buildings.

The market review highlighted a need for small-scale space for existing business and new entrepreneurs. Without this space, business development will continue to be constrained in Ward 5 by obsolete properties and building stock unable to meet current demands. Many existing users reach beyond industry norms to operate within the older industrial stock in Ward 5, paying too much for utilities and hampered by poor building layouts. The older building stock limits flexibility and the potential for expansion, thereby pushing existing businesses to seek space in Prince George's County and elsewhere, frequently dividing their business operations and adding inefficiencies to the business production process.

The rents Ward 5 business can afford to pay do not support the costs of renovating or replacing existing industrial stock. Additional public assistance to help bridge the gap between rents and these costs is necessary to improve both efficiency and promote business development in Ward 5.

Many of these businesses would benefit from simple façade improvement programs more typically used along commercial business corridors for retail operations.

Financial assistance for expansions, upgrades and equipment purchases can be very helpful in assuring the long-term vitality of businesses in Ward 5. The Department of Small and Local Business Development (DSLBD) has financing programs available that should be better marketed to these businesses.

Table A-1. Employed Population Aged 16 and Over by Industry and Occupation, 2009

	DC		Ward 5	
Industry/ Occupation	Number	Percent	Number	Percent
Employed Residents by Industry				
Agriculture, Mining	447	0.2%	30	0.1%
Construction	8,986	3.1%	1,353	4.1%
Manufacturing	3,821	1.3%	455	1.4%
Wholesale Trade	1,957	0.7%	188	0.6%
Retail Trade	15,158	5.2%	2,491	7.5%
Transportation and warehousing, Utilities	9,260	3.2%	1,771	5.4%
Information	13,110	4.5%	991	3.0%
Finance, Insurance, Real Estate	19,105	6.5%	1,948	5.9%
Professional Scientific and Technical Services	172,852	59.2%	19,033	57.6%
Public Administration	47,134	16.2%	4,787	14.5%
Total	291,830	100%	33,047	100.0%
Employed Residents by Occupation				
White Collar	220,637	75.6%	22,533	68.2%
Management, Business, Financial	61,760	21.2%	5,072	15.3%
Computer, Engineering, and Science	26,393	9.0%	2,241	6.8%
Education, Legal, Community Service, Arts, and Media	65,913	22.6%	5,626	17.0%
Healthcare practitioner and technical	8,917	3.1%	1,068	3.2%
Sales	19,456	6.7%	2,435	7.4%
Office and Administrative Support	38,198	13.1%	6,091	18.4%
Services	47,532	16.3%	6,405	19.4%
Blue Collar	23,661	8.1%	4,107	12.4%
Farming, Forestry, Fishing	201	0.1%	-	0.0%
Construction, Extraction	7,257	2.5%	1,095	3.3%
Installation, Maintenance, Repair	2,815	1.0%	607	1.8%
Production	3,043	1.0%	445	1.3%
Transportation, Material Moving	10,345	3.5%	1,960	5.9%
Total	291,830		33,045	100.0%

Sources: ESRI, 2005-2009 ACS Population Summary; Partners for Economic Solutions, 2013.

Table A-2. Industrial Space Absorption Trends, All Jurisdictions, 1993 to 2nd Quarter 2013							
Net Absorption in Square Feet							
Year	Region ¹	District of Columbia	Montgomery County	Prince George's County	First-Ring Suburbs ²	Second-Ring Suburbs ³	Third-Ring Suburbs ⁴
Annual							
1993	(3,439,060)	(660,271)	215,927	(687,759)	(1,600,736)	(1,185,803)	7,750
1994	1,117,164	166,127	188,276	(614,582)	(74,870)	828,047	197,860
1995	1,597,080	636	227,899	409,559	866,335	651,631	78,478
1996	3,562,390	147,855	174,784	(28,646)	653,481	2,736,030	25,024
1997	4,467,811	65,767	(53,166)	1,008,276	1,659,000	655,065	2,087,979
1998	3,967,608	355,480	466,234	977,546	1,883,238	1,466,217	262,673
1999	3,299,449	201,177	237,197	482,451	1,356,255	1,724,117	17,900
2000	(332,690)	(35,903)	90,257	159,556	(382,647)	(188,285)	274,145
2001	2,844,762	(50,436)	(86,360)	1,092,233	1,380,092	1,042,266	472,840
2002	61,435	88,731	183,498	(512,594)	(887,736)	614,044	246,396
2003	1,473,542	(48,965)	137,564	53,979	436,738	1,068,308	17,461
2004	2,595,422	(247,080)	(35,754)	892,050	1,271,328	1,155,977	416,697
2005	2,420,850	111,278	52,241	675,810	771,896	1,299,514	238,162
2006	1,416,181	(103,815)	165,345	(111,383)	323,331	1,652,495	(455,830)
2007	750,669	(147,785)	38,713	148,103	33,404	1,142,874	(286,054)
2008	(1,116,528)	(140,401)	(250,738)	471,247	(421,256)	316,005	(864,146)
2009	(3,011,065)	(334,035)	(143,351)	(864,889)	(1,834,537)	(409,478)	(434,931)
2010	(1,525,079)	(263,142)	(260,514)	661,971	(327,447)	(582,056)	(349,018)
2011	1,834,621	(126,887)	145,740	63,344	467,876	603,713	889,919
2012	1,313,252	298,090	110,585	892,361	321,882	678,308	16,472
2Q, 2013	21,882	(91,822)	(43,632)	(36,971)	211,458	185,018	(285,772)
Period Totals							
1993-2003	22,058,551	890,469	1,566,183	3,027,778	6,889,886	10,597,440	3,680,756
2003-2013	4,700,205	(1,045,599)	(221,365)	2,791,643	817,935	6,042,370	(1,114,501)
1993-2013	26,758,756	(155,130)	1,344,818	5,819,421	7,707,821	16,639,810	2,566,255
¹ Includes the District of Columbia and Arlington, Berkeley, Calvert, Charles, Fairfax, Fauquier, Frederick, Jefferson, King George, Loudoun, Montgomery, Prince George's, Stafford and Prince William counties and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park.							
² Includes Arlington, Fairfax, Montgomery And Prince George's counties and the cities of Alexandria, Fairfax and Falls Church.							
³ Includes Charles, Frederick, Loudoun and Prince William counties and the cities of Manassas and Manassas Park.							
⁴ Includes Berkeley, Fauquier, Jefferson, King George and Stafford counties.							
Sources: CoStar; Partners for Economic Solutions, 2013.							

Table A-3. Flex Space Trends, All Jurisdictions, 1993 to 2nd Quarter 2013

Year	Total Square Feet	Net Change in Inventory	Vacant Square Feet	Occupied Square Feet	Occupancy Rate	Net Absorption	Average Rent¹
Annual							
1993	44,885,291	NA	6,821,519	38,063,772	84.4%	(589,689)	\$6.67
1994	44,932,616	47,325	5,750,110	39,182,506	86.9%	1,159,807	\$7.06
1995	44,824,860	(107,756)	4,915,716	39,909,144	88.3%	539,657	\$7.23
1996	45,478,217	653,357	4,076,636	41,401,581	90.4%	1,539,226	\$7.53
1997	46,342,557	864,340	3,770,273	42,572,284	91.2%	1,156,520	\$8.71
1998	47,794,052	1,451,495	3,583,953	44,210,099	92.0%	1,705,600	\$9.02
1999	48,902,883	1,108,831	2,934,346	45,968,537	93.5%	1,760,865	\$10.21
2000	51,331,668	2,428,785	3,834,024	47,497,644	92.0%	1,489,199	\$10.66
2001	54,390,435	3,058,767	6,191,714	48,198,721	87.1%	162,387	\$12.42
2002	55,848,055	1,457,620	7,249,610	48,598,445	85.5%	352,106	\$12.64
2003	56,469,709	621,654	7,725,238	48,744,471	85.0%	260,842	\$12.60
2004	57,758,047	1,288,338	6,868,863	50,889,184	87.3%	2,460,774	\$11.84
2005	60,232,762	2,474,715	6,344,552	53,888,210	88.7%	2,984,190	\$12.74
2006	61,411,737	1,178,975	6,205,999	55,205,738	89.1%	1,293,759	\$13.13
2007	63,177,406	1,765,669	7,688,943	55,488,463	87.0%	250,113	\$13.38
2008	65,085,503	1,908,097	8,487,406	56,598,097	85.9%	925,734	\$13.02
2009	66,193,830	1,108,327	9,381,257	56,812,573	84.7%	161,095	\$11.95
2010	66,377,724	183,894	9,487,863	56,889,861	84.9%	294,708	\$11.77
2011	67,103,122	725,398	9,730,724	57,372,398	85.2%	839,821	\$11.79
2012	67,623,983	520,861	9,187,621	58,436,362	86.0%	943,137	\$11.54
2Q, 2013	67,618,237	(5,746)	9,266,564	58,351,673	85.8%	(97,156)	\$11.74
2000-2012 Change							
Amount	16,292,315		5,353,597	10,938,718	-6.0%		\$0.88
Percent	31.7%		139.6%	23.0%	-6.5%		8.3%
Includes the District of Columbia and Arlington, Berkeley, Calvert, Charles, Fairfax, Fauquier, Frederick, Jefferson, King George, Loudoun, Montgomery, Prince George's, Stafford and Prince William counties and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park.							
¹ Average net rent, excluding taxes, utilities and janitorial.							
Sources: CoStar; Partners for Economic Solutions, 2013.							

Table A-4. Industrial Space Trends, District of Columbia, 1993 to 2nd Quarter 2013							
Year	Total Square Feet	Net Change in Inventory	Vacant Square Feet	Occupied Square Feet	Occupancy Rate	Net Absorption	Average Rent ¹
Annual							
1993	12,249,663	NA	1,768,532	10,481,131	85.3%	(660,271)	\$5.49
1994	12,249,663	-	1,602,405	10,647,258	86.6%	166,127	\$3.81
1995	12,060,200	(189,463)	1,387,306	10,672,894	88.0%	636	\$3.52
1996	12,040,100	(20,100)	1,219,351	10,820,749	89.4%	147,855	\$3.69
1997	12,007,300	(32,800)	1,109,284	10,898,016	90.2%	65,767	\$4.25
1998	12,007,300	-	825,804	11,181,496	93.1%	355,480	\$3.52
1999	12,007,300	-	624,627	11,382,673	94.8%	201,177	\$4.00
2000	12,048,112	40,812	701,342	11,346,770	94.2%	(35,903)	\$4.50
2001	12,048,112	-	751,778	11,296,334	93.8%	(50,436)	\$7.02
2002	12,021,112	(27,000)	636,047	11,385,065	94.7%	88,731	\$6.88
2003	12,009,112	(12,000)	666,525	11,342,587	94.4%	(48,965)	\$8.65
2004	12,004,512	(4,600)	915,492	11,089,020	92.4%	(247,080)	\$9.60
2005	12,004,512	-	804,214	11,200,298	93.3%	111,278	\$10.65
2006	11,686,336	(318,176)	574,853	11,111,483	95.0%	(103,815)	\$11.96
2007	11,610,430	(75,906)	661,732	10,948,698	94.3%	(147,785)	\$13.51
2008	11,558,299	(52,131)	750,002	10,808,297	93.5%	(140,401)	\$11.89
2009	11,495,691	(62,608)	1,016,429	10,479,262	91.1%	(334,035)	\$10.37
2010	11,316,647	(179,044)	1,105,527	10,211,120	90.2%	(263,142)	\$9.21
2011	11,257,706	(58,941)	1,173,473	10,084,233	89.6%	(126,887)	\$9.42
2012	11,172,679	(85,027)	790,356	10,382,323	92.9%	298,090	\$8.79
2Q, 2013	11,172,679	-	882,178	10,290,501	92.1%	(91,822)	\$10.35
2000-2012 Change							
Amount	(875,433)		89,014	(964,447)	-1.3%		\$4.29
Percent	-7.3%		12.7%	-8.5%	-1.3%		95.3%
¹ Average net rent, excluding taxes, utilities and janitorial.							
Sources: CoStar; Partners for Economic Solutions, 2013.							

