

# RECOVERY WEEKLY CHECK-IN

## WITH DMPED

# Economic Recovery Updates

April 6, 2021

[CORONAVIRUS.DC.GOV/RECOVERY](https://coronavirus.dc.gov/recovery)

**DMPED**  
OFFICE OF THE DEPUTY MAYOR FOR  
PLANNING & ECONOMIC DEVELOPMENT

WE ARE  
WASHINGTON  
GOVERNMENT OF THE  
DISTRICT OF COLUMBIA  
DC MURIEL BOWSER, MAYOR

# Welcome

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**Deputy Mayor John Falcicchio,  
Planning and Economic Development (DMPED)**

# Remarks

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**Neil Albert**, President & Executive Director, DowntownDC  
Business Improvement District

**Leona Agouridis**, Executive Director,  
Golden Triangle Business Improvement District

# **Downtown D.C. & Golden Triangle Business Improvement Districts**

*Pandemic Impact  
Relief – Recovery – Growth*

# Pandemic Impact: Unprecedented

## Office Vacancies Are Up

- BIDs = **90 million square feet** of office space (approx. 60% of D.C. total)
- Combined Vacancy Rate: **20%** (approx. **18 million square feet** of vacant office space)
- Total Property Tax (estimated): **\$1.4 billion** in FY 19 (**11.4%** of D.C. gross revenue / **36.6%** of all real property tax)
- Repurposing office buildings for other uses



## Foot Traffic and Metro Ridership is Down

- Weekday rail ridership **down 90-95% (137,000 riders)**
- Only 10%-15% of tenants working in their offices
- Foot traffic **down 85-95% on weekdays**
- Massive impact on retail & restaurants



## **Relief: Thank You to Our Partners**

### District Government

#### *Regulatory*

- Expanded outdoor dining
- Construction declared essential business
- Rollover of existing business permits

#### *Business Grants (\$154 million total)*

- \$33 million Microgrants in Spring 2020
- \$109.5 million Bridge Fund in Winter 2020-2021
- Several other targeted funding programs: \$11.8 million

### Federal Government

#### *Three Rounds of Federal Support*

- Spring-Summer 2020: first round of PPP (\$2.2 billion for D.C.)
- December 2020:
  - Second round of PPP (DC total not yet known)
  - \$16.25 billion for independent venue operator support
- March 2021: \$28.5 billion for independent restaurants

# Recovery: First Signs are Appearing

## Recent Weeks

- Restaurant Grand Openings: Yardbird, Cheesecake Factory
- Museum Re-Openings: National Museums of Women in the Arts, Planet Word

## Potential April and May

- Capital One Arena: allow indoor sports fans at % of capacity
- DC Improv: allow indoor events at % of capacity
- Hotel Re-Openings: Madison Hotel, Marriott Marquis, The Jefferson, Beacon, and Hotel Monaco
- Restaurant Grand Openings: Trulucks
- Restaurant Re-Openings: Carmines, Succotash, Charlie Palmer, China Chilcano, Grillfish, Kellari, Mari Vanna
- Museum Re-Openings: All Smithsonian museums



## Labor Day

- Office: 30% to 50% of office workers back in office—influenced by
  - Health statistics
  - Metrorail safety perception
  - Public schools and childcare facilities





## Growth: A Shared Vision

In January 2020, DC's growth was strong and headed towards record social investment. Returning to January 2020 economic levels as soon as possible is our goal. This will allow for:

- Creating a path to the middle class
- Funding equitable growth

### Growth Benefits to D.C.:

	2010-2019	2019-2020
▪ Employment growth:	1.2% annual growth	-6.3%
▪ Population growth:	1.9% annual growth	0.64%
▪ Nominal Tax Revenue growth:	6.1% annual growth	-2.0%
▪ Real Tax Revenue growth:	4.2% annual growth	-3.4%





