



B = OUT FRONT









Capitol Riverfront Business Improvement District





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The Riverwalk Trail connection linking Diamond Teague Park and Yards Park, shown here under construction, was completed in November 2011.

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View of the Capitol Riverfront from the Anacostia River



The Front encompasses an area of approximately 500 acres located between the U.S. Capitol building and the Anacostia River. The Capitol Riverfront is already home to:

- Daytime employment population of over 35,000 people in 6.8 million square feet of office including the Washington Navy Yard and U.S. Department of Transportation HQ
- 2,677 residential units and over 3,300 residents
- A 204-room Courtyard by Marriott hotel
- Diamond Teague Park and Piers, the Yards Park, and Virginia Avenue Park and Community Garden
- The 41,000-seat Nationals Park baseball stadium

The Capitol Riverfront BID serves as the management entity for this area and is governed by a board of directors composed of twenty-one (21) voting members that pay the BID tax, and five (5) at-large, non-voting community stakeholders that are BID tax-exempt. The BID's FY11 operating budget was approximately \$1.6 million and is funded through a special self-imposed tax that owners vote upon themselves. Our organization is staffed by seven (7) full-time professionals and eleven (11) full-time Clean Team Members and Hospitality Ambassadors.

THE CAPITOL RIVERFRONT BID

In the Capitol Riverfront, DC's businesses and residents are shaping a new community in one of the largest riverfront redevelopment projects in the United States. Located just five blocks south of the United States Capitol building, the Capitol Riverfront offers the best in city living with the extraordinary advantages of a riverfront setting, exceptional value, a distinct maritime and industrial heritage, unique parks and riverwalk trails, sports and entertainment, and proximity to Capitol Hill. The Capitol Riverfront is DC's new neighborhood on the river, a district-within-the-District that extends the city's skyline to the water's edge.

SERVICES PROVIDED BY THE BID IN FY 2011

- Clean Teams and Hospitality Ambassadors
- Public realm improvements
- Economic development and business attraction efforts
- Transportation analysis and coordination
- Marketing, branding and public relations initiatives
- Community building events
- Advocacy and educational outreach for the neighborhood
- Park maintenance and programming services

The mission of the Capitol Riverfront BID is to provide management services that assist in creating a neighborhood that is clean, safe, friendly, and vibrant. The BID supports the development of the Front as a new mixed-use riverfront community in Washington, DC.



Thousands of residents, employees and visitors enjoy easy access to the Capitol Riverfront via the Navy Yard Metro station

WHERE

IS THE FRONT?

The Capitol Riverfront is a regional destination that is conveniently and centrally located. Sharing its northern border with Capitol Hill, the Front is five blocks south of the U.S. Capitol building and west of the Barracks Row restaurant district. The Front is easily accessible with direct connection to I-395 and I-295, Metrorail's Green line at the Navy Yard Station or Blue/Orange lines at the Capitol South Station, and the Circulator linking to Union Station and the Red line. Reagan National Airport is only five miles away.



FROM THE BOARD CHAIR & EXECUTIVE DIRECTOR

Greetings from the Capitol Riverfront BID!

We hope that you enjoy the 2011 Capitol Riverfront BID Annual Report and State of the Front development summary. It is full of information and summaries that illustrate the progress that has occurred in our neighborhood over the past year.

2011 affirmed what we all have believed —that by providing access to the water through a well designed park we would invite thousands of visitors to the Capitol Riverfront and enhance our sense of community and place for our residents and employees. Yards Park has proved to be a neighborhood gathering place, as well as a regional waterfront destination on the Anacostia River. From our Friday Evening Concert Series to a variety of food and music festivals and even birthday parties, Yards Park hosted over 120 events last year and attracted over 50,000 visitors. The BID provided maintenance, security, and programming services for the park over the past year.

The park also created a communal gathering spot and "front porch" on the river for our residents and employees, a place to enjoy lunch, a stroll on the boardwalk, a noontime concert, a picnic on the weekend, or a quiet moment in the River Street gardens. Children discovered the magic of water on a hot day by playing in the park's wading pool, water fountains and water wall. And with the opening of the next segment of the Anacostia Riverwalk Trail in November 2011, Yards Park is now connected to Diamond Teague Park through an elevated boardwalk trail above the river.

2011 also saw the signing of ten restaurant leases that will help define the commercial heart of our neighborhood. The Boilermaker Shops began renovation and construction with the announcement of 6 restaurant leases including a 7,000-square-foot microbrewery and restaurant. Two additional restaurants began finishout in the Foundry Lofts and will open in spring of 2012. In addition, the mixed-use project at 1212 4th Street, SE broke ground and will contain a 50,000-square-foot Harris Teeter, space for a 30,000-square-foot health club,



225 residential units, and another 30,000 square feet of retail space. A lease was also signed for Park Tavern restaurant at Canal Park.

Our residential development continued and illustrated the strong desire of people to live, work and play by the river while having access to multi-modal transit. Phase II of the EYA townhouses continued construction with only a few homes remaining available for sale. Our rental apartment buildings maintained a 95% lease/occupancy rate, while the Capitol Hill Coop is 96% sold and occupied. The Foundry Lofts, a 170-unit apartment building in a former industrial building, preleased 50% of the units before opening in November 2011. The Capitol Riverfront residential population is expected to approach 4,000 people in 2012.

The office market progressed as well with the delivery of 1015 Half Street, SE, and the ongoing renovation of 200 I Street, SE into an office building for three DC Government agencies. This former Washington Star/Post print building will deliver in June of 2012 and be home to over 1,200 employees. The DC Government's commitment to high-quality parks in our neighborhood continued with the construction of Canal Park, overseen by the Canal Park Development Association. Scheduled to deliver in Summer 2012, Canal Park will contain water features, a children's play area, an open lawn for concerts and movies, a restaurant (Park Tavern) serving breakfast, lunch and dinner seven days a week, and one of the largest outdoor ice skating rinks in the region. It will serve as our neighborhood square and be surrounded by high-density residential and office development.

None of these accomplishments would have been possible without the commitment of our board members and property owners, residents, a variety of DC Government agencies, the office of the Deputy Mayor for Planning & Economic Development, our Council Member Tommy Wells, our hard-working Clean & Safe Team members, and a dedicated BID staff. You all embrace the vision to create a vibrant riverfront neighborhood, and we appreciate your commitment, dedication, and support.

We invite you to come join us by the river as the vision and aspirations become reality and a new community continues to evolve and grow.

