



# Office of the Deputy Mayor for Planning and Economic Development (DMPED) FY2016 Performance Accountability Report (PAR)

## **Introduction**

The Performance Accountability Report (PAR) measures each agency's performance for the fiscal year against the agency's performance plan and includes major accomplishments, updates on initiatives' progress and key performance indicators (KPIs).

## **Mission**

The Office of the Deputy Mayor for Planning and Economic Development (DMPED) supports the Mayor in developing and executing the District's economic development vision.

## **Summary of Services**

DMPED assists the Mayor in the coordination, planning, supervision, and execution of programs, policies, proposals, and functions related to economic development in the District of Columbia. DMPED sets development priorities and policies, coordinates how the District markets itself to businesses and developers, and recommends and ensures implementation of financial packaging for District development, attraction, and retention efforts. DMPED also works to achieve its mission by focusing on outreach to the business community and neighborhood stakeholders, and by forging partnerships between government, business, and communities to foster economic growth for residents of the District of Columbia.

## Overview – Agency Performance

The following section provides a summary of DMPED performance in FY 2016 by listing DMPED’s top accomplishments, and a summary of its progress achieving its initiatives and progress on key performance indicators.

### Top Agency Accomplishments

Accomplishment	Impact on Agency	Impact on Residents
DC United Groundbreaking	Improved credibility and reputation in development community with respect to DMPEDs ability to deliver a highly transformative and complex project within budget and in a compressed timeframe.	The 20,000-seat stadium is set to be completed in fall 2018 and is expected to create nearly 900 jobs, attract one million annual new visitors per year, and spur over \$1.6 billion in total economic activity. The DC United Stadium will be a catalytic redevelopment in Buzzard Point.
St. Elizabeths East Campus / Entertainment and Sports Arena Groundbreaking	New hire of project manager for St. Elizabeths East Campus project.	The redevelopment of St. Elizabeths will be a catalytic investment in Ward 8. The Entertainment and Sports Arena which broke ground this past year is projected to open in 2018, and will bring over 500 jobs, plus over \$200 million in tax revenue over 30 years.
10 Pieces of Legislation approved by Council	Moving projects along in the disposition process is one way the agency lives up to the motto DMPED Delivers. Obtaining Council approval for the disposition agreements which DMPED negotiates and secures is a crucial step in the redevelopment process.	Moving forward with 9 real estate projects which will catalyze investment in communities across the District, including Walter Reed, St. Elizabeths East Campus, McMillan, 965 Florida, Plaza West, 8th & O Street, Grimke School, 1300 H Street, and Strand Theater.

In FY 2016, DMPED had 7 Key Performance Indicators. Of those, 0 were neutral. Of the remaining measures, 57% (4 KPIs) were met, 14% (1 KPIs) were nearly met, and 29% (2 KPIs) were unmet. In FY 2016, DMPED had 7 Initiatives. Of those, 71% (5) were completed and 14% (1) were nearly completed, and 14% (1) were not completed. The next sections provide greater detail on the specific metrics and initiatives for DMPED in FY 2016.

# FY16 Objectives

Division	Objective
Agency Management	Manage and deliver the District’s economic development programs and projects
Agency Management	Help businesses relocate to and expand within the District of Columbia, generating jobs for District residents
Agency Management	Promote the development of an integrated workforce investment system, delivering high-quality services that help District residents gain skills that meet business needs

# FY16 KPIs

Objective: Manage and deliver the District's economic development programs and projects

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
Number of site tours conducted to marked District-wide projects	10	A					20	Met	
Number of community economic development meetings held	65	A					205	Met	
Number of new units of affordable housing developed	1,164	A					1,388	Met	
Number of RFP's issued	5	Q	0	1	3	1	5	Met	
Value of projects under construction	5,000,000,000	A					4,780,000,000	Nearly Met	Revised project closing calendars led to fewer projects starting construction in FY16 than anticipated. Walter Reed closed several days after the fiscal year ended.
Number of project closings	19	A					16	Unmet	Revised project closing calendars led to fewer projects starting construction in FY16 than anticipated.
Number of affordable housing units for DMPED projects currently under construction	1,500	A					1,302	Unmet	Revised project closing calendars led to fewer projects starting construction in FY16 than anticipated. Several thousand additional units are in pre-development and in negotiation.

## FY16 Initiatives

### **Title: Continue to move forward on large-scale planning and development projects that require significant interaction with the federal government**

**Description:** DMPED is focused on several substantial and complex large scale development projects that each require multiple levels of interaction with the federal government interactions, and have development timeframes that exceed a decade.