Table A-5. Flex Space Trends, District of Columbia, 1993 to 2nd Quarter 2013

Year	Total Square Feet	Net Change in Inventory	Vacant Square Feet	Occupied Square Feet	Occupancy Rate	Net Absorption	Average Rent¹
Annual							
1993	1,694,972	NA	211,200	1,483,772	87.5%	(138,700)	-
1994	1,694,972	-	212,621	1,482,351	87.5%	(1,421)	\$6.00
1995	1,694,972	-	235,261	1,459,711	86.1%	(22,640)	-
1996	1,694,972	-	266,415	1,428,557	84.3%	(31,154)	\$3.73
1997	1,694,972	-	267,415	1,427,557	84.2%	(1,000)	\$5.00
1998	1,694,972	-	171,355	1,523,617	89.9%	96,060	\$5.79
1999	1,645,057	(49,915)	49,400	1,595,657	97.0%	72,040	\$7.77
2000	1,645,057	-	306,000	1,339,057	81.4%	(256,600)	-
2001	1,645,057	-	256,600	1,388,457	83.1%	28,400	\$13.18
2002	1,645,057	-	329,276	1,315,781	80.0%	(51,676)	-
2003	1,445,057	(200,000)	142,094	1,302,963	90.2%	(12,818)	\$8.43
2004	1,470,057	25,000	261,322	1,208,735	82.2%	(94,228)	\$12.00
2005	1,470,057	-	151,109	1,318,948	89.7%	110,213	\$24.65
2006	1,470,057	-	144,600	1,325,457	90.2%	6,509	\$12.85
2007	1,470,057	-	33,585	1,436,472	97.7%	111,015	\$8.87
2008	1,458,057	(12,000)	19,183	1,438,874	98.7%	2,402	\$12.82
2009	1,458,057	-	14,500	1,443,557	99.0%	4,683	\$14.88
2010	1,458,057	-	20,628	1,437,429	98.6%	(6,128)	\$14.88
2011	1,458,057	-	41,000	1,417,057	97.2%	(20,372)	\$16.83
2012	1,438,657	(19,400)	45,239	1,393,418	96.9%	(23,639)	\$12.00
2Q, 2013	1,438,657	-	48,193	1,390,464	96.7%	(2,954)	\$12.21
2000-2012 Change							
Amount	(206,400)		(260,761)	54,361	15.5%		NA
Percent	-12.5%		-85.2%	4.1%	19.0%		NA

¹Average net rent, excluding taxes, utilities and janitorial.

Sources: CoStar; Partners for Economic Solutions, 2013.

Table A-6. Industrial Space Trends, Ward 5, 1993 to 2nd Quarter 2013							
Year	Total Square Feet	Net Change in Inventory	Vacant Square Feet	Occupied Square Feet	Occupancy Rate	Net Absorption	Average Rent ¹
Annual							
1993	7,040,997	NA	1,108,374	5,932,623	83.8%	(366,480)	\$5.94
1994	7,040,997	-	1,033,272	6,007,725	84.8%	75,102	\$4.14
1995	7,080,997	40,000	948,401	6,132,596	85.8%	99,871	\$3.32
1996	7,083,697	2,700	890,630	6,193,067	86.6%	60,471	\$3.66
1997	7,043,697	(40,000)	844,314	6,199,383	87.0%	(5,184)	\$4.25
1998	7,043,697	-	570,274	6,473,423	91.9%	346,040	\$3.14
1999	7,043,697	-	409,927	6,633,770	94.2%	160,347	\$3.06
2000	7,043,697	-	429,222	6,614,475	93.9%	(19,295)	\$3.40
2001	7,043,697	-	547,616	6,496,081	92.2%	(118,394)	\$6.71
2002	7,043,697	-	365,559	6,678,138	94.8%	182,057	\$6.72
2003	7,043,697	-	415,700	6,627,997	94.0%	(56,628)	\$8.91
2004	7,043,697	-	687,885	6,355,812	90.2%	(265,698)	\$9.73
2005	7,043,697	-	523,979	6,519,718	92.6%	163,906	\$10.83
2006	7,043,697	-	343,612	6,700,085	94.9%	165,367	\$12.07
2007	7,043,697	-	438,656	6,605,041	93.8%	(80,044)	\$13.73
2008	7,013,265	(30,432)	558,959	6,454,306	92.0%	(150,735)	\$11.89
2009	7,013,265	-	714,678	6,298,587	89.8%	(155,719)	\$10.58
2010	7,013,265	-	794,319	6,218,946	88.7%	(79,641)	\$8.84
2011	7,013,265	-	874,041	6,139,224	87.5%	(79,722)	\$8.81
2012	7,013,265	-	552,501	6,460,764	92.1%	321,540	\$8.16
2Q, 2013	7,013,265	-	694,102	6,319,163	90.1%	(141,601)	\$9.67
2000-2012 Change							
Amount	(30,432)		123,279	(153,711)	-1.8%		\$4.76
Percent	-0.4%		28.7%	-2.3%	-1.9%		140.0%
¹ Average net rent, excluding taxes, utilities and janitorial.							
Sources: CoStar; Partners for Economic Solutions, 2013.							

Table A-7. Flex Space Trends, Ward 5, 1993 to 2nd Quarter 2013

Year	Total Square Feet	Net Change in Inventory	Vacant Square Feet	Occupied Square Feet	Occupancy Rate	Net Absorption	Average Rent ¹
Annual							
1993	748,238	NA	82,900	665,338	88.9%	(55,400)	-
1994	748,238	-	82,200	666,038	89.0%	700	-
1995	748,238	-	114,200	634,038	84.7%	(32,000)	-
1996	748,238	-	94,600	653,638	87.4%	19,600	\$4.50
1997	748,238	-	95,300	652,938	87.3%	(700)	-
1998	748,238	-	38,100	710,138	94.9%	57,200	\$4.50
1999	748,238	-	33,500	714,738	95.5%	4,600	-
2000	748,238	-	280,800	467,438	62.5%	(247,300)	-
2001	748,238	-	222,700	525,538	67.4%	37,100	-
2002	748,238	-	284,176	464,062	62.0%	(40,476)	-
2003	548,238	(200,000)	103,148	445,090	81.2%	(18,972)	\$7.89
2004	548,238	-	207,276	340,962	62.2%	(104,128)	\$12.00
2005	548,238	-	127,500	420,738	76.7%	79,776	\$25.49
2006	548,238	-	123,600	424,638	77.5%	3,900	\$8.50
2007	548,238	-	12,500	535,738	97.7%	111,100	\$8.50
2008	548,238	-	9,100	539,138	98.3%	3,400	\$13.82
2009	548,238	-	9,300	538,938	98.3%	(200)	\$14.88
2010	548,238	-	8,300	539,938	98.5%	1,000	\$14.88
2011	548,238	-	38,000	510,238	93.1%	(29,700)	\$8.50
2012	548,238	-	38,000	510,238	93.1%	-	-
2Q, 2013	548,238	-	38,000	510,238	93.1%	-	-
2000-2012 Change							
Amount	(200,000)		(242,800)	42,800	30.6%		NA
Percent	-26.7%		-86.5%	9.2%	49.0%		NA

¹Average net rent, excluding taxes, utilities and janitorial.

Sources: CoStar; Partners for Economic Solutions, 2013.

Table A-8. Employment Trends by Industry, District of Columbia, 2002-2012											
Industry	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Government											
Federal Government	192.4	192.4	192.5	193.8	192.8	190.8	193.8	200.2	210.6	212.2	208.0
State and Local Government	39.3	38.2	38.8	39.9	40.2	40.2	41.0	40.1	36.3	34.9	34.6
Total Government	231.7	230.6	231.3	233.7	233.0	231.0	234.8	240.3	246.9	247.1	242.6
Private-Sector Employment											
Goods-Producing Sectors											
Mining, Logging, and Construction	12.4	12.9	12.4	12.6	12.5	12.7	13.0	11.6	10.6	12.1	13.5
Manufacturing	3.1	2.5	2.4	2.1	1.8	1.7	1.5	1.3	1.1	1.1	1.0
Total Goods-Producing	15.5	15.4	14.8	14.7	14.3	14.4	14.5	12.9	11.7	13.2	14.5
Service-Producing Sectors											
Trade, Transportation, and Utilities	27.9	28.0	27.9	27.8	27.9	27.7	27.9	26.8	27.3	27.4	27.8
Information	25.4	24.5	23.8	22.6	22.2	21.9	20.9	19.1	18.7	18.3	17.3
Financial Activities	30.8	30.8	30.6	30.2	29.4	29.2	28.2	26.9	26.9	27.6	28.1
Professional and Business Services	139.1	141.7	143.9	148.4	152.1	152.8	152.4	147.6	147.7	150.4	153.3
Education and Health Services	89.6	88.6	92.2	92.2	93.9	98.5	102.0	105.0	107.9	112.9	114.8
Leisure and Hospitality	48.2	49.6	50.9	53.7	54.2	55.5	57.8	58.2	59.7	62.3	65.4
Other Services	56.1	56.3	58.8	59.0	60.7	62.8	65.3	64.8	65.4	67.0	68.1
Total Service Producing	417.1	419.5	428.1	433.9	440.4	448.4	454.5	448.4	453.6	465.9	474.8
Total Private Employment	432.6	434.9	442.9	448.6	454.7	462.8	469.0	461.3	465.3	479.1	489.3
Total Employment											
Total Employment	664.3	665.5	674.2	682.3	687.7	693.8	703.8	701.6	712.2	726.2	731.9
Note: All employees, in thousands											
Sources: BLS; Partners for Economic Solutions, 2013.											