Michael Stevens

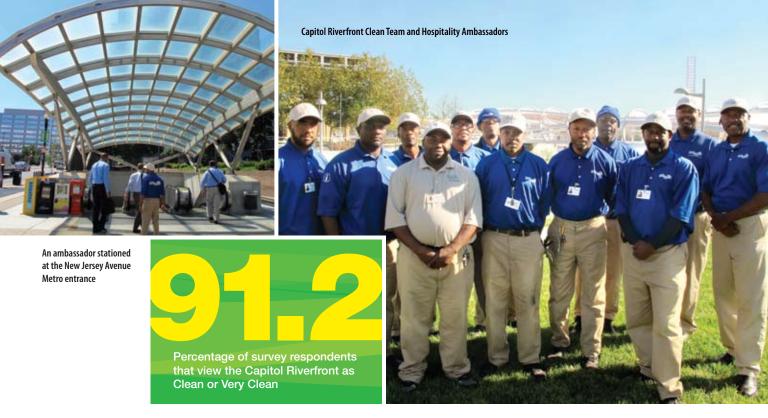
EXECUTIVE DIRECTOR CAPITOL RIVERFRONT BID

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Best wishes,

Eric Siegel

BID BOARD OF DIRECTORS THE COHEN COMPANIES



CLEAN TEAM & HOSPITALITY AMBASSADORS

The Capitol Riverfront BID's Clean Team maintains the day-to-day cleanliness and appearance of the neighborhood while the BID's Hospitality Ambassadors are stationed near the Metro entrances to greet passersby, answer questions and monitor activity on the street.

An ambassador provides directions to a visitor exiting the Navy Yard Metro station

The Clean Team and Hospitality Ambassadors create an attractive and welcoming environment in the Capitol Riverfront. The Capitol Riverfront perception survey shows that more respondents feel positive about the neighborhood's cleanliness and safety each year (see graph below). This year the perception survey shows 91.2% of respondents think the BID is clean or very clean and 76% perceive the BID as safe or very safe.

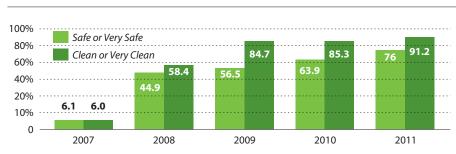
Every day the Clean Team members maintain the public realm by picking up litter and emptying trash cans, mowing and landscaping, raking leaves or clearing snow, watering landscape planters, removing handbills/graffiti, responding to illegal dumping, and supporting community events. In FY 2011 the Clean Team collected 7,945 bags of trash and completed 702 hours of landscaping. The two Hospitality Ambassadors greet passersby, answer questions and provide directions, and actively monitor activities on the streets. The Ambassadors responded to 9,336 requests for information in FY11. The crew members carry Nextel radios to communicate with the supervisor and fill out daily reports of work tasks and happenings in the neighborhood.

Number of information requests answered in 2011

"You have a great team of guys in the blue uniforms. They are clearly managed very well. They are polite, courteous and always visible on the streets."

- 2011 Perception Survey Response

Capitol Riverfront BID, October 2011



Clean & Safe Perception Results





Volunteers planting bulbs along M Street, SE





PUBLIC REALM

The Capitol Riverfront works to improve the public realm in order to create a clean, high-quality, and unified look and feel in the neighborhood. This year the BID continued to work with DDOT on repairs in the public realm, planting and caring for trees, and removing snow during the winter. The BID banners and snowflakes on light poles create a vibrant and festive atmosphere. The BID also cared for the 21 large stone flower planters along M Street that provide visual continuity and color to M Street. In addition, the BID partnered with the US Green Building Council on the first annual Community Planting Day which brought together volunteers to plant over 1,200 daffodil bulbs in the public realm and 1,000 tulip bulbs in the Yards Park. Light pole banners help to create a more vibrant atmosphere.

Number of trees planted

In FY11, the BID also worked in partnership with the Urban Forestry Administration of the District Department of Transportation to plant 67 trees in the Capitol Riverfront. The BID watered the trees throughout the summer to keep them healthy and growing. The BID also submitted service requests to address traffic and safety issues, potholes, parking and signage problems, and fixing of light poles.

RIVERFBONT

Large stone planters help provide visual continuity and color along M Street, SE.

"This is a great place to live with kids and we look forward to it getting even better!"

- 2011 Perception Survey Response

FRONT FACT

Capital Bikeshare stations offer a quick and easy transit option to destinations within and outside the neighborhood.

Many tree wells in the Capitol Riverfront are designed to capture storm water and reduce run-off into the Anacostia River.



store will be opening in 1212 4th Street, SE now under construction (rendering courtesy of Forest City Washington).



ECONOMIC DEVELOPMENT

The Capitol Riverfront BID emphasizes economic development as one of its core work programs. The BID partners with property owners, the DC Government and other entities to facilitate economic development activities in the Capitol **Riverfront including business attraction;** transportation and planning; and research and information.

Business Attraction

Throughout the year the BID works in concert with property owners to give presentations and tours to office and retail tenant prospects as well as investment partners. The BID office serves as a marketing center for the entire neighborhood and meeting place for potential tenants. During the course of the past year the BID gave over 125 presentations to potential office tenants, retailers, and investment partners. BID staff continued to visit office and retail brokerage firms to keep them informed of new development and leasing opportunities. During FY11, the BID hosted a retail and office broker reception in the Yards Park, an ICSC Mid-Atlantic NEXT generation tour, a DCBIA Leaders in Development tour, and a DC CMRC tour. The BID collaborated with the Office of the Deputy Mayor for Planning and Economic Development and other BIDs to tour representatives of GSA's Public Building





Office workers crossing New Jersey Avenue, SE near the Navy Yard Metro entrance

in February 2011 for \$68 million. Left: Office buildings offer tenants impressive view's of DC's monuments and rivers.

Top: Brokers tour office space with Capitol views in 1015 Half Street, SE.

Service for the National Capital Region. The BID was a sponsor of the DC booth at the International Council of Shopping Centers convention in Las Vegas and has an ongoing effort with the DC Economic Partnership to recruit retailers to the Front. These business attraction efforts helped to facilitate over 75,000 SF of retail leasing activity in 2011, including ten restaurants as well as the 50,000 SF Harris Teeter grocery store under construction in Forest City Washington's development at 1212 4th Street, SE.

"I really look forward to the continued development in the area. Working at DOT HQ gives me the advantage of seeing everything being built from the ground up."

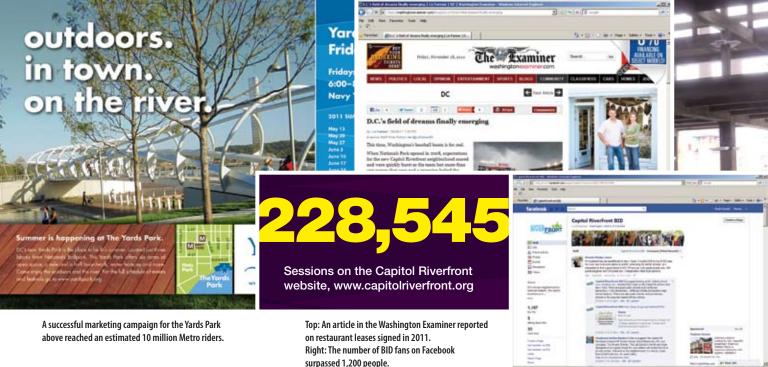
Transportation & Planning

The Capitol Riverfront BID worked with DC Surface Transit (DCST) and the District Department of Transportation (DDOT) to expand the hours and days of operation of the Circulator bus route connecting the Union Station Metro station and the Navy Yard Metro station. The BID also worked on plans for the future streetcar lines. During FY11, Circulator bus ridership on the Navy Yard–Union Station route increased to an average of 38,496 riders per month from 33,457 riders per month in FY10. The BID also worked with DDOT to install additional Capital Bikeshare stations throughout the neighborhood. In addition, the BID engaged DDOT on preliminary plans to conduct a larger transportation study examining the current and future transportation demand in an area encompassing the Capitol Riverfront and entire Southwest Waterfront neighborhoods.

