growth is built on a solid

FOUNDATION
The Capitol Riverfront BID has built a solid foundation for growth. The neighborhood is rapidly emerging as DC’s newest and most vibrant mixed-use community, with a growing number of residents, office workers, and visitors drawn to the neighborhood’s parks, waterfront, retail amenities, residences, and office spaces. Combined, the following neighborhood offerings, current as of 4Q 2013, define the character of the Capitol Riverfront and form the foundation for the neighborhood’s ongoing evolution.

<table>
<thead>
<tr>
<th><strong>BY THE NUMBERS</strong></th>
<th><strong>3,034</strong> Residential units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Baseball Stadium</td>
<td><strong>9,411</strong> Average daily Metrorail riders at the Navy Yard/Ballpark station</td>
</tr>
<tr>
<td><strong>20</strong> Restaurants</td>
<td><strong>210,000</strong> Square feet of retail space</td>
</tr>
<tr>
<td><strong>10</strong> Acres of park</td>
<td><strong>4</strong> Capital Bikeshare stations</td>
</tr>
<tr>
<td><strong>2.8 MILLION</strong> Visitors</td>
<td><strong>7.4 MILLION</strong> Square feet of office space</td>
</tr>
<tr>
<td><strong>4,100</strong> Residents</td>
<td></td>
</tr>
</tbody>
</table>
The Capitol Riverfront BID provides place management services that assist in creating a neighborhood that is clean, safe, accessible, and unique. The BID supports the development of the Capitol Riverfront neighborhood as a new downtown on the banks of the Anacostia River in Washington, DC. In support of this mission, the BID provided the following services in 2013:

- Clean Teams and Hospitality Ambassadors
- Economic development and business attraction
- Transportation analysis and advocacy
- Marketing, branding, and public relations initiatives
- Community building events (concerts, movies, and other programming)
- Park maintenance and other public realm improvements
- Real estate market research and analysis
- Strategic planning

Where is the Capitol Riverfront?

The Capitol Riverfront is a 500-acre district situated between I-395 and the Anacostia River. Located five blocks to the south of the U.S. Capitol building, directly to the south of the Capitol Hill neighborhood and Barracks Row, the Capitol Riverfront is connected to some of the District’s largest employment and residential cores, as well as its most popular visitor destinations. Reagan National Airport and Union Station are both less than a ten minute cab ride from the Capitol Riverfront.

The Capitol Riverfront offers exceptional transportation access by all modes. Flanked by I-295 and I-395, the neighborhood is easily accessible by car. The neighborhood is accessible via three Metrorail stations – Navy Yard Metro station (green line) is located in the heart of the Capitol Riverfront neighborhood, the Capitol South Metro station (blue/orange lines) is located two blocks to the north of the BID’s boundary, and Eastern Market Metro station (blue/orange lines) is located less than one mile from the Navy Yard gates. Bike lanes and four Capital Bikeshare stations are located throughout the neighborhood. The DC Circulator bus runs between Union Station and the Capitol Riverfront every ten minutes. A water taxi brings passengers to Nationals Park. Finally, this pedestrian-friendly neighborhood can be accessed by foot, with a direct connection to the Anacostia Riverfront Trail, which at full build-out will provide a continuous 20-mile waterfront path running from the Tidal Basin to Bladensburg Marina Park in Maryland.
Greetings from the Capitol Riverfront Business Improvement District!

FY2013 REPRESENTED OUR SIXTH FULL YEAR of Capitol Riverfront BID operations and service provision, as well as many significant achievements for the neighborhood. The Capitol Riverfront has entered a new era of development that will continue to shape, define, and enhance our neighborhood as a high density, mixed-use community with excellent transit access. Some of the projects that opened, started construction, or were announced included:

- Opening of Kruba Thai restaurant in October 2012
- Opening of Canal Park and its ice rink in November 2012
- Opening of 200 Eye Street in Fall 2012, home to four DC Government agencies
- Opening of Gordon Biersch Brewery & Restaurant in April 2013
- Opening of Park Tavern restaurant in May 2013
- Opening of the new 11th Street bridges (interstate and local bridges) in September 2013
- Construction of the 28,000 sf VIDA Fitness and 50,000 sf Harris Teeter in Twelve12 (Delivering 3Q & 4Q 2014)
- Construction of Park Chelsea, a 433-unit residential building (Delivering 1Q 2015)
- Construction of Toll Brothers 287-unit apartment building (Delivering 3Q 2014)
- Announcement of the 16-screen ICON Theater (Delivering 2016/2017)
- Announcement of the 35,000 sf Whole Foods grocery (Delivering 2017)
- Announcement of the DC United soccer stadium in Buzzard Point

We have transitioned from an emerging growth area to an established neighborhood with a growing residential community, an established office market, two world-class parks, and now retail and restaurants to support the employees, residents, and visitors to the Capitol Riverfront. We have a community, sense of place, and identity that is recognized in the marketplace, and it all begins with our proximity to the U.S. Capitol, the Anacostia River and our parks, and accessibility to the region.

New growth and development creates new demands for services and the Capitol Riverfront BID has continued to evolve in response to an ever-changing neighborhood. We maintain an aggressive baseline of Clean & Safe services for the community in the public realm, and our 2013 perceptions survey results show continued success in both areas: 94% of survey respondents think the neighborhood is “Clean or Very Clean” and 81% think the neighborhood is “Safe or Very Safe”, both increases from last year’s survey responses. We also continued to maintain, operate, and program Yards Park, while providing Clean & Safe services in Canal Park in partnership with Canal Park, Inc. Yards Park saw its highest attendance numbers ever for our Friday night concert series, and the Canal Park ice rink attracted over 20,000 skaters during its four months of winter operations.
2013 also saw the release of our Urban Design Framework Plan and five “big ideas” to position the neighborhood for future growth and accelerate development. We have been working on those initiatives such as additional north/south transit connections; creating retail clusters and activity centers; developing a civic framework including the reopening of Van Ness Elementary School in 2015/2016; connecting our open space framework; and investigating temporary urbanism to animate vacant parcels.

Large scale infrastructure projects continue to shape us as well, and the BID has been involved in the planning for the South Capitol Street Bridge, the construction of the 11th Street Bridges project, the planning for streetcar, and the evaluation process for the proposed CSX tunnel reconstruction.

From an operational standpoint the BID has also responded to changing conditions and demands by a structural reorganization that created two new Vice President positions to oversee Parks & the Public Realm and Research & Economic Development. Our parks and public realm create much of our sense of place, community, and identity as well as access to the river, so this reorganization allowed a greater commitment to parks and open space as part of our core values. Research and economic development are also a part of our core work program, and this reorganization will expand our research capabilities so we can better understand our neighborhood in the marketplace and continue to attract office and retail tenants and new residents to the neighborhood.

A strong community is built upon a strong foundation, layer by layer. We have spent the past year, and the previous five before that, establishing a strong foundation of services, operations, maintenance, research and analysis, events, marketing, and business attraction efforts that are just now being fully realized. We are on a journey towards a neighborhood build-out of 36+ million square feet that will result in a new mixed-use community on the Anacostia River. At over 12.5 million SF of development, we have achieved over 33% of our build-out, with more development scheduled over the next 3-5 years. The foundation is built and we look forward to working with you over the next 20 years to achieve all the proposed development projects and mix of uses.