Table A 9. Employment in District of Columbia Construction Industries, 2000-2011

Major Industry		Paid Employees													
NAICS	Code Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-2007 Percent Change	2007-2011 Percent Change
23	Construction	6,963	6,370	6,288	6,006	5,565	5,798	6,229	6,321	6,952	6,511	6,110	6,419	0.5%	1.6%
236	Construction of buildings	3,138	2,502	2,438	2,291	2,303	2,384	2,451	2,609	2,752	2,680	2,408	2,381	7.0%	-8.7%
237	Heavy and civil engineering construction	1,719	1,601	1,340	1,411	1,082	1,095	1,222	1,197	1,352	1,242	1,312	1,247	-10.7%	4.2%
238	Specialty trade contractors	2,106	2,267	2,510	2,304	2,180	2,319	2,556	2,515	2,848	2,589	2,390	2,791	0.2%	11.0%
2351	Plumbing, heating & AC contractor	511	640	1,047	-	-	-	-	-	-	-	-	-	-100.0%	N/A
2352	Painting & wall covering contractors	205	257	268	-	-	-	-	-	-	-	-	-	-100.0%	N/A
2353	Electrical contractors	F	508	435	-	-	-	-	-	-	-	-	-	-100.0%	N/A
2354	Masonry, drywall, insulation, tile contractors	B	37	B	-	-	-	-	-	-	-	-	-	N/A	N/A
2355	Carpentry & floor contractors	C	C	C	-	-	-	-	-	-	-	-	-	N/A	N/A
2356	Roofing, siding, & sheet metal	B	B	B	-	-	-	-	-	-	-	-	-	N/A	N/A
2357	Concrete contractors	B	B	105	-	-	-	-	-	-	-	-	-	-100.0%	N/A
2361	Residential building construction	940	792	801	969	945	F	946	1,127	1,064	1,169	903	962	40.7%	-14.6%
2362	Nonresidential building construction	G	1,407	1,230	1,322	1,358	G	1,505	1,482	1,688	1,511	1,505	1,419	20.5%	-4.3%
2371	Utility system construction	-	-	-	C	C	A	A	44	268	273	305	315	N/A	615.9%
2372	Land subdivision	E	303	407	C	B	C	C	116	C	81	B	B	-71.5%	N/A
2373	Highway, street, and bridge construction	F	827	958	1,029	749	F	959	891	924	888	896	F	-7.0%	N/A
2379	Other heavy and civil engineering construction	F	774	382	C	C	C	C	C	A	A	B	83	N/A	N/A
2381	Foundation, structure, and building exterior contractors	-	-	-	553	390	403	417	510	467	465	391	583	N/A	14.3%
2382	Building equipment contractors	-	-	-	1,091	1,228	1,309	1,439	1,400	1,501	1,403	1,312	1,376	N/A	-1.7%
2383	Building finishing contractors	-	-	-	422	E	386	E	390	408	356	398	497	N/A	27.4%
2389	Other specialty trade contractors	418	581	441	238	C	221	E	215	472	365	289	335	-51.2%	55.8%

Note: Size categories -- A=0-19 employees, B=20-99 employees, C=100-249 employees, E=250-499 employees, F=500-999 employees, G=1,000-2,499 employees

Source: *County Business Patterns*, U.S. Bureau of the Census; and Partners for Economic Solutions, 2013.

Table A-10. Employment in District of Columbia Transportation and Warehousing Industries, 2002-2011

NAICS	NAICS Code Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-2007 Percent Change	2007-2011 Percent Change
48	Transportation and warehousing	3,247	3,487	3,431	3,597	3,692	3,609	3,249	3,110	4,209	4,462	11.1%	23.6%
481	Air transportation	697	170	C	222	E	E	317	333	1,424	1,445	N/A	N/A
483	Water transportation	A	A	A	A	A	A	A	A	A	A	N/A	N/A
484	Truck transportation	276	409	364	476	244	223	208	311	214	174	-19.2%	-22.0%
485	Transit and ground passenger transportation	860	1,068	1,024	991	1,171	1,243	1,088	936	1,073	1,135	44.5%	-8.7%
486	Pipeline transportation	B	B	B	B	A	A	A	A	A	A	N/A	N/A
487	Scenic and sightseeing transportation	E	453	431	468	552	613	538	482	393	494	N/A	-19.4%
488	Support activities for transportation	277	270	290	286	264	398	347	407	440	531	43.7%	33.4%
492	Couriers and messengers	F	F	644	F	F	F	F	F	F	F	N/A	N/A
493	Warehousing and storage	B	425	432	E	441	219	B	B	79	88	N/A	-59.8%
4811	Scheduled air transportation	697	170	C	C	E	E	312	330	1,422	1,440	N/A	N/A
4812	Nonscheduled air transportation	-	-	A	A	A	A	A	A	A	A	N/A	N/A
4831	Deep sea, coastal, and great lakes water transportation	A	A	A	A	A	A	A	A	A	A	N/A	N/A
4841	General freight trucking	B	63	A	12	B	B	A	B	13	16	N/A	N/A
4842	Specialized freight trucking	C	346	E	464	C	202	196	289	201	158	N/A	-21.8%
4851	Urban transit systems	B	B	B	B	B	B	B	A	A	A	N/A	N/A
4852	Interurban and rural bus transportation	C	C	C	C	C	C	C	B	C	E	N/A	N/A
4853	Taxi and limousine service	346	536	490	492	F	571	548	509	541	532	65.0%	-6.8%
4854	School and employee bus transportation	B	B	82	62	B	87	C	B	C	B	N/A	N/A
4855	Charter bus industry	A	A	B	B	39	B	B	B	B	B	N/A	N/A
4859	Other transit and ground passenger transportation	198	151	117	C	C	265	172	180	191	C	33.8%	N/A
4862	Pipeline transportation of natural gas	B	B	B	B	A	A	A	A	A	A	N/A	N/A
4871	Scenic and sightseeing transportation, land	C	C	C	E	E	347	E	C	260	295	N/A	-15.0%
4872	Scenic and sightseeing transportation, water	C	E	E	C	C	E	E	E	C	C	N/A	N/A
4881	Support activities for air transportation	B	B	B	B	B	E	C	E	318	384	N/A	N/A
4882	Support activities for rail transportation	B	B	B	B	B	A	-	-	-	-	N/A	N/A
4883	Support activities for water transportation	A	A	A	A	A	A	A	A	A	A	N/A	N/A
4884	Support activities for road transportation	C	B	C	C	B	58	25	A	B	35	N/A	-39.7%
4885	Freight transportation arrangement	85	75	81	76	52	71	110	96	87	B	-16.5%	N/A
4889	Other support activities for transportation	-	-	-	-	A	A	A	A	A	A	N/A	N/A
4921	Couriers and express delivery services	F	F	F	F	F	E	F	E	F	F	N/A	N/A
4922	Local messengers and local delivery	C	96	B	C	83	56	B	50	B	39	N/A	-30.4%
4931	Warehousing and storage	B	425	432	E	441	219	B	B	79	88	N/A	-59.8%

Note: Size categories -- A=0-19 employees, B=20-99 employees, C=100-249 employees, E=250-499 employees, F=500-999 employees

Source: *County Business Patterns*, U.S. Bureau of the Census; and Partners for Economic Solutions, 2013.

Table A-11. Employment in District of Columbia Accommodation and Food Services Industries, 2000-2011

NAICS	NAICS Code Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-2007 Percent Change	2007-2011 Percent Change
72	Accommodation and food services	42,710	44,054	41,406	45,114	46,570	49,273	49,414	52,178	54,064	54,967	55,084	57,584	26.0%	10.4%
721	Accommodation	13,701	13,487	12,113	13,918	14,746	15,113	14,502	15,169	15,053	14,542	14,417	14,590	25.2%	-3.8%
722	Food services and drinking places	29,009	30,567	29,293	31,196	31,824	34,160	34,912	37,009	39,011	40,425	40,667	42,994	26.3%	16.2%
7211	Traveler accommodation	J	13,399	J	J	J	J	J	15,132	15,021	14,520	14,398	14,572	N/A	-3.7%
7212	RV (recreational vehicle) parks and recreational camps	-	-	-	-	-	-	-	A	-	A	A	A	N/A	N/A
7213	Rooming and boarding houses	B	88	C	B	B	B	B	B	B	B	A	A	N/A	N/A
7221	Full-service restaurants	14,475	15,408	13,745	15,017	16,616	16,978	18,386	18,438	19,456	19,454	20,237	21,098	34.1%	14.4%
7222	Limited-service eating places	7,724	7,196	8,166	8,334	8,517	9,480	9,235	10,469	9,736	10,109	10,278	11,021	28.2%	5.3%
7223	Special food services	5,197	6,262	5,785	5,980	4,895	5,762	5,340	6,106	7,596	8,416	7,812	8,302	5.5%	36.0%
7224	Drinking places (alcoholic beverages)	1,613	1,701	1,597	1,865	1,796	1,940	1,951	1,996	2,223	2,446	2,340	2,573	25.0%	28.9%
72231	Food service contractors	4,468	5,538	I	5,400	H	I	H	5,523	7,042	7,689	7,107	7,515	N/A	36.1%
72232	Caterers	F	639	F	F	E	E	F	580	539	687	699	775	N/A	33.6%
72233	Mobile food services	C	85	B	B	A	A	A	A	A	B	A	A	N/A	N/A

Note: Size categories -- A=0-19 employees, B=20-99 employees, C=100-249 employees, E=250-499 employees, F=500-999 employees, H=2,500-4,999 employees, I=5,000-9,999 employees, J=10,000-24,999 employees

Source: *County Business Patterns*, U.S. Bureau of the Census; and Partners for Economic Solutions, 2013.

Table A-12. Employment in District of Columbia Manufacturing Industries, 2000-2011

NAICS	NAICS Code Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-2007 Percent Change	2007-2011 Percent Change
31	Manufacturing	2,613	2,529	2,128	1,862	1,902	1,739	1,718	1,801	2,011	1,800	1,405	1,001	-15.4%	-44.4%
311	Food manufacturing	417	E	E	E	E	E	286	369	447	428	227	229	N/A	-37.9%
312	Beverage and tobacco product manufacturing	B	B	A	A	A	A	A	-	-	-	A	A	N/A	N/A
313	Textile mills	-	-	-	A	A	A	A	A	A	A	A	A	N/A	N/A
314	Textile product mills	A	B	A	A	A	A	A	28	A	A	A	A	N/A	N/A
315	Apparel manufacturing	A	C	A	A	A	A	A	A	A	A	A	A	N/A	N/A
321	Wood product mfg	-	A	A	-	-	A	-	-	-	-	-	-	N/A	N/A
322	Paper manufacturing	A	A	A	A	A	A	A	A	-	-	-	-	N/A	N/A
323	Printing and related support activities	1,357	1,026	863	842	794	811	832	798	919	844	735	356	-7.5%	-55.4%
325	Chemical manufacturing	C	C	C	B	B	B	A	A	A	A	B	A	N/A	N/A
327	Nonmetallic mineral product manufacturing	125	226	C	C	129	166	B	166	200	187	139	C	N/A	N/A
332	Fabricated metal product manufacturing	B	B	B	52	B	B	B	B	B	B	B	B	N/A	N/A
333	Machinery manufacturing	A	A	A	A	A	A	A	A	-	-	-	-	N/A	N/A
334	Computer and electronic product manufacturing	B	B	B	B	B	53	C	B	B	28	A	A	N/A	N/A
335	Electrical equipment, appliance, and component manufacturing	A	A	A	A	A	A	A	A	A	A	A	A	N/A	N/A
336	Transportation equipment manufacturing	B	B	B	B	B	A	A	-	-	-	A	A	N/A	N/A
337	Furniture and related product manufacturing	123	C	C	C	C	140	C	C	C	C	C	C	N/A	N/A
339	Miscellaneous manufacturing	203	211	204	C	110	111	132	C	C	B	B	B	N/A	N/A
3113	Sugar and confectionery product manufacturing	A	A	A	A	A	A	A	A	A	A	A	A	N/A	N/A
3114	Fruit and vegetable preserving and specialty food manufacturing	-	-	-	A	-	-	-	-	-	-	-	-	N/A	N/A
3118	Bakeries and tortilla manufacturing	E	E	E	E	E	E	E	350	433	414	212	213	N/A	-39.1%
3119	Other food manufacturing	A	A	A	A	A	A	A	A	A	A	A	A	N/A	N/A
3121	Beverage manufacturing	B	B	A	A	A	A	-	-	-	-	A	A	N/A	N/A
3122	Tobacco manufacturing	-	-	-	-	-	-	A	-	-	-	-	-	N/A	N/A
3133	Textile and fabric finishing and fabric coating mills	-	-	-	A	A	A	A	A	A	A	A	A	N/A	N/A
3141	Textile furnishings mills	A	A	A	A	A	A	A	A	A	A	A	A	N/A	N/A
3149	Other textile product mills	A	A	A	A	A	A	A	A	A	A	A	A	N/A	N/A
3151	Apparel knitting mills	-	-	-	-	-	-	-	-	-	-	-	A	N/A	N/A
3152	Cut and sew apparel manufacturing	A	C	A	A	A	A	A	13	A	A	A	A	N/A	N/A
3159	Apparel accessories and other apparel manufacturing	A	A	A	A	A	A	A	A	-	-	-	-	N/A	N/A
3219	Other wood product mfg	-	A	A	-	-	A	-	-	-	-	-	-	N/A	N/A
3222	Converted paper product manufacturing	A	A	A	A	A	A	A	A	-	-	-	-	N/A	N/A
3231	Printing and related support activities	1,357	1,026	863	842	794	811	832	798	919	844	735	356	-7.5%	-55.4%
3254	Pharmaceutical and medicine manufacturing	C	C	C	B	A	A	A	A	A	A	A	A	N/A	N/A