Research & Information

The BID's research and data collection efforts continued to include summaries on the status of development projects; guarterly absorption analysis: office and retail lease comparables; residential rent/sales analyses; type and value of public and private investments; Metro ridership statistics; crime statistics; and neighborhood demographics. The BID office produces reports, brochures, maps and graphs illustrating many of these data sets and development summaries. The BID research serves as a platform for external attraction activities and is available on our website. Finally, the BID contracted with RCLCO to conduct an in-depth analysis of development near select Green Line Metro stations including the Navy Yard station. The study also examined the fiscal impact of continued development within the Capitol Riverfront.

- 2011 Perception Survey Response



MARKETING BRANDING & PUBLIC RELATIONS

The Capitol Riverfront BID focuses on marketing, branding and promoting the neighborhood in the marketplace. In FY11, the BID continued to increase electronic marketing, launched the Yards Park marketing campaign which included advertisements on Metrorail, produced a 2-minute neighborhood video, and continued to attend and present at trade shows, networking events, and conferences.

Electronic Marketing

The total annual individual website sessions increased to 228,545 sessions in FY11 from 207,313 sessions in FY10. In addition, by the end of FY11 the BID's bimonthly e-newsletter, the 'Front Page News' was reaching 4,830 people, compared to 4,304 people in FY10. The BID's Facebook page and Twitter account continued to grow to 1,203 Facebook fans, compared with about 800 fans last year, with over 600 followers on Twitter.

This year the BID launched the Yards Park electronic marketing. The Yards Park website received 100,764 individual sessions in FY11. The Yards Park Facebook page gained 1,362 fans in FY11 and has 364 followers on Twitter.



Print, Media & Video Promotion

The BID added a fall printing of the onepage Front Page News development summary in addition to the successful spring printing that coincides with the opening of the baseball season. The BID also updated its marketing brochures, showcase boards, and neighborhood maps to reflect and incorporate new development data and neighborhood progress. The BID launched a month-long Metrorail advertisement campaign to promote the Yards Park that included 250 car cards and three in-station dioramas. The campaign was estimated to reach 10 million Metro riders. In addition, organizations that held events at the Yards Park marketed both the Capitol Riverfront and Yards Park, reaching tens of thousands of people in these organizations.

The BID produced a new 2-minute neighborhood video that showcases the Capitol Riverfront amenities and interviews of local residents, retailers, and stakeholders. The video also includes stunning footage of the Yards Park. The video was created as part of a local project, spearheaded by Destination DC, to capture the spirit and unique offering of DC neighborhoods. The video was distributed to over 1,500 websites including AOL, Monkeysee, DailyMotion, Metacafe, and Collective Media's website.



The BID's new neighborhood video can be viewed and easily shared on the BID's website.

Presentations, Trade Shows & Conferences

The BID office on the 10th floor of 1100 New Jersey Ave, SE—with the scale model of development along the Anacostia River—serves as a marketing center and showroom for prospective tenants. In addition, the BID attends and often presents at trade shows and conferences to further educate people about and to promote the Capitol Riverfront. This past year the BID participated in the International Council of Shopping Centers (ICSC) conferences in Las Vegas, New York, and the Mid-Atlantic in DC, Commercial Real Estate Women Convention, and Railvolution. The BID also tabled at local Capitol Riverfront office buildings to expand the knowledge of services and events to existing tenants, and more.



Estimated attendance each week for the Summer Friday Evening Concerts



The Capitol Riverfront produces special events in order to build and foster a sense of community among residents and employees, attract new visitors to the neighborhood, and activate parks and open spaces.





People enjoying a picnic in the Yards Park

The Front continued its lunchtime concerts and outdoor movie series, Holiday Market, and Anacostia River Business Summit, as well as debuted a new Friday Evening Concert Series and a National Cherry Blossom Festival event with lantern making and performances, and sponsored several events in the Yards Park.

Growing Annual Events

The Capitol Riverfront continued its fourth year of summer outdoor movies and showed ten "Best of the Oscars" films. The movies shown at Tingey Plaza attracted approximately 500 people each week, the largest crowd to date since the series began. The BID also completed its fourth successful year of the Wednesday lunchtime concert series. This year, the 15 concerts were held in the Yards Park and included visits from a variety of mobile food trucks each week. In FY11 the BID held its third annual Holiday Market for five days in December, with the addition of Saturday. The Holiday Market gave workers and residents the opportunity to buy local holiday gift items from 12 crafts vendors and enjoy live holiday music. Lastly, the BID, along with the Anacostia Watershed Restoration Partnership, hosted its second annual Anacostia River Business Summit. The Summit included 18 exhibitor tables, three panel presentations and a networking luncheon. The event was attended by over 300 business, non-profit, and government stakeholders.

New Events in The Front

The BID produced several new events in 2011, many of which showcased the new Yards Park. The 15-week Capitol Riverfront Friday Evening Concert Series at the Yards Park attracted an estimated 1,200 people

per week and was so successful that an additional 3-week "Encore Series" was added in September. Concerts featured a variety of bands, several local food options, 2 bars by Mie N Yu, and rotating features such as bocce games and post-concert Zumba lessons. The Capitol Riverfront also helped organize the monthly Truckeroo event at the Bullpen on Half Street which brought together over 20 mobile food trucks at one location and averaged 20,000 people per event. The BID produced two Event Planner Open Houses at the Yards Park and sponsored a variety of other community events including the 2-day FreedomFest, Capital Community Day by the Boys & Girls Club, Ward 6 Family Day, Brazil Day DC, Capital Bikeshare Birthday Party, and many more. Lastly, the BID hosted a Volunteer Appreciation Night at CAVA on Barracks Row to thank the 60+ volunteers who helped with BID and Yards Park events during the season.



The overlook and light tower in the Yards Park



of survey respondents rated their overall experience in the Yards Park very enjoyable or enjoyable. Commercial and floating piers in Diamond Teague Park provide access to water taxis and other boats.



Azalea flowers in full bloom in the Yards Park

PARKS AND GREEN SPACE

The Capitol Riverfront's four parks distinguish the Front and are part of the neighborhood's competitive advantage in the marketplace. The BID has been an advocate for and a partner in the development of Diamond Teague Park and Piers, the Yards Park, Canal Park, and the Riverwalk Trail. The BID sees these parks as a unique opportunity to build community, identity and sense of place, and as assets in our business and residential attraction efforts. The BID also provides maintenance, security, and programming services for the city-owned Yards Park.