We want to say thanks to our partners and stakeholders over the past six years – our excellent Clean & Safe Team members; our active and engaged board of directors; our property owners who pay the BID tax; our partners at DC Government agencies and at the DC Council; and our committed and professional BID staff. You have all been partners in laying the foundation and have made the journey a fun and rewarding one!

Best wishes to all for a successful 2014!!
THE CLEAN AND SAFE TEAM and Hospitality Ambassadors maintain the Capitol Riverfront’s already attractive and welcoming environment. In the BID’s sixth annual perception survey, cleanliness and safety both continue to trend upward. Today, 94% of respondents think the BID is clean or very clean and 81% perceive the BID as safe or very safe.

The Clean Team members maintain the public realm by picking up litter, emptying trash cans, mowing, landscaping, raking leaves, clearing snow, removing graffiti, and supporting community events in Yards Park and Canal Park. In FY 2013 the Clean Team collected 13,500 bags of trash and completed over 900 hours of landscaping.

The members of the Clean and Safe Team are always on the move, and they frequently respond to requests to help keep automobile traffic in the neighborhood moving as well, with numerous battery jumps and tire changes. From assisting merchants on lower Barracks Row to making rounds through Buzzard Point, the Clean and Safe Team members are our most visible presence in the neighborhood.

The members of our Clean Team and our Hospitality Ambassadors greet passersby, answer questions, provide directions, and actively monitor activities on the streets. The Ambassadors responded to 8,300 requests for information or assists in FY 2013, an increase of more than 20% over the previous year.

GOALS FOR 2014

- Implement a capital improvement plan for vehicles and equipment
- Implement emergency plans
- Expand training program for Clean and Safe Team and Hospitality Ambassadors to retain team members, enhance their work experience, and to continue to deliver an exceptional level of service
- Maintain contact with emergency services and law enforcement officers should troubles arise

Clean & Safe Perception Results

What is your perception of cleanliness and safety in the Capitol Riverfront?

- Clean or Very Clean
- Safe or Very Safe

“I’ve worked in this neighborhood for seven years...I used to be too scared to leave my office building for lunch, now I go for long walks around the area.”

–Submitted via 2013 Capitol Riverfront BID Perception Survey
Our relationship with the public realm
starts with the river.

PARKS

- Canal, Diamond Teague Park, and Piers, the Riverwalk Trail, and Yards Park distinguish the Capitol Riverfront from other neighborhoods. The award-winning parks provide access to the water, create a distinct sense of place, and host a diversity of programs for people of all ages.

Canal Park opened in November 2012, and the ice rink attracted over 20,000 skaters in its first winter in operation. The park’s main pavilion is certified as LEED Gold, and this innovative three-acre park removes runoff water from the neighboring lots, which is treated and then re-used in the park. Canal Park received a 2013 Chapter Design Award from the DC chapter of the American Institute of Architects.

Diamond Teague Park is a 39,000 SF public plaza located on the Anacostia River adjacent to Nationals Park. Diamond Teague Park is the site of a water taxi station, which provides service between Alexandria and National Harbor during baseball season, a boat launch, public piers, and kayak rentals at Ballpark Boathouse Row. Additionally, the Earth Conservation Corps operates from the pump house and changes the lives of at-risk youth by connecting them to something bigger – the effort to save and restore the Anacostia River.

Yards Park is a 5½-acre park that has become the front porch of the Capitol Riverfront neighborhood. Yards Park is beloved for its iconic sculptural pedestrian bridge as well as the Canal Basin pool and waterfall. The BID maintains and programs Yards Park, which was the site for 18 summertime concerts in 2013 as well as festivals and other community events. Yards Park received first place in the Urban Land Institute 2013 Urban Open Space Award, recognizing the park’s success in transforming a neighborhood through exemplary public space.

Yards Park and Diamond Teague Park are two points on the Anacostia Riverwalk Trail, a 20-mile waterfront trail that at full build will run from the Tidal Basin to Blandensburg Marina Park, and which will connect to a 60-mile regional trail network.

PUBLIC REALM

- The Capitol Riverfront neighborhood is united in part through strategic investments in the public realm. From “Be Out Front” banners on light posts to streetscape improvements, the BID’s public realm investments make the neighborhood a more inviting place, provide wayfinding to visitors, and create a unified visual identity for the neighborhood. Some of the public realm initiatives that the BID completed in 2013 include:
  - Repairs to streets and curbs, in coordination with the District and neighboring businesses.
  - Leaf and snow removal from public spaces near Metro.
  - Snowflake light installation on 54 light posts throughout the neighborhood during the winter holiday season.

Yards Park Perception Survey respondents consider Yards Park safe.

Yards Park Perception Survey respondents consider Yards Park clean.

Source: 2013 Yards Park Perception Survey
“Swing by the Yards Park on a Friday night this summer and you can get a glimpse of the river’s future.”

—“Anacostia River Shapes up as a Fitness Destination”, Washington Post, August 22, 2013
WHILE THE Capitol Riverfront has undergone a remarkable transformation over the years, one thing has remained constant: transportation infrastructure is one foundation that enables the neighborhood’s development.

The transportation projects currently planned for the Capitol Riverfront will reflect the truly multi-modal nature of our community today. From the Riverwalk trail and planned streetcar lines, to the rebuilt 11th Street and South Capitol Bridges, this generation of infrastructure projects will only add to the wide variety of transportation options that make Capitol Riverfront accessible.

Of the five new streetcar lines planned for the District, two will run directly through the Capitol Riverfront. In addition, as part of its Urban Design Framework Plan, the BID has proposed a third premium transit line to connect the neighborhood with Union Station and points beyond.

The South Capitol Street bridge project, which is scheduled to be completed in 2018, will create a new gateway to the U.S. Capitol and the Capitol Riverfront, and will serve as the nexus of the burgeoning stadium district. It will also create a renewed pedestrian environment and several acres of new parkland, which we expect to bolster the future development of Buzzard Point in conjunction with the planned DC United stadium there.

It will be many years before all the projects planned for the Capitol Riverfront are completed, nonetheless the BID is active in the planning process now to ensure that these infrastructure projects are planned and delivered in a way that best meets the needs of our neighborhood.

<table>
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<tr>
<th>PROJECT</th>
<th>STATUS</th>
<th>EST. COMPLETION</th>
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</thead>
<tbody>
<tr>
<td>11th Street Bridge (Phase I)</td>
<td>Completed</td>
<td>2013</td>
</tr>
<tr>
<td>11th Street Bridge (Phase II)</td>
<td>Underway</td>
<td>2015</td>
</tr>
<tr>
<td>DC Clean Rivers Project</td>
<td>Underway</td>
<td>2018</td>
</tr>
<tr>
<td>Anacostia Riverwalk Trail</td>
<td>Underway/Planned</td>
<td>2015</td>
</tr>
<tr>
<td>Low Area Trunk Sewer Rehabilitation Project</td>
<td>Planned</td>
<td>2016</td>
</tr>
<tr>
<td>South Capitol Street Bridge</td>
<td>Planned</td>
<td>2018</td>
</tr>
<tr>
<td>South Capitol Street Reconstruction</td>
<td>Planned</td>
<td>TBD</td>
</tr>
<tr>
<td>Virginia Ave. Tunnel Reconstruction</td>
<td>Planned</td>
<td>TBD</td>
</tr>
<tr>
<td>M Street SE/SW Streetcar</td>
<td>Planned</td>
<td>TBD</td>
</tr>
<tr>
<td>Barney Circle/SE Boulevard Reconstruction</td>
<td>Planned</td>
<td>TBD</td>
</tr>
<tr>
<td>North-South Streetcar to Buzzards Point</td>
<td>Planned</td>
<td>TBD</td>
</tr>
</tbody>
</table>

Transportation will always be the vital framework that shapes our development.
“The Anacostia River Trail is a great example of the lasting benefits transportation projects can bring to a community by connecting people to jobs and schools, encouraging economic development, and protecting the environment.”