Note: Size categories -- A=0-19 employees, B=20-99 employees, C=100-249 employees

Source: *County Business Patterns*, U.S. Bureau of the Census; and Partners for Economic Solutions, 2013.

Table A-13. Employment in District of Columbia Administrative and Support and Waste Management Industries, 2000-2011

NAICS	NAICS Code Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-2007 Percent Change	2007-2011 Percent Change
56	Admin, support, waste mgt, remediation services	31,153	31,489	26,733	28,347	29,051	30,490	30,207	33,739	37,952	35,116	33,560	34,188	26.2%	1.3%
561	Administrative & support services	K	31,345	26,528	28,058	28,673	29,755	29,897	33,523	37,694	34,862	33,249	33,768	26.4%	0.7%
562	Waste management & remediation services	C	144	205	289	378	735	310	216	258	254	311	420	5.4%	94.4%
5611	Office administrative services	3,431	3,957	2,443	2,120	2,521	2,259	2,614	3,512	2,722	2,838	2,804	2,970	43.8%	-15.4%
5612	Facilities support services	G	1,956	1,781	1,298	1,101	1,144	1,712	2,073	3,068	H	3,493	H	16.4%	N/A
5613	Employment services	12,474	12,075	9,247	10,882	11,450	11,968	11,585	13,355	15,526	11,802	11,332	11,632	44.4%	-12.9%
5614	Business support services	1,635	1,852	2,254	2,200	2,337	2,203	2,247	2,106	2,964	2,909	2,973	2,826	-6.6%	34.2%
5615	Travel arrangement & reservation services	1,708	1,522	1,656	1,473	1,480	1,527	1,365	1,135	1,518	1,310	1,392	1,345	-31.5%	18.5%
5616	Investigation & security services	2,935	3,042	3,623	3,862	3,849	4,196	3,759	4,950	4,815	5,289	4,872	4,495	36.6%	-9.2%
5617	Services to buildings & dwellings	5,781	5,474	4,314	4,875	4,493	5,140	5,386	5,321	5,930	5,605	5,272	5,109	23.3%	-4.0%
5619	Other support services	1,280	1,467	1,210	1,348	1,442	1,318	1,229	1,071	1,151	1,108	1,111	1,150	-11.5%	7.4%
5621	Waste collection	B	B	C	C	201	F	C	C	C	C	158	182	N/A	N/A
5622	Waste treatment & disposal	B	B	A	A	A	A	B	B	B	B	B	B	N/A	N/A
5629	Remediation & other waste management services	B	B	B	C	C	B	C	26	68	61	C	C	N/A	N/A

Note: Size categories -- A=0-19 employees, B=20-99 employees, C=100-249 employees, G=1,000-2,499 employees, H=2,500-4,999 employees, K=25,000-49,999

Source: *County Business Patterns*, U.S. Bureau of the Census; and Partners for Economic Solutions, 2013.

Table A-14. Employment in District of Columbia Professional, scientific & technical services Industries, 2000-2011

NAICS	NAICS Code Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-2007 Percent Change	2007-2011 Percent Change
54	Professional, scientific & technical services	77,111	80,331	84,447	82,696	86,216	88,139	88,526	90,763	89,366	89,927	89,309	96,916	7.5%	6.8%
541	Professional, scientific & technical services	77,111	80,331	84,447	82,696	86,216	88,139	88,526	90,763	89,366	89,927	89,309	96,916	7.5%	6.8%
5411	Legal services	32,518	34,106	34,395	33,568	33,078	33,438	33,707	34,241	34,610	34,452	31,590	30,931	-0.4%	-9.7%
5412	Accounting, tax prep, bookkeep, payroll services	4,751	5,261	4,515	5,722	5,764	5,684	5,432	5,362	5,177	4,934	4,666	4,884	18.8%	-8.9%
5413	Architectural, engineering & related services	4,666	5,689	5,544	6,185	6,144	6,187	6,599	6,284	6,336	6,438	7,274	7,933	13.3%	26.2%
5414	Specialized design services	1,400	1,381	1,107	967	929	962	1,030	1,327	1,065	914	976	692	19.9%	-47.9%
5415	Computer systems design & related services	6,082	6,436	7,335	7,259	9,109	9,046	9,819	11,077	10,309	11,560	12,611	14,164	51.0%	27.9%
5416	Management, scientific & technical consulting services	12,458	10,834	11,028	12,062	13,647	14,272	13,596	14,981	14,889	14,997	15,439	20,349	35.8%	35.8%
5417	Scientific R&D services	8,498	9,367	9,517	10,797	11,085	11,411	10,305	9,886	8,156	8,655	8,869	9,868	3.9%	-0.2%
5418	Advertising & related services	4,560	4,858	4,789	4,846	4,787	5,133	5,464	5,884	7,484	6,706	6,484	7,065	22.9%	20.1%
5419	Oth professional, scientific, technical service	2,178	2,399	6,217	1,290	1,673	2,006	2,574	1,721	1,340	1,271	1,400	1,030	-72.3%	-40.2%

Source: *County Business Patterns*, U.S. Bureau of the Census; and Partners for Economic Solutions, 2013.

Table A-15. Employment in District of Columbia Information Industries, 2000-2011

NAICS	NAICS Code Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002- 2007 Percent Change	2007- 2011 Percent Change
51	Information	25,051	25,619	24,989	26,388	25,414	24,445	23,338	23,162	23,164	21,728	20,137	20,035	-7.3%	-13.5%
511	Publishing Industries (except Internet)	10,022	10,587	11,356	11,556	11,151	10,705	10,564	10,475	10,381	9,854	8,719	9,140	-7.8%	-12.7%
512	Motion Picture and Sound Recording Industries	1,445	1,466	1,282	1,002	1,302	984	1,058	1,034	1,081	1,021	1,175	993	-19.3%	-4.0%
513	Broadcasting & telecommunications	10,614	10,769	9,249	-	-	-	-	-	-	-	-	-	-100.0%	N/A
514	Information & data processing services	2,970	2,797	3,102	-	-	-	-	-	-	-	-	-	-100.0%	N/A
515	Broadcasting (except Internet)	-	-	-	3,986	4,117	4,237	4,425	4,323	4,503	4,842	4,759	4,678	N/A	8.2%
516	Internet Publishing and Broadcasting	-	-	-	271	257	E	E	418	-	-	-	-	N/A	-100.0%
517	Telecommunications	-	-	-	6,332	5,492	4,990	3,894	3,501	2,853	2,775	2,693	2,206	N/A	-37.0%
518	Internet Service Providers, Web Search Portals, and Data Processing Services	-	-	-	2,177	1,883	G	G	2,203	G	G	821	588	N/A	-73.3%
519	Other Information Services	-	-	-	1,064	1,212	1,339	1,030	1,208	2,123	2,083	1,970	2,430	N/A	101.2%
5111	Newspaper, Periodical, Book, and Directory Publishers	9,256	9,704	10,421	10,384	9,932	9,480	9,309	9,110	8,915	8,119	7,357	7,855	-12.6%	-13.8%
5112	Software Publishers	766	883	935	1,172	1,219	1,225	1,255	G	G	G	G	G	N/A	N/A
5121	Motion Picture and Video Industries	1,298	1,287	1,133	933	G	887	F	966	985	947	1,111	916	-14.7%	-5.2%
5122	Sound Recording Industries	147	179	149	69	B	97	B	B	96	74	64	77	N/A	N/A
5131	Radio & television broadcasting	3,856	3,788	3,215	-	-	-	-	-	-	-	-	-	-100.0%	N/A
5132	Cable networks & program distribution	1,524	1,484	1,736	-	-	-	-	-	-	-	-	-	-100.0%	N/A
5133	Telecommunications	5,234	5,497	4,298	-	-	-	-	-	-	-	-	-	-100.0%	N/A
5141	Information services	G	G	1,894	-	-	-	-	-	-	-	-	-	-100.0%	N/A
5142	Data processing services	F	F	1,208	-	-	-	-	-	-	-	-	-	-100.0%	N/A
5151	Radio and Television Broadcasting	-	-	-	3,238	3,252	H	3,805	3,557	3,438	3,709	3,494	3,385	N/A	-4.8%
5152	Cable and Other Subscription Programming	-	-	-	748	865	F	620	766	1,065	1,133	1,265	1,293	N/A	68.8%
5161	Internet Publishing and Broadcasting	-	-	-	271	257	E	E	418	-	-	-	-	N/A	-100.0%
5171	Wired Telecommunications Carriers	-	-	-	3,509	2,985	2,556	2,081	G	2,015	1,921	1,851	1,760	N/A	N/A
5172	Wireless Telecommunications Carriers (except Satellite)	-	-	-	F	F	F	F	F	279	272	E	E	N/A	N/A
5173	Telecommunications Resellers	-	-	-	A	B	C	B	53	-	-	-	-	N/A	-100.0%
5174	Satellite Telecommunications	-	-	-	955	1,004	F	F	590	F	529	486	B	N/A	N/A
5175	Cable and Other Program Distribution	-	-	-	G	F	E	E	E	-	-	-	-	N/A	N/A
5179	Other Telecommunications	-	-	-	B	A	A	A	B	24	53	B	B	N/A	N/A
5181	Internet Service Providers and Web Search Portals	-	-	-	186	203	C	E	F	-	-	-	-	N/A	N/A
5182	Data Processing, Hosting, and Related Services	-	-	-	1,991	1,680	1,708	1,644	1,668	G	G	821	588	N/A	-64.7%
5191	Other Information Services	-	-	-	1,064	1,212	1,339	1,030	1,208	2,123	2,083	1,970	2,430	N/A	101.2%

Note: Size categories -- A=0-19 employees, B=20-99 employees, C=100-249 employees, E=250-499 employees, F=500-999 employees, G=1,000-2,499

Source: *County Business Patterns*, U.S. Bureau of the Census; and Partners for Economic Solutions, 2013.

