

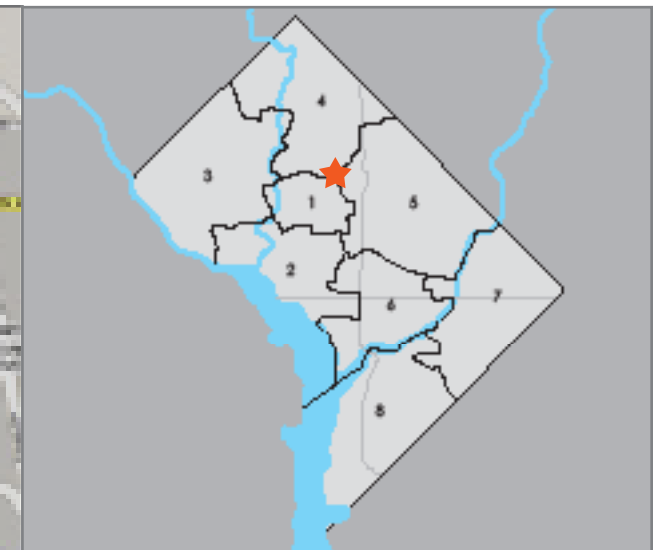
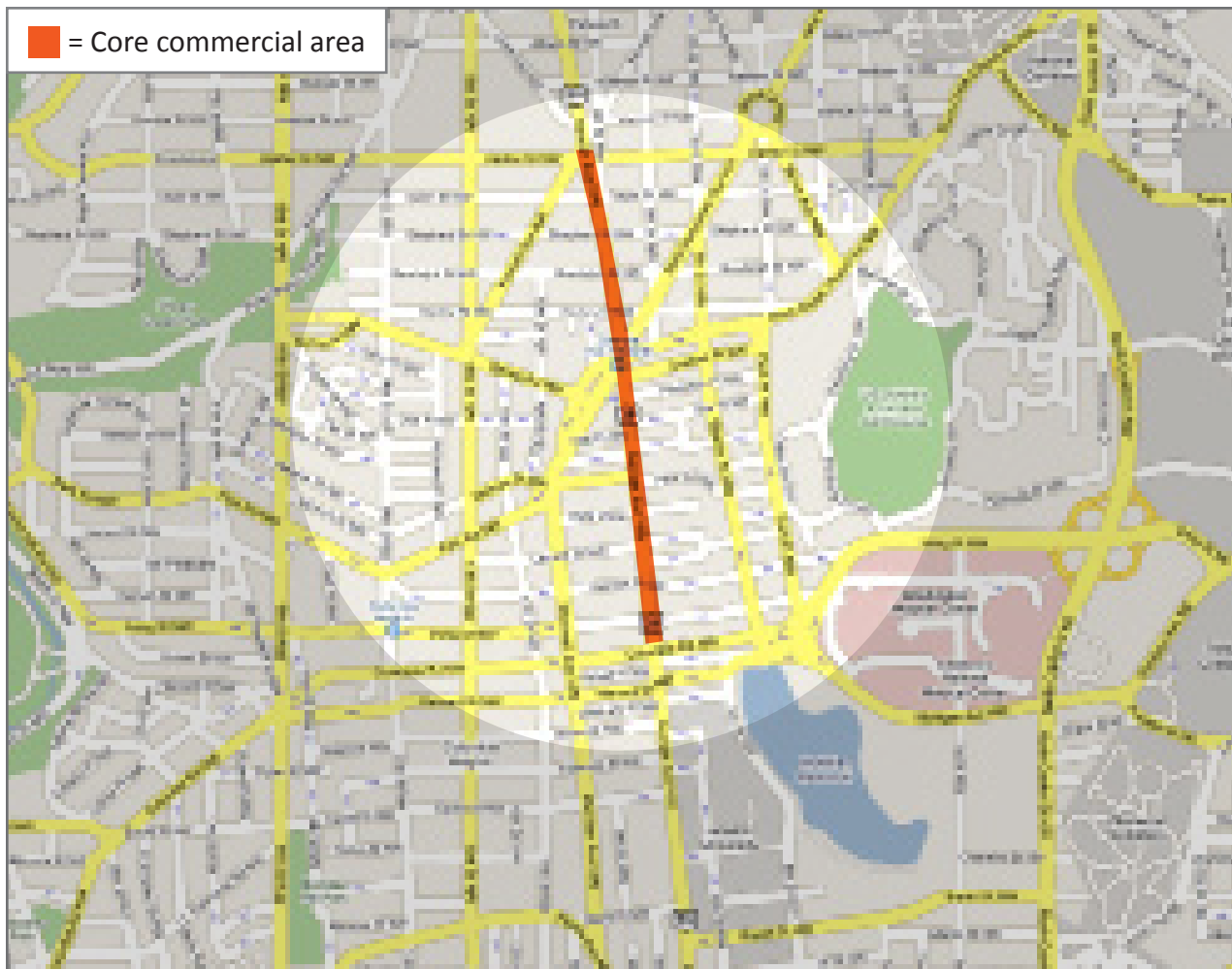
Georgia Avenue-Petworth

SWOT Analysis, Retail Demand Analysis, Strategy and Preliminary Planning Diagrams



Georgia Avenue-Petworth SWOT Analysis





Boundaries

Georgia Avenue NW from Upshur Street NW south to Columbia Road NW

Zoning

The Georgia Avenue-Petworth corridor is zoned entirely as commercial. At the top of this corridor, there is a small area of commercial light-manufacturing on the west side of Upshur Street (the east side is commercial for a block). The surrounding area is zoned mostly as residential. A major exception is 14th Street, which is another commercial corridor running parallel to Georgia Ave. In addition to this commercial strip, there are large amounts of land zoned as government-owned property, including the U.S. Soldiers' & Airmen's Home and its surrounding area east to North Capitol Street.

