



# WARD 7

## ECONOMIC DEVELOPMENT ADVISORY COUNCIL PROGRESS REPORT

FALL 2017





## Ward 7 Economic Development Advisory Council (W7EDAC)

### W7EDAC Members

**Chair:**

Warren C. Williams, Jr., CEO  
The Warrenton Group

**Vice Chair:**

Charles C. (Sandy) Wilkes, Chairman  
The Wilkes Company

Pedro Alfonso, Chairman & CEO  
Dynamic Concepts, Inc.

William B. Alsop, III  
Senior Managing Director, Hines

David Alvaranga, Owner  
American Tax, LLC d/b/a Liberty Tax

Leila Batties, Partner  
Land Use & Zoning, Real Estate Section  
Holland & Knight

Christopher J. Donatelli, President & CEO  
Donatelli Development

Marisa Flowers, Owner and Principal  
Green Door Advisors, LLC

Jair K. Lynch, President and CEO  
Jair Lynch Real Estate Partners

Jodie W. McLean, CEO  
EDENS

W. Christopher Smith, Chairman & CEO  
WC Smith Company

Robin Zeigler, Chief Operating Officer  
Cedar Realty Trust, Inc.

Dear Valued Community Member:

In January, following a recommendation from the Ward 7 Action Summit, Councilmember Vincent C. Gray established the Ward 7 Economic Development Advisory Council. It has been one of the great honors of my professional life to serve as Chairman of this distinguished body.

The Ward 7 Economic Development Advisory Council has been tasked with providing a vision and accompanying strategies to deliver long-awaited amenities, more robust economic development, and significantly expanded job opportunities to the neighborhoods and residents that make up our community. The Advisory Council has worked diligently and has received invaluable guidance from economic experts, real estate developers, civic and community leaders, and residents in our pursuit to identify the guiding principles, policies and initiatives needed to make Ward 7 a truly vibrant place to work, eat, shop, raise a family, and retire. The Advisory Council thanks everyone who has contributed to our deliberations, and I would like to personally thank each member of the Advisory Council for their time and service to our community.

On behalf of the Advisory Council and with much hard work still to come in the days ahead, it is my great pleasure to present this first Progress Report. We look forward to presenting a final set of ideas and recommendations early next year.

Yours in service,

Warren C. Williams, Jr.  
Chairman



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*Arthur Randle, developer of Randle Highlands, with colleagues on Pennsylvania Avenue, SE, circa 1915. Chemical Engine Company No. 2 and Randle's home, the "Southeast White House" are in the background.  
Library of Congress*

## Executive Summary

The mission of the Advisory Council is two-fold, to provide the foundational vision, strategy and preliminary planning for (a) quality amenities, more robust economic development and expanded job opportunities to be more prevalent in Ward 7 and (b) to develop vibrant, sustainable commercial corridors that can provide the quality goods and services enjoyed by other areas of our city.

The pride, history, culture and beauty of Ward 7 set it apart while also creating high expectations for excellence in development. Despite Ward 7's historical, aesthetic and cultural significance, its residents and neighborhoods have not been the primary beneficiaries of the economic development renaissance that has brought commercial improvement and additional job opportunities to other parts of the District. The slow expansion of economic development to the East End of the District does, however, present an opportunity for fresh ideas and innovation in the construction of an overall economic development plan for Ward 7.

## Charting the Right Path

The Advisory Council, in collaboration with residents and subject matter experts, has already identified a number of issues and cataloged obstacles to more robust economic development. While the Advisory Council does not presume to have the answer to all of them, it is striving to identify responses and approaches to each of them.

A critical challenge identified is the significant, negative effect that public transportation and difficult pedestrian circulation have on Ward 7 economic development. For example, DC 295 separates neighborhoods and impedes more robust commercial activity from taking hold. The intersection of Benning Road, NE and Minnesota Avenue, NE is a hub of a significant retail corridor, often called “Downtown Ward 7,” but is also a dangerous intersection. One opportunity to address these obstacles are the benefits from streetcar expansion, an urgently needed economic development catalyst which has proven successful in other cities like Portland, Oregon.

Other quality of life considerations also affect Ward 7 neighborhoods' ability to attract retailers, developers and potential new residents. They include the need for a comprehensive quality healthcare network in the East End of the District, and the presence of food deserts throughout the East End.

Public safety has also been a factor. It is a shared concern that has been expressed by retailers, who decry the increased overhead costs due to security and other concerns, and by consumers who want to feel secure where they shop.

Zoning and land use are major factors, as they govern the built environment including building height and permitted uses on every parcel of land in the District. They can either advance the

economic development goals of a community, or they can hinder economic development if based on an antiquated understanding of the best use of land and the needs and aspirations of a community.

The unavailability of construction financing and the always-increasing costs of development and operations also hinder economic development. Lending institutions perform their own assessment of the relative risk of a project, and many lenders have been reluctant to finance projects in Wards 7 and 8, sometimes on the merits, but often the result of their own implicit bias.

Ward 7 demographics play a large role in retailers' decision making. Now more than ever, retailers are using demographic data and algorithms to determine whether or not they will locate in a particular neighborhood. All of these factors and considerations make a strong case for the provision of incentives to attract quality retailers and underscore the importance of a great customer experience.

The challenges that the Advisory Council has identified underscore the need for targeted policies and neighborhood specific strategies to address the challenges faced in Ward 7 and ultimately enhance the unique opportunities presented in the Ward's neighborhoods.

## Formulating an Economic Development Vision

An expanded tax base is pivotal to supporting economic development initiatives. Better zoning and land utilization to increase density where appropriate can allow the city to increase the number of incomes (at all income levels) without displacing current residents and increasing the overall buying power of a community to support new retail and services.

Additionally, the District must improve upon efforts to train residents to hold well-paid positions throughout the city. Workforce training should be coupled with the development of a new generation of entrepreneurs who will also create more job and career opportunities while bolstering the tax base.

Retailer incentives should be linked to specific hiring requirements to provide jobs for the prepared District workforce. However, to be faithful employees, residents need quality, affordable child care and early childhood development centers as well as access to a multi-modal, comprehensive, reliable and affordable transportation network.

Efforts must be made to create more workforce housing that will allow middle income families to not only work in the District, but also live in the Ward. Housing stock has a direct effect on the long-term demographics of an area. The challenge is to create appropriate housing stock at varying levels of price and affordability that works for Ward 7 and avoids concentrations of only high-income or low-income residents.

Accompanying the need for a diversified housing stock is the need for mixed-use development that incorporates both retail and residential components that can create a state of mutual benefit. Residents provide a customer base that businesses need to succeed and continue to provide the goods, services and amenities that residents desire and need.

A wider variety of industries, including the creative, startup and technology economies, will enhance Ward 7, but will require help for smaller businesses to start up and sustain their operations while growing.

The Ward's business corridors are crucial. The absence of flourishing business corridors to host businesses and draw customers during the day is a serious concern to potential retail businesses. However, building a 21st century technological infrastructure and establishing a tech corridor within the Ward will directly benefit residents while attracting businesses to locate in the Ward.

Ward 7 should develop a strategic brand that focuses not only on the Ward as a whole, but also on the unique strengths, vibrancy and character of its neighborhoods and also individual brands for its neighborhoods as well as part of a strategic, comprehensive and unified marketing strategy.

## Activities to Date

The Advisory Council has held general meetings where members have engaged in thought-provoking discussion, problem-solving and debate and heard from presenters with particular retail and economic development experience and track records of success in the District.

The Ward 7 Economic Development Advisory Council convened its first Public Engagement Listening Session on March 16, 2017 to be advised and informed directly by Ward 7 residents and stakeholders on their ideas and comments on economic development.