Table A-16. Employment in District of Columbia Wholesale Trade Industries, 2000-2011															
NAICS	NAICS Code Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002- 2007 Percent Change	2007- 2011 Percent Change
42	Wholesale trade	5,461	5,606	5,124	5,609	6,517	6,431	5,980	4,904	5,161	5,056	4,568	4,336	-4.3%	-11.6%
423	Merchant Wholesalers, Durable Goods	2,230	2,464	2,160	2,638	3,658	3,474	3,170	2,457	2,938	2,809	2,710	2,358	13.8%	-4.0%
424	Merchant Wholesalers, Nondurable Goods	3,231	3,142	2,964	2,838	H	2,764	2,569	2,227	2,069	2,110	1,686	1,795	-24.9%	-19.4%
425	Wholesale Electronic Markets and Agents and Brokers	-	-	-	133	C	193	241	220	154	137	172	183	N/A	-16.8%
4231	Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers	158	159	140	131	152	154	C	109	91	B	B	A	-22.1%	N/A
4232	Furniture and Home Furnishing Merchant Wholesalers	301	302	266	245	252	240	220	207	261	252	240	195	-22.2%	-5.8%
4233	Lumber and Other Construction Materials Merchant Wholesalers	B	B	B	36	B	B	35	B	83	60	56	45	N/A	N/A
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers	793	1,080	1,020	1,206	2,285	2,182	2,042	1,518	1,950	1,885	1,740	1,459	48.8%	-3.9%
4235	Metal and Mineral (except Petroleum) Merchant Wholesalers	B	C	A	C	C	B	B	A	A	A	A	A	N/A	N/A
4236	Electrical and Electronic Goods Merchant Wholesalers	529	441	367	506	478	501	460	397	396	388	420	409	8.2%	3.0%
4237	Hardware, and plumbing and heating equipment and supplies merchant wholesalers	B	B	75	B	B	B	B	37	49	45	62	62	-50.7%	67.6%
4238	Machinery, Equipment, and Supplies Merchant Wholesalers	173	161	126	132	C	145	117	87	B	B	44	42	-31.0%	-51.7%
4239	Miscellaneous Durable Goods Merchant Wholesalers	B	B	119	124	136	114	75	B	B	B	C	134	N/A	N/A
4241	Paper and Paper Product Merchant Wholesalers	A	A	A	B	B	B	B	109	B	B	B	B	N/A	N/A
4242	Drugs and druggists' sundries merchant wholesalers	B	B	B	C	B	99	103	93	104	78	100	109	N/A	17.2%
4243	Apparel, Piece Goods, and Notions Merchant Wholesalers	C	C	108	C	C	C	C	80	98	56	61	B	-25.9%	N/A
4244	Grocery and Related Product Wholesalers	1,312	1,430	1,178	1,206	1,009	939	944	831	866	1,045	770	759	-29.5%	-8.7%
4245	Farm Product Raw Material Merchant Wholesalers	A	A	A	A	A	A	A	B	B	B	A	B	N/A	N/A
4246	Chemical and Allied Products Merchant Wholesalers	B	64	B	B	B	B	B	A	A	A	A	B	N/A	N/A
4247	Petroleum and Petroleum Products Merchant Wholesalers	C	B	B	B	B	B	A	A	A	A	A	-	N/A	N/A
4248	Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers	499	509	614	431	652	622	631	550	585	504	431	506	-10.4%	-8.0%
4249	Miscellaneous Nondurable Goods Merchant Wholesalers	1,080	901	890	720	678	778	649	493	282	337	249	243	-44.6%	-50.7%
4251	Wholesale Electronic Markets and Agents and Brokers	-	-	-	133	C	193	241	220	154	137	172	183	N/A	-16.8%
Note: Size categories -- A=0-19 employees, B=20-99 employees, C=100-249 employees, H=2,500-4,999 employees															
Source: County Business Patterns, U.S. Bureau of the Census; and Partners for Economic Solutions, 2013.															

Table A-17. Estimate of DC Creative Economy Employment, 2011

NAICS Code	NAICS Code Description	2007 Creative Economy	2011 Employees	2011 Self-Employed	2007 Government Estimate	Total Employed
Culinary						
7221	Full-service restaurants	15,012	21,098	100	393	21,591
72232	Caterers	1,845	775	577		1,352
4452	Specialty food stores	324	752	62		814
Building Arts						
54131	Architectural services	4,240	2,958	309	2,071	5,338
54132	Landscape architectural services	261	86	66		152
54141	Interior design services	408	400			400
Media Communications						
3231	Printing and related support activities	604	356	35	3,538	3,929
45121	Book stores and news dealers	968	719	31		750
511	Publishing industries (except Internet)			452		452
51111	Newspaper publishers	3,540	3,238		78	3,316
51112	Periodical publishers	3,294	4,013			4,013
51113	Book publishers	471	470			470
5112	Software publishers	908	1,000			1,000
5121	Motion picture and video industries	1,055	916	280		1,196
5122	Sound recording industries	64	77	53		130
515	Broadcasting (except Internet)			159		159
51511	Radio broadcasting	2,152	2,149			2,149
51512	Television broadcasting	2,350	1,236			1,236
5152	Cable and other subscription programming	498	1,293			1,293
51913	Internet publishing and broadcasting and web search portals	333	1,309			1,309
519	Other information services			338		338
51911	News syndicates	1,654	931			931
54143	Graphic design services	385	343	722		1,065
54181	Advertising agencies	1,018	561	388		949
54189	Other services related to advertising	36	62			62
54182	Public relations agencies	6,238	6,317			6,317
54183	Media buying agencies	32	19			19
54184	Media representatives	46	19			19
7115	Independent artists, writers, and performers			3,076		3,076
Museums & Heritage						
51912	Libraries and archives	549	175		3,914	4,089
7121	Museums, historical sites, and similar institutions	780	1,297	84	5,149	6,530
Visual Arts, Crafts, Fashion						
61161	Fine arts schools	680	403	2259		2,662
54192	Photographic services	75	60	379		439
45392	Art dealers	104	73	69		142
54149	Other specialized design services	20	19			19
Performance Arts						
7111	Performing arts companies	1,288	1,282	183	1,108	2,573
7113	Promoters of performing arts, sports, and similar events	1,043	778	176		954
7114	Agents and managers for artists, athletes, entertainers, and other public figures	66	60	115		175
7115	Independent artists, writers, and performers			3,076		3,076
	Total Employees	52,341	55,244	9,913	16,251	81,408
	Total Employees (with range mid-points)	52,401	55,304	9,973		65,194
	Total Establishments	1,901	1,902	12,374		14,272

Note: A=0-19 employees, B=20-99 employees, E=250-499 employees, G=1,000-2,499 employees

Source: County Business Patterns; Partners for Economic Solutions, 2013.

Table A-18. DC Employment Growth by Industry, Total Supportable in Ward 5

	2010-2020	2010-2020		Vacancy	Total	Ward 5	Annual	Percent in Existing Space			Demand Potential 2014-2024		
Industries	Change	Annual Change	SF per Employee	Rate	Annual Demand	% Capture	Net New Square Feet	Low	Medium	High	Baseline	Medium	High
Construction													
Specialty Trade	633	63	50	5%	3,316	50%	1,660	75%	80%	90%	1,747	3,840	5,020
Foundation, Structure and Building													
Exterior Contractors	224	22	50	5%	1,158	50%	580	75%	80%	90%	611	1,340	1,760
Building Equipment Contractors	280	28	50	5%	1,474	50%	740	75%	80%	90%	779	1,640	2,140
Building Finishing Contractors	94	9	50	5%	474	50%	240	75%	80%	90%	253	530	690
Other Specialty Trade Contractors	35	4	50	5%	211	50%	110	75%	80%	90%	116	250	330
Manufacturing													
Food Manufacturing		-	-	5%	3,500	70%	2,450	35%	55%	85%	3,868	13,930	22,630
Beverage Product Manufacturing		-	-	5%	1,500	70%	1,050	35%	55%	85%	1,658	5,970	9,700
Wholesale Trade													
Merchant Wholesalers Nondurable Goods	190	19	500	5%	10,000	60%	6,000	75%	80%	85%	9,474	13,010	16,580
Wholesale Electronic Markets and Agents and Brokers	335	34	150	5%	5,368	45%	2,420	60%	70%	90%	2,547	7,870	10,700
Building Material and Garden Equipment and Supplies Dealers	139	14	500	5%	7,368	5%	370	65%	75%	90%	389	1,000	1,430
Transportation and Warehousing													
Truck Transportation	22	2	650	5%	1,368	55%	750	40%	50%	60%	3,158	3,950	4,740
Support Activities for Transportation	15	2	650	5%	1,368	65%	890	40%	50%	60%	3,747	4,680	5,620
Information													
Radio and Television Broadcasting	346	35	350	5%	12,895	35%	4,510	45%	65%	75%	11,868	19,940	35,250
Cable and Other Subscription Programing	60	6	250	5%	1,579	60%	950	40%	60%	70%	3,000	4,400	6,900
Software Publishers	265	27	200	5%	5,684	45%	2,560	40%	60%	70%	8,084	11,320	17,790
Telecommunications	246	25	150	5%	3,947	60%	2,370	55%	70%	80%	4,989	7,860	12,350
Internet Service Providers & Data Processing Services	20	2	200	5%	421	65%	270	40%	70%	80%	568	900	1,880
Other Information Services	542	54	150	5%	8,526	65%	5,540	40%	60%	65%	20,411	25,660	40,240
Motion Picture and Sound Recording	-	-	-	5%	4,500	85%	3,830	20%	40%	60%	16,126	30,240	45,150

Table A-18. DC Employment Growth by Industry, Total Supportable in Ward 5

	2010- 2020	2010- 2020		Vacancy	Total	Ward 5	Annual	Percent in Existing Space			Demand Potential 2014-2024		
Industries	Change	Annual Change	SF per Employee	Rate	Annual Demand	% Capture	Net New Square Feet	Low	Medium	High	Baseline	Medium	High
Professional and Business Services													
Management Scientific and Technical													
Consulting Services	8,796	880	180	5%	166,737	5%	8,340	65%	75%	80%	17,558	23,040	33,800
Advertising and Related Services	1,523	152	180	5%	28,800	10%	2,880	65%	75%	80%	6,063	8,340	12,200
Other Professional, Scientific and Technical Services	576	58	180	5%	10,989	5%	550	55%	65%	70%	1,737	2,130	2,870
Administrative and Support and Waste Management and Remediation Services													
Investigation and Security Services	1,851	185	200	5%	38,947	25%	9,740	85%	85%	85%	15,379	15,380	15,380
Waste Management and Remediation Services	135	14	200	5%	2,947	65%	1,920	85%	85%	85%	3,032	3,030	3,030
Education and Health Services													
Ambulatory Health Care Services	6,889	689	200	8%	149,783	3%	4,490	85%	85%	85%	7,321	7,540	7,690
Social Assistance	3,561	356	200	8%	77,391	2%	1,550	85%	85%	85%	2,527	2,600	2,650
Arts, Entertainment and Recreation													
	1,285	129	200	10%	28,667	15%	4,300	70%	75%	80%	9,556	13,740	17,200

Source: Department of Employment Services, Partners for Economic Solutions, 2013.