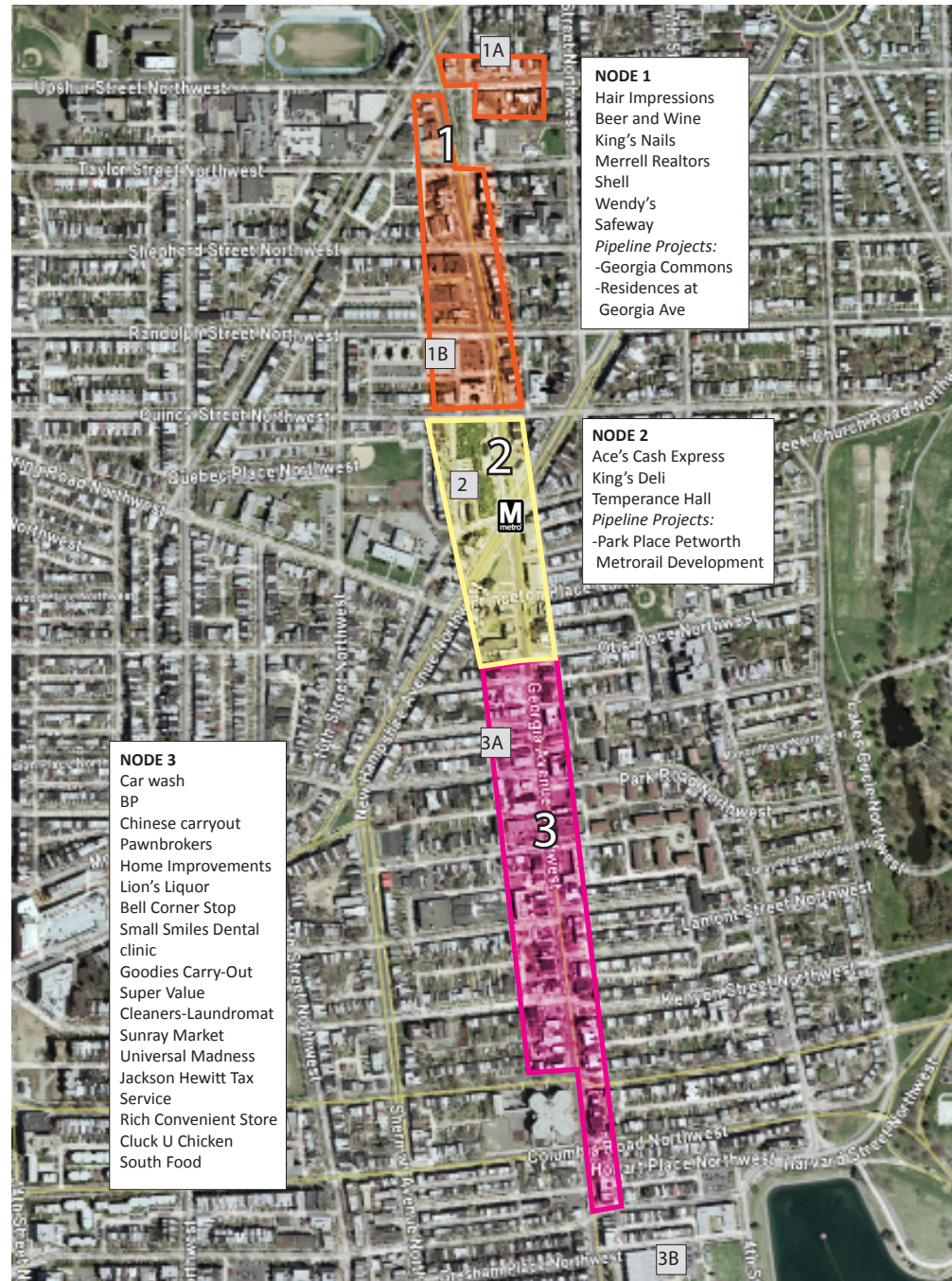
Overview

The expansive Georgia Avenue-Petworth corridor possesses a unique urban vitality, with an active street life despite its outdated shops. Although the area has suffered from deferred maintenance and neglect, a recent flurry of residential and commercial development around the Georgia-Petworth Metro station has turned this into a transitional community. The area benefits from a strategic location: in addition to having a central Metro station, Georgia Avenue itself is a major traffic corridor. The area is also close to Howard University, Columbia Heights, the U.S. Soldiers' & Airmen's Home (slated for major redevelopment), and several hospitals.

1 Upper Georgia Ave
 This area is predominantly residential and has a loose urban fabric. Anchored by Safeway, apartments dominate. Mom-and-pop shops are dispersed, except for a cluster on the east side of Upshur Street. Projects in the pipeline reinforce this area's residential character.