Fountains, waterfall, and canal basin in the Yards Park

50,000

Estimated visitors to the Yards Park in FY11



The boardwalk in the Yards Park during a Friday Night Summer Concert

In FY11 the BID completed its first year of maintenance and programming of the Yards Park under the Waterfront Park Agreement between the DC Government, Forest City Washington, and the Capitol Riverfront BID. The 51/2-acre Yards Park with a guarter-mile-long boardwalk, great lawn, sculptural pedestrian bridge, waterwall and canal basin, open-air pavilion lumber shed and gardensoffered the public a new place to gather and enjoy the river, and proved to be an attractive location for a variety of events. In FY11, the Yards Park was open daily from sunrise until 9 pm in the winter and until 10 pm in the summer and was maintained and monitored by Clean Team members and a contract with Watkins private security company.

Yards Park hosted over 120 events in FY11. Events included festivals, birthday parties, corporate fundraisers, weddings, and more. The BID's 15-week Friday Evening Concert and encore series were extremely successful. There were 80 revenuegenerating events produced by a variety of organizations, including non-profit and for-profit entities. There were 32 public events, equally divided between free and ticketed events. The BID sponsored space at the Yards Park for the Ward 6 Family Day Picnic, Capital Bikeshare's Birthday Bash, Marcatus monthly creative art market, Living Classrooms' A Night at the Yards, and the Dalai Lama's visit in July. Three of the largest events included FreedomFest over the 4th of July, the Boys & Girls Club Family Day and the DC Challenge Urban Adventure Race. An estimated 50,000 people visited the Yards Park as part of a special event in FY11.

The BID has also partnered with the Canal Park Development Association to support the design and construction of Canal Park, as well as development of the park operations and marketing plan once the park opens in summer 2012. The three-block-long Canal Park is a model of environmental sustainability, with water fountains, a restaurant pavilion, a seasonal ice skating rink, and landscaped green space.



Canal Park is named for the historic Washington Canal, which provided a water-borne connection between the Anacostia River and the Potomac River via the National Mall.

FINANCIALS

Statement of Financial Position: September 30, 2011 (Unaudited), September 30, 2010 (Audited) and September 30, 2009 (Audited)

	2011	2010	2009
	Unaudited	Audited	Audited
ASSETS			
Cash and Cash Equivalents	538,733	174,309	230,433
Accounts Receivable, net	157,473	229,697	241,562
Prepaid Expenses	5,733	62,304	62,652
Related Party Receivable	35,063	111,093	-
Property and Equipment, net	61,608	65,079	94,220
Total Assets	798,610	642,482	628,867
LIABILITIES AND NET ASSETS			
Accounts Payable and Accrued Expenses	89,071	40,814	43,511
Line of Credit and Loans	-	-	33,124
Notes Payable - Stakeholders	2,929	2,929	2,929
Prepaid Assessments	-	-	17,901
Net Assets	706,610	598,739	531,402
Total Liabilities and Net Assets	798,610	642,482	628,867

Statement of Activities: Year Ended September 30, 2011 (Unaudited) and Year Ended September 30, 2010 (Audited) and September 30, 2009 (Audited)

	2011 Unaudited	2010 Audited	2009 Audited
SUPPORT AND REVENUE			
Assessment Revenues	1,572,666	1,534,821	1,647,299
Contributions and Other Revenue	33,051	44,180	138,430
Total Support and Revenue	1,605,717	1,579,001	1,785,729
EXPENSES			
Administration	219,541	198,835	230,593
Marketing	148,059	195,164	445,817
Public Realm	34,854	63,584	60,013
Clean and Safe Services	511,249	509,102	476,510
Community Building	150,216	144,103	45,307
Economic Development	222,424	249,725	131,339
Professional Fees	98,093	71,068	88,214
Transportation	80,309	47,383	12,233
Other Expenses	32,058	32,699	31,099
Total Expenses	1,496,803	1,511,664	1,521,125
CHANGE IN NET ASSETS	108,914	67,337	264,604



THREE-YEAR TERM

(expires 12/2013)

Dodd Walker Akridge

Eric Siegel Cohen Companies

John Wilson JBG

Brooke Honore

Amy Phillips Monument Realty

Brad Fennell William C. Smith + Co.

Arlene Brown Faison / RAM Partners

TWO-YEAR TERM

(expires 12/2012)

Ramsey Meiser Forest City Washington

Bert Donohoe Donohoe Real Estate Services

David Howell Lerner Enterprises

Norman Jemal Douglas Development

Marvin Rosskopf Ruben Companies

Jean-Pierre Lamarre Courtyard by Marriott

ONE-YEAR TERM

Daryl Jackson Capitol Hill Tower Co-Op

Jim Dautenhahn DRI Development

David Brainerd Madison Marquette

Michael Leyes Monday Properties

Stephen Flippin

John Clark III Steuart Investments

AT-LARGE STAKEHOLDERS

Martin Smith Barracks Row Main Street

Erik Moses DC Sports & Entertainment Commission

Gregory McCarthy Washington Nationals Baseball Club

John Dillow Living Classrooms

Janelle Herring Washington Navy Yard

STAFE

Michael Stevens, AICP Executive Director

Claire Schaefer Deputy Executive Director

Ted Skirbunt Director of Research and Information Systems

Kathleen Kruczlnicki Manager of Park Programming and Marketing

Leon Johnson Operations Manager, Clean Team and Hospitality Ambassadors

Alfred Corbin Park Facilities Manager

David Savarese Office Manager / Administrative Assistant



DEVELOPMENT SUMMARY

Following the commercial and residential growth in 2009 and 2010, the Capitol Riverfront witnessed continued residential growth, a wave of retail and restaurant leasing activity. the commencement of construction at Canal Park, and the completion of the Riverwalk Trail connection creating a one-mile continuous riverwalk in 2011. As Washington, DC, continues to exhibit residential and employment growth, the height-constrained nature of the District of Columbia coupled with the build-out of **Downtown DC will continue to push development** into Downtown-adjacent neighborhoods such as the Capitol Riverfront. With many of the restaurants that signed leases in 2011 scheduled to open in 2012, the Front is well positioned to continue a positive cycle of development, underpinned by new neighborhood support retail.



Capitol Riverfront skyline viewed from Nationals Park

1015 Half Street, SE, a 400,000 SF office building, delivered in 2011

Canal Park under construction



Workers installing new windows at the Boilermaker Shops



2011 DEVELOPMENT HIGHLIGHTS

Completion of three projects totaling an estimated \$239 million

- The 400,000 SF office building at 1015 Half Street, SE
- The 170-unit Foundry Loft apartments at The Yards
- 80 of the 163 townhouses in Capitol Quarter Phase II

Projects under construction as of 4Q 2011 include:

- The new \$300 million 11th Street Bridges
- 200 I Street totaling \$85.9 million and 350,000 SF of office space
- The \$18 million 3-acre Canal Park
- The 276-unit Camden South Capitol Street Apartments**
- The 45,500 SF Boilermaker Shops
- 1212 4th Street at The Yards comprising 225 apartments and 110,000 SF of retail including a 50,000 SF Harris Teeter grocery store
- The remaining 83 townhomes in Capitol Quarter Phase II

	Existing/ Completed	Under Construction**	Planned	TOTALS
Office Square Feet	6,888,040	362,000	8,148,130	15,398,170
Retail Square Feet	182,129	154,500	645,487	982,116
Residential Units	2,677	584	5,871	9,132
Hotel Rooms	204	0	921	1,125
Total Square Feet	11,225,493	1,171,500	24,329,935*	36,726,928*
Estimated Total Cost	\$2.6 billion	\$644 million	\$5.9 billion	\$9.1 billion

Source: Capitol Riverfront BID, November 2011 * Total sq. ft. numbers include the allowed zoning by right on lots where a building program has not yet been determined. **Under construction projects include the 276 unit Camden South Capitol Street and should be included in a market analysis.