# Recovery: Cleaning & Maintenance / Landscaping & Beautification





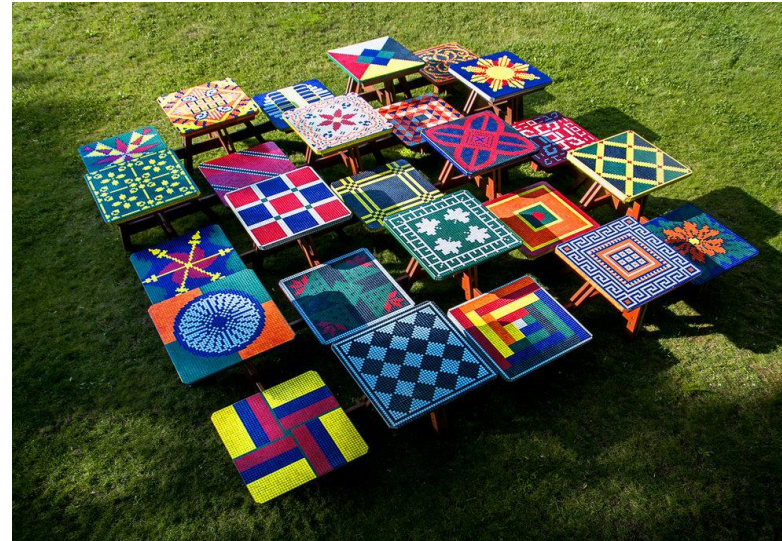
## Recovery: Homeless Outreach & Services



Downtown Day Services Center

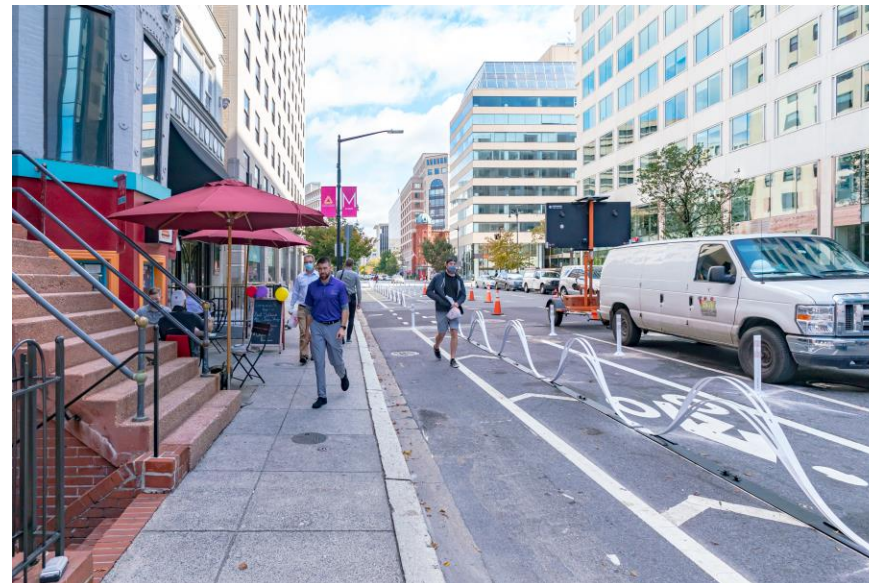


## Recovery: Activating Outdoor Spaces





# Recovery: *Tools for a Safe Return*





# Recovery: *A Vision for Pennsylvania Avenue*

## Improved Streetscape

- Bike lanes, bus stop islands, pedestrian safety
- More green space, trees, and rain gardens

## Activating Public Spaces

- Public art, events, and parks

## Innovation District

- Global university: renowned med school, hospital, public health, international relations, and innovation/entrepreneur programs
- Diversify office sector and create jobs
  - Attract companies and retain start-ups
- Collaboration with GWU and District of Columbia
- Action plan with District to identify catalyst companies and build tech ecosystem