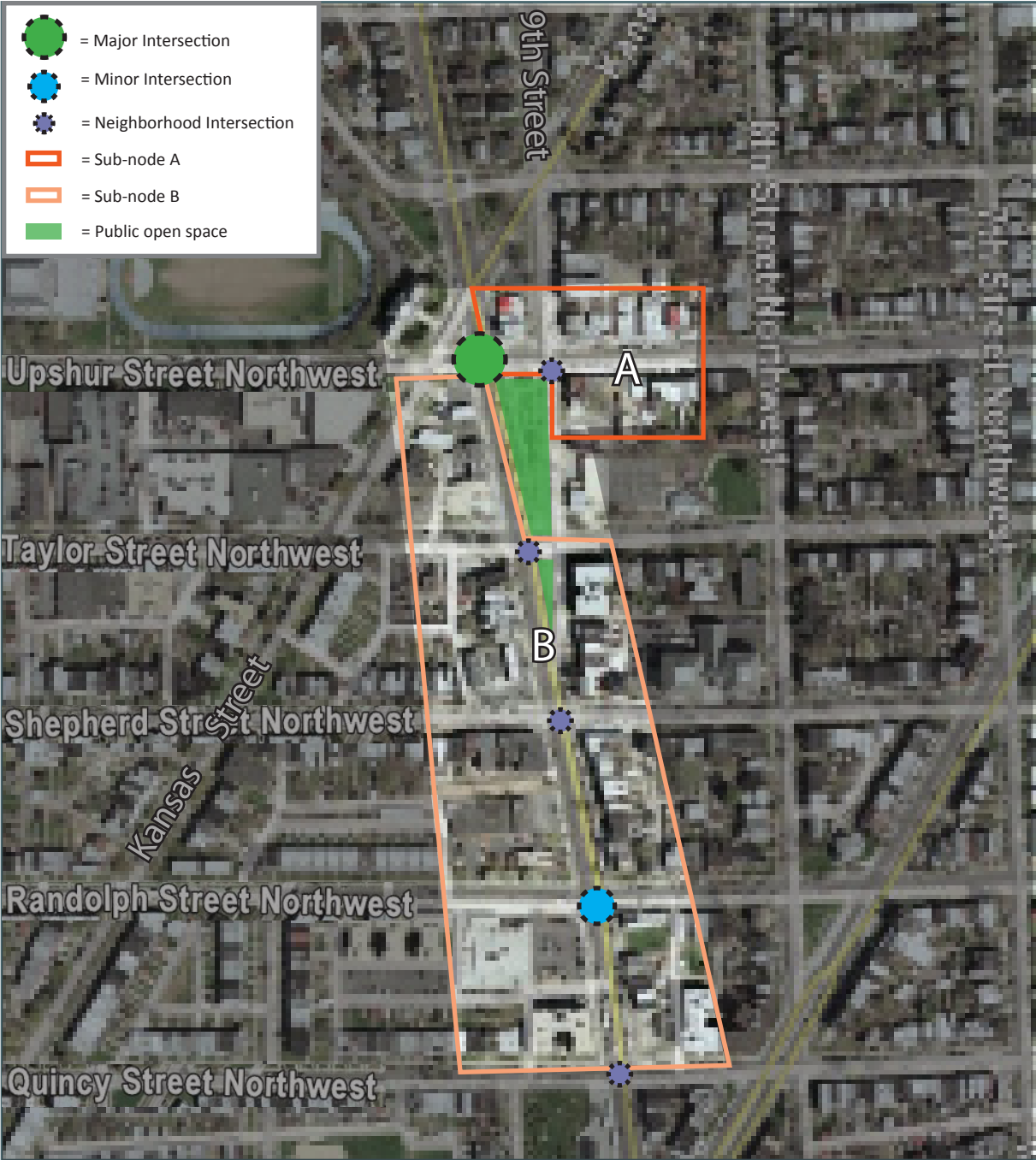
2 Central Georgia Ave (Metro)
 This central node, anchored by the Georgia Ave-Petworth Metro station, is poised to become the heart of this section of Georgia Ave. Because of its accessibility by Metro and car (it is located at the intersection of Georgia and New Hampshire Aves), this area is primed for transit-oriented development. Fittingly, several lots by the Metro are currently under construction with mixed-use developments.

3 Lower Georgia Ave
 This large area, anchored by Howard University to the south, has a high concentration of price-point sensitive retail in poor condition. Although it is currently the liveliest part of this submarket, its shallow depth limits anchor locations and makes it ill-suited for larger-scale redevelopment.

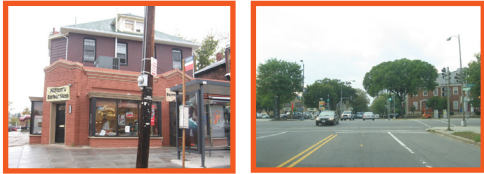


Note: Tenant lists do not include all businesses located in the submarket.

Retail Node 1: Upper Georgia Ave-Petworth



The Upper Georgia Avenue-Petworth corridor can be divided into 2 sub-nodes: *Upshur Street Shops* and *Grocery-Anchored Apartments*.