Walter Reed Army Medical Center Redevelopment For over five years, the District has been working on redevelopment efforts for the former Walter Reed Army Medical Center site. In FY 16, DMPED will create a financially feasible implementation strategy that meets community needs and complies with all Base Realignment and Closure (BRAC) laws and regulations. This will be accomplished through: (1) completion of a series of public community meetings, and (2) regular communication with partners such as US Army BRAC Staff, U.S. Department of Defense, the U.S. Department of State, the selected Public Health User and other stakeholders. Additionally, the following tasks will also be accomplished in FY 16:

1. Completion of a land disposition agreement with the selected master development team
2. Completion of a final economic development conveyance application and agreement with the U.S. Army, which will outline the terms of the proposed land transfer
3. Submission of omnibus legislation to acquire and dispose of the property
4. Groundbreaking on a new FEMS Engine Co. 22 on the site of the former Walter Reed building 18
5. Activation of the site through periodic temporary uses.

St Elizabeths East Campus For over six years, the District has been crafting a redevelopment plan and complimentary economic development strategy to guide the revitalization of St Elizabeths East. Redevelopment offers the opportunity to provide amenities for local residents and current U.S. Department of Homeland Security (DHS) employees, while creating a new center for innovation that will further diversify the Districts economy. DMPED has completed the project planning phase, and is now working to implement these plans. In FY 16, the following milestones will be accomplished:

1. Begin community working group and construction for the new Entertainment and Sports Arena
2. Transfer of operations of Gateway DC (the Gateway Pavilion) to Events DC and the R.I.S.E. Demonstration Center to a sister agency in order to ensure efficient and professional operations of the facilities
3. Completion of the Pathway at St. Elizabeths East to ease pedestrian access between Martin Luther King Jr., Ave., SE and Alabama Ave., SE sides of the campus and to provide proper security lighting
4. Finalize agreement with the Phase 1 Development Partner to begin the first phase of private development on the campus adjacent to the Congress Heights Metro Station
5. Work with DGS, in partnership with DDOT, for the re-release of a solicitation for the construction of the first of two stages of site-wide infrastructure by 2018.

**Complete to Date:** 75-99%

**Status Update:** WR: A ceremony recognizing the acquisition will take place on Oct. 26, 2016 on the Walter Reed Campus. St. E's: Building demolition for the Entertainment and Sports Arena & pedestrian walkway for Metro access complete. Gateway Pavilion was managed by Events DC with a number of successful events; RISE center mgmt. to be transferred in 2017. Infrastructure award was made in fall. LDA for Phase 1 dev. executed in spring.

**If Incomplete, Explanation:** A ceremonial recognition of the acquisition of the property will take place on Wednesday, October 26, 2016 on the historic Walter Reed Campus. The actual transfer of the site will take place approximately 30 days from the Economic Development Conveyance agreement between the Army and the District.

### **Title: Continue making progress relative to the New Communities Initiative**

**Description:** The goal of the New Communities Initiative (NCI) is to redevelop targeted neighborhoods (Barry Farm, Lincoln Heights/Richardson Dwellings,

Northwest One, and Park Morton) that have a history of concentrated crime, poverty and distressed housing into healthy, vibrant communities for current and future residents. Progress is measured through: (1) identification of offsite housing, (2) site redevelopment, and (3) human capital outreach resulting in gains in health, education, jobs and public safety. In FY 16, the following milestones will be accomplished on each project:

Barry Farm:

1. Secure approval from HUD for the demolition/disposition of the site
2. Begin relocation of remaining households

Lincoln Heights/Richardson Dwellings:

1. Secure appropriate rezoning and closing on financing/beginning construction on offsite development
2. Apply for approval from HUD for the demolition of 33 vacant units
3. Issue an RFP to select a master developer

Northwest One:

1. RFP to select a development team(s) for remaining NW1 parcels
2. Select a development team (s) to develop remaining parcels

Park Morton:

1. Work with the master developer to identify and secure offsite parcel(s)
2. Update the master plan and submit for PUD approval on the offsite

Human Capital:

1. Engage a consultant to evaluate existing services and make recommendations related to changes and expansion of those services. Use evaluation results to create a new plan for human capital expansion.
2. Increase and improve NCIs media and social media presence by providing content that portrays a realistic picture of NCIs successes as well as its challenges.
3. Create and implement a new plan for greater community engagement NCI-wide as well as community specific engagement.

