



FEDERAL CITY COUNCIL

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Testimony of Rebecca Strauss
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Federal City Council

Committee on Business and Economic Development
Councilmember Kenyan McDuffie, Chair

B24-454 – “Rediscover Equitable Central Occupancy Vitality
and Encourage Resilient Yield Amendment Act of 2021”

November 22, 2022

Good afternoon. I am the Director of Economic Initiatives at the Federal City Council, which is a business civic organization whose 240 members are some of the District’s most civically engaged CEO-level leaders. Our purpose is to work towards making the District a better place for all its residents.

I, myself, am a long-time downtown resident and have just been elected to serve as ANC Commissioner in ANC 2C, right downtown. As ANC Commissioner, I look forward to working with city officials on a downtown recovery action plan.

I’m testifying today in broad support of what Councilmember Pinto is trying to achieve with this bill. As Yesim Sayin from the D.C. Policy Center points out, while there has been some recovery of foot traffic downtown, it’s nowhere near where it was before the pandemic. It’s not clear downtown will ever fully recover to those levels without a robust, deliberate response. And without that response, there could be catastrophic consequences for the city’s bottom line. Commercial real estate is plummeting in value, which will lead to plummeting tax revenues that this city relies on to fund services for residents.

There are pieces of this bill that hit the right notes. Conversions must pencil out for property owners and real property tax abatements and transfer tax exemptions will help. Any extra financial carrots we can provide to businesses to relocate to the CBD will make a difference. Tax abatements for biotech and IT startups will too.

But this RECOVERY Act should be the start—and certainly not the end—of a much larger, comprehensive action plan to save downtown.

We encourage the Council to continue to think creatively about how best to make downtown a bustling, vibrant neighborhood once again. Some possible additional actions could include:

- Investing in business attraction. Our peer cities and the suburbs are doing better at this than we are. Not all office space needs to be repurposed; if we know that office workers will be in 60



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percent of the time, we should aim to attract 40 percent more employers to take up the empty space. It will be a job-winner for DC residents.

- Investing in talent attraction and retention. The Penn West Innovation & Equity District can be the tech talent focal point. The District is swimming with young college students. Give them an incentive to stay. Foreign students and other highly educated foreigners could stay with a “startup visa” to launch enterprises and hire local residents.
- Establishing special business zones. Amplified noise and public safety have been a problem for workers coming back to the office. Perhaps some areas could be designated as having more ramped up police presence and noise restrictions.
- Collaborating more closely with federal office planning. The federal government is the city’s largest employer and lease holder. It’s also been the slowest to come back to the office. More DC government resources and staff time should go toward enticing federal workers back.

For too long the Council assumed downtown would always thrive as the heart of the region and the go-to office destination. It was thought that it didn’t need careful monitoring of its vitals and real nourishment. Fortunately, there is a growing awareness on the Council that we cannot just sit back and wait for a recovery that might not happen. Deliberate action is what’s needed. We commend Councilmember Pinto for taking that first stab.