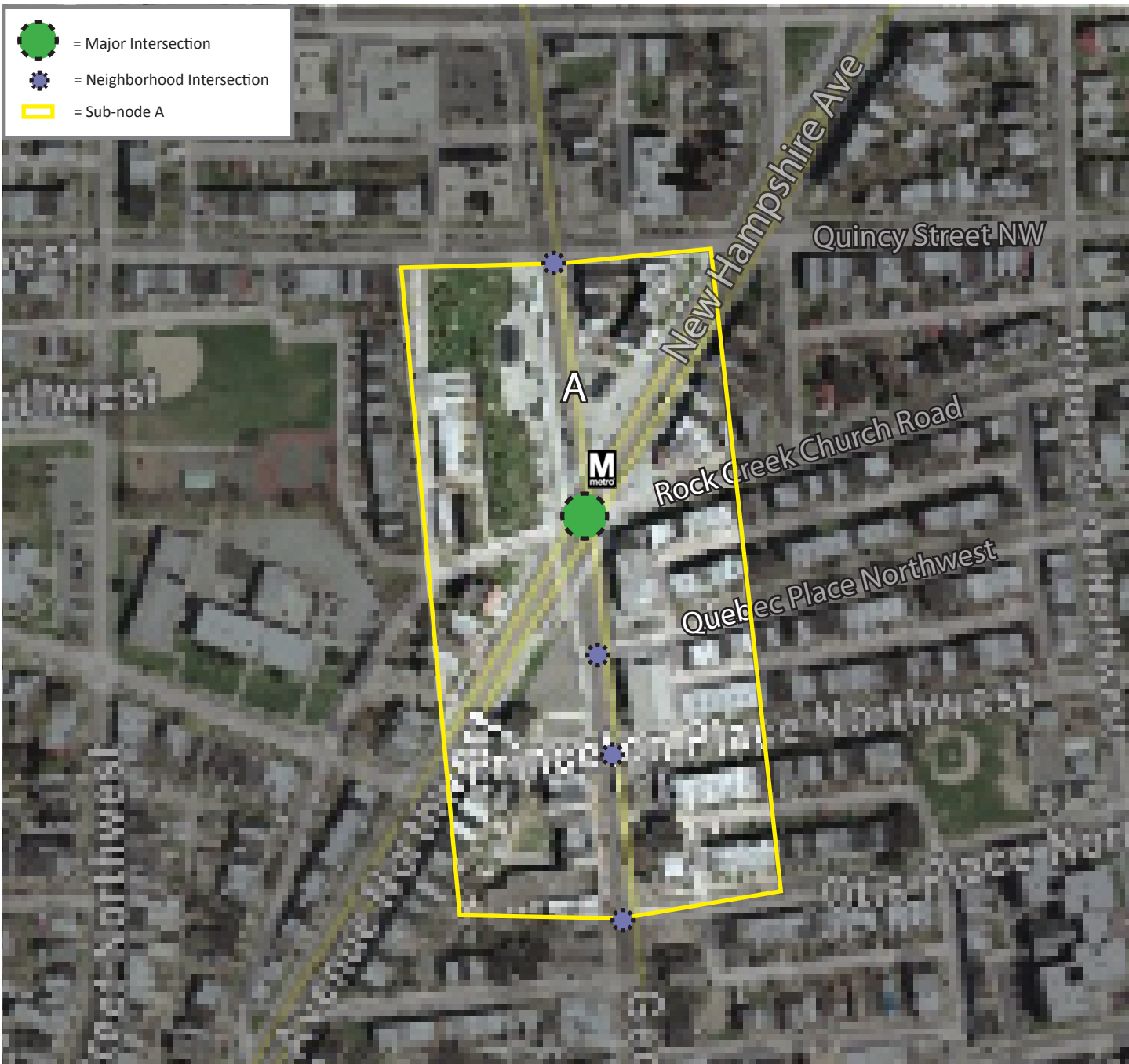


A - Upshur Street Shops is a one-block cluster of shops directly east of residential Upper Georgia Avenue. The intersection at Upshur Street is currently one of the largest in this submarket. However, the existing infrastructure limits the ability to create an authentic, pedestrian-centered retail experience (Kansas Street intersects very close-by, breaking up the lots and creating huge gaps from a retail perspective).



B - Grocery-Anchored Apartments describes a 4-block area of apartments anchored by a 22,000sf Safeway grocery store (at the southwest corner of Georgia Ave and Randolph St). The intersections south of Upshur Street (Taylor Street to Randolph Street) show more potential to create a distinctive character for Upper Georgia Avenue, as they do not have an overwhelming amount of infrastructure. Although retail could cluster around these intersections, it is currently dispersed and secondary to residences. Projects in the pipeline include large apartment houses like the Residences at Georgia Avenue as well as approximately 30,000 square feet of retail.

Retail Node 2: Georgia Ave-Petworth Metro

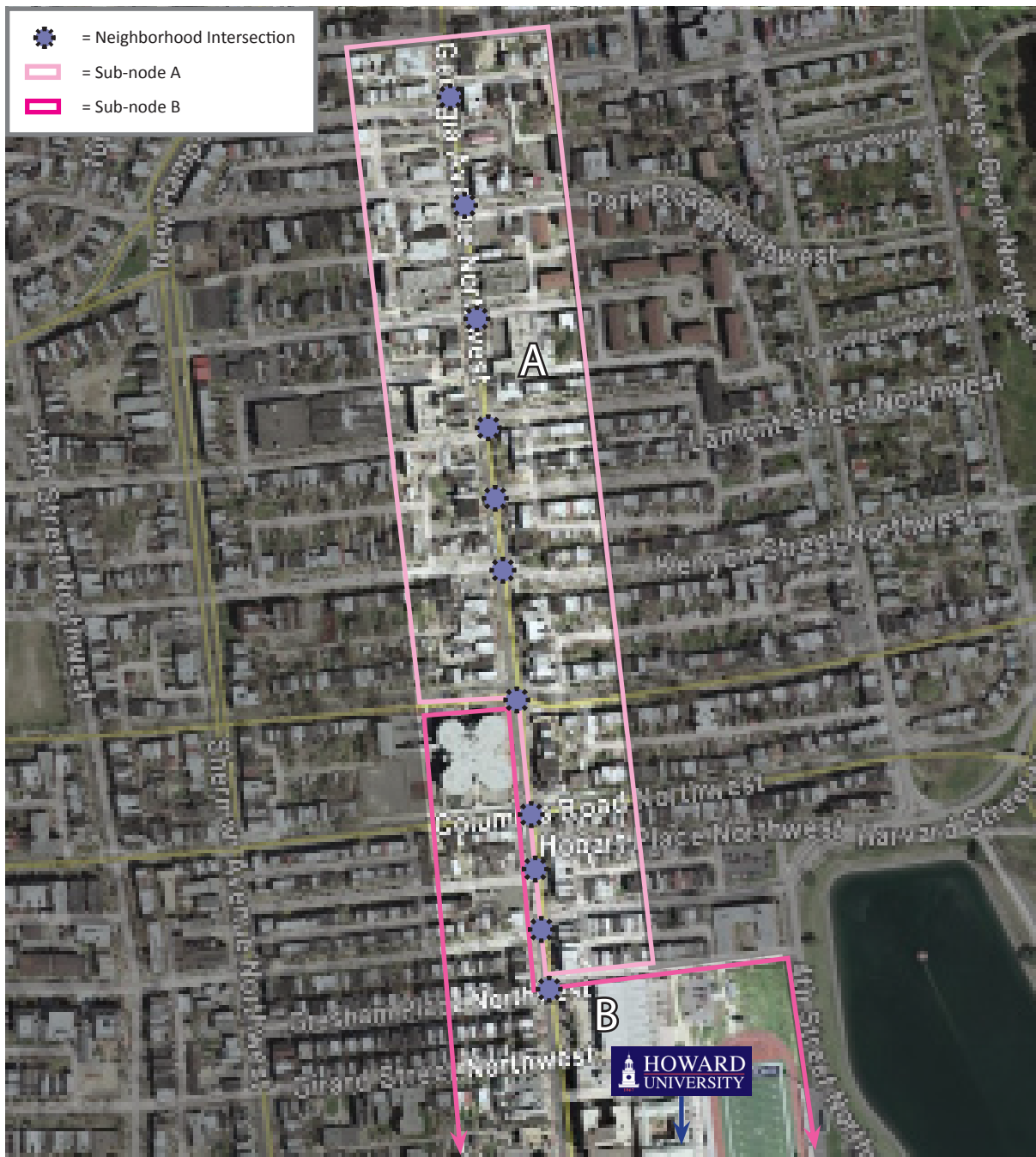


The Georgia Avenue-Petworth Metro corridor can be considered a node unto itself.