DEVELOPMENT 2011 PROPERTIES



Office: 203,000 SF

Retail: 8,000 SF

Monday Properties Office: 592,000 SF **16. PLAZA ON K** DRI Development Office: 795,000 SF Retail: 30,000 SF

17. VELOCITY CONDOS Cohen Companies Residential: 200 units additional phases of mixed use TBD

18. 1015 HALF STREET Prudential Office: 379,000 SF Retail: 21,000 SF

19. ONYX ON FIRST Faison/Canyon-Johnson Residential: 266 apt. units

20. 50 M STREET Monument Realty Office: 135,000 SF Retail: 5,000 SF

21. 100 M STREET Northwood Investors Office: 225,000 SF Retail: 15,000 SF

22. 80 M STREET Wells REIT Office: 275,352 SF

23. 20 M STREET Lerner Office: 180,633 SF Retail: 10,000 SF

24. 800 NEW JERSEY William C. Smith & Co. Mixed use: 900,000 SF

25. CAPITOL HILL TOWER CO-OP Valhal Corp. Residential: 344 co-op units Retail: 9,500 SF

26. COURTYARD BY MARRIOTT 204 rooms Retail: 4,000 SF

27. FEDERAL GATEWAY I William C. Smith & Co. Office: 293,000 SF Retail: 18,000 SF

28.200 I ST. DC Govt./StonebridgeCarras Office: 350,000 SF 29.250 M AT CANAL PARK

William C. Smith & Co. Office: 213,000 SF Retail: 12,000 SF

30. MULTI-FAMILY HOUSING DCHA/Forest City/Urban Atlantic Residential: 322 units

31. CAPPER SENIORS DCHA/Urban Atlantic Residential: 162 units

32. 300 M STREET Potomac Investments Office: 278,500 SF Retail: 3,000 SF

33. CAPITOL QUARTER I & II DCHA/EYA Residential: 323 townhouses

34. 400 M STREET DCHA/Forest City/Urban Atlantic Residential: 138 apt. units

35. MULTI-FAMILY HOUSING DCHA/Forest City/Urban Atlantic Residential: 613 units

36. 600 M STREET DCHA/Forest City Office: 484,780 SF Retail: 15,000 SF

37. MARINE BACHELOR ENLISTED QUARTERS Dept. of Navy Residential: 166 dorms, sports field, rehearsal hall & parking garage

38. MARITIME PLAZA I & II COPT Office: 345,000 SF

39. MARITIME PLAZA III, IV, V Lincoln Property Co. Office: 350,000 SF Hotel: 200 rooms PUD allows 2 more office bldgs. & 1 hotel

40. 25 M STREET Akridge Office: 243,000 SF Retail: 18,000 SF

41. 1201 HALF STREET Akridge Office: 115,000 SF Retail: 10,000 SF

42. AKRIDGE RESIDENTIAL

Akridge Residential: 280 units Retail: 22,000 SF

43. U.S. DEPT. OF TRANSPORTATION JBG Office: 1,350,000 LSF Retail: 22,300 SF

44. SQUARE 701 Wilco Companies Office: 350,000 SF Residential: TBD

45. 1212 4TH STREET Forest City Washington Residential: 225 units Retail: 110,000 SF (includes Harris Teeter)

46. BOILERMAKER SHOPS Forest City Washington Retail: 33,540 SF Office: 12,000 SF

47. FUTURE DEV. PARCELS Forest City Washington Mixed use: 3.6 million SF

48. FACTORY 202 Forest City Washington Residential: 250 units

49. PARK PAVILIONS Forest City Washington Office: 17,350 SF Retail: 17,350 SF

50. BUILDING 74 Forest City Washington Residential: Townhouses

51. FOUNDRY LOFTS Forest City Washington Residential: 170 apt. units Retail: 10,000 SF

52. 1333 M STREET Cohen Companies Mixed Use: 815,000 SF

53. ADMIRAL AT BARRACKS ROW Old City Development, LLC Office: 19,000 SF Retail: 3,000 SF **54. 900 M STREET** Paramount Investments Retail: 7,480 SF

55. THE CAR BARN Madison Marquette Existing: Charter Schools Planned Retail: 94,400 SF

56. 1099 8TH STREET G Properties Retail: 10,000 SF

57. 719 VIRGINIA AVENUE National Community Church Mixed Use: TBD

58. ACC MULTI-FAMILY SQ 882 DCHA/Urban Atlantic Residential: 189 units

59. VAN NESS ELEMENTARY SCHOOL DC Government Existing: Office Use

60. ACC COMMUNITY CENTER DCHA/Urban Atlantic Community: 18,000 SF

61. CARROLL APARTMENTS DCHA Residential: 60 units

62. 41 L STREET WMATA Residential: 84 Units Retail: 5,300 SF

63. 1 M STREET Monument Realty Office: 310,000 SF Retail: 15,000 SF

64. MARINA PLACE Buzzards Point LLC Residential: 99 units Retail: 2.047

65. BUILDING 170 JBG Retail: 7,000–11,000 SF

66. 880 NEW JERSEY William C. Smith & Co. Residential: 430 units Retail: 1,500 SF

STATE OF THE FRONT OFFICE

2011 office development included the groundbreaking for the renovation of 200 I Street, SE and the completion of the 400,000 SF 1015 Half Street, SE. 200 I Street, a 350,000 SF renovation of the historic Washington Post/Star printing plant is 100% preleased to the DC Government and will house the Office of the Chief Technology Officer, Child and Family Services Agency, and the DC Commission on the Arts and Humanities. Despite no lease signings at 1015 Half Street, the Class A office building is well positioned to capture significant leasing activity in 2012. Since 2001, the Capitol Riverfront has averaged approximately 300,000 SF of net office absorption per year. Over the past year tenants such as the DC Department of Transportation, the FAA, and Booz | Allen | Hamilton moved into office space in the Capitol Riverfront. The Front is an ideal location for a variety of office tenants due to its central and easily accessible location as well as its proximity to the procurement centers of Capitol Hill, the Washington Navy Yard, Pentagon, and future home of the Department of Homeland Security at the St. Elizabeths campus.



Nota Half Street, SE completed in 2011 is located just south of the U.S. Capitol building.