In May, the Advisory Council sent a delegation to RECon - The Global Retail Real Estate Convention to take advantage of the unique opportunity for retailers and jurisdictions seeking retail establishments to meet and discuss their respective needs and offerings.

Advisory Council representatives attended an April meeting of the Ward 7 Leadership Council, the body assembled by Councilmember Gray comprised of Ward 7 elected officials and leaders, to explain the process of amending the Comprehensive Plan and invited community stakeholders to participate in the formulation of Comprehensive Plan amendments.

The Advisory Council took the opportunity to propose selective changes to the Comprehensive Plan's Future Land Use Map and Generalized Policy Map that were informed by input received from the community in an effort to foster strategic economic development in Ward 7, spur economic growth, and enhance opportunities for higher quality retail and neighborhood services for the residents of Ward 7.

The Advisory Council advocated for Councilmember Gray's legislation that will greatly benefit the East End of the District through letter and testimony, and advocated for the successful restoration of street car funding in the Fiscal Year 2018 budget process.

## Next Steps

In the next phase of its work, the Advisory Council will continue identifying economic development, job creation and workforce housing obstacles and proffer appropriate approaches to each of them. Concurrently, the Advisory Council will continue bringing more definition and shape to an economic development vision for the Ward. The Advisory Council will seek even more community stakeholder input and ensure that the Ward 7 community is well-informed with ample opportunities to shape and effectuate the economic development vision for the Ward.

Advisory Council meeting



# I. Members and Mission of the Advisory Council

In January, Councilmember Vincent C. Gray appointed 12 distinguished business leaders to the Ward 7 Economic Development Advisory Council (Advisory Council). The creation of the Advisory Council achieved one of the major recommendations of the Ward 7 Action Summit convened by Councilmember Gray in December 2016.

The Ward 7 Economic Development Advisory Council appointees are:

- Mr. Warren C. Williams, Jr., CEO, The Warrenton Group
- Mr. Charles C. “Sandy” Wilkes, Chairman, The Wilkes Company
- Mr. Pedro Alfonso, Chairman and CEO, Dynamic Concepts, Inc.
- Mr. William B. Alsup, III, Senior Managing Director, Hines
- Mr. David Alvaranga, Owner, American Tax, LLC d/b/a Liberty Tax Service
- Ms. Leila Batties, Partner, Land Use & Zoning, Real Estate Section, Holland & Knight
- Mr. Christopher J. Donatelli, President and CEO, Donatelli Development
- Mrs. Marisa Flowers, Owner and Principal, Green Door Advisors, LLC
- Mr. Jair K. Lynch, President and CEO, Jair Lynch Real Estate Partners
- Ms. Jodie W. McLean, CEO, EDENS
- Mr. W. Christopher Smith, Chairman and CEO, WC Smith Company

- Ms. Robin Zeigler, Chief Operating Officer, Cedar Realty Trust, Inc.

Mr. Williams serves as Chair of the Advisory Council, and Mr. Wilkes, who also serves as the Chairman of the D.C. Policy Center, is Vice Chair.

**The mission of the Advisory Council** is to provide the foundational vision, strategy and planning to (a) bring long-awaited amenities, more robust economic development and significantly expanded job opportunities to Ward 7 and (b) develop vibrant, sustainable commercial corridors that can provide the quality goods and services enjoyed by other areas of our city. The Advisory Council’s work includes:

- Consideration of the transportation, residential, infrastructure, commercial, educational, and demographic composition of the Ward;
- Examination of District-owned land and privately-owned, quality parcels particularly well-suited for quality retail tenants, and the development of a strategy for bringing specific types of retail to one or more of these sites;
- Analysis of the best use of unused or underutilized land in Ward 7;
- Development of recommendations in a manner and using a process that ensures the Ward 7 community is fully engaged in the shaping of the economic development vision for the Ward, including the best approaches to thoughtfully integrate retail development with adjoining and nearby neighborhoods; and
- Formulation of incentives that might be used to encourage quality retailers to locate in the Ward.



Residences at Hayes

## II. History/Overview of Ward 7

Ward 7 is comprised of several neighborhoods, each with its own unique character and history. The Ward’s neighborhoods include:

Benning Heights	Hillbrook
Benning Ridge	Hillcrest
Benning	Hill East
Burrville	Kenilworth
Capitol View	Kingman Park
Central Northeast	Lincoln Heights
Civic Betterment	Marshall Heights
Deanwood	Mayfair
Dupont Park	Naylor Gardens
Eastland Gardens	Penn Branch
Fairfax Village	Randle Highlands
Fort Davis	River Terrace
Fort Dupont	Skyland
Greenway	Twining

The area known today as Ward 7 was originally settled by Native Americans, specifically the Nacotchtank Indians, who fished, hunted and traded along the banks of the Eastern Branch River.<sup>1</sup> The Native American population decreased due to disease and conflict with European settlers who claimed the land and gradually began to settle the area.<sup>2</sup> As the European settlers cultivated tobacco, they employed slave labor, marking the arrival of enslaved people of African descent.<sup>3</sup> Remaining largely rural and with a smattering of villages, the area experienced the onset of urbanization in the mid-twentieth century.<sup>4</sup>

Today’s Ward 7 remains significantly shaped by its history, and a great deal of that history is readily visible. For example, the names of some of the white farmers are familiar because they persist today in Ward 7 place names - Sheriff, Lowrie, Dean, Lee, and Naylor.<sup>5</sup> Early settlements included Benning, Deanwood, and Twining.<sup>6</sup> Predictably, several streets and avenues also bear the names of people who figured prominently in the Ward’s history, such as Nannie Helen Burroughs Avenue. Prominent African Americans are buried in Woodlawn Cemetery. While the historical heritage of the Ward is far too great and richly abundant to fully explore here, the histories of several neighborhoods such as Deanwood<sup>7</sup> and Eastland Gardens<sup>8</sup> have been chronicled in books authored by devoted residents.

<sup>1,2</sup> Ward 7 Heritage Guide by Patsy M. Fletcher, p. 6, DC Historic Preservation Office, published 2013, accessed at <https://planning.dc.gov/release/ward-7-heritage-guide-released>.

<sup>3</sup> Ward 7 Heritage Guide by Patsy M. Fletcher, pp. 6-7, DC Historic Preservation Office, published 2013, accessed at <https://planning.dc.gov/release/ward-7-heritage-guide-released>.

<sup>4</sup> Ward 7 Heritage Guide by Patsy M. Fletcher, p. 5, DC Historic Preservation Office, published 2013, accessed at <https://planning.dc.gov/release/ward-7-heritage-guide-released>.

<sup>5</sup> Ward 7 Heritage Guide by Patsy M. Fletcher, p. 7, DC Historic Preservation Office, published 2013, accessed at <https://planning.dc.gov/release/ward-7-heritage-guide-released>.

<sup>6</sup> Ward 7 Heritage Guide by Patsy M. Fletcher, p. 6, DC Historic Preservation Office, published 2013, accessed at <https://planning.dc.gov/release/ward-7-heritage-guide-released>.

<sup>7</sup> See <https://www.arcadiapublishing.com/Products/9780738553504>.

<sup>8</sup> See <https://www.arcadiapublishing.com/Products/9780738592022>.

Because of its location, Ward 7 is known for its parks, green spaces and vistas made possible by its varied topography. Green spaces such as Kenilworth Aquatic Gardens, Watts Branch Park, Anacostia River Park, Kingman Island and the Fort Circle Parks such as Forts Mahan, Chaplin, Dupont and Davis, all lend a stunning natural beauty to the Ward. The landscape is also enhanced by water, including the Anacostia River and Watts Branch which flow through the Ward.