A - Central Georgia Ave, which includes the area around the Georgia Ave-Petworth Metro station, is poised to catalyze the redevelopment of this submarket. The intersection of Georgia and New Hampshire Avenues shows potential to be a very strong anchor for the area. Although the intersection is extremely large, the Metro activates it with pedestrians so that it can function well from a retail perspective. Fittingly, the area is quickly being redeveloped with mixed-use projects. Of these developments, the most significant is Park Place, which will add 156 mostly market-rate condos and townhouses, as well as 17,000sf of retail, at the Metro station. This project, as well as nearby buildings such as Temperance Hall (a sit-down restaurant/bar), offer glimpses into Georgia Avenue’s thriving future.

Retail Node 3: Lower Georgia Ave-Petworth



The Lower Georgia Avenue corridor can be divided into 2 sub-nodes with distinct characters: Small Shops and Schools and Homes.



A - Small Shops with neighborhood-serving retail line this somewhat gritty, but lively section of Lower Georgia Avenue. There are no obvious anchors or hierarchy of streets; the existing retail is small-scale and generally in poor condition. There is also a small strip mall between Morton and Lamont Streets with similar retail options (cleaners, laundromat, carry-out, tax service). Shops in this section have very shallow depths because they are adjacent to densely packed rowhouses with tight alleys for service and loading. This underlying bone structure makes this section unlikely to change from its current live-work set-up.



B - Schools and Homes occupy the bottom part of Lower Georgia Avenue. Bruce Monroe Elementary School anchors the northern end at Irving Street, while Howard University is to the south. Although Howard is a major anchor, its real presence lies further south of this submarket's boundaries. Howard's Metro stop provides momentum southward for Lower Georgia Avenue's redevelopment, just as the Georgia Ave-Petworth Metro stop pulls northward.

Streets & Blocks

The streetscape along Georgia Ave is mostly stark, with narrow concrete sidewalks next to rundown buildings. Lower Georgia Avenue is the main retail corridor, but has suburban-sized sidewalks. This small scale occasionally creates a charming intimacy; for example, between Harvard and Hobart Streets, the sidewalk is paved with brick and has regular tree plantings. However, this small scale also makes Lower Georgia Avenue's blocks indistinguishable from each other, as there is no hierarchy of streets or blocks. Oddly, the widest sidewalks exist off of Georgia Avenue on Upshur Street, where there is a small row of shops. In terms of traffic, Georgia Avenue is a very busy street. There are 2 lanes of traffic in each direction, with an occasional third lane occupied by parking.



Intersections

The main intersection, located at Georgia and New Hampshire Avenues, is large and intimidating to pedestrians (who are secondary to auto traffic). The intersection is also out-of-scale with its current context of 1-story retail, but the new Park Place development will be a more appropriate anchor. Another significant intersection occurs where Georgia Avenue hits Upshur Street's small retail strip; this smaller intersection shows promise as a pedestrian crossing because of its adjacent grassy open space. Georgia Avenue's intersection with Randolph Street is notable because of Safeway. Lower Georgia Avenue, where the area's retail is concentrated, does not have any major intersections and, therefore, seems like one continuous block because there is no hierarchy of streets.



Buildings

Buildings on Georgia Avenue are generally older and have small footprints. They tend to be 1-story retail shops or 2-story residential buildings with ground-floor retail. With the exception of new construction like Temperance Hall, these buildings are mostly rundown. In general, building facades lack transparency and often appear as solid walls disengaged from the street. This is especially noticeable in the civic institutions on Lower Georgia Ave, such as Bruce Monroe Elementary School and Howard University, and in the large apartments on Upper Georgia Ave.



Alleys & Service

Georgia Avenue has very limited space dedicated to service and loading. Most stores do not have service alleys; trash cans are placed outside stores for garbage collection, much like they are for homes. When stores are slightly larger and set back behind a parking lot (e.g. Safeway, U-Like Carry-Out), dumpsters are visible in front set against the building. General-use trash cans line Georgia Ave, but litter is noticeable, particularly around the Metro station and construction areas. When redeveloping this submarket, it will be critical to improve back areas for service and loading to make them safe and clean for adjacent residences.



Strengths

- Investment is already taking place (especially around the Metro) and providing momentum for the area's revitalization
- There is easy Metro access to the central Georgia Avenue/Petworth stop
- Georgia Avenue is a major traffic artery in and out of the city, which means great retail visibility to commuters
- Howard University is a major people anchor with a student body of 11,000
- There are many new development opportunities in the "gaps"

Weaknesses

- Limited depth due to adjacent residences does not provide many opportunities for anchors, particularly in Lower Georgia Ave
- Howard University seems disengaged from this section of Georgia Avenue, weakening its strength as the southern anchor of this corridor
- The streetscape is stark and there are several "gaps" (e.g. Safeway parking lot and vacant/dilapidated storefronts)
- Physical retail space is not in good condition
- Lack of retail diversity shows that there is no comprehensive merchandising strategy; in addition to a disproportionate number of liquor shops, there are 2 Shell gas stations on one block
- The sheer quantity of retail in this submarket detracts from the viability of active nodes—shops line almost all of Georgia Avenue in this area of the District causing the submarket to be over-retailed in terms of square footage, though underserved in terms of quality
- Public schools that bookend the corridor face challenges and could benefit from improvements in order to help attract homeowners with children
- This submarket is generally grittier than most parts of the city and has more crime