Consulting giant Booz | Allen | Hamilton opened a 30,000 SF office in 20 M Street, SE.

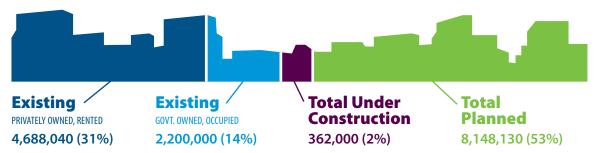
Booz | Allen | Hamilton

2011 OFFICE DEVELOPMENT

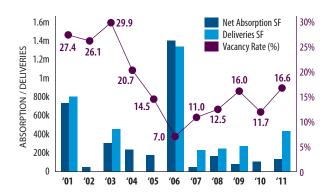
- Groundbreaking for the renovation of 200 I Street, SE into 350,000 SF of office space
- Booz | Allen | Hamilton moved into 30,000 SF at 20 M Street
- DC Department of Transportation moved into 150,000 SF at 55 M Street, SE
- The FAA signed a lease and moved into 50,000 SF at 55 M Street, SE
- Completion of the 400,000 SF 1015 Half Street, SE

2011 OFFICE DEVELOPMENT

Source: Capitol Riverfront BID, November 2011



Historical Absorption, Deliveries, and Vacancies*



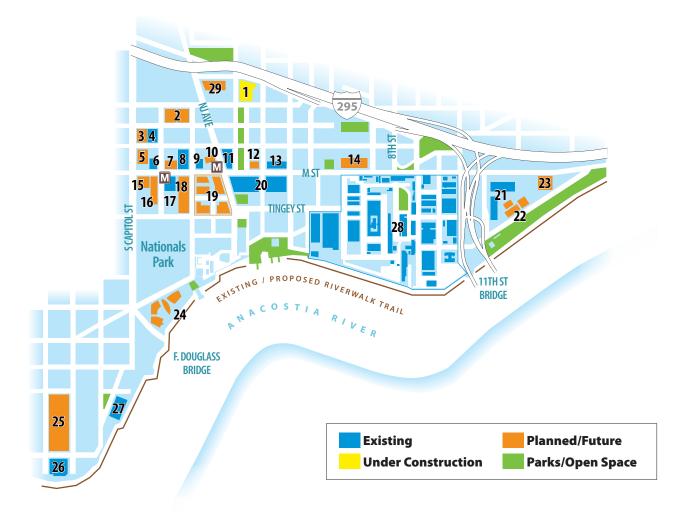
Office Statistics (Class A Space)*

	BID	WASH, DC
Vacancy Rate**	16.6%	12.7%
YTD Net Absorption	126,464 SF	1,251,291 SF
Average Full Service Asking Rent PSF	\$47.20	\$53.77

*Source: CoStar, November 2011

**Does not include Government owned, occupied space

DEVELOPMENT 2011 OFFICE



- 2. Plaza on K Office: 795,000 SF Retail: 30,000 SF
- 3. 1000 S. Capitol Office: 320,000 SF Retail: TBD
- 6. 20 M Street Office: 180,633 SF Retail: 10,000 SF
- 7. 50 M Street Office: 135,000 SF Retail: 5,000
- 8. 80 M Street Office: 275,352 SF
- 11. Federal Gateway I Office: 293,000 SF Retail: 18,000 SF

- 13. 300 M Street Office: 278,500 SF Retail: 3,000 SF
- 14. 600 M Street Office: 500,000 SF Retail: 20,500 SF
- 15. 1 M Street Office: 310,000 SF Retail: 15,000 SF 18. Square 701/111 M Street
- Office: 350,000 SF 19. Forest City Phase II Office: 1.400.000 SF
- 20. U.S. Dept. of Transportation Office: 1,350,000 LSF Retail: 22,300 SF
- 21. Maritime Plaza I & II Office: 345,000 SF
- 22. Maritime Plaza III, IV, V Office: 350,000 SF
- 23. 1333 M Street Mixed Use: 815,000 SF
- 24. RiverFront on the Anacostia Office: 325,000 SF Retail: 50,000 SF

25.100 V Street

- Mixed Use: 2.7 million SF
- 26. Coast Guard HQ Office: 592,000 SF
- 27. 1900 Half St SW Office: 477,562 SF
- **29.800 New Jersey Ave** Office: 400,000 SF



1.200 | STREET Office: 350,000 SF Retail: 5,000 SF



4. 1015 HALF STREET Office: 379,000 SF Retail: 21,000 SF



5. 1100 S. CAPITOL Office: 350,000 SF Retail: TBD



9. 100 M STREET Office: 225,000 SF Retail: 15,000 SF



10. 1111 NEW JERSEY AVENUE Office: 203,000 SF Retail: 8,000 SF



12. 250 M AT CANAL PARK Office: 213,000 SF Retail: 12,000 SF



16. 25 M ST / 1201 HALF ST Office: 370,000 SF Retail: 30,000 SF



17.55 M STREET Office: 275,000 SF Retail: 15,000 SF



28. WASHINGTON NAVY YARD Office: 2.2 million SF

STATE OF THE FRONT RESIDENTIAL

In 2011 the Capitol Riverfront BID's estimated population remained stabilized at approximately 3,300 people as existing apartment buildings continued to average healthy occupancy levels around 95%. With the 170-unit Foundry Lofts and the first portion of townhomes in Capitol Quarter Phase II completed in the fourth quarter of 2011, Capitol Riverfront population growth will continue in 2012. Currently, over 31,570 people are estimated to live within one mile of the Front.* Finally, in 2011 the Capitol Riverfront BID conducted its inaugural annual resident survey. Over 66% of survey respondents had household incomes in excess of \$100,000.



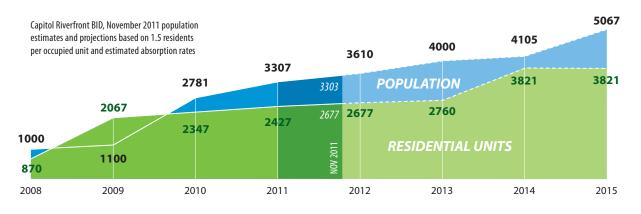
Phase II of the Capitol Quarter townhomes continued toward completion in 2011.