*MetroTowns at Parkside, The Linda Joy and Kenneth Jay Pollin Community*

As rich as Ward 7 is in natural beauty, it is comparably rich in its cultural heritage. Landmarks like the Shrimp Boat and cultural centers like Fort Dupont Park with its summer concert series underscore the Ward's pride and identity.

Talented entertainers (like Marvin Gaye), civic leaders, public figures and athletes hail from Ward 7. Success in sports has long been a source of pride in the Ward with major accomplishments at all levels in a variety of sports. For example, five world champion professional boxers are from Ward 7 as well as a number of other past and current professional athletes. Over 30 student-athletes from H.D. Woodson High School and three student-athletes from Friendship Collegiate High School have gone on to have careers in the National Football League.



*Anacostia River Park*

Another hallmark of the Ward is its variety of residential areas and housing styles. A tour of the area reveals residential areas with the suburban feel of single-family homes with yards, recently built multi-story apartment buildings, garden style apartments, and rowhouses of many sizes and architectural styles.



Lily Ponds at the Kenilworth Park and Aquatic Gardens



Marvin Gaye Mural

The pride, history, culture and beauty of Ward 7 set it apart while also creating high expectations for excellence in other areas, including economic development. Despite Ward 7's historical, aesthetic and cultural significance, its residents and neighborhoods have not been the primary beneficiaries of an economic development

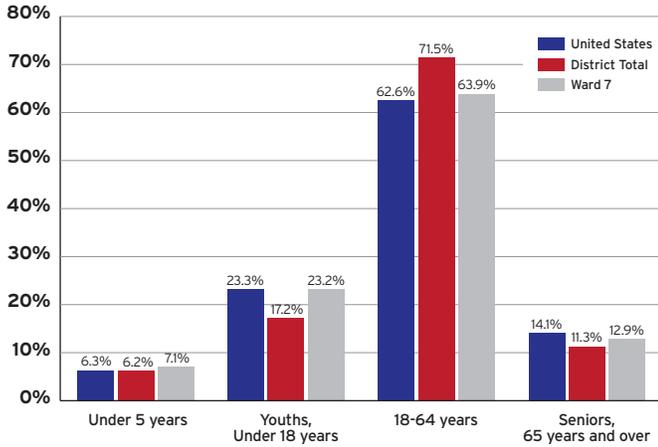
renaissance that has brought commercial and residential improvements and well-paid job opportunities to other parts of the District. Part of the story of Ward 7 is told in demographic and other data, and it's these demographics and data that cannot only measure current conditions, but will be available to measure the results of economic development initiatives that will be proffered by the Advisory Council in its final report.

### Population and Age

Key Indicators	United States	District Total	Ward 7
Total Population	316,515,021	681,170*	73,290
Median Age (years)	37.6	33.7	37

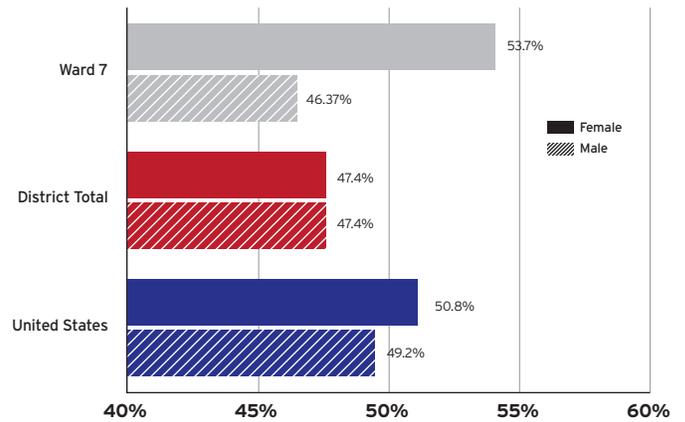
Source: District of Columbia State Data Center 2011 - 2015 ACS Key Demographic Indicators  
 \*Source: US Census Bureau

### Population by Age (%)



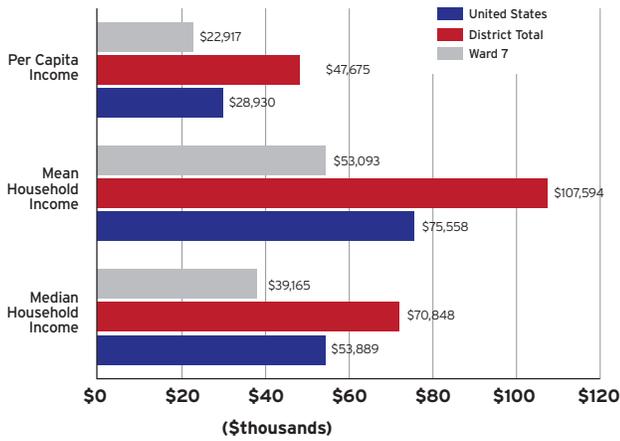
Source: District of Columbia State Data Center 2011 - 2015 ACS Key Demographic Indicators

### Population by Sex (%)



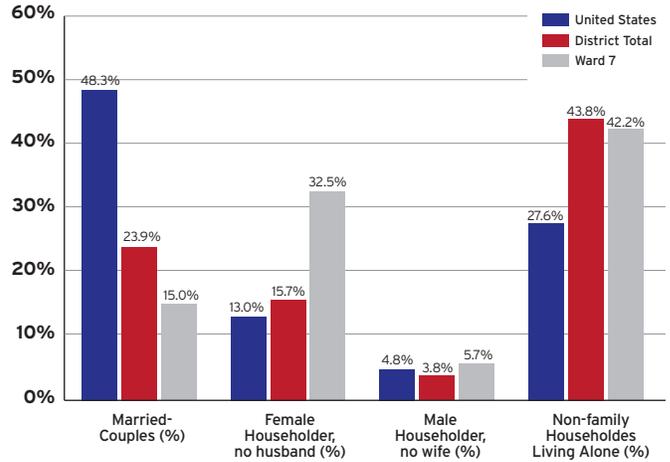
Source: District of Columbia State Data Center 2011 - 2015 ACS Key Demographic Indicators

### Income



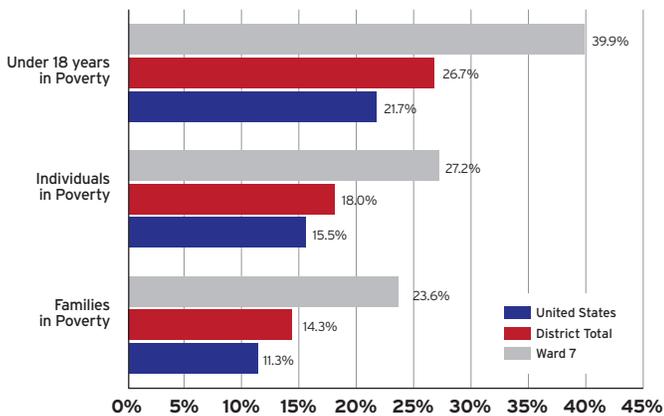
Source: District of Columbia State Data Center 2011 - 2015 ACS Key Demographic Indicators