Opportunities

- Create authentic neighborhood character by upgrading intersections with larger lots and manageable infrastructure (Taylor to Randolph Streets)
- Establish two different consolidated retail nodes to generate momentum further along Georgia Avenue (one node would be high-density T.O.D. around the Georgia Avenue/Petworth Metro, while the other would be student-oriented entertainment/food around Howard University)
- Allow the area in between these two nodes to be the existing authentic live-work environment, but improve and organize the streetscape
- Develop a comprehensive merchandising strategy to reduce redundant retail on Lower Georgia Ave
- Design the crime out of the neighborhood with lighting, police substations, neighborhood-watch programs, and regular trash pick-up
- If it goes through, the Armed Forces home redevelopment (consisting of 1,000 residential units, 3 million sf of office, and 100,000sf of retail) could dramatically change the greater area
- Leverage Great Streets Initiative, including public realm investments and economic development assistance

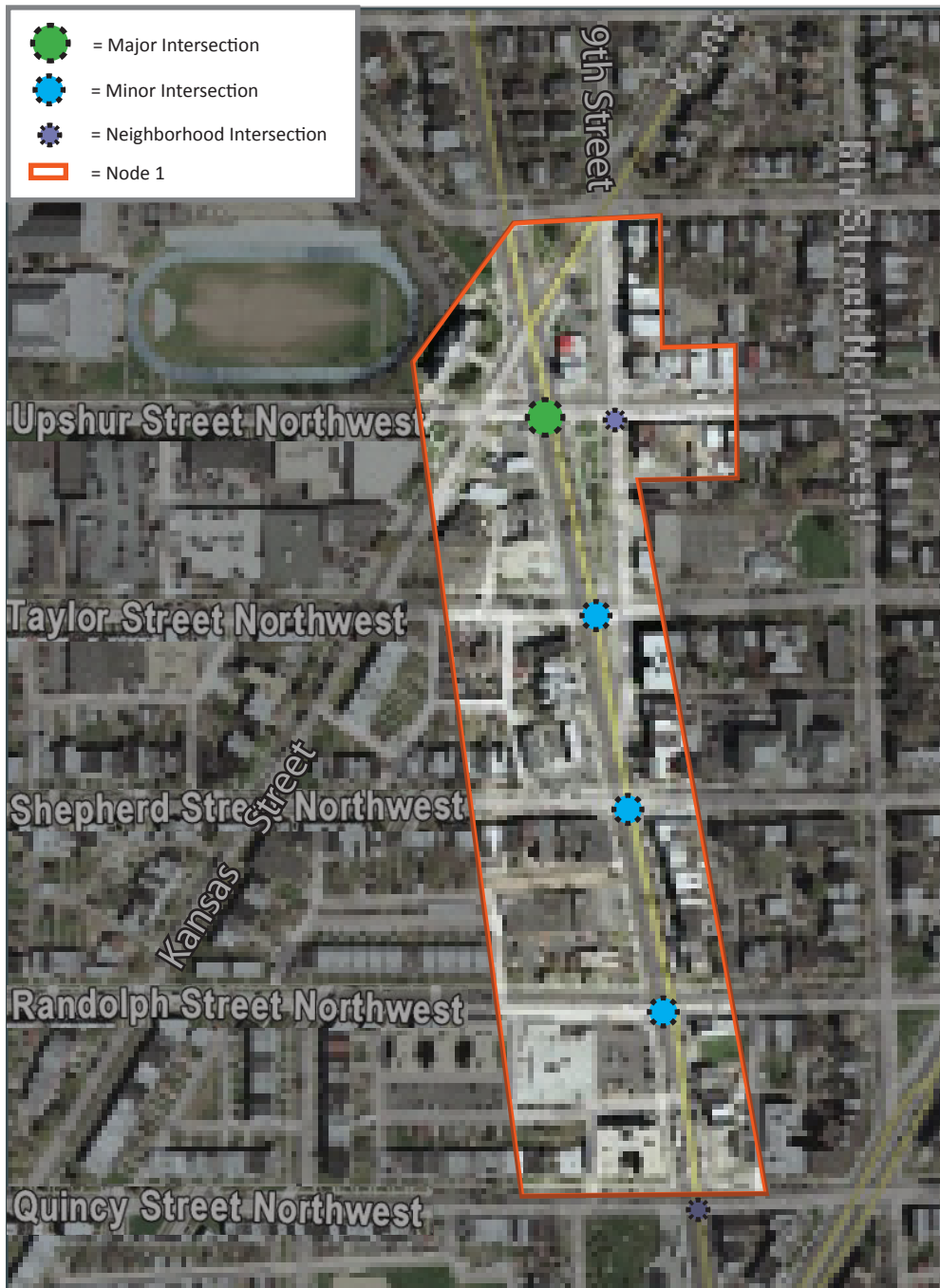
Threats

- Multiple ownerships might not work together to support the overall merchandising strategy and prepare/engage change
- New development at Columbia Heights (such as Super Giant and DC USA) may compete for consumers, so Safeway and future grocery stores would have to be reconfigured to be more competitive
- A lot of retail is being considered in the trade area and could pull some of the demand away from this corridor
- High crime statistics can deter potential retailers

Georgia Avenue-Petworth Preliminary Planning Diagrams



Planning Analysis Node 1: Upper Georgia Ave-Petworth










General Observations about Existing Area:

- 1) Upshur Street, Georgia Avenue, and Kansas Avenue meet to create a mega-intersection that is dominated by vehicular traffic and intimidating to pedestrians. Small, awkwardly shaped blocks also make this intersection dysfunctional for retail.
- 2) A concentration of large leasing depths near the existing Safeway grocery make way for a successful retail and mixed-use clustering at the intersection of Georgia Avenue and Randolph Street.
- 3) The setback of the existing Safeway from the street contradicts the city's vision of Georgia Avenue as a pedestrian-friendly retail experience.