**Complete to Date:** 75-99%

**Status Update:** Barry Farm: relocation cannot begin until HUD approves demolition/disposition application. Lincoln Heights: 5201 Hayes closing pushed to Oct; RFP to be issued in 2017. NW1: RFP released. Anticipating team selection Spring 2017. Park Morton: Parcel selected, PUD submitted. Human Capital: RFP to engage consultant released in late FY16, expecting selection FY17.

**If Incomplete, Explanation:** Barry Farm: relocation cannot begin until HUD approves demolition/disposition application. Lincoln Heights: 5201 Hayes closing pushed to Oct; RFP to be issued in 2017. NW1: Anticipating team selection Spring 2017. Human Capital: RFP to engage consultant released in late FY16, expecting selection FY17.

**Title: Utilize the new OUR RFP process and its policy guidelines to engage communities prior to issuance of Requests for Proposals (RFP)**

**Description:** In FY15, DMPED, in coordination with the Executive office of the Mayor, developed a new process of obtaining community input on prospective solicitations prior to issuing them to the development community – the OUR RFP pilot process. DMPED applied this new process to the Parcel 42 and Crummell School projects. This process includes conducting a series of community engagement meetings by which DMPED collects the local, neighborhood and area resident feedback and priorities for the particular project site. In addition to those meetings, DMPED also conducts online surveys to ensure that residents who are not able to attend the meetings also have input. This feedback and community prioritization is then translated into preferences and requirements in the solicitation.

By doing this, the interests of the residents are prioritized and the project is more accountable to those preferences. In FY16, DMPED will apply aspects of this new process, as appropriate, to RFPs issued during this fiscal year.

**Complete to Date:** Complete

**Status Update:** As this is an ongoing initiative, the % complete reflects the progress to date within the fiscal year 2016. DMPED kicked off a new OurRFP project, NW1 North Capitol & K in the prior quarter and held a follow up meeting in Q4. the solicitation award for the first Our RFP project (Parcel 42) is imminent. We have now developed an end-to-end process for the OurRFP, and it is no longer a pilot.

**Title: Commence land development activities at the McMillan Sand Filtration site**

**Description:** The McMillan Sand Filtration Site is a former federal government industrial site that is no longer in operation. Since 2007, DMPED has been working with its development partner on pre-development activities at the site. This has culminated recently with approvals from the Historic Preservation Review Board, National Capital Planning Commission, D.C. Zoning Commission, Mayors Agent for Historic Preservation and D.C. Council.

1. Execution of the Land Disposition Agreements with Vision McMillan Partners
2. Commencement of land development activities, including site work & infrastructure and historic preservation activities
3. Commencement of the construction of the community center and park. Additionally, DMPED will consistently engage with the community throughout FY16 related to land development activities at the site.

**Complete to Date:** 75-99%

**Status Update:** The project is planned for groundbreaking in December of 2016. By this time DGS will have selected a general contractor to perform the Districts obligations. All entitlement approvals have now been achieved (ZC, NCPC, HPRB, Mayors Agent, CFA) and we expect to receive a decision from the Court of Appeals related to the consolidated entitlements appeals in FY17 Q2.

**If Incomplete, Explanation:** The delay for the first FY16 deliverable was caused by one of the VMP Partners (Trammell Crow Companies) requesting changes to the performance schedule within days of the planned execution of the LDA. The delay of the second FY16 deliverable was caused by ongoing DMPED/VMP negotiations and the solicitation timeline to select a general contractor for McMillan. The third FY16 deliverable was delayed because it is linked to the second FY16 deliverable.

**Title: Complete land acquisition of the DC United Soccer Stadium site**

**Description:** On December 30, 2014, the DC Council formally approved the District of Columbia Soccer Stadium Development Act of 2014, which paved the way for a new state-of-the art soccer stadium in the Buzzard Point area of Ward 6. The following milestones will be accomplished in FY 16:

1. Complete the various required feasibility studies including the environmental site assessments, various transportation studies, Buzzard Point Vision and Implementation Plan, hazmat studies and land surveys
2. Finalize the Corrective Action Plan that will outline the Districts remediation responsibilities and coordinate the remediation work with DC United
3. Finalize the various procurement contracts and easement agreement with Pepco, Verizon, Washington Gas and DC Water
4. Demolish four existing structures on the Stadium site
5. Coordinate utility relocation with DC Water, Pepco, Washington, Gas and Verizon. DMPED anticipates completing all of these milestones and delivering a vacant site to DC United by September 30, 2016.