### Households by Type (%)



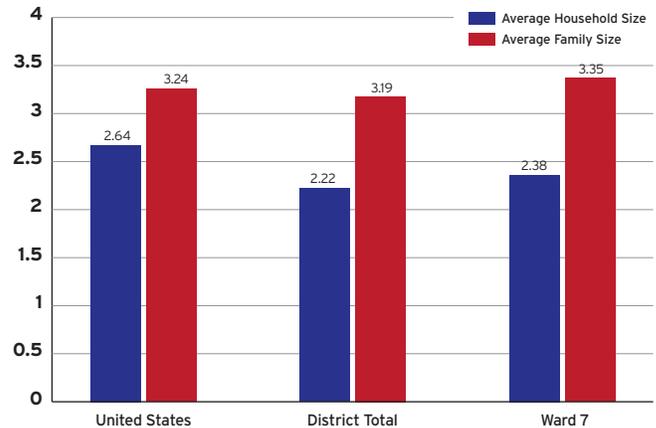
Source: District of Columbia State Data Center 2011 - 2015 ACS Key Demographic Indicators

### Poverty (%)



Source: District of Columbia State Data Center 2011 - 2015 ACS Key Demographic Indicators

### Households and Family Size



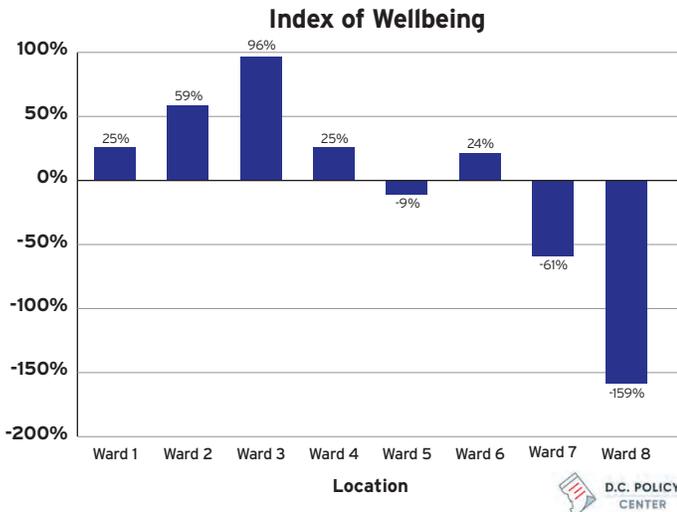
Source: District of Columbia State Data Center 2011 - 2015 ACS Key Demographic Indicators

### III. Charting the Right Path

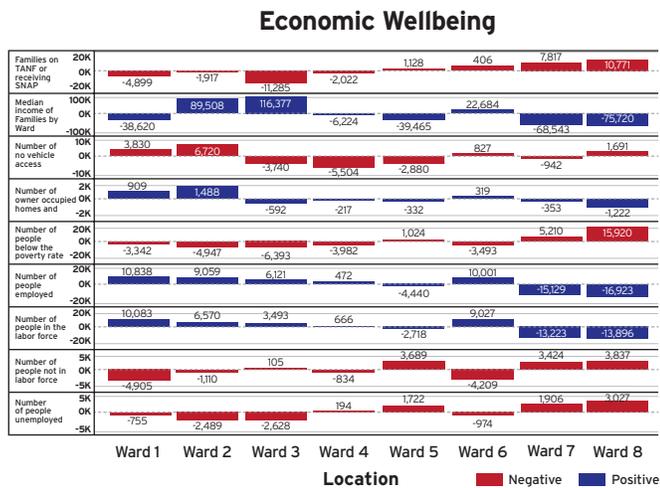
The path toward greater economic growth and opportunity must take into account the existing factors and conditions that affect the pace, type and extent of economic development, as well as the obstacles to more robust economic development. There are a number of obstacles that the Advisory Council has already identified, and while the Advisory Council does not presume to have the answer to all of them, it is striving to identify responses and approaches to each of them.

A critical challenge identified is the significant, negative effect that public transportation and difficult pedestrian circulation have on Ward 7 economic development. For instance, the Kenilworth, Eastland Gardens, Mayfair and Parkside neighborhoods each have one main entrance and strikingly few nearby amenities. The Anacostia River bisects the Ward. DC 295, a major transportation artery, separates neighborhoods on each side of the highway which impedes more robust commercial activity from taking hold. The congestion on DC 295 has a negative impact on homeowners and is discouraging to potential economic development partners.

Another example of the nexus between transportation and economic vitality is the intersection of Benning Road, NE and Minnesota Avenue, NE, in what is often called "Downtown Ward 7." As a key gateway into the Ward, this intersection is a hub of a significant retail corridor.



Definition: Calculated as a metric of relative performance compared to the averages that prevail in the city. Each indicator is weighted equally and multiplied by (1) or (-1) depending on its positive or negative contributing to wellbeing. The index should be read in the following way: Ward 1 combines wellbeing indicators outperform the city average by 25 percent. Ward 5 under perform by 9 percent.



Sources: US Census Bureau

While the expansion of economic development to the East End of the District has been slow, frustrating and profoundly unjust, it does present an opportunity for fresh ideas and real innovation in the construction of an economic development plan for Ward 7.

However, it is a dangerous intersection, and much-needed repairs to the Lorraine Whitlock/Benning Road Bridge over DC 295 are urgently required to improve access for pedestrians and cyclists along the Bridge. Safety concerns pertaining to that intersection have all hindered pedestrian traffic, retail patronage and new commercial development.



Proposed development at East River Park Shopping Center

It is important to note that the intersection of Benning Road, NE and Minnesota Avenue, NE would especially benefit from extension of the streetcar. The initial vision for the streetcar was a 37-mile system including a major line stretching from Benning Road in the East End to Georgetown to the west. Currently, the streetcar operates only along the H Street corridor.

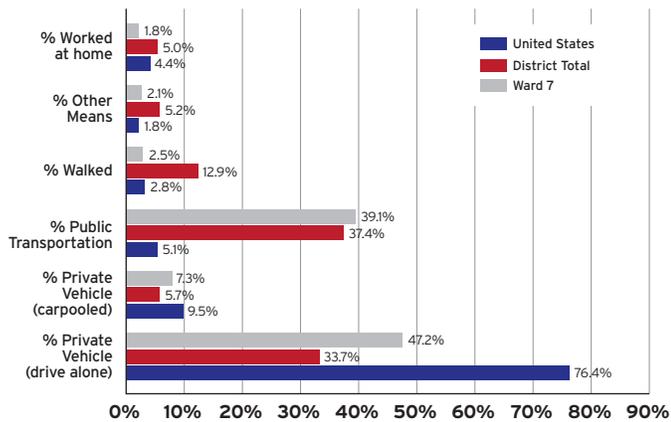
Streetcar extension to the Benning Road Metro Station is an urgently needed economic development catalyst since the Anacostia River has effectively served as a physical barrier to economic development in Ward 7. The importance of improving the connectivity between the East End and the rest of the District cannot be overstated.

Streetcar lines invariably bring meaningful economic development, as powerfully demonstrated in the Pearl District in Portland, Oregon and many other places. The advantages of extension are manifold. Not the least of which, it can provide improved access to jobs along the H Street corridor (and beyond) for Ward 7 residents. As such, this transportation mode is critical for those residents who need it the most. Improved transportation, including the streetcar extension eastward, can begin to address the stark inequities between the East End of the District and west of the river where economic development has flourished.