Ray LaHood, Former U.S. Secretary of Transportation
ECONOMIC DEVELOPMENT remains one of the BID’s ongoing core work programs. Our partners include property owners, the broker community, the DC Government, and other stakeholders in efforts to attract office tenants, retailers, and residents to the neighborhood. Our primary economic development activities include business attraction; transportation planning; research and data collection; and market analytics.

BUSINESS ATTRACTION ▶ One of the foundations of successful business attraction is personal interaction with prospective tenants, brokers, investors, retailers, and restaurant operators. For that reason, the BID team conducts a variety of presentations, meetings, and briefings throughout the year at the BID office, conferences and trade shows, and at the offices of potential tenants. Our office serves as a marketing center for these briefings and presentations, and during 2013 BID staff conducted over 120 information sessions.

The BID also utilizes the International Council of Shopping Centers (ICSC) annual conferences as a platform to brief and meet with retailers and brokers and promote locations in the neighborhood. We continue to sponsor the DC Economic Partnership booth at RECon, ICSC’s annual global retail real estate convention in Las Vegas, and participated in over 50 meetings in 2013. We also had a presence at the ICSC Mid-Atlantic conference in Maryland.

The commercial broker community can be the best advocates for opportunities in the Capitol Riverfront, so the BID team makes monthly visits to the major brokerage offices to update them on new space opportunities for tenants, demographic information, and projects under construction.

RESEARCH & INFORMATION ▶ The Capitol Riverfront BID prides itself on maintaining timely and accurate data about neighborhood demographics and the local real estate market. Our data is the foundation of our business attraction efforts. We do primary research on development and demographics to provide prospective tenants, developers, and investors with clear optics of neighborhood opportunities. The BID tracks all development projects and lease spaces in the neighborhood, and releases quarterly development updates that summarize the status of projects, market performance, and pipeline activity. This information is available to the public and our stakeholders through a variety of mediums, including publications, presentations, the BID website, videos, brochures, and more.

We’re building relationships and laying the foundation for growth.

Presentations made by the BID team to potential tenants and investors

New restaurants opened or under construction in the Capitol Riverfront in 2013
“I am delighted by today's vote, which would move NAB to the center of government action in Washington. ... the Capitol Riverfront area would provide policymakers and regulators easier accessibility to NAB, and will allow NAB to better showcase broadcast innovation.”

Gordon Smith, President and CEO of National Association of Broadcasters (NAB)
This was a banner year in making sure our story was heard.

2013 was a very active period in the Capitol Riverfront, and the BID’s marketing, branding, and public relations efforts reflected that activity. In the media, the Capitol Riverfront was more popular than ever as a steady stream of development announcements and restaurant openings led to a record number of stories featuring the neighborhood. It was also a banner year for the BID’s online presence, as excitement about the Capitol Riverfront resulted in significant increases in traffic to the BID’s website and social media channels. Finally, the BID continued to proactively promote its message in 2013 with targeted advertisements and displays at key industry events.

MEDIA ▶ The Capitol Riverfront received a record amount of media attention in 2013, with a total of 232 stories featuring the neighborhood appearing in a range of mediums, including newspapers, blogs, radio, and television. While some of these articles were tied to specific development announcements or openings, a number of pieces presented the larger story of the Capitol Riverfront as a growing, vibrant, attractive neighborhood on the river, including a feature in the Washington Post Style section announcing the Anacostia Riverfront as a fitness destination. In addition, BID President Michael Stevens continued writing a monthly column for The Hill Rag chronicling the many exciting developments occurring in the Capitol Riverfront.

Complementing these activities in the traditional media, the BID continued to grow its presence online and on social media in 2013. Consistent, timely, and engaging content attracted new followers to the Capitol Riverfront’s Facebook and Twitter pages, while new presences on Instagram and Foursquare provided another means of sharing the BID’s message and interaction with stakeholders. On the web, the Capitol Riverfront website continues to serve as a comprehensive, accurate resource for news and information about the neighborhood. Finally, the Capitol Riverfront BID newsletter is seen by over 7,000 readers 25 times per year.

PROMOTIONS & PUBLICATIONS ▶ The BID continued its practice of using paid advertisements to promote its message among a targeted audience in 2013. The BID also continued its tradition of “station domination” during baseball season, blanketing the Navy Yard/Ballpark Metro Station with a variety of advertisements promoting the neighborhood during the month of May.

In addition to paid promotions, the BID produced a variety of printed materials in 2013 that help tell the story of a dynamic, growing neighborhood. These include an updated Front Page News highlighting recent development activity, an Executive Summary of the BID’s Urban Design Framework Plan, and the Retail Opportunities brochure that provides an overview of the retail market, and a comprehensive list of pipeline developments. These documents are available to download on the BID’s website.
“The Capitol Riverfront area is a beautiful neighborhood. There’s lots of stuff going on down there. It is really going to be a destination for the area.”

Mike Lenard, owner of TaKorean Elevation DC, November 25, 2013
COMMUNITY BUILDING is a foundation of our mission to create a vibrant neighborhood in the Capitol Riverfront. Real estate developers in concert with the public sector construct the buildings, parks, roads, and infrastructure—the physical building blocks of our neighborhood—and the BID sponsors community events, the mortar that binds the neighborhood and creates a unique sense of place. The BID sponsors over a hundred events every year that make the neighborhood a vibrant community. From concerts to movies to outdoor fitness, the BID’s community events make the Capitol Riverfront a fun place to live, work, and visit.

The Capitol Riverfront BID programmed 140 events in 2013. We kicked off our 2013 community event season in April with Lantern Making Family Day, which was held in conjunction with the National Cherry Blossom Festival. We hosted over 250 kids and had a moon bounce and other activities throughout the day. Yards Park Friday Night Concert series returned this year from May through September and attracted an average of 1,000 people per week. The concerts featured a variety of bands and local food and drink options. Bike to Work day increased participation by 50 percent, and Yards Park expanded its free yoga classes to Monday and Wednesday each week through October and also offered Saturday morning sunrise sessions monthly, helping elevate the parks reputation as DC’s fitness destination. The BID also sponsored outdoor movies and noontime concerts throughout the summer. “Clash of the Comics” battled it out for ten weeks on the big screen each Thursday evening, and acoustic performers took to the stage in Canal Park on Wednesdays.