2011 RESIDENTIAL DEVELOPMENT

- Just across the western BID boundary of South Capitol Street, the 276-unit Camden South Capitol Apartments broke ground with completion targeted for the 2Q of 2013
- William C. Smith + Co. announced plans to begin 430 apartments at 880 New Jersey Avenue, SE, with a groundbreaking targeted in 2012
- The completion of the 170-unit Foundry Lofts
- The completion of the first 80 townhouses in Capitol Quarter Phase II
- The start of construction of the 225-unit 1212 4th Street

RESIDENTIAL UNIT & POPULATION



Capitol Riverfront average effective rental rate for new Class A High Rise apartments (PSF)

Washington, DC average effective rental rate for new Class A High Rise apartments (PSF)**

Capitol Riverfront average condo price (PSF)

Washington, DC average condo price (PSF)**

*Capitol Riverfront BID, November 2011

\$2.66

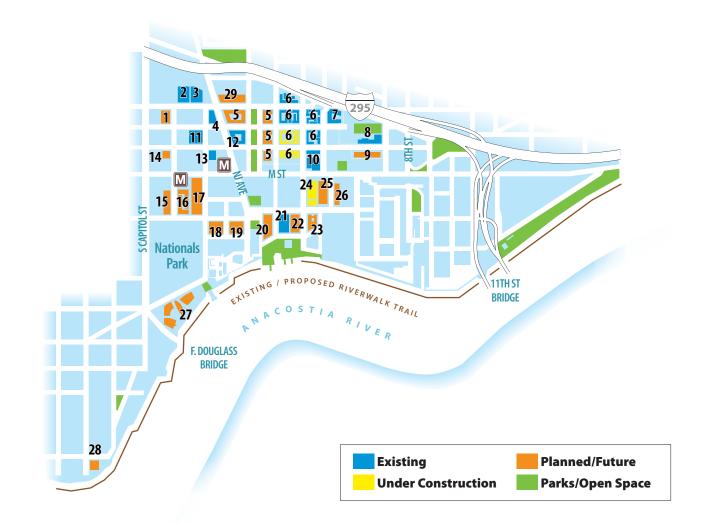
\$2.86

**Downtown BID, 2010 State of Downtown Report, Delta Associates

Capitol Riverfront Historical Face & Effective Rents PSF



DEVELOPMENT 2011 RESIDENTIAL



- **1. 23 I STREET** Residential TBD
- 5. ACC Multifamily 935 units
- 7. ACC Senior Building 162 units
- 8. Marine BEQ 166 units
- 9. ACC Multifamily 189 units
- 10. 400 M Street and Carroll Apartments 198 Units
- 14. 41 L Street 84 Units
- 16. Half Street 340 Units
- 17. Square 701 Residential
- 18. The Yards Phase III
- 19. The Yards Phase III
- 20. The Yards Phase II
- 22. The Yards Phase II

- 23. The Yards Phase II
- 25. The Yards: Factory 202 250 Units
- 26. The Yards: Building 74
- 27. RiverFront on the Anacostia 575 Units
- 28. Marina Place 99 Units
- 29. 880 New Jersey Ave 430 Units



2/3. JEFFERSON / AXIOM AT CAPITOL YARDS

JPI, 694 units



4. 909 AT CAPITOL YARDS JPI, 237 units



6. CAPITOL QUARTER TOWNHOMES EYA, 323 units



Cohen Companies, 200 units



12. CAPITOL HILL TOWER Valhal, 344 units



13. ONYX ON FIRST Faison, 266 units



15. AKRIDGE AT HALF STREET Akridge, 280 units



21. FOUNDRY LOFTS Forest City Washington, 170 units



24. 1212 4TH STREET Forest City Washington, 225 units

STATE OF THE FRONT RETAIL, HOSPITALITY, & ENTERTAINMENT

In 2011, there were approximately 75,000 SF of retail leases signed in the Capitol Riverfront, including a 50,000 SF Harris Teeter grocery store. Other signed restaurant leases include Kruba Thai and Sushi, Potbelly, Austin Grill Express, Willie's Brew & Que, be right burger, Huey's 24/7 Diner, Buzz Bakery, a to-be-named brewery by Neighborhood Restaurant Group, and Park Tavern at Canal Park. Additionally, the Courtyard by Marriott, continuing to exhibit above average occupancy levels, traded for \$68 million or approximately \$333,000 per key. The Front hosted an estimated 2.2 million visitors to Washington Nationals baseball games, the Navy Museum, and events at Yards Park. A 50,000 SF Harris Teeter will anchor the development at 1212 4th Street, SE by Forest City Washington, now under construction.



The Capitol Riverfront hosted over 2 million visitors in 2011 to events at Nationals Park, the Yards Park, and the Navy Museum.

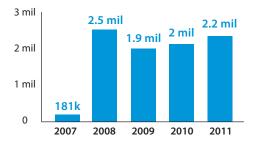


The Boilermaker Shops, under renovation and delivering in 2012, will be home to 6 restaurants including a brewery by Neighborhood Restaurant Group.

2011 RETAIL DEVELOPMENT

- The 204-room Courtyard by Marriott sold for \$68 million
- Harry's Reserve opened in 909 New Jersey Avenue
- Harris Teeter signed a 50,000 SF lease at Forest City's 1212 4th Street in The Yards
- Approximately 25,000 SF of restaurant leases signed at the Foundry Lofts, Boilermaker Shops, and Canal Park
- Hosted an estimated 2.2 million visitors
- Lot 38 Espresso coffee bar opened for business in December 2011

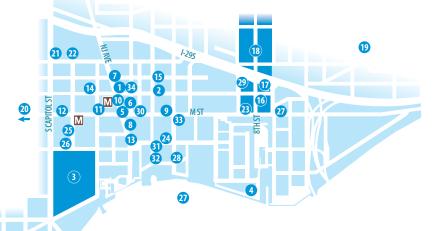
Total Visitors to the BID



*Capitol Riverfront BID, November 2011 estimated visitor total based on events at Nationals Park, Navy Museum, and other special events

RETAIL, HOSPITALITY, AND ENTERTAINMENT

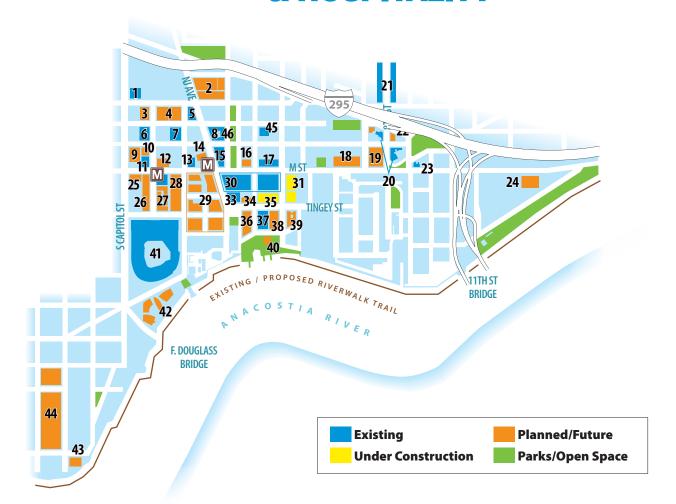
- 1. Courtyard by Marriott
- 2. Casa degli Angeli B&B
- 3. Nationals Park
- 4. Navy Yard Museum & USS Barry ship
- 5. CVS Pharmacy
- 6. Subway & Five Guys
- 7. Congressional Dry Cleaners
- 8. Starbucks Coffee
- 9. Sizzling Express
- 10. Capital One Bank
- 11. SunTrust Bank
- 12. Wells Fargo Bank
- 13. Summer Outdoor Movies
- 14. Justin's Café
- **15.** Cornercopia Market and Deli
- **16.** Quiznos, Port Café, Chicken Tortilla
- 17. Dogma Dog Daycare
- Barracks Row (Over 30 restaurants including Matchbox, Belga Cafe, Molly Malones, Cava, and more)