CM Gray and Warren Williams, Chair Advisory Council, participated in the "Grocery Walk" Oct. 2017 to illustrate the vast distance East End residents must go to get groceries in the food deserts of the District's East End"

### Commuting to Work Population 16 Years and Over

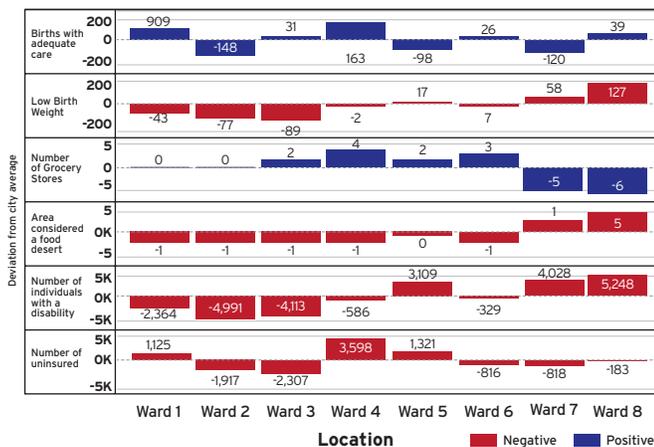


Source: District of Columbia State Data Center 2011 - 2015 ACS Key Demographic Indicators

Other quality of life considerations also affect how retailers, developers and potential new residents (particularly families) perceive neighborhoods in Ward 7. Councilmember Gray has been vocal about the need to (i) build a comprehensive quality healthcare network in the East End of the District, and (ii) eliminate food deserts. For both current and future residents, the lack of proximity to a high quality hospital and access to near-by full service grocery stores are of deep concern.

Public safety has also been a factor in slowing efforts to advance commercial and residential development in the Ward. Reducing crime in Wards 7 and 8 increases the attractiveness of the East End to potential retailers and development partners. Retailers have expressed concern about increased overhead costs due to theft, security and staff turnover, and consumers who walk when they go shopping have expressed concern as well. Retail and commercial vibrancy is hindered by crime, the appearance of crime and when there is a perceived lack of safety. The number of consumers that a commercial area is able to attract and serve will not be adequate for the commercial businesses without a sense of security, either by an increased police presence along commercial corridors such as "Downtown Ward 7" and/or at major public transportation hubs like the Minnesota Avenue Metro Station.

### Health



Sources: Births with adequate care from DC Department of Health, tabulated by Neighborhood info  
 Number of Grocery Stores: DCRA, compiled by the D.C. Policy Center  
 Area considered a food desert by D.C. Policy Center  
 Low Birth Weight Babies from DC Department of Health, tabulated by Neighborhood info  
 Number of insured, US Census Bureau.



Proposed development - Deanwood Town Center



Proposed development - Skyland

Importantly, there are always two major stakeholder groups in any economic development equation - the long-time members of the community and the businesses that aspire to stay in or locate to the community. The importance of community engagement, buy-in and mutual trust cannot be overstated.

There are other factors that tend to spur or deter economic development. One is zoning. Zoning and land use govern the built environment, building height and permitted uses, including the location and mix of residential, commercial and industrial uses on every parcel of land in the District. Zoning can be so specific as to determine the number of permissible residential units,

the number of affordable units, and the type of housing that can be built. Indeed, zoning can either advance the economic development goals of a community or prove to be a hindrance if based on an antiquated understanding of the best use of land and the needs and aspirations of a community.

In addition, economic development barriers often include the unavailability of financing and the always-increasing costs of development. Each development must be paid for, both the brick and mortar construction and the ongoing operations. While there are, in theory, multiple sources of financing, both private and public, financing is not always available or sufficient. Banks and other lending

institutions perform their own assessment of the relative risk of a project, the certainty of repayment, and the project's economic viability. For decades, many lenders have been reluctant to finance projects in Wards 7 and 8; sometimes on the merits, but often the result of their own implicit bias.

Fortunately, a variety of financing mechanisms reside in the public sector. The District of Columbia offers flexible funding arrangements, often coupled with funds available through federal initiatives. But in addition to financing, the District government must be more energetic with incentives and other unique accommodations that only it can offer. While budget constraints often limit the District's ability to make targeted investments, city funds can be leveraged with, and matched by, funds from non-profit and philanthropic institutions. Whatever the city's involvement, all District agencies need to be on the same page and work in a coordinated, unified effort in order to achieve better outcomes in Ward 7.

Financial institutions are not the only entities involved in economic development that make their decisions based on cold, hard data. Now more than ever, retailers are using demographic data and algorithms to determine whether or not to locate in a particular neighborhood. Though their local real estate representatives may be able to see a grander vision for a particular site or neighborhood, the final decisions are made by a corporate leadership that is often geographically distant. Further,

with growing online sales, brick and mortar retailers are exceedingly cautious about opening new stores. These factors and considerations make a strong case for the provision of incentives as contemplated by Councilmember Gray's legislation, and underscore the importance of a great customer experience.

The challenges that the Advisory Council has identified underscore the need for targeted policies and neighborhood specific strategies to address the specific challenges faced in Ward 7 and ultimately enhance the unique opportunities presented in Ward 7's neighborhoods.



*MetroTowns at Parkside, The Linda Joy and Kenneth Jay Pollin Community*

## **IV. Formulating an Economic Development Vision**

### **Enhancing the Tax Base**

One of the primary benefits of an expanding tax base is the revenue that can be used to support economic development initiatives. The reality in Ward 7 is that meaningful, strategic incentives are necessary to

catalyze quality retail and amenities. Deploying resources in the form of incentives is not a call for gentrification or displacement at the expense of long-term residents. It is a fact of life that enlightened, progressive social programs that comprise a strong safety net for those in need require a vibrant economy and a growing tax base. Better zoning and land utilization to increase density where appropriate can allow the city to increase the number of incomes (at all income levels) that can, in turn, contribute to city coffers without displacing current residents while increasing the overall buying power of a community to support new retail and services. Incentives that stimulate commercial development which, in turn, grow the tax base surely are a worthwhile investment. Economic development does not just happen on its own.

## Employment and Workforce Development

Ward 7 residents have made clear their desire for more job opportunities and stable careers. The District must improve upon efforts to train residents in order to hold well-paid positions throughout the city. Perhaps most difficult of all, employment opportunities are not always well aligned with severely unemployed and underemployed populations such as returning citizens and school dropouts. Workforce training should be coupled with the development of a new generation of entrepreneurs beyond the traditional large corporate and government job marketplace,

creating more job and career opportunities while bolstering the tax base.

While it is clear to the Advisory Council that it is necessary to provide incentives for quality retailers and businesses to locate in Ward 7, these incentives should also serve the District's workforce development objectives. Tax and other incentives should be linked to specific hiring requirements. For example, the District can require that a goal of 50% of jobs created must be filled by District residents in order to receive the tax incentives. Employment should include entry level positions and jobs in other tiers as well. The city can require that 50% of full-time and 50% of part time employees live in DC, or require 50% of all salaries go to DC residents. The District can look to examples of success, such as the Convention Center Marriott Marquis employment requirements.

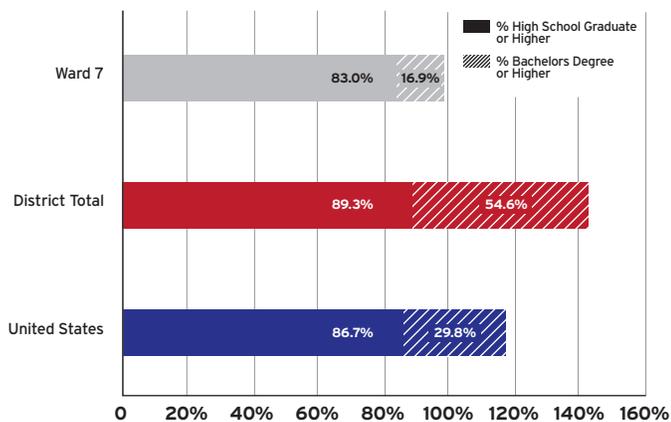
Obviously, there is a very strong connection between employment and education. On one hand, quality schools serve not only to provide a well-prepared local labor pool, but also help convince companies to locate in an area where they know their employees' children will not suffer from an education deficit compared to other potential locations. Indeed, quality early childhood education and child development are essential. A healthy start to education means a healthy start to life. And from a parent's perspective, the availability of quality, affordable child care and early childhood development centers is essential to their ability to earn an income through full-time employment and to stay employed



The Nannie Helen at 4800

as a reliable employee. Non-traditional child care, childhood development and early education options serve to expand employment.