Table A-18. DC Employment Growth by Industry, Total Supportable in Ward 5

	2010-2020 Change	2010-2020 Annual Change	SF per Employee	Vacancy Rate	Total Annual Demand	Ward 5 % Capture	Annual Net New Square Feet	Percent in Existing Space			Demand Potential 2014-2024		
Industries								Low	Medium	High	Baseline	Medium	High
Administrative and Support and Waste Management and Remediation Services													
Investigation and Security Services	1,851	185	200	5%	38,947	25%	9,740	85%	85%	85%	15,379	15,380	15,380
Waste Management and Remediation Services	135	14	200	5%	2,947	65%	1,920	85%	85%	85%	3,032	3,030	3,030
Education and Health Services													
Ambulatory Health Care Services	6,889	689	200	8%	149,783	3%	4,490	85%	85%	85%	7,321	7,540	7,690
Social Assistance	3,561	356	200	8%	77,391	2%	1,550	85%	85%	85%	2,527	2,600	2,650
Arts, Entertainment and Recreation													
	1,285	129	200	10%	28,667	15%	4,300	70%	75%	80%	9,556	13,740	17,200

Source: Department of Employment Services, Partners for Economic Solutions, 2013.

C

APPENDIX C:

FOCUS GROUP SUMMARIES

COMMUNITY FOCUS GROUP REPORT

EXECUTIVE SUMMARY

As part of the study, the District of Columbia Office of Planning (OP) contracted with Reingold LINK to conduct a series of focus groups to garner feedback from residents, business owners, community leaders and others on existing conditions and potential opportunities in Ward 5 related to the use of industrial land.

Half of the industrial-zoned land in the District is located in Ward 5. The Ward 5 Industrial Land Transformation Study seeks to provide the District with a strategy to stimulate and promote the modernization and adaptive use of these industrial areas.

The following focus group report provides summary data from one of four focus groups held from August 2013 through September 2013. Reingold LINK conducted the first focus group, which is highlighted in this report, on August 6, 2013. Nine Ward 5 residents, several of whom were community leaders in their respective neighborhoods, participated in the focus group. The focus group was held from 6:30 p.m. to 8:30 p.m. at Catholic University and was observed by representatives from OP and Ayers Saint Gross.

KEY TAKEAWAYS

- » Residents value the sense of community, style and character of their homes, and small town feeling of the neighborhoods in Ward 5.
- » Residents report a lack of engagement and communication with the community from many of the industrial companies and businesses in the area, resulting in a sense of suspicion and separateness among residents.
- » Residents are especially concerned about potential harm to the environment and possible

health problems related to trash transfer stations and other industrial uses resulting from toxic or hazardous materials or waste. Blighted properties, loud noises, unfavorable smells and pests were listed as other concerns.

- » Residents would like to see a better variety of neighborhood-serving retail, restaurants and mixed-use developments that cater to the wide range of income groups living in Ward 5.
- » Community engagement is important to residents. They are especially interested in engaging with industrial use landowners, property owners, business owners and developers in the Ward 5 area.
- » None of the focus group participants knew anyone who was employed in a Ward 5 industrial business, furthering the perception that the industrial lands are disconnected from the surrounding residential community.
- » Overall, residents were optimistic about the future of Ward 5 and the District as a whole.

KEY FOCUS GROUP QUESTIONS AND PARTICIPANT FEEDBACK

Question 1: Briefly describe the community in which you live and tell us what you like the most about the area. What about your neighborhood excites you the most or makes you most proud?

- » The architecture of the homes throughout Ward 5 neighborhoods is one of the largest draws for residents, particularly Cape Cods and Colonials. Focus group participants mentioned having single-family detached homes with lots of character, large backyards, easy access to public transportation, and friendly and caring neighbors as reasons why they chose to live in the Ward.
- » Ward 5 residents have a strong sense of community and care greatly about existing and future conditions and transformation. The community comprises a collection of “Main Streets,” where people have grown up and stay, classmates often becoming neighbors. One focus group participant said, “I have a deep affinity for the people. It’s not nostalgic to say that we look after each other.” Another said, “There’s a strong sense of community and so much history. I feel safe. I know we have issues and our problems, but if you love something so much, you stand and fight for it.”
- » Long-term residents and more recent arrivals listed similarly positive attributes about the community. The long-term residents cited the reasons above when talking about why they stay in the community,

while the recent transplants cited them when talking about why they moved to the area.

- » Focus group participants expressed a desire to see the community prosper and grow, but also maintain a sense of community rooted in the area’s history.

Question 2: Do you see the industrial land use as part of the community or separate from the community?

- » There is a deep disconnect between the residential community and the industrial area. Said one participant, “I see them as different. We’re over here and they’re over there.” All of the focus group participants seemed to view the industrial areas negatively. Even those that lived away from the industrial areas cited concerns and frustrations about environmental hazards, noxious smells, noise pollution, pests and blight.
- » Residents said that businesses in Ward 5 were once more engaging and inclusive of the neighborhoods and residents in their activities. However, with the exception of a few, including the New Columbia distillery, that situation has changed in recent years. Said one participant, “These days, I don’t know who owns the buildings. Land transfers from person to person. We have no idea who the next person coming in is or what kind of business they’re conducting.” Another offered, “We don’t know what goes on in the businesses around here. It’s almost like they operate under a secret veil.”
- » Many residents seemed skeptical and suspicious about actions in buildings throughout the industrial area. One focus group participant said she wondered if illegal activities were taking place. She anecdotally told the group about a time when an armed guard approached her and flashed his firearm as she was walking toward one of the industrial buildings, making her feel threatened and unsafe.

Question 3: What would you like to see in Ward 5 that is not presently there? If you could change anything about these areas, what would you change?

- » Residents said they would like to see the industrial areas re-zoned to accommodate additional housing, more and better retail, and other commercial real estate. In providing a reason for more housing, one focus group participant said that until neighborhoods meet a certain density, Ward 5 will not get the type of retail existing residents currently desire.

- » Focus group participants unanimously agreed that Ward 5 is in need of more restaurants and retail that cater to a wide range of incomes. Said one participant, “We’d like to see retail where we’d like to spend our dollars; not the kind of retail that’s not attractive. There needs to be a better balance in the type of retail that is available.” Participants also said they would like to see additional parks, recreation areas, grocery stores, gymnasiums, bakeries, organic sundry stores and dry cleaners.
- » There appears to be desire for more neighborhood-serving retail, and some fear around too much destination-retail. Focus group participants stated that they were okay with options such as Union Market, but that they also need places for their everyday shopping needs.
- » Residents want to see Ward 5 maintain its history and character. One resident said that she did not want to see the neighborhoods in Ward 5 redeveloped to have an “H Street or U Street feel.” Another participant offered the following, “Use the land for something positive that generates positive jobs and is aesthetically pleasing.”
- » The New York Avenue/Bladensburg Road area should reflect that it is a gateway into the nation’s capital. Said one resident, “That area is a main gateway to the city and I think it should be the best part of the city. It should just pop. We’re the only side that doesn’t. There’s no excitement there.”
- » Focus group participants cited creative, tech and food-related industries as good replacements for low-use industrial buildings in the area. One participant mentioned redeveloping some of the buildings into lofts for artists that could double as studio space and living quarters.

Question 4: Are you or any of your family members or acquaintances employed at a business in the Ward 5 industrial areas? Do you know anyone employed by a business in Ward 5?

- » Several of the focus group participants—who are also community leaders in various neighborhoods throughout the Ward—mentioned that they would like to see more resident-owned businesses in the Ward. None of the focus group participants could name anyone they knew who worked in the industrial areas.
- » One participant offered the following, “We believe it is critically important that we develop an entrepreneurial class amongst the residents [in Ward 5] so that businesses are not owned by people

who don’t look like us and come from other areas to just come in, operate the business, and take the money out. It is critically important that we have businesses that are held in buildings that are owned by residents.”

Question 5: What are your top concerns about the industrial areas? What are the disadvantages of your community’s proximity to industrial areas?

- » Focus group participants listed blight; air pollution and noxious smells from trash transfer stations and other industrial land uses; pests, including rats and roaches; environmental concerns, such as dust, debris and toxins from CSX and Amtrak trains, bus terminals, dump trucks; and noise pollution, such as the grinding of materials at Waste Management and trains, as major residential concerns with the industrial areas in Ward 5.
- » Ward 5 residents are displeased with the trash transfer stations and how they have been maintained and operated over the years. Many of the focus group participants expressed disgust in their appearance, smell and overall upkeep, citing problems with pests emanating from the facilities. Residents asked whether the trash transfer stations could be relocated outside of the city or at least better regulated by city government.
- » Nightclubs are also a major area of concern for Ward 5 residents. Focus group participants cited noise from the clubs, due to lack of soundproofing, late night loitering, litter and street parking shortages as reasons why these businesses are a nuisance. The residents mentioned that they have discussed their concerns with club owners, but to no avail.
- » Aside from trash transfer stations, municipal uses of the industrial areas were not cited as problematic.

Question 6: What are the benefits of your community’s proximity to industrial areas? Is there anything about them that you like?

- » None of the focus group participants answered this question affirmatively or provided any examples.

Question 7: Overall are you satisfied with the direction your community is going? Are you optimistic or pessimistic about the future of DC? (This question was tested by a show of hands.)

- » Overall, focus group participants said they were optimistic about the future of Ward 5 and the District as a whole. Despite the many challenges that were discussed throughout the evening, the group maintained a sense that things are moving in the right direction.
- » However, focus group participants did raise concerns about gentrification and inclusion, and questions about their role in the transformation process. Existing residents want to have a say in the changes that occur and they want to be sure the engagement is real and substantive.
- » One participant offered the following take on the effect of gentrification on the African American community in Ward 5: “The existing people are being pushed out and not taken into consideration as new people are coming in. When you’re talking about all these wholesale changes, folks need to be mindful of what’s happening in the big picture. When you redo the area and build all these chichi lofts and stuff, you need to be sure to include the existing residents and not just test for suitability the newcomers.”

FOOD INDUSTRY FOCUS GROUP REPORT

EXECUTIVE SUMMARY

Reingold LINK conducted the second focus group, which is highlighted in this report, on September 9, 2013. Twelve local food industry entrepreneurs, many of whom conduct their business within Ward 5, participated in the focus group. The focus group was held from 6:00 p.m. to 8:00 p.m. at Union Kitchen, and was observed by representatives from OP and Ayers Saint Gross.

KEY TAKEAWAYS

- » Entrepreneurs have a variety of space needs for their businesses that are difficult to find within the city. Not only is the size of the building important, but also the price and land use designation.
- » Many businesses have a sense of loyalty and emotional desire to stay in DC but find the regulatory environment difficult, especially for small

and new kinds of businesses. Meanwhile, surrounding jurisdictions are offering a “green tape [vs. red tape] and green light” approach that some DC businesses find attractive.

- » There is a sense of pride among local entrepreneurs to buy and sell locally made products.
- » There is an enormous entrepreneurial spirit in DC right now. It is an opportunity for the District to help businesses get off the ground and support this fire before it burns out.
- » Many businesses are open to adding a retail component to their industrial locations, as space allows. They said retail would boost profit, help to activate their space and adds promotional value to their businesses.
- » Accessibility and proximity to transit is very important for job training and youth development programs.
- » In some ways, the success of quickly developing areas can make some uses (such as a commissary) less likely to move in. There is a fear that costs will soon skyrocket and some businesses may be pushed out in a few years in favor of higher rent prices.
- » Overall, the entrepreneurs were optimistic about the future of Ward 5 and the District as a whole.