The Capitol Riverfront has arrived as one of the District’s premier outdoor events destinations. Truckeroo, which happened monthly at the Fairgrounds Outdoor Market on Half Street, averaged about 20,000 people per event. The Ice Skating Rink at Canal Park served over 20,000 skaters in its first winter season. And Tour de Fat, the popular traveling festival put on by New Belgium, hosted its second annual festival with 5,000 enthusiastic cyclists. DC VegFest rounded out the season with their biggest turnout to date, 10,000 participants in Yards Park in September 2013.

A rich and rewarding experience awaits a community that is healthy and active.
“The Friday night concert series were incredible. There was a great selection of bands and it was one of the most enjoyable spots in DC to catch a live free show.”

–Submitted via Capitol Riverfront BID 2013 Perception Survey
# BOARD MEMBERS

## THREE-YEAR TERM
(expires 12/2015)

- **Bert Donohoe**
  Donohoe Real Estate Services

- **Ramsey Meiser**
  Forest City Washington

- **David Howell**
  Lerner Enterprises

- **Mark Brody**
  The Ezra Company

- **Marvin Rosskopf**
  Ruben Companies

- **Duane Deason**
  The Efficacy Group

- **Amelia Zimmerman**
  Courtyard Marriott

## TWO-YEAR TERM
(expires 12/2014)

- **Daryl Jackson**
  Capitol Hill Tower Co-Op

- **Jim Dautenhahn**
  DRI Development

- **David Brainerd**
  Madison Marquette

- **Stephen Flippin**
  CSX

- **Kevin Burns**
  Monday Properties

- **John Clark III**
  Steuart Investments

- **Ed Kaminski**
  Velocity Condos

## ONE-YEAR TERM
(expires 12/2013)

- **Dodd Walker**
  Akridge

- **Eric Siegel**
  Cohen Companies

- **John Wilson**
  JBG

- **Amy Phillips**
  Monument Realty

- **Brad Fennell**
  WC Smith

- **Arlene Brown**
  Bozzuto

## AT-LARGE STAKEHOLDERS

- **Martin Smith**
  Barracks Row Main Street

- **Gregory McCarthy**
  Washington Nationals Baseball Club

- **Janell Herring**
  Washington Navy Yard

- **Gregory O'Dell**
  Events DC

- **Vicki Davis**
  Urban Atlantic

- **Kellie Bolinder**
  Earth Conservation Corps
STAFF

1. Michael Stevens, AICP
   President

2. Tammy Shoham
   Vice President of Economic Development and Research

3. Dan Melman
   Vice President of Parks and the Public Realm

4. Jay Corbalis
   Manager of Planning and Communications

5. Lacy Wilhoit
   Manager of Yards Park Programming and Marketing

6. Leon Johnson
   Director of Parks and Public Realm

7. Bonnie Wright
   Office and Special Projects Manager

8. Exzell Nicks
   Operations Manager, Clean & Safe Teams
100%  
2013 Yards Park Perception Survey participants would recommend Yards Park to a friend or colleague

OVER

100

Gallons of paint spilled for ArtYards

1 in 5

Residents, employees, and visitors bike to/from the Capitol Riverfront at least once a week

1,264

Residential units under construction at year-end 2013

564

Affordable residential units in the Capitol Riverfront (as of Dec. 2013)

587

Steps from Navy Yard/Ballpark Metro station to Yards Park

20,000

Visitors to the Canal Park ice rink in its first year of operation (Nov 2012–March 2013)
## Statement of Financial Position: September 30, 2013 (Unaudited)

### ASSETS

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### LIABILITIES AND NET ASSETS

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### SUPPORT AND REVENUE

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### EXPENSES

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### CHANGE IN NET ASSETS

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<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
<td><strong>73,261</strong></td>
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The Capitol Riverfront development activity in 2013 indicates an optimism about the neighborhood on the part of national retailers, developers, tenants, and residents. The Capitol Riverfront has proven itself as a neighborhood with a compelling mix of retail, award-winning parks, vibrant programming, and highly appealing residential and office spaces. Yet the neighborhood is still being discovered, and prices for all real estate asset classes remain at a discount to comparable products in other in-town locations. As the neighborhood continues to grow and build-out, this discount will shrink. The Capitol Riverfront’s development pipeline is robust, and the construction activity and lease signings that happened in 2013 will transform the neighborhood over the next three years.

“A lot of people refer to the Capitol Riverfront as an emerging neighborhood. I would suggest that it has already emerged.”

–Ernest Jarvis, Senior Vice President at First Potomac Realty Trust, at the DCBIA Annual Economic Development Summit 11/21/13
Residential

The residential market in the Capitol Riverfront is performing strongly, and there is a large pipeline of new product that will come online between 2014-2017. The last newly-built for-sale unit in the neighborhood sold in 2013, and the existing apartment stock is stabilized with vacancy rates under 9%. The one apartment building in lease-up has achieved the highest rates of absorption in the neighborhood to date. DC’s growing capture of regional apartment demand, limited product availability, proximity to the Capitol, exceptional connectivity, and a unique sense of place combine to make the Capitol Riverfront one of the fastest-growing neighborhoods in the DC region.

Four new apartment buildings broke ground in 2013 (1,264 units in total), and four more apartment buildings are expected to break ground in 2014. The number of residential units in the Capitol Riverfront is projected to grow to over 5,000 units by 2017.

Retail & Hospitality

Retail in the Capitol Riverfront popped in 2013, with the opening of eight new restaurants, two more service retailers, construction of 88,000 square feet of new retail space, and the announcements of ICON Theater and Whole Foods opening in the neighborhood in 2016 and 2017, respectively. The 2013 openings of Bluejacket Brewery and Osteria Morini transformed the neighborhood into a dining destination. The Capitol Riverfront’s retail buzz will continue in 2014 with the opening of Harris Teeter, Vida Fitness, Sweetgreen, TaKorean, and more.

The 204-room Courtyard Marriot is currently the only hotel in the Capitol Riverfront market and has achieved healthy occupancy rates above 75% for the last four years. Hotel developers have taken note of the hospitality opportunity in the neighborhood. The Buccini/Pollin Group announced that it will break ground on a 165-room Hampton Inn in 2014.

Office

The Capitol Riverfront is an office core, with 7.4 million square feet of office space and over 32,000 employees. Like the region as a whole, the Capitol Riverfront office market stagnated in 2013, with little new leasing activity and flat absorption. The Capitol Riverfront rents remain at a discount to other office submarkets, with Class A office rents 15% below the District average per square foot rents. In spite of a lackluster office market performance, the perception of the neighborhood has improved, with a broader recognition of the advantages of the Capitol Riverfront as an office location. The National Association of Broadcasters CEO reported that his office was considering a move to the area in order to be in “the center of government action in Washington”. Ideaspace—a members-only, open-office, fabrication, and collaboration space—signed a lease for 16,000 square feet in the Boilermaker Shops, signaling the neighborhood’s appeal to creative entrepreneurs.