### Educational Attainment



Source: District of Columbia State Data Center 2011 - 2015 ACS Key Demographic Indicators

## Transportation to Jobs

In addition to clear environmental benefits, access to a multi-modal, comprehensive, reliable and affordable transportation

network is essential for the success of the Ward 7 workforce. Residents need to be able to reliably get to work on time and at reasonable cost. For this reason, the Benning Road Extension of the streetcar is urgently important. In addition, many improvements along Minnesota Avenue await what will happen with the bridge and with the Minnesota/Benning intersection. In the more immediate time frame, the quality and capacity of existing bus service must be addressed. Bus routes reach destinations and serve neighborhoods that are not proximate to subway stations and streetcar stops. Improvements in bus service to more effectively move residents, the workforce and visitors within, to and from Ward 7 is imperative. A thoughtful and deliberate approach to enhancing multi-modal transportation and pedestrian ease,

access and safety is important to addressing economic development in the Ward.

## Community Engagement

A goal of the Advisory Council has been to understand the hopes, expectations and desires residents have for their Ward. One of the opportunities to hear firsthand the ideas and perspectives of community members was the Public Engagement Listening Session held by the Advisory Council on March 16, 2017. Hearing what the community truly wants and adamantly does not want was invaluable. Community engagement does not only mean residents, but also includes members of the local business community and other organizations such as community development corporations and social services providers.

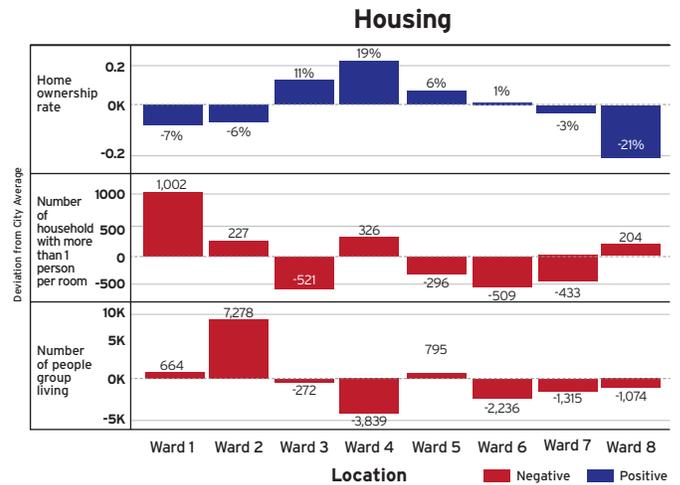
## Workforce Housing

A key finding that has emerged from the Advisory Council's early work is the community's deep desire for more workforce housing that will allow middle income families to not only work in the District, but also live in the Ward. Ward 7, which has a good deal of affordable housing (including public housing), stands to benefit from efforts to create and encourage different levels of affordability. Housing stock has a direct effect on the long-term demographics of an area. Policies that lead to concentrations of only high-income or low-income residents should not be employed in the Ward. The challenge is to create an appropriate housing stock at varying levels of price and affordability that works for Ward 7.

## Housing Value and Rent

Key Indicators	United States	District Total	Ward 7
Median Value of Owner-occupied Housing	\$178,600	\$475,800	\$238,900
Median Monthly Gross Rent	\$928	\$1,327	\$911

Source: District of Columbia State Data Center 2011 - 2015 ACS Key Demographic Indicators



Source: US Census Bureau.

## Mixed Use Development

In the same manner that variety in the housing stock can strengthen an area, mixed-use developments that incorporate both retail and residential components allow commercial and residential uses to cross-pollinate to their mutual benefit. The Advisory Council's recent suggestions for the updated Comprehensive Plan (discussed later in this report) are intended to encourage quality mixed-use development.

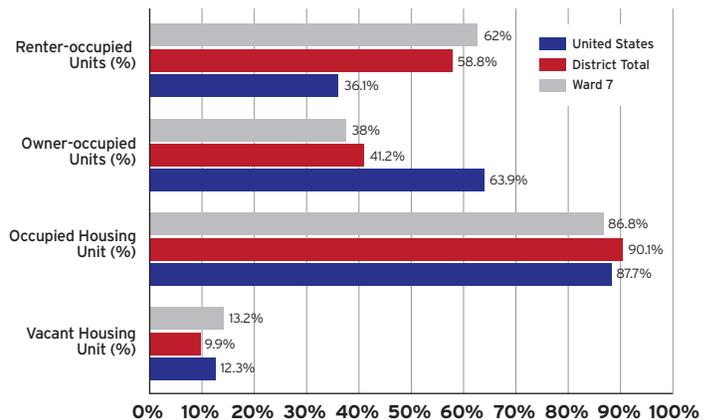
Throughout the country, larger anchor retailers, in particular, routinely seek tax incentives and financial help in building out their stores. Incentives, such as exemptions from certain taxes and fees can also be used to attract retailers to mixed-

use developments. The hiring of Ward 7 residents is the Advisory Council's highest economic development priority.

The combination of workforce housing in mixed-use developments works superbly well for police officers, teachers, firefighters/ EMT's and local government employees. They in turn provide the customer base needed to support smaller retail businesses and lifestyle businesses like fitness facilities that are less susceptible to changes in the market brought on by online shopping. Established fitness and other lifestyle brands can produce a consistent flow of diverse customer traffic to the area, even making it easier to attract other hard-to-get retail like fast casual dining, opticians, fashion, bakeries, etc.

Sala Thai at The Park 7

### Housing Occupancy



Source: District of Columbia State Data Center 2011 - 2015 ACS Key Demographic Indicators

### Small Business Support

Expansion of the Ward 7 economy to comprise a wider variety of industries, including the creative, startup and technology economies, will require help for such smaller enterprises to start up and





Proposed development - Deanwood Town Center

sustain their operations while growing. The key is to find ways to “seed” these new businesses and provide an environment that augurs well for their success.

Investments in small businesses will have large and long-lasting benefits for Ward 7’s economy. To empower small business success, the District can certainly do more. Small businesses in Ward 7 can also benefit from creative approaches such as waiving some initial fees for those that set up in Ward 7 and by providing technical assistance to become Certified Business Enterprises (CBEs).

For small businesses with limited funds, even modest government support can be the difference between success and failure. Further, buildings in the District’s portfolio that are underutilized or vacant could provide shared workspace that will allow businesses to incubate and generate

daytime traffic, thereby helping other nearby businesses.

## Business Corridors

Ward 7 and its neighborhoods are characterized by their natural beauty and aesthetics. These are strong assets that set the standard for how all of the streets and corridors throughout the Ward should look, feel and function - with a sense of natural flow, ease, efficiency and place. These qualities and characteristics inform the Advisory Council’s thinking about strategies for economic development in the business corridors of the Ward. For example, East Capitol Street is a wonderful entryway to Ward 7. In contrast, the section of Pennsylvania Avenue adjacent to the Sousa Bridge, also a gateway to the Ward, is a disappointment.