**Complete to Date:** Complete

**Status Update:** DMPED has completed 100% of the items required for FY 16 and have handed the site over to DC United. As part of Q4 2016 we are finishing up a few remaining utility tie-ins in the streets surrounding the Stadium Site and working with DC United in design coordination and revision to their PUD application. We are also assisting DC United with their PUD hearing scheduling and approval of the same.

**Title: Increase and diversify the existing portfolio of Industrial Revenue Bond transactions to serve varied economic development and housing needs**

**Description:** The District of Columbia Industrial Revenue Bond (IRB) Program provides below market interest rate loans to qualified private enterprises located in an Enterprise Zone, as well as non-profit and manufacturing organizations throughout the District of Columbia. In FY 16, the following milestones will be accomplished by September 30, 2016:

1. Underwrite and close 8 to 11 bond transactions, while also executing several conversions/modifications of prior bond deals
2. Consistently market the Arbitrage Investment Management account with Public Financial Management to program borrowers to strategically invest the proceeds of their bond issuance and generate an additional revenue stream at no cost or risk to the District
3. Provide outreach to universities, secondary schools, associations and other qualified organizations that are looking to relocate and expand in the District. Additionally, in FY 16, the Program will work with a qualified underwriter, banks and bond counsel to create a Smaller IRB Loan Program that will assist qualified borrowers that are seeking bond deals for smaller projects beginning at a \$500,000.

**Complete to Date:** 75-99%

**Status Update:** We are still working on creating the Smaller IRB Loan Program, the lower interest rates and complexity of issuance cost and creation of template documents that would cover most types of transactions, has slowed the progress. We will continue to move forward with creating this program in FY17.

**If Incomplete, Explanation:** We are still working on creating the Smaller IRB Loan Program, the lower interest rates and complexity of issuance cost and creation of template documents that would cover most types of transactions, has slowed the progress. We will continue to move forward with creating this program in FY17.

**Title: Expand the local technology and innovation sector**

**Description:** DMPED's efforts to cultivate the District's growing technology and innovation sector are critical to positioning the District as a hub of innovative activity that will continue to open new pathways to the middle class. In FY 15, DMPED successfully supported events and organizations with a focus on tech venture investment and entrepreneurship, such as the launch of innoMAYtion, 1776's Challenge Cup, DC Innovates' Digital DC Tech Fund, and Fosterly's Collaborate. In addition, the District expanded its presence at the SXSW 2015 Conference in Austin, TX, by partnering with other District agencies to promote the District technology and creative sectors. In FY16, DMPED will continue to develop and implement strategies for large technology business attraction and retention; it will broaden the support of innovative businesses throughout the District with investments in the Howard University Innovation Hub and an expanded grants program. By partnering with other District agencies, DMPED will continue to promote the District as an innovation hub, highlight Qualified High Tech Company (QHTC) incentives, and develop additional tech training programs with a focus on underserved and overlooked communities

**Complete to Date:** 75-99%

**Status Update:** Howard and Luma finalized terms of their agreement in Q4, which delayed approval of permits needed to start construction into FY17, when we expect construction to be complete in Q2 of the fiscal year. ITIC/Tech Inclusion Report Recommendations for training programs with a focus on underserved and overlooked communities have been made and will be included in the work of the Innovation & Technology Inclusion Council (ITIC) in FY17.

**If Incomplete, Explanation:** ITIC/Tech Inclusion Report Data collection, analysis, and drafting the report was completed in FY16, but final edits pushed approval and release date to Q1 of FY17.

**Title: Leverage incentive tools to expand corporate assistance efforts**

**Description:** Large employers are critical to diversifying the city's economy and creating job opportunities for District residents. In FY 16, DMPED will leverage its incentive tools, such as the Creative and Open Space Modernization Grant, QHTC incentives, and other performance-driven incentives to attract and/or retain corporations that will lease at least 50,000 square feet of office space in the District. The community benefits agreements that will be incorporated into these



incentive structures will be focused on training and hiring DC residents, hosting Summer Youth Employment Program participants, providing training, internships, and mentorship for District residents, and providing reduced price or free space, products, and services to underserved and/or overlooked communities.