2013 Capitol Riverfront Development Summary

<table>
<thead>
<tr>
<th>Status</th>
<th>Office SF</th>
<th>Retail SF</th>
<th>Residential Units</th>
<th>Hotel Rooms</th>
<th>Total SF</th>
<th>Est. Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing/Completed</td>
<td>7,352,160</td>
<td>210,125</td>
<td>2,758</td>
<td>204</td>
<td>12,006,993</td>
<td>$2.9 billion</td>
</tr>
<tr>
<td>Under Construction</td>
<td>17,350</td>
<td>110,500</td>
<td>1,264</td>
<td>0</td>
<td>802,700</td>
<td>$408 million</td>
</tr>
<tr>
<td>Planned</td>
<td>7,383,780</td>
<td>640,487</td>
<td>7,594</td>
<td>1,059</td>
<td>24,056,851</td>
<td>$6.2 billion</td>
</tr>
<tr>
<td>Total</td>
<td>14,753,290</td>
<td>961,112</td>
<td>11,616</td>
<td>1,263</td>
<td>36,866,544</td>
<td>$9.5 billion</td>
</tr>
</tbody>
</table>

Source: Capitol Riverfront BID 4Q 2013
Note: Total planned SF includes the allowed zoning by right on lots where a building program has not yet been determined

2013 Effective Rents for Class A High-rise Apartments

<table>
<thead>
<tr>
<th>Submarkets</th>
<th>Avg. Effective Rent</th>
<th>Avg. Effective Rent/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington, DC</td>
<td>$2,627</td>
<td>$3.06</td>
</tr>
<tr>
<td>Columbia Heights/Shaw</td>
<td>$2,546</td>
<td>$3.26</td>
</tr>
<tr>
<td>NoMa</td>
<td>$2,414</td>
<td>$2.72</td>
</tr>
<tr>
<td>Capitol Riverfront</td>
<td>$2,256</td>
<td>$2.62</td>
</tr>
</tbody>
</table>

Source: Delta Associates, Capitol Riverfront BID

2013 Class A Office Rents

<table>
<thead>
<tr>
<th>Submarkets</th>
<th>Avg. Rent/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington, DC</td>
<td>$52.93</td>
</tr>
<tr>
<td>CBD</td>
<td>$54.35</td>
</tr>
<tr>
<td>NoMa</td>
<td>$50.01</td>
</tr>
<tr>
<td>Capitol Riverfront</td>
<td>$44.73</td>
</tr>
</tbody>
</table>

Source: CoStar
2013 DEVELOPMENT MAP

Residential & Mixed Use
- **Existing**: Delivered 2001–2013
- **Pipeline**: U/C & Expected 2014/2015
  - **Groundbreaking**

Commercial
- **Existing**: Delivered 2001–2013
- **Pipeline**: U/C & Expected 2014/2015
  - **Groundbreaking**

- **Parks**
- **Community/Recreational**
- **Industrial**
- **Built before 2001**
- **Planned**

Properties as of December 2013

**RESIDENTIAL & MIXED-USE**

1. **70 Capitol Yards**
   - JP Morgan Asset Management
   - Residential: 448 apt. units

2. **100 Capitol Yards**
   - JP Morgan Asset Management
   - Residential: 246 apt. units

3. **909 Capitol Yards**
   - JP Morgan Asset Management
   - Residential: 237 apt. units
   - Retail: 6,000 SF

4. **River Parc**
   - Toll Brothers
   - Residential: 287 apt. units

5. **Velocity Condominiums**
   - Residential: 200 units
   - Retail: 2,000 SF

6. **Onyx On First**
   - JP Morgan Asset Management
   - Residential: 264 apt. units

7. **Gallery at Capitol Riverfront**
   - Donohoe
   - Residential: 324 apt. units
   - Retail: 11,000 SF

8. **Square 701 Residential**
   - Grosvenor Americas
   - Residential: 285 apt. units

9. **800 New Jersey**
   - WC Smith & Co.
   - Residential: 336 apt. units
   - Retail: 35,000 SF

10. **Park Chelsea**
    - WC Smith & Co.
    - Residential: 432 apt. units
    - Retail: 1,500 SF

11. **Capitol Hill Tower Co-Op**
    - Residential: 344 co-op units
    - Retail: 9,500 SF

12. **Capitol Quarter I & II**
    - DCHA/EYA
    - Residential: 323 townhomes

13. **400 M Street**
    - DCHA/Urban Atlantic/Forest City
    - Residential: 138 apt. units

14. **Carroll Apartments**
    - DCHA
    - Residential: 60 apt. units

15. **Twelve12**
    - Forest City Washington
    - Residential: 218 apt. units
    - Retail: 88,000 SF

16. **Foundry Lofts**
    - Forest City Washington
    - Residential: 170 apt. units
    - Retail: 10,000 SF