The Ward’s business corridors are crucial, not only to make a statement and welcome visitors to the Ward, but also to host businesses and promote co-tenancy. Residents have cited a need for better upkeep of existing storefronts and more amenities (the lack of which can deter other potential retailers). Potential retail businesses have cited a lack of flourishing business corridors and Class A office buildings in Ward 7 needed to draw customers during the day as a serious problem, especially since so many residents commute out of the Ward for work. There is a need then to both improve existing amenities and to develop new attractive, dynamic business corridors.

### Work Commute

Key Indicators	United States	District Total	Ward 7
Commuting to Work Population 16 years and over (#)	143,621,171	335,224	26,453
Mean Travel Time to Work (minutes)	25.9	29.7	35.3

Source: District of Columbia State Data Center 2011 – 2015 ACS Key Demographic Indicators

Technology is the lingua franca of the 21st century. A forward-looking vision for the Ward should clearly incorporate technology. The integrating of smart city approaches, advanced technology and Wi-Fi accessibility into the overall vision for the Ward is essential. A 21st century technological infrastructure is not only a boon for businesses; it is a benefit for residents. Of particular interest to the Advisory Council is the opportunity to establish at least one tech corridor in the Ward.

## Burnishing the Image of Ward 7

One of the recurring themes cited during the Public Engagement Listening Session was the need to change the narrative about Ward 7. Councilmember Gray has already introduced new language to change how Wards 7 and 8 are described and perceived. His practice is to refer to the eastern most Wards as the “East End.” This new terminology draws upon the positive connotations of the District’s West End neighborhood - vibrant residential and commercial areas, and an outstanding overall quality of life.

To help reach this goal, Ward 7 must develop a strategic brand. The brand should focus not only on the Ward as a whole, but also the unique strengths, vibrancy and character of its neighborhoods. Good examples are found in other wards. Where there has been revitalization or there is a long-established commercial hub, the neighborhood is the identifying reference, not the Ward. Take for example neighborhoods like H Street, Shaw, U Street and Columbia Heights - think about their diversity and their social, economic and brand strengths. They are not referred to or known popularly as Ward 6, Ward 2 or Ward 1. Hence, effective efforts are needed to establish a brand for Ward 7, but also individual brands for its neighborhoods as part of a strategic, comprehensive and unified marketing strategy. Language such as “Ward 7 is Now” can be a vibrant slogan as the Advisory Council works with the community to galvanize economic development throughout Ward 7. Specific

areas can also be rebranded with names that the community would support. For example, the area along Pennsylvania Avenue just east of the Sousa Bridge could become Penn East End (Pennsylvania Avenue East End) or Penn Park (Pennsylvania Avenue bordering Anacostia Park) or another name that has the community's support. Areas of the city that now call themselves "NoMa," "Capital Riverfront" and "Mount Vernon Triangle" chose those names for branding purposes only a short time ago.

## V. Summary of Activities to Date

Since its inception, the Advisory Council has held several general meetings where members have engaged in thought-provoking discussion, problem-solving and debate. The Advisory Council has also invited and heard presentations from the staff of Councilmember Gray as well as

special guest presenters with particular retail and economic development experience and track records of success in the District. Several of the presenters have had success in similarly under-served communities within the District. Initiatives that the Advisory Council has undertaken include:

### The Public Engagement Listening Session

The Advisory Council was not established to unilaterally fashion a vision for Ward 7; rather it exists as an expert body to advise Councilmember Gray while it is being advised and informed by the residents of the Ward. The Ward 7 Economic Development Advisory Council convened its first Public Engagement Listening Session at Pennsylvania Avenue Baptist Church on March 16, 2017 at 5pm. The purpose was to solicit ideas and comments on economic development directly from residents

*Proposed development - Skyland*



and stakeholders. The Advisory Council hosted the listening session as one of its first official activities so that its work and agenda would be informed by the views of the Ward's residents on all economic development matters.

The Public Engagement Listening Session was a major success with over 135 attendees and 26 witnesses. The Listening Session was so robust and the public and the Advisory Council members were so engaged that the session went on well beyond its scheduled conclusion. The Advisory Council generated a summary that captured the testimony of witnesses and the discussion and recommendations that poured forth during the Listening Session.

## ICSC Convention

The mission of the International Council of Shopping Centers (ICSC) is to advance the shopping center industry and to promote its role in the distribution of consumer goods and services. From May 21, 2017 to May 24, 2017, ICSC held RECon - The Global Retail Real Estate Convention, which it holds annually in Las Vegas. The convention is an opportunity for retailers and jurisdictions seeking retail establishments to meet and discuss their respective needs and offerings. Given the pressing need for quality retailers and restaurants in Ward 7, the Advisory Council sent a delegation to RECon. Advisory Council members led by Marisa Flowers convened in advance in a strategy session and collaborated with the Washington DC Economic Partnership. A succinct, impactful one-page PR document featuring Ward 7,

its neighborhoods, select opportunities for retail development, and Councilmember Gray's package of legislation to incentivize development in the East End were widely distributed to attendees at the convention.



CM Gray with Gary Rappaport in Las Vegas

## Leadership Council Meeting

The Ward 7 Leadership Council is the body assembled by Councilmember Gray comprised of Ward 7 elected officials and leaders - Advisory Neighborhood Commission chairs, civic and citizen association presidents, the Ward 7 State Board of Education representative and the Metropolitan Police Department Sixth District Commander. One of its primary purposes is to get information out to the community while also receiving feedback from the community via its elected leaders. At the Leadership Council's April 15, 2017 meeting, Advisory Council Chair Williams and Comprehensive Plan Subcommittee Chair Leila Batties presented on the Comprehensive Plan. In addition to providing an explanation of the process of amending the Comprehensive Plan which is now underway, Ms. Batties encouraged community stakeholders to participate in the

Comprehensive Plan amendment meeting held on Tuesday, May 9, 2017.

## Comprehensive Plan Amendments

The District's Comprehensive Plan is managed by the DC Office of Planning and establishes a vision for the city's future with accompanying goals, policies and action items. The Comprehensive Plan, as the long-term framework for the city, includes two maps: (1) the Future Land Use Map which provides land use designations to show how land in the District is intended to be used, but does not necessarily show zoning information, and (2) the Generalized Policy Map which provides a visual representation of how the District is expected to change over 20 years and highlights areas where future growth and change are expected to occur.

Ward 7 has not enjoyed anywhere near the level of economic development, expansion of retail amenities, or employment growth experienced over the past two decades in almost all areas west of the Anacostia River. Through the District's Comprehensive Plan amendment process, the Advisory Council took the opportunity to propose selective changes to the Comprehensive Plan's Future Land Use Map and Generalized Policy Map to foster prudent and strategic economic development in Ward 7.

To prepare these requested amendments to the Comprehensive Plan, the Advisory Council established a Comprehensive Plan Subcommittee, led by Leila Batties, Esq.,

which held three meetings in May and June in order to develop, review and refine the Advisory Council's proposed amendments.

Importantly, the Advisory Council acted in accordance with input received from the community and focused in particular on existing business owners being able to partake in the hoped-for economic development renaissance. With its Comprehensive Plan amendments, the Advisory Council was especially careful that the amendments not encroach on residential areas. Through the amendments, the Advisory Council seeks to (i) contribute to long-term planning for the Ward, (ii) facilitate the redevelopment of underutilized and/or blighted sites along the Ward's primary corridors and at its major intersections, (iii) enhance opportunities for transit-oriented development in the Ward, (iv) include better density capacities, particularly for mixed-use development, (v) preserve sites for affordable and workforce housing, particularly in light of the aging housing stock in the Ward, (vi) create new, more diverse types of housing, and (vii) attract more amenities to the Ward, all in an effort to spur economic growth, improve the Ward's physical environment and enhance safety. The land use amendments that the Advisory Council proposed promote a mix of uses in order to increase the housing supply, including the number of workforce housing units, and to enhance opportunities for higher quality retail and neighborhood services for the residents of the Ward.