# Special Guest Remarks

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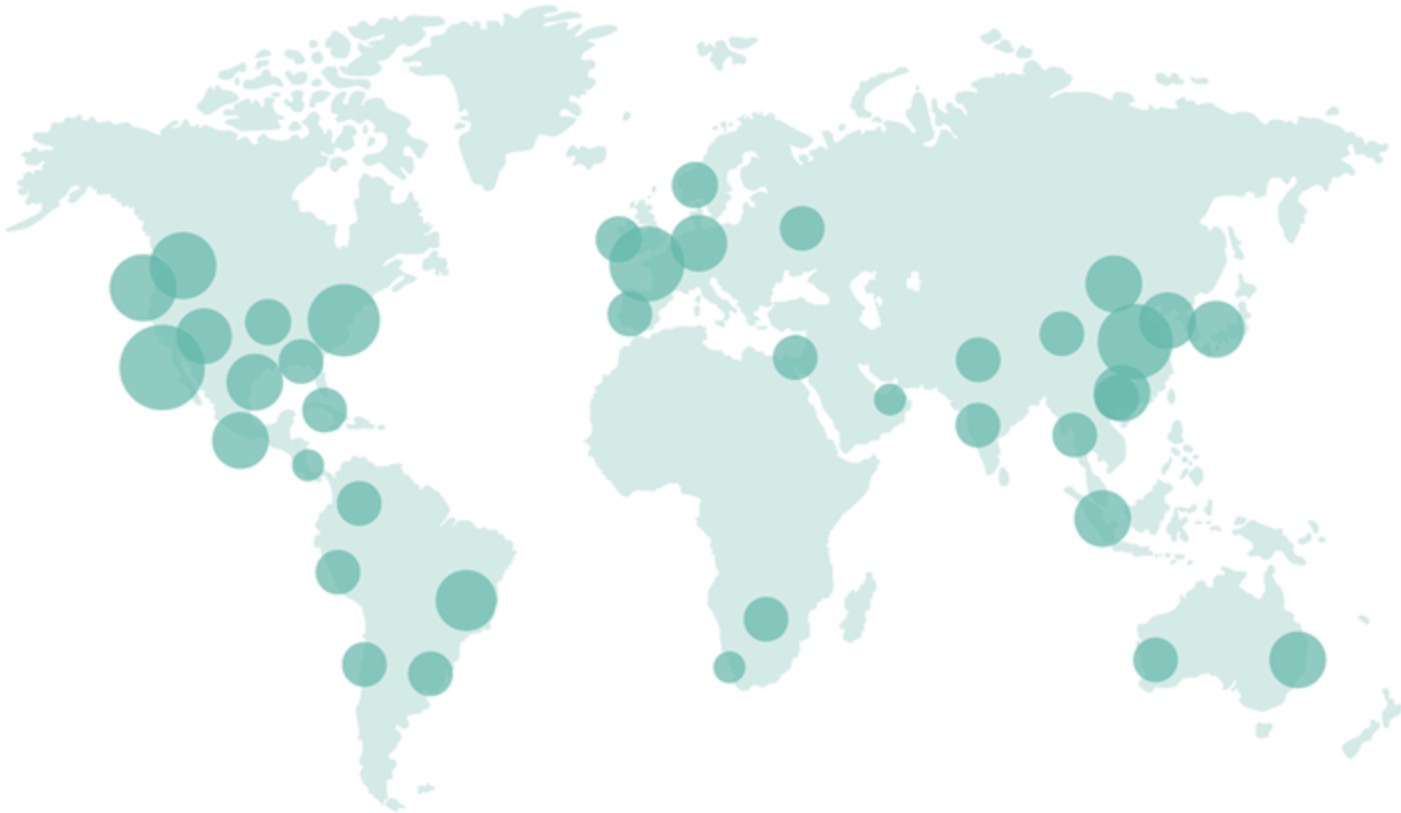
Christina Ferzli,  
Head of Public Affairs & Communications,  
WeWork



**It's time to reimagine the workplace of the future.**



# We are the world's largest flexible space provider



**38**

COUNTRIES

**150+**

CITIES

**800+**

BUILDINGS

**55M+**

SQUARE FEET

WeWork has the largest square footage footprint of any other flexible space provider in the world.

Numbers as of September 30, 2020

# Big Picture

As public policy makers begin to encourage companies to make plans to return to the office, **WeWork** is partnering with key policymakers around the world to help businesses and individuals to return to work in a safety-focused, flexible way.

Fostering economic prosperity through public-private partnership is critical to both post-pandemic recovery as well as developing a stronger, **resilient**, future model of work.