KEY FOCUS GROUP QUESTIONS AND PARTICIPANT FEEDBACK

Question 1: How did you go about finding the space where your business is located?

- » The food industry entrepreneurs said that they had or are having a difficult time finding a location that can meet all of their space and land use needs at a reasonable price. They said that currently much of the available industrial space (that they are aware of) does not meet the space requirements of many businesses. The spaces are either too large or not large enough. Entrepreneurs are seeking small or very large footprints.
- » Focus group participants said that the rental price of a building dictates the kind of space a business needs. One focus group participant said, “If our rental rate was a fifth of what it was, we could have the back part as a basketball court. But, given the rates, we really needed to have a small space.”
- » Entrepreneurs fear that the rates are going to continue to rise and that they will be priced out of either their current location or other

locations deemed as “up and coming.” One participant said, “You’re gonna see some of that industrial property segue into retail because a property owner who gets \$20 or \$25 a foot for his property—when he can make \$50 - is certainly gonna make that change.”

- » Another long-time business owner said that he would like to set up a commissary in the city to keep up with his growing food production needs, but that he is concerned about two factors: finding the right space for his needs and budget, and having to deal with rising rent prices.
- » There is a passion for the city and the desire to stay, but rising prices are not making it easy for small business owners to grow, or even stay, within the city. In contrast surrounding jurisdictions are courting DC businesses with the promise of “green tape and a green light” instead of regulatory burdens, fees and delay.

Question 2: What challenges/opportunities/issues have you experienced in your location?

- » Many focus group participants said that regulatory issues are a major hurdle for entrepreneurs, especially for those with a unique business idea.
- » Another logistical challenge is the needed transportation that may lead to poor neighbor relations. One participant spoke about a commercial space on Blair Road, NE that forces trucks to travel through residential neighborhoods. She said that neighbors are tolerant to some degree, depending on the industrial use, and the severity of the “noise and the odors.”
- » The focus group participants discussed the mix of logistical and community factors when searching for an appropriate business location. They not only consider foot and commuter traffic, customer volume and disposable income of nearby residents, but also the local ANC and community relationships. Businesses want to be seen as welcome additions to a community, not as outsiders coming in.
- » The entrepreneurs agree that there is a tremendous opportunity for food industry businesses to grow and expand in DC. There are few places to eat and shop in many parts of the study area, and often, residents have to leave the area to purchase food. One participant said that although the area in Ward 5 does not provide the foot traffic that retailers or restaurateurs desire (as in areas like U Street, H Street and Georgetown), but “you’re going to get a higher concentration of people because there just aren’t any places to go right now.”

- » One focus group participant mentioned educational opportunities provided by industrial uses close to residential neighborhoods. Such educational programs are a way to build stronger community relationships and an opportunity to show neighbors and others in the community what a business is all about to gain buy-in and support.

Question 3: What would be important factors to support a healthy mix of entrepreneurs in Ward 5? What can the city or entrepreneurs do to support that?

- » The entrepreneurs considered a number of factors to be important in the success of their businesses. These include training, understanding regulations, accessibility and having the support for the future workers (DC youth) to succeed.
- » Some entrepreneurs mentioned the difficulty of working with DC agencies. Entrepreneurs like the “green tape and a green light” approach that surrounding jurisdictions are opening up to them, and said it would be helpful in DC. One participant quipped, “No one really caters to you. What’s the real benefit, aside from your love of the city, to open a business in the city?”
- » Some of the entrepreneurs said that the city does not seem to encourage business development and growth because of antiquated processes and lack of empathy. There is a sense of distrust with the local government and the perception that the DC Department of Consumer and Regulatory Affairs (DCRA) does not care about local businesses. One participant said that when dealing with DCRA, “there are 40 steps and they absolutely must be done in series. And there is zero sense of urgency. ... If they really cared, [what we needed from them] could have been done in a month ... instead it took more than six.”
- » There is an enormous entrepreneurial spirit in the DC right now that needs to be nurtured and encouraged, and business owners said that the District should make it easy for people get businesses started. Focus group participants said that although these potential entrepreneurs have very little money, they have the passion for what they do. Often, however, they said that because of the antiquated processes, establishing and running a business in DC could take a long time, which discourages many budding business owners. They said that they city should create some way to help businesses and ideas grow.
- » The participants also said that the government should not shoulder the burden of encouraging business development in Ward 5 alone.

They said other local, successful businesses also have the obligation to help younger businesses grow. They said that if there was an attitude of togetherness among entrepreneurs—a consensus to build together in a place that may not be receiving attention right now—there could be more opportunity for growth for everyone.

Question 4: What are the barriers that are in place that we should be looking to solve if we're looking to expand the food industry in Ward 5?

- » The barriers include finding the appropriate next level of space for second-stage businesses. As discussed previously, many small businesses could not find a right-sized of space to grow, especially coming from an incubator. One participant suggested that the DC government should allot space somewhere in the District (possibly Ward 5) for these kinds of small to middle-level businesses to grow.
- » One participant mentioned that commercial real estate brokers and developers could be barriers to business growth. Access to brokers and developers that the city encourages or incentivizes to help small and local businesses could be helpful. Another focus group participant said that an additional barrier is getting turned down by commercial real estate brokers because businesses was too small and had a relative lack of credit history. This participant said that the brokers did not return his/her calls.

Question 5: Do you have a retail component? Would you be open to including retail in your industrial buildings?

- » Focus group participants understand what retail can do to help boost their businesses. They said that it is an opportunity to showcase their passion, build their brand, activate the neighborhood, as well as provide a little boost of revenue.
- » Some of the entrepreneurs said that their businesses have a retail component. For others who do not have a retail component, they said that the barriers include lack of space and a specific license to sell products.

Question 6: Do you see the “maker culture” as an important part of this process?

- » A number of groups or businesses have started to create brands that show pride for locally made products. One local group, called Think Local First, is trying to define all the benefits of buying local

and getting consumers on board. The group agrees that the “maker culture” could succeed in DC, because residents are very open and generally supportive of it. A focus group participant said that “it’s an everyday battle to compete with Amazon or the big retailers like Wal-Mart or Target, but that culture’s here.”

- » Think Local First started a “Made in DC” campaign to brand and label products that are made and produced in DC Union Kitchen also started its own brand, “Made in Union Kitchen.” The groups said that they received a lot of positive feedback, both from vendors and markets. They also said that the branding is valuable to smaller businesses, because it gives them an umbrella brand that helps with consumer recognition. Both branding efforts could benefit from additional awareness and support.
- » Focus group participants see the “maker culture” as an important part of the DC fabric. One entrepreneur said that many younger adults do not necessarily want things that are made in an assembly line, but hand made in smaller batch sizes. However, some entrepreneurs pointed out that the success of the local “maker culture” is dependent on real estate prices—the rise of which could cause handmade products to become unaffordable. Overhead costs such as commercial real estate rents, as well as higher employee salaries (to pay for their own high residential renting needs), help to drive costs up.

Question 7: Do you have any other ideas that you have for growing, strengthening, and retaining the food industry in Ward 5?

- » There is a general sense of optimism in the group for both the city and Ward 5. Using a show of hands, all of the entrepreneurs said that they are optimistic about the city and Ward 5.
- » Focus group participants said that they would like to see an initiative that addresses closed and empty properties. They said that the government can take advantage of the entrepreneurial spirit in the city by fostering relationships with locally owned businesses and encouraging or incentivizing them to develop and occupy those properties.
- » They also suggested that the government should give developers incentives to incorporate local businesses in their buildings or for local retailers to incorporate locally made products in their stores.
- » There was spirited discussion about the overall role of the government in developing the local food industry. One participant said that the DC government’s role is to “give people an opportunity to create and get out of the way a little bit more.” Some entrepreneurs in the group

voiced this independent sentiment—the idea of letting businesses dictate what the Ward 5 industrial zone will look like if given the opportunity to grow.

- » Another suggestion the group made is to create a more streamlined process to help small and independent businesses get started more quickly. As mentioned previously, the lengthy and often costly processes discourage entrepreneurs to grow their businesses in the city. They said that the government could help to cultivate local entrepreneurship by making it easier for businesses to start and grow within the city that they love.

ARTS COMMUNITY FOCUS GROUP REPORT

EXECUTIVE SUMMARY

The following summary is from a focus group held with members of the arts community on September 10, 2013. This session was one of four focus groups held from August 2013 through September 2013. Two representatives of the arts and humanities community participated in the focus group. The focus group was held from 6:00 p.m. to 7:30 p.m. at the offices of The Dixon Group, and was observed by representatives from OP and Partners for Economic Solutions (PES).

KEY TAKEAWAYS

- » Representatives of the arts and humanities community value and need free space to perform and display creative arts. They are more than willing to employ a “do-it-yourself” attitude when it comes to renovations and making the space work for their needs.
- » Authentic, gritty and raw space is ideal for the arts and humanities community. However, having entertainment, bars, restaurants and retail nearby is critical for sustained success.
- » From the government, the arts community seeks a one-stop shop for regulatory and licensing assistance.
- » Affordable workspace for artists and long-term lease terms for arts organizations is very hard to find in the District. The arts community would be very interested in a live/work model of mixed-used development were that to be made available.
- » Overall, focus group participants are optimistic about the future of the

District of Columbia for the arts and humanities community, and about the future of Ward 5.

KEY FOCUS GROUP QUESTIONS AND PARTICIPANT FEEDBACK

Question 1: Briefly describe your perfect space. What does the perfect space for what you do look like?

Focus group participants agreed that significant square footage of raw space that is Metro-accessible within the District and close to retail and nightlife is most ideal for the arts community. One participant offered the following, “I don’t need anything fancy. I just need a shell with a concrete floor and some drywall.” The participant mentioned that her organization takes on the expense of undertaking whatever necessary changes (e.g. electrical, plumbing) to make the space work. In the past they’ve had members help with “do-it-yourself” projects in the space.

Neither party favored the idea of arts space in Anacostia because of presumed safety and accessibility concerns. One representative said, “We would fall apart out there. Our crowd likes to go out and not just to our stuff. Plus, we’d have to do something to include the community and it’d be forced.”

Question 2: Describe the type of neighborhood you're most likely to move into when you need space.

Focus group participants said that they typically turn to up-and-coming neighborhoods when looking for space, but due to lease constraints, there is often a concern about being pushed out of the neighborhood after a certain period of time has passed. Said one participant, “Arts organizations like this will go in when it’s not safe because we can get a cheap lease. And then the area becomes awesome because everyone is coming to it and then as time goes on, the rent is like three times what it was and we can’t afford to stay there anymore.”

Artists and art organizations also look for space that is authentic and gritty. The downtown area, the participants said, is too disconnected from the arts community for space there to make sense. One participant offered the following about Union Market, where her organization is looking to move soon, “It’s very authentic out there. There are businesses that have been there for a long time. The structure of the streets is unique. They’ve got the pay-by-the-hour hotels. You’ve got the prostitutes. You have the corner with the pile of condoms. But it’s not scary. It’s not because you’re still within reach of civilization.”

Question 3: With regard to your members, what do you hear from them about the ability to find space to work?