Retail Planning Principles:

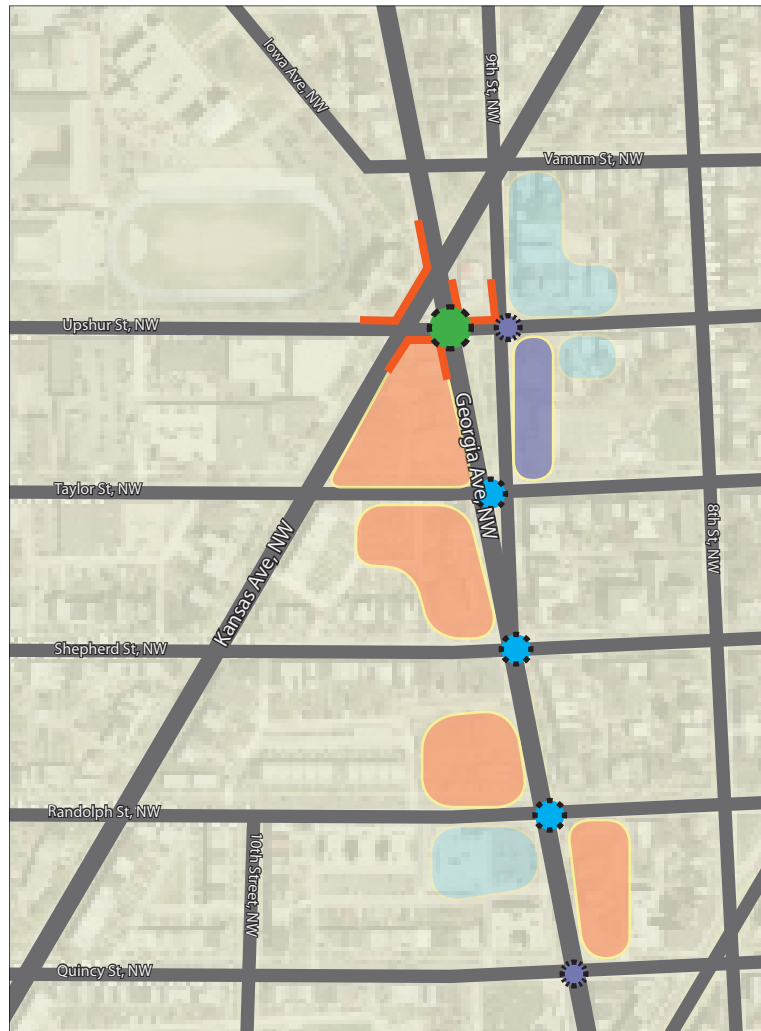
- 1) Take advantage of large, vacant, and single-owned parcels for mixed-use development.
- 2) Focus on revitalizing the streets, sidewalks, and storefronts in areas with existing businesses and limited site depth for redevelopment.
- 3) Design high-density, mixed-use buildings that are sensitive to the character of adjacent low-scale residential buildings.

Planning Concepts Node 1: Upper Georgia Ave-Petworth

-  = Prime Corner
-  = Mixed-Use Opportunity
-  = Single-Use Opportunity
-  = Reinvestment Opportunity
-  = Major Intersection
-  = Minor Intersection
-  = Neighborhood Intersection

The following concept diagram is intended to be used as a general guide for retail improvement opportunities. Actual building configurations and mix of uses should be reviewed on a parcel-by-parcel basis.

Redevelopment Option 1

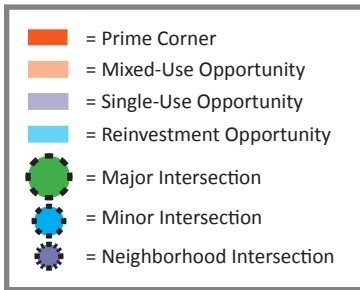


HIGH-DENSITY, MIXED-USE AND LOW-DENSITY, SINGLE-USE DEVELOPMENT OPPORTUNITIES

Consolidating derelict and vacant properties creates favorable dimensions for developing high-density, mixed-use buildings. Capitalizing on the opportunity to consolidate and introduce a mixed-use product would ensure that Georgia Avenue becomes the transit-oriented development the city has envisioned.

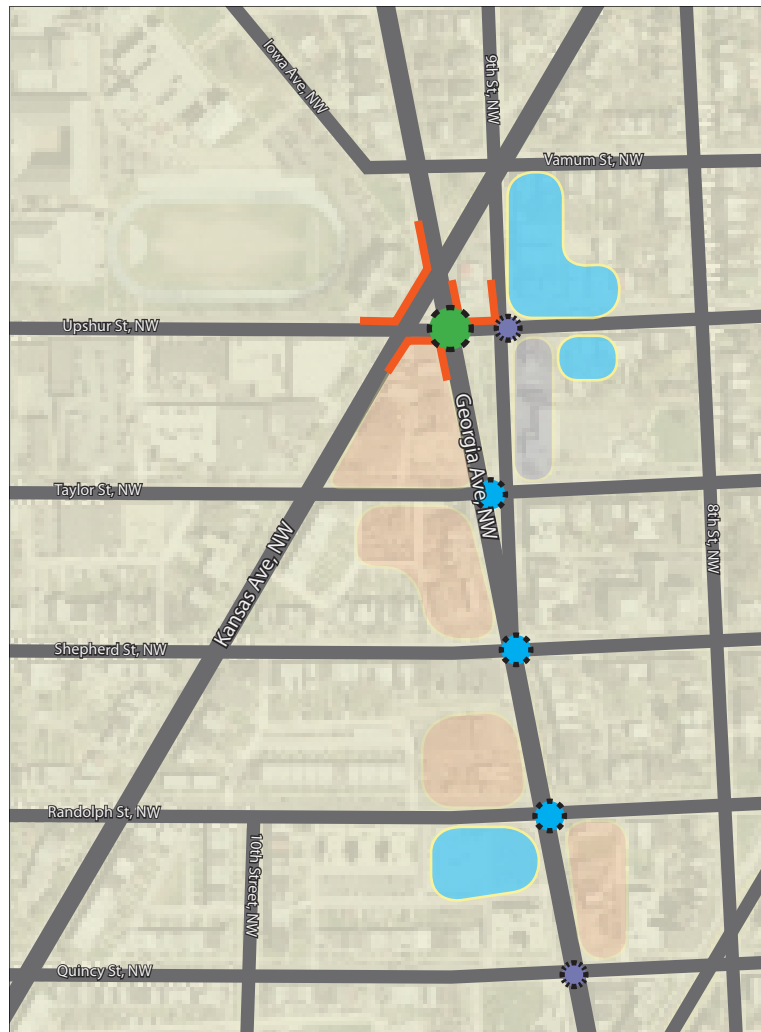
Adjacent to the triangular park and setback from Georgia Avenue, this location is ripe for low-scale, residential infill development. Where retail can suffer from a lack of visibility, residential uses prosper from the privacy of neighborhood streets.