17. **Parcel N**
    - Forest City Washington
    - Residential: 325 apt. units
    - Retail: 21,000 SF
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Developer/Owner</th>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. Capper Seniors</td>
<td>DCHA/Urban Atlantic</td>
<td>Residential: 162 units</td>
<td></td>
</tr>
<tr>
<td>19. Lofts at Capitol Quarter</td>
<td>DCHA/Urban Atlantic</td>
<td>Residential: 195 apt. units</td>
<td></td>
</tr>
<tr>
<td>20. Square 744S Residential &amp; Retail</td>
<td>Forest City Washington</td>
<td>Mixed-use: TBD</td>
<td></td>
</tr>
<tr>
<td>21. Riverfront</td>
<td>FRP Development/MRP Realty</td>
<td>Residential: 305 apt. units</td>
<td>Retail: 20,000 SF</td>
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<tr>
<td><strong>COMMERCIAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22. 1015 Half Street</td>
<td>Prudential</td>
<td>Office: 379,000 SF</td>
<td>Retail: 21,000 SF</td>
</tr>
<tr>
<td>23. 20 M Street</td>
<td>Lerner</td>
<td>Office: 180,633 SF</td>
<td>Retail: 10,000 SF</td>
</tr>
<tr>
<td>24. 80 M Street</td>
<td>Wells REIT</td>
<td>Office: 320,000 SF</td>
<td></td>
</tr>
<tr>
<td>25. 55 M Street</td>
<td>Hines</td>
<td>Office: 275,000 SF</td>
<td>Retail: 15,000 SF</td>
</tr>
<tr>
<td>26. Square 701</td>
<td>Grosvenor Americas, Skanska</td>
<td>Office: 224,000 SF</td>
<td>Retail: 43,000 SF</td>
</tr>
<tr>
<td>27. Hampton Inn</td>
<td>The Buccini/Pollin Group</td>
<td>Hotel: 165 rooms</td>
<td></td>
</tr>
<tr>
<td>28. 100 M Street</td>
<td>Northwood Investors</td>
<td>Office: 230,000 SF</td>
<td>Retail: 12,500 SF</td>
</tr>
<tr>
<td>29. Showplace ICON Theater</td>
<td>Forest City Washington</td>
<td>16-screen movie theater</td>
<td>Retail SF: TBD</td>
</tr>
<tr>
<td>30. Courtyard by Marriott</td>
<td>Chesapeake Lodging Trust</td>
<td>Hotel: 204 Rooms</td>
<td>Retail: 4,000 SF</td>
</tr>
<tr>
<td>31. Federal Gateway I</td>
<td>William C. Smith Co.</td>
<td>Office: 279,000 SF</td>
<td>Retail: 18,000 SF</td>
</tr>
<tr>
<td>32. U.S. Dept. Of Transportation</td>
<td>JBG</td>
<td>Office: 1,350,000 LSF</td>
<td>Retail: 1,200 SF</td>
</tr>
<tr>
<td>33. 200 I Street</td>
<td>DC Govt./StonebridgeCarras</td>
<td>Office: 350,000 SF</td>
<td></td>
</tr>
<tr>
<td>34. 300 M Street</td>
<td>Potomac Investments</td>
<td>Office: 276,000 SF</td>
<td>Retail: 3,000 SF</td>
</tr>
<tr>
<td>35. Boilermaker Shops</td>
<td>Forest City Washington</td>
<td>Retail: 33,540 SF</td>
<td></td>
</tr>
<tr>
<td>36. Lumber Shed</td>
<td>Forest City Washington</td>
<td>Retail: 17,350 SF</td>
<td></td>
</tr>
<tr>
<td>37. Maritime Plaza I &amp; II</td>
<td>COPT</td>
<td>Office: 345,000 SF</td>
<td></td>
</tr>
<tr>
<td>38. 1900 Half St SW</td>
<td>Douglas Development</td>
<td>Office: 477,562 SF</td>
<td></td>
</tr>
<tr>
<td>39. 2100 2nd Street SW</td>
<td>Monday Properties</td>
<td>592,000 SF</td>
<td></td>
</tr>
<tr>
<td><strong>PLANNED</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40. 950 S Capitol St</td>
<td>Ruben Companies</td>
<td>Residential: 400 units</td>
<td></td>
</tr>
<tr>
<td>41. 909 Half Street</td>
<td>Ruben Companies</td>
<td>Residential: 400 units</td>
<td></td>
</tr>
<tr>
<td>42. Congressional Square</td>
<td>DRI Development</td>
<td>Office: 795,000 SF</td>
<td>Retail: 30,000 SF</td>
</tr>
<tr>
<td>43. 1000 South Capitol</td>
<td>Lerner</td>
<td>Office: 320,000 SF</td>
<td></td>
</tr>
<tr>
<td>44. Square 699N</td>
<td>Toll Brothers</td>
<td>Residential: TBD</td>
<td></td>
</tr>
<tr>
<td>45. 1000 First St</td>
<td>Akridge</td>
<td>Mixed-use: 220,000 SF</td>
<td></td>
</tr>
<tr>
<td>46. 1100 South Capitol</td>
<td>Ruben Companies</td>
<td>Office: 350,000 SF</td>
<td></td>
</tr>
<tr>
<td>47. 41 L Street</td>
<td>WMATA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>48. 50 M STREET</td>
<td>KCG 50 M LLC</td>
<td>Hotel: 190 rooms</td>
<td></td>
</tr>
<tr>
<td>49. 1 M Street</td>
<td>Monument Realty</td>
<td>Office: 310,000 SF</td>
<td>Retail: 15,000 SF</td>
</tr>
<tr>
<td>50. 25 M Street</td>
<td>Akridge</td>
<td>Office: 243,000 SF</td>
<td>Retail: 18,000 SF</td>
</tr>
<tr>
<td>51. 1201 Half Street</td>
<td>Akridge</td>
<td>Office: 115,000 SF</td>
<td>Retail: 10,000 SF</td>
</tr>
<tr>
<td>52. T Street &amp; 1st Street SE</td>
<td>Akridge</td>
<td>Residential: 280 units</td>
<td>Retail: 22,000 SF</td>
</tr>
<tr>
<td>53. 1244 South Capitol</td>
<td>JBG</td>
<td>Mixed Use: TBD</td>
<td></td>
</tr>
<tr>
<td>54. Planned Mixed-Use</td>
<td>Monument Realty</td>
<td>Residential: 340 Units</td>
<td>Retail: 35,000 SF</td>
</tr>
<tr>
<td>55. The Yards, Future Phases</td>
<td>Forest City Washington</td>
<td>Mixed-use: 3.2 million SF</td>
<td></td>
</tr>
<tr>
<td>56. Building 170</td>
<td>JBG</td>
<td>Retail: 7,000–11,000 SF</td>
<td></td>
</tr>
<tr>
<td>57. Florida Rock Future Phases</td>
<td>FRP Development/ MRP Realty</td>
<td>Residential: 270 units</td>
<td>Retail: 30,000 SF</td>
</tr>
<tr>
<td>58. Planned Multi-Family</td>
<td>DCHA/Urban Atlantic</td>
<td>Residential: 322 units</td>
<td>Retail: TBD</td>
</tr>
<tr>
<td>59. Planned Multi-Family</td>
<td>DCHA/Urban Atlantic</td>
<td>Residential: 613 units</td>
<td>Retail: TBD</td>
</tr>
<tr>
<td>60. 250 M at Canal Park</td>
<td>WC Smith &amp; Co.</td>
<td>Office: 213,000 SF</td>
<td>Retail: 12,000 SF</td>
</tr>
<tr>
<td>61. P2a &amp; P2b Pavilions</td>
<td>Forest City Washington</td>
<td>Hotel: 22,800 SF</td>
<td></td>
</tr>
<tr>
<td>62. 600 M Street</td>
<td>DCHA/Forest City</td>
<td>Office: 484,780 SF</td>
<td>Retail: 15,000 SF</td>
</tr>
<tr>
<td>63. The Car Barn</td>
<td>Madison Marquette</td>
<td>Existing: Charter Schools/office Planned: 94,400 SF retail</td>
<td></td>
</tr>
<tr>
<td>64. 1333 M Street</td>
<td>Cohen Companies</td>
<td>Residential: 673 units</td>
<td>Retail: 10,370 SF</td>
</tr>
<tr>
<td>65. 100 V Street, SW</td>
<td>Akridge</td>
<td>Mixed-use: 2.7 million SF</td>
<td></td>
</tr>
<tr>
<td>66. Marina Place</td>
<td>Buzzard Point LLC</td>
<td>Residential: 99 units</td>
<td>Retail: 2,047 SF</td>
</tr>
</tbody>
</table>
The Capitol Riverfront is on a growth trajectory, and residential development is leading the way. With a population of over 4,100 residents living in 3,034 units, we expect to achieve over 5,000 residents in 2015. There were 1,264 units under construction at year-end 2013, with another 1,485 apartment units expected to break ground in 2014.
THE CAPITOL RIVERFRONT neighborhood appeal spans across all demographic groups. Millennials comprised the majority of growth in DC from 2000 to 2010, and the Capitol Riverfront captured much of that growth. Over 1,200 millennials moved to the Capitol Riverfront between 2000-2010 and over 40% of the neighborhood resident population is between the ages of 25-35. Only Dupont Circle has a higher concentration of millennial residents in Washington, DC, based on 2010 Census data.

Millennials are only half of the story, and the Capitol Riverfront’s parks, prices, and proximity contribute to the neighborhood’s popularity with a broad swath of demographic groups, including downsizing empty nesters and families. The 2013 BID perception survey indicates 14% of BID residents have school-age children living at home. The amount of children in the Capitol Riverfront and the adjacent Capitol Hill community are driving the re-opening of the Van Ness DCPS elementary school for the 2015/2016 school year. Yards Park and Canal Park have also defined the Capitol Riverfront as a family-friendly neighborhood.

The existing residential stock in the Capitol Riverfront is performing strongly, with one apartment building in lease-up, the remaining nine apartment buildings fully stabilized with average occupancy rates in excess of 95%, and 100% of the new for-sale product sold. Home values in the neighborhood are rising, and per square foot effective rents have grown by 3% annually since 2010.