Focus group participants said that finding affordable workspace in the District is quite difficult. Generally, artists need about 250 square feet of space to work, but it depends on the artist's medium. However, a space just to create would be "like another rent" and most artists simply cannot afford to do that, one participant said. She also offered the following, "It's much more affordable in Baltimore. There's tons of space there because it's mostly industrial. Here people work out of their apartments because there are so few places that are affordable." Both participants agreed that artists would love to have an affordable live/work model of development space.

Another focus group participant said that District artists have a major unmet need for rehearsal space. She said that other large cities have pay-by-the-hour space where performance artists can hold auditions, dance rehearsals and other activities. Currently, there is nothing in DC like that for performance artists. Many rely on local libraries instead since they are free and open to the public.

Question 4: Do you have any recommendations or thoughts on the role of government in how you procure space? Do you have any regulatory concerns or issues?

Focus group participants cited the outdated code and lengthy amount of time it takes to get permits and licensing as chief concerns related to dealing with the government. Said one participant, "There's literally two people who work in Special Events. If we lost those people, we're losing the brain trust. That's not a sustainable thing at all."

They also expressed frustration of the level of funding for the DC Arts Commission. Participants said that the money the commission grants does not go very far, especially when they are competing for dollars against the Kennedy Center. Both participants also said that they'd like to see the Arts Commission develop a five-year plan and vision for the arts community in Washington, DC.

Question 5: Is co-location critical to arts uses? Do you see that (e.g. retail, entertainment, nightlife) as a key component of activating in a space?

Both focus group participants said that co-location with retail, restaurants, bars and entertainment was an important factor in how they choose space. Said one participant, "I'd like to have a retail front because I want the traffic. And yes, we sell art or books, but we're not going to have a bar. That's not

our bailiwick, but I want to be near that so my artists and my patrons can take advantage of those amenities."

BUILDING AND COMMUNITY DEVELOPMENT FOCUS GROUP REPORT

EXECUTIVE SUMMARY

The following summary is from one of four focus groups held from August 2013 through September 2013. Reingold LINK conducted the fourth focus group, on September 17, 2013. Three representatives of the building and community development industry in Ward 5 participated in the focus group. The focus group was held from 6:00 p.m. to 7:30 p.m. at Gallaudet University and was observed by a representative from OP.

KEY TAKEAWAYS

- » The representatives felt that industrial use is not inherently bad or incongruent with residential uses. Rather, it's the specific types of uses and the concentration of these uses that cause problems. For example, "Catering outfit, architecture firm and high-end distillery with a tasting is different than a club, bus depot and odorous seafood manufacturer." And, "One bus depot or tow lot is very different than three bus depots and tow lots in a neighborhood."
- » Transforming the existing industrial warehouses into something more "active" and aesthetically pleasing is desired for two reasons. First, it would encourage people to interact more within the community and provide constant "eyes on the street," which could help promote safety. Second, breaking down some of the real or perceived barriers between the residential and industrial areas may open up more job opportunities for residents in this area.
- » There was a serious discussion around the topic of coexistence and if it really can and should be a goal between residential areas and certain types of industrial uses. The group suggested that there might be certain uses (those that produce significant air pollution, for example) that simply cannot coexist with residential and would better be served by isolation instead of integration.
- » Transportation and access in areas such as Ivy City have proven to be difficult because of bus route reductions and lack of Metrorail accessibility. Lack of reliable public transit is a significant hurdle to job creation in this area.

- » Overall, the representatives of the building and community development industry were optimistic about the direction of Ward 5 and the District. They also shared the belief that Ward 5 will continue to be a successful location for their organizations.

KEY FOCUS GROUP QUESTIONS AND PARTICIPANT FEEDBACK

Question 1: How did you go about finding the space where your business is located?

- » The participants all had similar reasons for locating in Ward 5. These included a stated desire not just to be part of a community, but of this community. Much like in the Resident Focus Group, participants spoke of the unique nature of Ward 5 neighborhoods.
- » The locations were also chosen because each participant's business is centered on directly engaging the community in which they are located. "The heart of our operation is community development," said one participant.
- » Real and potential land availability and untapped opportunities are other reasons for locating a business in Ward 5.

Question 2: What challenges/opportunities/issues have you experienced in your location?

- » Focus group participants agreed that a major challenge is trying to deal with the industrial uses that negatively affect the perception of their organizations. The two main concerns are the aesthetics of the nearby industrial buildings and the real or perceived lack of transportation and accessibility of many locations.
- » One participant pointed to the DSLBD Façade Improvement Program as an initiative that could have real potential in this area if it were expanded. He said that this District-run program is usually focused on commercial areas, but can have a huge impact on industrial land as well. "The façade improvement program is a big winner in this area. We're working on some facades for our businesses and tenants on Rhode Island Avenue, our new building in Brookland, as well as our former building, benefited from the façade improvement program. It puts a new face on the building and really creates energy in the area... it can transform how people see it, it is drastic and that can be really beneficial in industrial areas."
- » Many of the specific concerns centered on quality of life issues. "There is a fish and seafood activity that really has some odors and things

that, depending on the weather and season, are a problem." The Love Nightclub and the "wet" shelter (a shelter that allows intoxicated people to enter) were raised as challenges. While all agreed that cities need nightlife and shelters, they cited real challenges that these uses present to surrounding residential areas. "The activity that comes with the Love Club at night—the thrown glass bottles, the parking, the vandalism that comes with it on weekends and the very loud noise just makes it very undesirable for a neighborhood." As for the shelter, the participant continued, "It's a benefit for society to have that shelter there. However, it is the only wet shelter in DC, meaning you can come in when you are drunk. So, a lot of times people stay around there and drink and go back in ... so if there were a little bit of a change in the policies it might make a difference."

- » One participant mentioned U Street as a model of nightlife and residential coexistence. "U Street is ideal. It has the coexistence of a lot of nightlife and a lot of residential activity. The people in Ivy City would be thrilled to pieces to have that kind of situation because you've got restaurants and...there's a lot more accessibility on U Street and H Street." There was a discussion about how nightlife near public transportation reduces neighborhood impact, unlike the Love Nightclub where everyone must drive. Other participants mentioned that while there are many good things about areas such as U Street, the residents of that neighborhood have their own challenges.

Question 3: Would your company benefit from co-location with or near other businesses? What types? How would being located next to such businesses benefit your business?

- » The focus group participants said they desired having businesses around them that share the common goal of engaging with the community, promoting community interaction and striving to make the area more welcoming.
- » One participant gave an example of a new industrial brewery business that is finding real value in its location bordering a residential area. "The proximity to the residential area makes for an interesting mix. They are looking to do a tasting room where the folks from the community can walk in off the street and buy growlers ... They want to interact with the community; they want to be in the community, yet they are definitely an industrial use in a brewery."

Question 4: Do you hire employees from DC Workforce Training programs (like DC Project Empowerment)?

- » Neither of the participating businesses focuses particularly on hiring employees from DC Workforce Training programs, though they both focus on engaging neighborhood residents as partners, volunteers or potential local entrepreneurs.
- » There was a feeling that it takes a conscious effort to include existing or potential local business owners as tenants or partners. The participants in this group felt that more businesses should make this effort, while also acknowledging the very real challenges. Attracting local partners, especially very small or start-up tenants, requires the developers to assume a mentorship role, perform significant analysis to make up for a lack of credit history and find creative ways to mitigate risk (such as profit sharing).

Question 5: For construction businesses, are you incorporating LEED practices into your practice? Or do you need technical assistance to implement LEED?

- » The incorporation of Leadership in Energy and Environmental Design (LEED) practices and certification has been a positive development in the industry. However, it seems from the interaction among the participants on this topic, that certification is not the all-encompassing solution or incentive for businesses that it once was. Rather, there was a feeling that LEED standards are more important than actual LEED certification, due to the expense and administrative burden that certifying a project entails. "Just the cost of maintaining LEED certification ... at the point where they created the five specialties—it just became tedious to do and the cost to do that ... so for me it wasn't valuable in the industry. We are still building to the same standards that we did five years ago, but we're not paying the US Green Building Council for the yearly dues and that sort of thing. It's a double-edged sword."
- » Both parties currently incorporate sustainability practices into their businesses. One of the participants went on to discuss his/her use of passive housing: "We're actually doing passive housing homes. We did the first passive housing in Deanwood. Which means that it saves 90 percent energy efficiency in your heating and cooling loads, and then we calculated the amount of energy that they will actually use, then mitigate that by putting on solar panels...that is the same idea we are trying to carry on to six of the townhomes in Ivy City."

- » Another attendee shared an example of how his/her business is currently incorporating these energy-saving practices, "Recently, we have taken advantage of some of the solar photovoltaic incentive things that DC has offered. In our prior office in spring of 2012, we completed a solar installation, which provided about 50 percent of our energy needs. It was in a new neighborhood, kind of a single-story commercial strip on 12th Street that was perfect for solar, pretty low-impact office use with a flat roof that made it really beneficial for us, and at the end of the day with the federal incentives and the local DC incentives, we were paid back with our equity investment within 18 months." Even though this company moved to a new location six months later, the new tenant in the building is achieving significant savings. Such investments have a life cycle that can benefit many tenants over the long run.

Question 6: How can the DC government reach out to you and your neighbors about business opportunities in Ward 5?

- » The building and community development industries heavily rely on the government. They not only commonly need the government's help in terms of loans and finances as they start up their ventures, but also need the government's help in attracting other industries in as their neighbors.
- » There was keen awareness about tension that often arises between local versus national retailers when entering markets such as Ward 5. "We hear overwhelming support for local retailers. Although, somebody like Wal-Mart coming in Fort Totten, there is a great deal of support, people want that...convenience. Yet, if people could have the prices from Wal-Mart from 'Joe Grocer'...they would definitely prefer that. So it's meeting in the middle somewhere trying to provide the services at a reasonably cost-effective scale, but still being able to serve local business with that small mom and pop feel."

Question 7: Are you optimistic or pessimistic about the future of Ward 5? If optimistic, what makes you excited about the direction Ward 5 is headed? If pessimistic, what concerns you about the direction Ward 5 is headed?

- » The focus group participants were very optimistic about the future of Ward 5. The participants referenced that the introduction of retail and more engaging commercial businesses would bring a great deal of positive impact to the area. This will lead to "...eyes on the street and...bringing down the crime, a lot more community involvement,

people having more responsibility in the community, shop owners always looking outside and looking at what's going on out across the street and they're going to make the streets safer," according to one participant. But the group was also clear on what would not lead to lasting change. "...not the cops constantly being in there, and certainly not another bus depot...it's got to be the restaurants...the pharmacy... the small bakery... the grocery store ... it gives it character."

- » Pessimism was raised over the proposed use of some existing spaces and locations. For example, the Crummell School was cited multiple times as a location that must be used very strategically. There was a belief that areas such as this could provide for much needed "middle ground" between the residential community and more intense industrial uses if developed as community centers or gathering places, rather than as another bus lot or parking lot.
- » Questions were also raised over the seeming inconsistency in city funding priorities. Participants commented that the funds are flowing into the same parts of Ward 5 from different agencies, with incongruent goals. Participants asked if it made sense for funds to be slotted for additional residential development in the same neighborhood that may also be slotted for yet another bus depot. There was a belief that city leaders need to take a look at their cross-agency funding to be sure they are encouraging coexistence and not creating competition among commercial, industrial and residential areas.