- **19.** Harris Teeter at Jenkins Row
- **20.** Safeway at Waterfront Station
- **21.** McDonalds
- 22. Splash Car Wash
- 23. Blue Castle/Car Barn
- 24. Boilermaker Shops (2012)
- **25.** Half Street District
- 26. The Bullpen

- 27. Domino's Pizza
- 28. Trapeze School of New York
- 29. Al's Deli, Wrenn's Barber Shop
- **30.** Park Tavern (2012)
- **31.** Potbelly (2012)
- 32. Kruba Thai & Sushi (2012)
- 33. Harris Teeter (2013/2014)
- 34. Lot 38 Espresso Bar

DEVELOPMENT 2011 **RETAIL, ENTERTAINMENT & HOSPITALITY**



- 1. McDonalds
- 2. 800/880 New Jersey Ave
- 3. 23 | Street
- 4. Plaza on K
- 5. Harry's Reserve
- 6. 1015 Half Street
- 8. Capitol Hill Tower & Courtyard by Marriott
- 9. SC 1100
- 10. 41 L Street
- 11. Wells Fargo Bank
- 12. 50 M Street
- 13. SunTrust Bank

- 14. 1111 New Jersey Ave
- 15. CVS, Five Guys, Subway, Capital One Bank
- 16. 250 M at Canal Park
- 17. Sizzling Express
- 18. 600 M Street
- 20. Quiznos, Port Café, Chicken Tortilla, Al's Deli, Wrenn's Barber Shop
- 22. The Admiral
- 23. 900 M Street/Domino's Pizza
- 24. 1333 M Street
- 25. 1 M Street
- 28. Square 701/111 M Street

- 29. The Yards Phase II
- 30. Starbucks
- 33. Tingey Plaza
- 34. Building 170
- 36. The Yards Phase II
- 38. The Yards Phase II
- 39. The Yards Phase II
- 41. Nationals Park
- 42. RiverFront on the Anacostia
- 43. Marina Place
- 44. 100 V Street
- 45. Cornercopia
- 46. Lot 38 Espresso Bar



7. JUSTIN'S CAFE 2,000 SF



19. CAR BARN 94,400 SF



21. BARRACKS ROW 30 Restaurants & Shops



26. AKRIDGE AT HALF STREET 50,000 SF



27. HALF STREET 50,000 SF, 196 hotel rooms



31. 1212 4TH STREET 110,000 SF (including Harris Teeter)



35. BOILERMAKER SHOPS 45,500 SF (includes brewery and 6 restaurants, opening in 2012)

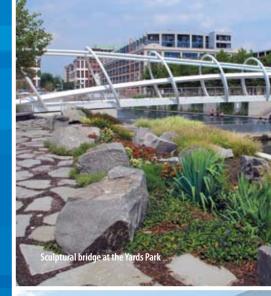


37. FOUNDRY LOFTS 10,000 SF (includes Potbelly, Kruba Thai and Sushi)



40. LUMBERSHED AT THE YARDS 34,700 SF

STATE OF THE FRONT PARKS, RIVER, & ENVIRONMENTAL SUSTAINABILITY



Canal Park will open in 2012

People enjoying a beautiful day in the Yards Park

The Front is the only neighborhood in the District of Columbia with three parks opening between 2009 and 2012: Diamond Teague Park with water taxi piers (2009); the 5¹/₂-acre riverfront Yards Park (2010); and Canal Park, a three-block park model of environmental sustainability (2012). These three parks not only provide access to the river and regional recreation opportunities, but also serve as the front yard for the Capitol Riverfront neighborhood and are integral to create community and a sense of place in the Front. Additionally, in 2011 a Riverwalk Trail connection was completed between Diamond Teague Park and the Yards Park. With the opening of this connection, the Capitol Riverfront is now home to a continuous one-mile Riverwalk Trail that is publicly accessible between Diamond Teague Park and the 11th Street bridges. The Front is also home to more than 30 existing or planned LEED-certified buildings, the largest green roof in DC on the U.S. DOT building (65,000 SF), a LEED for Neighborhood Development project at The Yards, the first LEED-certified stadium in the country, and the largest LEED for Homes project in the country at Capitol Quarter.

2011 PARKS DEVELOPMENT

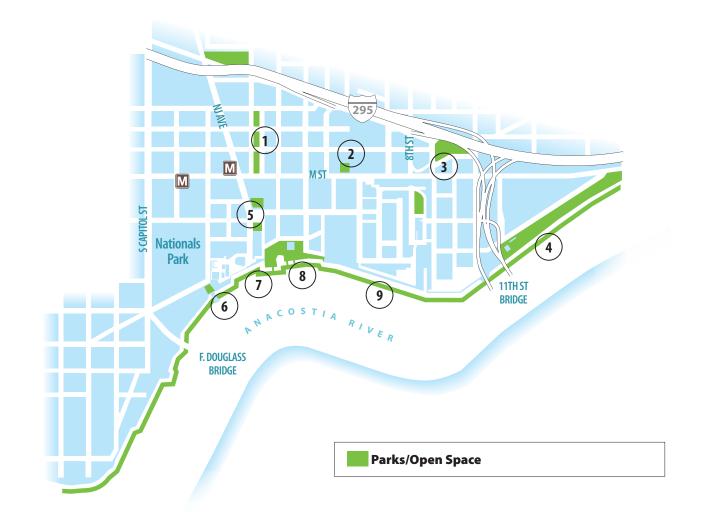
- Construction commencement of the 3-acre Canal Park delivering in summer 2012
- Completion of the Riverwalk Trail connection between Diamond Teague Park and the Yards Park
- The Yards Park received numerous awards in 2011 including:
 - Award for Engineering Excellence from the American Council of Engineering Companies and the Structural Engineers Association of Metropolitan Washington
 - Best New Public Space by the Washington City Paper
 - Ranked #16 in the Top 100 Public Spaces in the U.S. by Planetizen and the Project for Public Spaces
 - Named one of America's Top 10 best new parks by Atlantic Cities Magazine







DEVELOPMENT 2011 PARKS



THE FRONT IS HOME TO:

- Three new parks: Diamond Teague Park & Piers, the Yards Park, and Canal Park
- More than 30 existing or planned LEED-certified buildings
- The largest green roof in DC on the U.S. DOT building (65,000 SF)
- The first LEED-certified stadium in the country

- A LEED for Neighborhood Development project at The Yards
- The largest LEED for Homes project in the country at Capitol Quarter
- One mile continuous Riverwalk Trail



1. CANAL PARK (2012)



2. JOY EVANS BEFORE & AFTER SCHOOL DAY CARE



3. VIRGINIA AVENUE PARK & COMMUNITY GARDEN



4. BOATHOUSE ROW



5. TINGEY PLAZA / TINGEY SQUARE



6. DIAMOND TEAGUE PARK AND PIERS



7. RIVERWALK TRAIL CONNECTION



8. THE YARDS PARK



9. ANACOSTIA RIVERWALK TRAIL



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