The Capitol Riverfront neighborhood offers high-quality, amenitized, new residential product at a discount to other close-in residential submarkets. As the neighborhood builds out and more retail amenities and employment opportunities emerge, we expect for the price gap between the Capitol Riverfront and other in-town neighborhoods to close. The development community has made a commitment to including affordable housing in the residential mix. There are currently 564 affordable units located in mixed-income projects throughout the neighborhood, and 9% of the units in the pipeline development will be affordable.

2013 RESIDENTIAL HIGHLIGHTS

The 276-unit Camden South apartment building opened and achieved the neighborhood’s fastest lease-up to date.

Toll Brothers began construction on River Parc, a 287-unit apartment building on 1st Street, SE.

Construction on Forest City’s Twelve12, a mixed-use building that includes 218 apartment units, continued with both residential towers “topping out” in November 2013. Units are expected to deliver in April 2014.

The 432-unit Park Chelsea by WC Smith continued construction and began floor pours above grade in October 2013.

Forest City began site preparation on Parcel N with construction starting in late November 2013 for a 327-unit luxury apartment building.

WC Smith announced the 800 New Jersey project, a 336-unit apartment building that will also contain a 35,000 SF Whole Foods Market on the ground floor.
2013 proved to be a watershed year for retail in the Capitol Riverfront, with the construction of the 50,000 sf Harris Teeter and 28,000 sf VIDA Fitness. The opening of several new restaurants – Kruba Thai, Gordon Biersch, Park Tavern, Nando’s Peri-Peri, Bluejacket Brewery & The Arsenal, Buzz Bakery, and Osteria Morini – signaled a new wave of restaurants for our employees, residents, and visitors to the Capitol Riverfront. Another 50,000 sf of retail leases were signed in 2013 including a Whole Foods Market at 800 New Jersey, SE, Sweetgreen, TaKorean, 100 Montaditos, Nando’s Peri-Peri, GNC, and Wells Cleaners in The Yards.
WITH OVER TWENTY RESTAURANTS, one hotel, dry cleaners, banks, a drugstore/pharmacy, and more, the Capitol Riverfront neighborhood provides a full spectrum of retail goods and services, with more on the way. The Buccini/Pollin Group announced a new 168-room Hampton Inn at N & 1st Streets, SE, which will break ground in 2014. Whole Foods signed a lease for a new 35,000 SF store that will open in 2017. And the entertainment appeal of the Capitol Riverfront was enhanced with the announcement of a 16-screen ICON Theater to be developed by Forest City Washington near the historic DC Water pump house.

Nationals Park attracted more than 2.8 million visitors as the Nationals experienced their largest attendance in team history in DC. The Capitol Riverfront’s appeal as a sports destination only increased with the announcement of a partnership between the District government and DC United to build a new soccer stadium at Buzzard Point. Other fitness-oriented events in the Capitol Riverfront including free yoga in Yards Park, the Trapeze School and rock climbing wall, and canoe and kayak rental in Diamond Teague Park helped to solidify the Capitol Riverfront as DC’s sports and recreation destination.

**Retail leases signed in the Capitol Riverfront (2011–2013)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail SF leased</th>
<th>Number of leases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>75,000</td>
<td>10</td>
</tr>
<tr>
<td>2012</td>
<td>50,000</td>
<td>7</td>
</tr>
<tr>
<td>2013</td>
<td>50,000</td>
<td>8</td>
</tr>
</tbody>
</table>

*Source: Capitol Riverfront BID*

**Total Visitors to the Capitol Riverfront (in millions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>0.18</td>
</tr>
<tr>
<td>2008</td>
<td>2.5</td>
</tr>
<tr>
<td>2009</td>
<td>2</td>
</tr>
<tr>
<td>2010</td>
<td>1.9</td>
</tr>
<tr>
<td>2011</td>
<td>2.2</td>
</tr>
<tr>
<td>2012</td>
<td>2.6</td>
</tr>
<tr>
<td>2013</td>
<td>2.8</td>
</tr>
</tbody>
</table>

*Source: Capitol Riverfront BID Note: Estimated visitor total based on attendance to events at Nationals Park, the Navy Museum, and other special events*

### 2013 RETAIL HIGHLIGHTS

- Gordon Biersch, Park Tavern, Nando’s Peri-Peri, Bluejacket Brewery & The Arsenal, Buzz Bakery, and Osteria Morini all opened in 2013.
- Whole Foods signed a lease for a 35,000 SF grocery on the ground floor of the 800 New Jersey, SE project by WC Smith.
- Sweetgreen and TaKorean signed leases in Twelve12, and Nando’s Peri-Peri, Wells Cleaners, GNC, and 100 Montaditos signed leases in the Boilermaker Shops.
- A 168-room Hampton Inn being developed by The Buccini/Pollin Group announced that it will break ground at N & 1st Streets, SE near Nationals Park.
- The Capitol Riverfront attracted an estimated 3 million visitors to baseball games, concerts, and other special events.
The Capitol Riverfront neighborhood is a premium office location at discount prices. The neighborhood is a ten-minute cab ride from Reagan National Airport and Union Station and is accessible by car via I-395 and I-295. Bike lanes and four Capital Bikeshare stations contribute to bicycle accessibility, and pedestrians can access the neighborhood via the street grid that is part of the L'Enfant plan. At the same time, the Capitol Riverfront remains a value location when compared to other in-town office markets. Average Class A rents in the Capitol Riverfront are $45 per square foot, which represents a 15% discount to Class A office rents in the District as a whole.
THE CAPITOL RIVERFRONT HAS 14.7 MILLION SF of office space planned for the neighborhood, of which 50% has been built. There are 10 office buildings in the Capitol Riverfront with a total of 7.4 million SF of leasable office space. Eight of the buildings are privately owned. The average occupancy rate for the privately-owned buildings is 84%, with the majority of office space vacancy concentrated in three buildings.

Between 2001 and 2013, the Capitol Riverfront neighborhood added 4.1 million SF of new office space. The neighborhood’s appeal to federal/defense contractors, including Alion, BAE, and Boeing, in combination with the relocation of U.S. DOT headquarters and several District agencies to the neighborhood, helped the Capitol Riverfront achieve an average absorption of almost 270,000 SF per year between 2001 and 2013. However, this pace of absorption was not reflective of the neighborhood’s office market in 2013. The Capitol Riverfront office market is experiencing the same challenges facing the regional office market. Sequestration, tightened Federal budgets, space contraction for office tenants, and a slow recovery from the Great Recession have combined to create a highly uncertain office market. The neighborhood’s office market was further hit when the Coast Guard moved from Buzzard Point to St. Elizabeths, vacating two office buildings, relocating an estimated 4,000 employees, and resulting in negative to flat office absorption for the Capitol Riverfront in 2012 and 2013.

Federal and local government tenants, as well as the contractors who work with these entities, have driven the Capitol Riverfront office market to date. When the regional office market rebounds, which analysts project will happen mid-decade, the Capitol Riverfront will have two new grocery stores, a gym, over 20 new restaurants, and over 5,000 residents. At that time, we project a more diverse office tenant base for the neighborhood that includes a broader mix of private, public, and non-profit tenants.