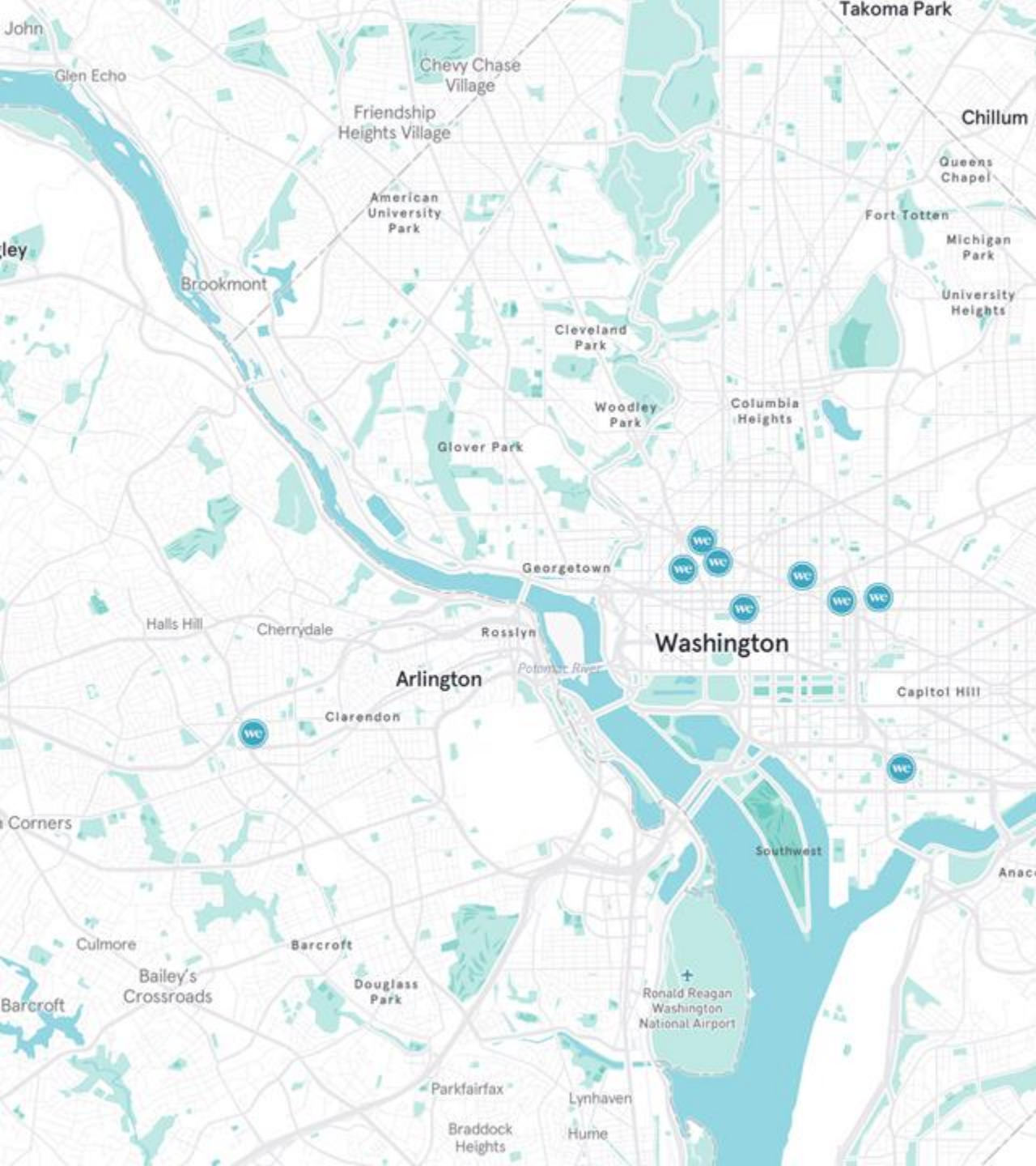
**City Partnerships**



**Data Analysis**



**National Effort**



# 2021 DC Partnership

WeWork has partnered with DC to provide incentives for businesses of all sizes to return to work in a safety-focused, flexible way.

- \_ WeWork is offering key incentives in
  - \_ 10 locations in DC Metro Area
  - \_ across 15,000+ desks
  - \_ and 1M+ Square Feet
- \_ WeWork is providing key data and insights into what is effective as businesses return employees to work, creating a resource for businesses of all sizes to make informed decisions as the economy recovers

# DC Offers

To further empower businesses to adapt through flexible solutions, we're offering certain discounts, depending on time or location flexibility needed

01

## WEWORK ALL ACCESS MEMBERSHIP

- \_ 15% off for up to 12 months with code DMV15\*
- \_ + 1 Free One Month Trial\*

02

## DEDICATED OFFICE SPACE

- \_ 2 months free with a 6-month commitment
- \_ 3 months free with a 12-month commitment

\*terms apply





# Partnerships to date

WeWork is learning about and aligning with different cities' key priorities to bring effective programming to each market

## City of Miami x WeWork

**Launch Date: 1/21**

Partnered with Mayor of Miami with focus on tech sector

**WeWork Miami at a glance**

With six convenient locations, plus one opening in 2020, WeWork has over 4000 sqft space total in Miami.

And, as a WeWork member you'll have access to local workspace across WeWork locations in Miami and worldwide.