**Complete to Date:** Complete

**Status Update:** 3 New QHTC tools formulated (which demonstrate practical business value), which are getting were instrumental in engaging with 2 new prospects, and being released to the market for 2017 prospecting. Standardized engagement and underwriting process now established. Total pipeline 7 prospects/ apprx. 650K SF

#### **Title: Expand and advance the Great Streets Initiative**

**Description:** The Great Streets Initiative is the Districts multi-year, multi-agency commercial revitalization initiative to transform emerging corridors into thriving and inviting neighborhood centers by using public actions and tools to leverage private investment. In FY 16, the Great Streets Initiative will continue to expand its geographic reach with the addition of the Wisconsin Avenue NW corridor and the expansion of the Connecticut Avenue NW corridor north to Western Avenue NW. In terms of programmatic scope, Great Streets will continue to build out its impact assessment function by collecting and evaluating data on post-award hiring and total construction expenditures, expanding and refining the economic impact model for the grant program, and developing a project plan to install pedestrian counters in the 13 Great Street corridors. Great Streets will also respond to feedback from small business owners about the mechanics of the grant program by allowing certain soft cost expenses and piloting a new disbursement structure with an initial upfront payment of 25% of the grant award.

**Complete to Date:** Complete

**Status Update:** Disbursement process has been completed. All qualified applicants received a 25% advance. Program launched a publish facing dashboard to illustrate the programs impact and activated Great Street post award data collection and assessment strategy

#### **Title: Expand international tourism marketing strategy**

**Description:** DMPED continues to collaborate with Destination DC, the Districts official convention and tourism Corporation to promote the city as a world class destination to increase visitation by domestic and international business and leisure travelers. FY 16 marks Year 3 of the regions agreement with Air China to support direct air service between China and the District. Since the inception of this partnership, the District has seen a 26% increase in visitors from China since 2014; its #1 inbound market. The FY 16 Air China marketing strategy includes familiarization tours and two sales missions in partnership with Air China that will include training for reservations agents, and educating Chinese tour operators, media writers, meeting and convention organizers and education planners about the District and all that it has to offer. In FY 16, new focus will be placed on education planners and colleges and universities in the District to expose tour operators, parents, and students to curricula offered by colleges and universities in Washington, DC. Washington DC and Air China will also coordinate marketing campaigns inviting more Chinese visitors to make Washington DC one of their primary stops on travel to the United States. Other focal international tourism markets for FY16 include the United Kingdom, Germany, France, Australia, India, Brazil, Japan and the United Arab Emirates.

**Complete to Date:** 75-99%

**Status Update:** We are 88% completed with all the deliverables for the 2016 program requirements. This includes:

1. Sales missions: both Travel Trade and Media: completed
2. Washington.org/Mandarin page: completed
3. Tour Operator promotions: completed
4. Consumer media campaign: will be completed Oct – Dec
5. Social Media activation: Weibo: completed, WeChat – 75% completed, promotion portion to run in Oct – Dec

**If Incomplete, Explanation:** DDC did not receive the final payment from DMPED in time to execute promotions for summer bookings. Dollars have been allocated for Fall promotions which will be executed October – December of 2016.

**Title: Expand technology investment in the District via the DC China Center**

**Description:** The DC China Center provides assistance to District businesses interested in exporting goods and services to China, and encourages Chinese businesses and investors to play an active role in the District's economy. The Center represents the District's first attempt to catalyze economic growth through access to international markets. In FY 15, DMPED attracted Chinese investors and tech companies to the District, with a particular focus on supporting an incubator program that will assist Chinese companies in opening their operations in the District. This culminated in the inaugural 1776 Challenge Cup in Beijing where Chinese startups were exposed to the incubator opportunities in Washington, DC. In FY 16, DMPED will maintain investor and tech company attraction efforts with a focus on large foreign Fortune 500 competitive companies, e.g. Alibaba, and promote the Qualified High Technology Company (QHTC) tax incentive program as an advantage for global expansion in to the District. Specifically, DMPED will employ Chinese social media (e.g., WeChat, Weibo) to promote incentive programs and real estate investment opportunities. Additionally, DMPED will provide tours to investor delegations pursuing real estate investment opportunities in the District.

**Complete to Date:** Complete

**Status Update:** DMPED attracted a government relations office of Alibaba, in response to the Deputy Mayor's visit to the headquarters in 2015. No tours were conducted, but DMPED hosted a Reception with the SelectUSA Summit. 5 DC real estate projects were promoted. Beyond the economic development interest cultural, educational, and friendly engagements buoy DC's relationship with Beijing. For example, as a gesture of strong friendship, DMPED shipped a panda statue to Beijing celebrating 30 years of our sister city relationship.