**Historical Deliveries and Absorption for Capitol Riverfront Office Market**

Source: CoStar

**Note:** Market data excludes Navy Yard office (2.2M SF) and 200 I Street (350,000 SF), which are both publicly-owned.

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**2013 OFFICE HIGHLIGHTS**

Opening of 200 Eye Street in Fall 2012, home to four DC Government agencies.

Construction of Forest City Washington’s new office space in The Yards’ Lumber Shed building.

Ideaspace signs a lease for 16,000 SF of office space in The Yards’ Boilermaker Shops.
Over ten acres of award-winning parks and open space have rebranded the Capitol Riverfront neighborhood as a clean, safe, and family-friendly destination for active and passive recreation. The Capitol Riverfront’s parks each have their own unique character and bring a diversity of visitors to the neighborhood. The 5.5-acre Yards Park is the neighborhood’s front porch, attracting residents from throughout the region to stroll along the boardwalk, enjoy a summertime concert, or play in the splash pool. Canal Park is the neighborhood’s pocket park, and children from the Capitol Riverfront and adjacent Capitol Hill neighborhoods play in the dancing water jets and skate on the ice rink as their parents dine in Park Tavern. Kayaking in Diamond Teague Park and tending the community gardens in Virginia Avenue Park round out the outdoor and recreational opportunities available in the Capitol Riverfront.
“Multi-functional and culturally historic, Canal Park is probably among the nation’s most unique and environmentally sustainable urban parks, one worth a visit even if you live in Maryland or Virginia.”

University of Maryland professor emeritus Roger K. Lewis in his March 2013 Washington Post architecture column about Canal Park

### 2013 PARKS HIGHLIGHTS

Canal Park experienced its first full year of operation in 2013, which included four months of ice skating, the opening of Park Tavern restaurant, a 10-week summer movie series, a farmer’s market, and summer noon-time concerts. Canal Park was recognized by the Sustainable Sites Initiative for sustainable land design, construction, and maintenance policies, and the southern pavilion and Park Tavern restaurant are both LEED Gold certified.

Yards Park continued to attract visitors from around the region with its kid-friendly water features and 140 concerts, programs, and other special events hosted in 2013. Some of the larger events in Yards Park in 2013 included Tour de Fat (5,000 participants), Drink the District (6,000 participants), and DC VegFest (9,000 participants). These events reinforced Yards Park’s role in neighborhood placemaking, for which the park was awarded the 2013 Urban Land Institute Urban Open Space Award.

### Awards, Honors, & Notable Mentions

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<td>Washington City Paper</td>
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<td>Planetizen Magazine</td>
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<td>Washington Business Journal</td>
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<td>American Institute of Architects, DC Chapter</td>
<td>Presidential Citation, Sustainable Design</td>
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Base Realignment and Closure (BRAC) decision consolidates Naval Sea Systems Command to Navy Yard campus.

DC Housing Authority receives federal HOPE VI grant for rebuild of Arthur Copper Carrollsburg public housing project.

JBG selected to build new US Dept. of Transportation HQ building.


GSA selects Forest City to develop 42-acre Southeast Federal Center into a mixed-use project.

Baseball returns to DC, site selected and construction begins on new ballpark.

US Dept. of Transportation headquarters building officially opens and brings 6,500 new employees.

20 M St delivers and 55 M St, 909 at Capitol Yards, and Velocity Condos begin construction.

Capitol Riverfront Business Improvement District created and the Clean & Safe Team crew begin work.

Navy Yard Metro station expansion completed at the Half Street entrance/exit. Also, Frederick Douglass Bridge lowered to improve access and views to Nationals Park.

Nationals Park opens for the inaugural season of Nationals baseball in a new stadium welcoming over 2 million fans to the Capitol Riverfront.

Delivery of residential and office continues with 100 and 70 at Capitol Yards, Onyx on First, and 100 M St. Construction begins on Capitol Quarter townhomes, and Diamond Teague Park.

BID significantly improves perception of cleanliness and safety after one year of operations.

55 M Street delivers as the first office building on Half Street, as well as the delivery of Velocity Condos, the neighborhood’s first condo building, the apartments at 909 at Capitol Yards, and the first blocks of Capitol Quarter townhomes.

The Capitol Riverfront hosts Artomatic in 55 M Street, a six-week arts festival that brings over 75,000 people to the neighborhood.

Yards Park opens as a 5½-acre award-winning riverfront park with interactive water features, open lawn space, unique sculptural pedestrian bridge, and landscaped gardens. The Capitol Riverfront BID becomes the only DC BID to manage and program a District owned park.

Nearly 200,000 SF of office leases signed.

95% of all residential units are leased or sold. Capitol Quarter Phase I of 160 homes completed. Construction begins on the new 11th Street Bridge.
75,000 SF of retail leases signed including Bluejacket Brewery, Kruba Thai & Sushi, Park Tavern, and a Harris Teeter grocery store. 125 presentations made by BID to potential tenants and investors.

Yards Park hosted 120 events including festivals, corporate fundraisers, weddings, and the 15-week Friday Evening Concert series. Atlantic Cities Magazine names Yards Park one of America’s top 10 best new parks.

Riverwalk Trail opens, providing a continuous one-mile trail.

Foundry Lofts deliver and have one of the fastest lease rates of a Forest City Washington residential property. 1015 Half Street delivers, Lot 38 Espresso opens, Capitol Quarter Phase II begins to deliver.

Canal Park and ice rink open, a unique three-block urban park and model of environmental sustainability with an iconic light cube, water fountains, sculptures, storm water retention and geothermal heating systems.

200 I Street opens with 1,200–1,400 employees and an art gallery. Nearly 1,000 new residential units, the Boilermaker Shops, and Lumber Shed retail under construction.

BID perception survey increases in five years from 6% of respondents feeling neighborhood is clean/very clean and safe/very safe to 93% of respondents perceive the BID is clean/very clean and 73% perceive the BID as safe/very safe.

Capitol Riverfront population approaches 4,000 and Washington Nationals are National League East Champions.

2.8 million visitors to the Nationals Park and the Capitol Riverfront.

2011

2012

2013

Restaurants continue to open, including Osteria Morini, Park Tavern, Bluejacket Brewery, The Arsenal, Buzz Bakery, Nando’s Peri-Peri, Kruba Thai, and more.


50,000 SF of retail leases signed, including Whole Foods, Sweetgreen, TaKorean, and service retailers.

Completion of Phase 1 of the 11th Street Bridge reconstruction, a $300 million infrastructure improvement project led by DDOT.

2014–2017

Twelve12 delivers, which includes a 218 apartment units above Harris Teeter (50,000 sf), Vida Fitness (28,000 sf), and an additional in-line retail, including Sweetgreen, TaKorean, and more (2014).

Apartment projects continue to deliver, including Park Chelsea by WC Smith (432 units, 2015 completion), River Parc by Toll Brothers (287 units, 2014 completion), Parcel N by Forest City (327 units, 2016 completion), 800 New Jersey by WC Smith (336 units, 2016 completion), Square 701 by Grovesnor McCaffrey (325 units), and RiverFront by FRP Development / MRP Realty (309 units, 2016 completion).

Whole Foods opens at 800 New Jersey Ave (2017).

Infrastructure work begins on the redevelopment of the South Capitol Bridge.

Capitol Riverfront Population grows to over 5,000 residents.