**Featured locations in Miami**

- Wynwood Garage**  
An exciting Miami neighborhood, combining with incredible view, modern amenities, and a vibrant community.
- 2022 Ponce De Leon**  
Whether it's convenience, amenities, or vibrant community, you'll find it all at WeWork Ponce De Leon.
- Southeast Financial Center**  
Located in the heart of downtown Miami, one of the fastest growing business districts in the country.
- Brickell City Centre**  
At the urban core of the city, WeWork Brickell City Centre is a thriving Miami office space hub.
- Grange Place**  
Located in Coral Gables, home to South Florida's largest employers and vibrant dining, retail and entertainment.
- 429 Lane**  
Situated right near South Beach, members of this Miami space have full access to all the amenities and services.
- 850 Brickell Plaza (opening in 2020)**  
Located in the financial center of Miami, this new WeWork location will offer Miami residents a way to relocate and work seamlessly.

**Rethinking your workspace?**

Full-time \*  Days per week \*

Business address \*

City \*

Phone number \*

Explore our solutions for teams of any size

## NYC x WeWork

**Launch Date: 3/16**

Partnered with Chambers of Commerce with focus on small businesses

**Return to work in New York City**

Avoid unprecedented times, flexibility and opportunity are key. With WeWork's workplace solutions, flexible office spaces and flexible terms, there's no better time to return to the office in New York City as the world begins to reopen.

In partnership with New York City's Manhattan, Brooklyn, Queens, Staten Island, and Bronx Chambers of Commerce, we're proud to make it easier than ever for Chamber members to return, grow or relocate their business with special offers on flexible workspace.

**Partners:** Brooklyn Chamber of Commerce, Queens Chamber of Commerce, Union Square Chamber of Commerce

**Explore our solutions for teams of any size**

## D.C. x WeWork

**Launch Date: 3/24**

Partnered with D.C. for businesses and individuals of all sizes

**Return to work in DC**

Avoid unprecedented times, flexibility and opportunity are key. With WeWork's workplace solutions, flexible office spaces and flexible terms, there's no better time to return to the office in the DC Metro Area as the world begins to reopen.

Through a strategic partnership with the District of Columbia, we're proud to make it easier than ever for companies to return, grow or relocate their business with special offers on flexible workspace.

**Through our partnership with DC, explore our limited time offers on office space**

**Dedicated space**

Price private office space at select DC Metro Area locations:

- Two months free with a 6-month commitment term, or
- Three months free with a 12-month commitment term
- Subject to availability. Terms apply.

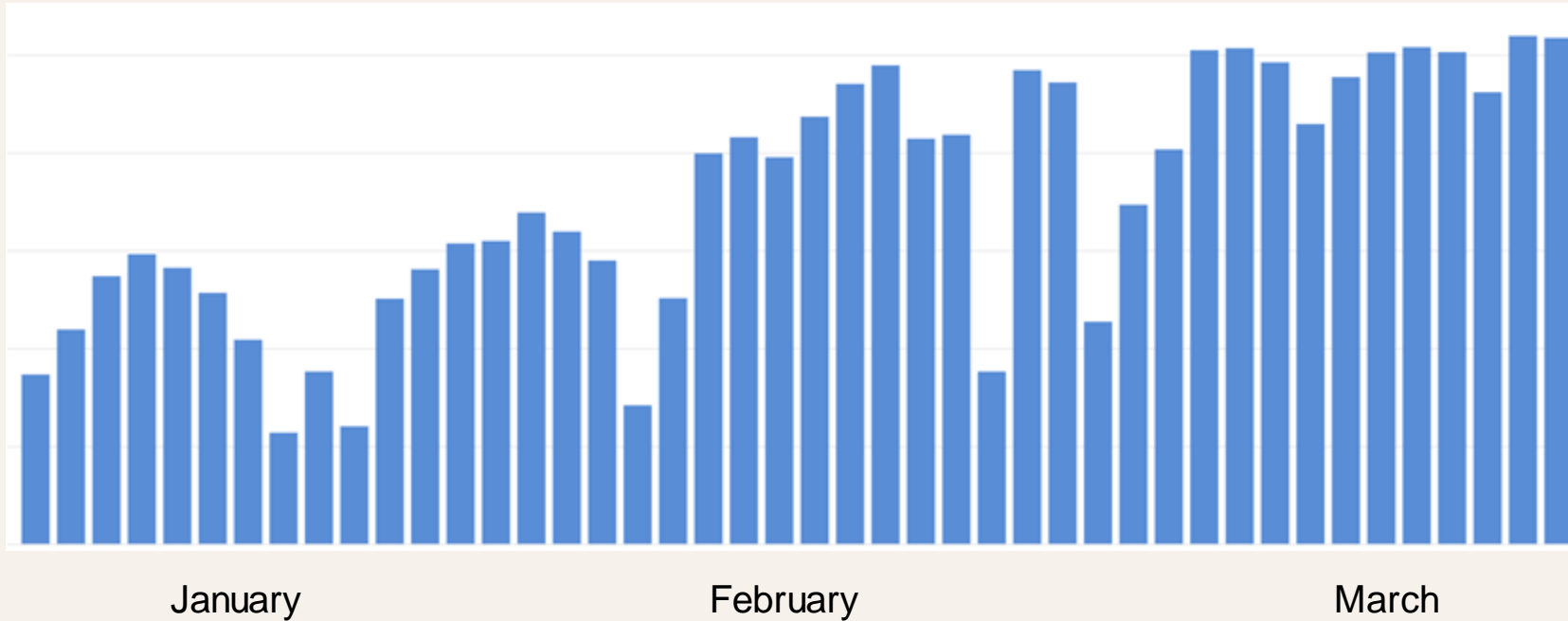
For companies of all sizes, WeWork provides the global scale and flexibility to help your business adapt to uncertainty. Space made to help office space the up to 10 members of your team with private meeting rooms and executive offices.