The Park 7 lobby at night

The Advisory Council submitted the following applications to amend the Comprehensive Plan Future Land Use Map.

**1. Benning Road near Benning Road Metro Station**

From: Moderate Density Commercial / Moderate Density Residential  
 To: Medium Density Commercial / Medium Density Residential

**2. Benning Road and Minnesota Avenue**

From: Medium Density Commercial / Moderate Density Residential  
 To: Medium Density Commercial / Medium Density Residential

**3. Pennsylvania Avenue near Minnesota Avenue**

From: Low Density Commercial  
 To: Moderate Density Commercial

**4. Nannie Helen Burroughs Avenue at Minnesota Avenue**

From: Moderate Density Commercial / Moderate Density Residential  
 To: Medium Density Commercial / Medium Density Residential

**5. Nannie Helen Burroughs Avenue from 44th to 50th Streets**

From: Low Density Commercial / Moderate Density Residential  
 To: Moderate Density Commercial / Medium Density Residential

**6. Nannie Helen Burroughs Avenue at Division Avenue**

From: Low Density Commercial / Moderate Density Residential  
 To: Medium Density Commercial / Medium Density Residential

**7A. Deanwood Metrorail Station along Minnesota Avenue**

From: Low Density Commercial / Moderate Density Residential  
 To: Low Density Commercial / Medium Density Residential

**7B. Deanwood Metrorail Station between the Metrorail Tracks and Kenilworth Avenue**

From: Moderate Density Commercial / Moderate Density Residential  
 To: Moderate Density Commercial / Medium Density Residential

**8. Benning Road from 16th Street to Oklahoma Avenue, NE**

From: Low Density Commercial / Moderate Density Residential  
 To: Medium Density Commercial / Medium Density Residential

**9. Fletcher-Johnson Middle School Campus**

From: Local Public Facilities  
 To: Local Public Facilities / Moderate Density Residential

The Advisory Council also proposed the following change to the Comprehensive Plan Generalized Policy Map:



### Deanwood Metrorail Station

From: Neighborhood Enhancement Area  
To: Multi Neighborhood Commercial Center

These proposed amendments are consistent with the land use designations and densities established for major corridors in other areas of the District that have experienced significant growth and revitalization. The Medium Density Commercial designation is used to define shopping and service areas where retail, office, and service businesses are the predominant uses. The corresponding zone districts are generally MU-5-A, MU-6, MU-7, and MU-8. The Medium Density Residential category defines neighborhoods or areas where mid-rise apartment buildings are the predominant use. Pockets of low and moderate density housing may exist within these areas. The RA-2 and RA-3 Zone districts are generally consistent with the Medium Density designation. Also, the proposed land use amendments are consistent with, and can help implement, the development concepts set forth in various District planning documents, including:

- Deanwood/Great Streets - Nannie Helen Burroughs Avenue, NE and Minnesota Avenue, NE Strategic Development Plan, dated March 2008;
- Benning Road Corridor Redevelopment Framework Plan, approved by the D.C. Council July 15, 2008;
- Lincoln Heights and Richardson Dwellings New Communities Initiative Revitalization Plan, dated November 2006; and

- Pennsylvania Avenue, SE Corridor Land Development Plan, dated January 2008.

### Policy Advocacy

As an advisory body, the Advisory Council has also been able to lend its collective voice to support worthwhile policy initiatives that it believes will greatly benefit the East End of the District. In March 2017, members of the Advisory Council sent individual letters to Councilmember Jack Evans in support of Bill 22-43, the "East End Commercial Real Property Tax Rate Reduction Amendment Act of 2017," requesting that the Committee on Finance and Revenue hold a hearing on the bill. Subsequently, on May 8, 2017, the Committee held a public hearing on the bill as well as two other bills introduced by Councilmember Gray to benefit the East End: Bill 22-42, the "First Responder Income Tax Exclusion Amendment Act of 2017" and Bill 22-202, the "East End Grocery and Retail Incentive Program Tax Abatement Act of 2017." Advisory Council Chair Williams provided testimony to the Committee which was included in the record of the hearing. Chair Williams also provided testimony for the May 19, 2017 public hearing on Bill 22-207, the "East End Health Care Desert, Retail Desert, and Food Desert Elimination Act of 2017." Furthermore, Chair Williams acting on behalf of the Advisory Council during the city's Fiscal Year 2018 budget process, submitted letters in support of streetcar funding.

On Tuesday, May 30, 2017, the Chairman of the DC Council unveiled a revised FY18 budget that cut \$103 million from capital



*MetroTowns at Parkside, The Linda Joy and Kenneth Jay Pollin Community*

projects in Wards 7 and 8 in Fiscal Years 2018, 2019, 2020, and 2021, including a \$60 million funding cut from the \$160 million previously provided for funding the Benning Extension of the streetcar to the Benning Road Metro Station; representing a 38% cut in the streetcar extension's budget. The revised budget also pushed the bulk of the funding out to FY 2023 rather than breaking ground by 2020, with no money allocated in 2018 or 2019. As a result, there was not enough money left in the existing streetcar construction account to complete

the Benning Extension to the Benning Road Metro Station, and residents of Ward 7 would thus be denied well into the future the improved transportation access and economic development that the streetcar brought to H Street.

As a result of a focused grass roots campaign that included the Advisory Council's advocacy, \$6.6 million in capital funds were added back to the capital budget for the streetcar, accompanied by a commitment to fully fund the Benning Extension.



## VI. Next Steps

The Advisory Council has been deeply engaged in hearing from the public, engaging in advocacy, delving into economic development challenges facing the Ward, and fashioning its recommendations. While substantial work has been completed in less than a year, additional work still remains.

In the next phase of its work, the Advisory Council will continue identifying economic development, job creation and workforce housing obstacles and will proffer

appropriate approaches to each of them. Concurrently, the Advisory Council will continue bringing more definition and shape to an economic development vision for the Ward. To those ends, the Advisory Council will seek to have even more community stakeholder input to help frame the vision and to ensure that the vision is a true product of Ward 7. With that in mind, the Advisory Council is preparing to hold another Public Engagement Session to further review the Comprehensive Plan process and explain the recommendations

made by the Advisory Council in an effort to bring capital, jobs, and amenities to the Ward, including more workforce housing.

There are other steps the Advisory Council Plans to take. For instance, the Advisory Council will solicit the ideas and input of other developers not serving on the Advisory Council; perform retail use data collection; solicit ideas for open space and green space creation, preservation and utilization; review traffic patterns and assessments to prioritize infrastructure improvement projects; determine the feasibility of Wi-Fi hot spots to enhance connectivity and the smart city profile of the Ward; determine the proper mix of housing options going forward, i.e., the amount of subsidized, lower-income housing versus workforce and market-rate housing; assess opportunities in the Ward for commercial office location; ascertain the potential for relocating more DC government agencies

to the Ward; confirm the need for more health care facilities; and determine the proper number of grocery stores required to adequately serve residents of the Ward and work to attract commitments to locate to Ward 7.

The Advisory Council's mission is to ensure that the Ward 7 community is well-informed with ample opportunities for its residents to shape the economic development vision for the Ward, including the best and most thoughtful approaches to integrating retail development with nearby residential uses. This is a key element of the Advisory Council's community engagement. Economic development is complex and not always easily understood. This can lead at times to distrust if the economic development vision is not fully transparent, thoughtfully explained and not the result of full community participation.