**Explore our solutions for teams of any size**

# Snapshot

## DC Market

Daily Unique Entries - DC



## What We're Seeing

- Of all the members who have returned to work at WeWork in the U.S., 76% are non-enterprise businesses.
- The most popular days for reservations are Tuesday- Thursday, showing that users are more likely to bookend the work week by working from home.
- While headlines continue to focus on the return of large Enterprises, **our highest uptick has been through SMB segments, with a 50% improvement late 2020.**
- An important indicator of economic recovery, SMBs are set to play a huge role in facilitating a broader return to work.







# Special Guest Remarks

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**Allyson McDougal,**  
Co-Founder & COO, Work Chew

# workchew™

Reimagining the Future of Workspace

workchew™ | 2021



# WorkChew Origins

Founded in Washington, DC by two remote workers looking for a more consistent experience

We are rethinking the office and hospitality industries and revolutionizing how and where people find workspace. WorkChew transforms local restaurants & hotels underutilized space into reservable workspace for remote professionals, verified for health and safety to keep them both engaged and safe

March 2021 - Raised \$2.5 Million seed round to expand our team, product and network of locations to support remote workers across the U.S.







# Industry Trends

## Dramatic Shift to Hybrid Work

- >60% of employees are expected to work remotely at least 1x week post-pandemic
- Whilst people have become used to virtual meetings, we will still crave personal interaction and collaboration

## Focus On Cost Savings - Reduced Leases

87%

Executives expect to make changes to their real estate strategy over the next 12 mos include consolidating office space and/or opening more satellite locations.

56%

Companies plan to reinvest the savings from downsizing office space in new ways to support remote workers

# What Employees Want

Relocation is on the upswing. Workspace diversity & proximity are essential to support the new workforce.

A person is sitting on a couch, working on a laptop. A dog is lying on their lap. The scene is dimly lit, suggesting a relaxed home environment.

84%

FLEXIBLE  
SCHEDULE

A person is lying on a couch, stretching their body. They are wearing a black tank top and leggings. The background is a simple room with a window.

66%

WORK/LIFE  
BALANCE

A busy city street with many cars and a motorcycle. There are traffic lights and signs. The scene is taken from a low angle, looking down the street.

61%

FREEDOM TO CHOOSE  
WHERE TO WORK

A person is sitting at a desk, working on a laptop. There are books and a glass of water on the desk. A large plant is in the background.

60%

NO COMMUTING



# Our Vision of the Future of Work



## Flexibility & Optionality

Employees able to access workspace no matter where they are.



## Local Hospitality Venues As Workspaces & Collaboration Hubs

Residential and business travelers looking to reimagine what workspace flexibility looks like



## Workspace Access in Central Business Districts & Surrounding Communities

Access to workspace regardless of proximity to Central Business Districts.



## Affordable & Flexible Workspace for All

All people have the ability to access beautiful workspaces to build, create, and connect.

# Opportunities for District of Columbia

## Key takeaways:

- Provide equitable workspace for all DC residents
- Boost local economy by 2.4x by activating local hospitality venues
- Supply underserved communities with access to high-speed WIFI
- Increase city sustainability and lower greenhouse gas emissions
- Save money by allowing more employees to work remotely



# Open Discussion

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## Q & A

# CORONAVIRUS.DC.GOV/RECOVERY

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