Planning Concepts Node 1: Upper Georgia Ave-Petworth



The following concept diagram is intended to be used as a general guide for retail improvement opportunities. Actual building configurations and mix of uses should be reviewed on a parcel-by-parcel basis.

Redevelopment Option 1



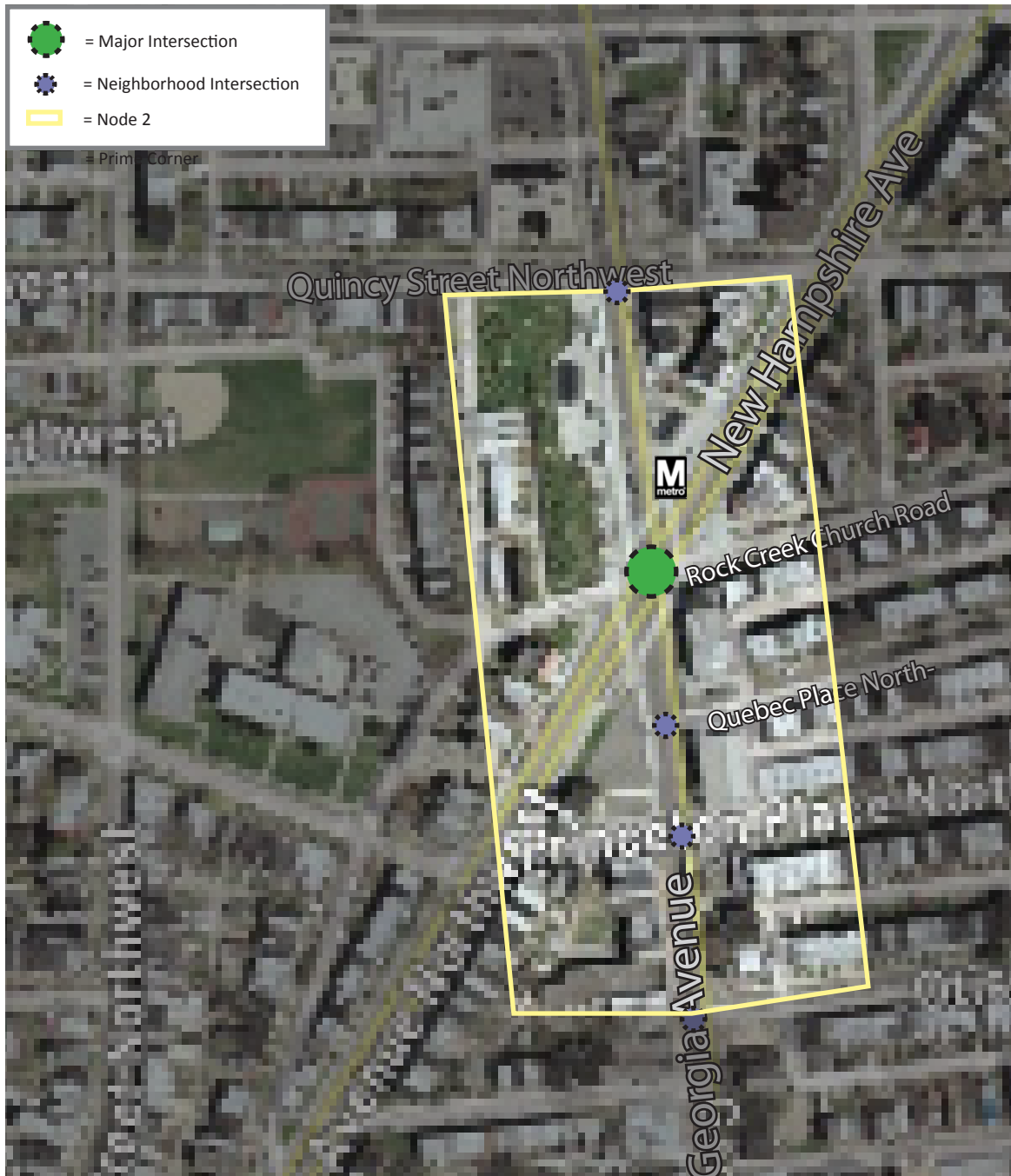
REINVESTMENT/REPOSITIONING OPPORTUNITIES

Street-calming techniques should be considered at the intersection of Upshur Street and Georgia Avenue to create a more pedestrian-friendly crossing; however, focusing energy and efforts to produce strong retail experiences at other intersections is advised. The intersections between Taylor and Randolph Streets should be upgraded in scale to become authentic neighborhood-defining intersections.

Streetscape and storefront incentives will improve the two-sided retail experience along Upshur Street. Taking advantage of the large sidewalk depths to create distinguishable zones that describe a storefront zone, a pedestrian zone, and an amenity zone is one of the possible strategies to consider.

Repositioning Safeway, located at the southwest corner of Randolph and Georgia Avenue, to better engage the street and updating it to a higher-quality offering is necessary to respond to the changing demographics and demand of the area.

Planning Analysis Node 2: Georgia Ave-Petworth Metro








General Observations about Existing Area:

- 1) Several new mixed-use projects have come to define this area as the transit-oriented core of Georgia Avenue.
- 2) Awkward-shaped blocks at the intersection of New Hampshire Ave, Georgia Avenue, and Rock Creek Church Road create a hostile pedestrian environment.
- 3) New investment into some of the existing storefronts along Georgia Avenue highlights the potential for local retailers in this area.

Retail Planning Principles:

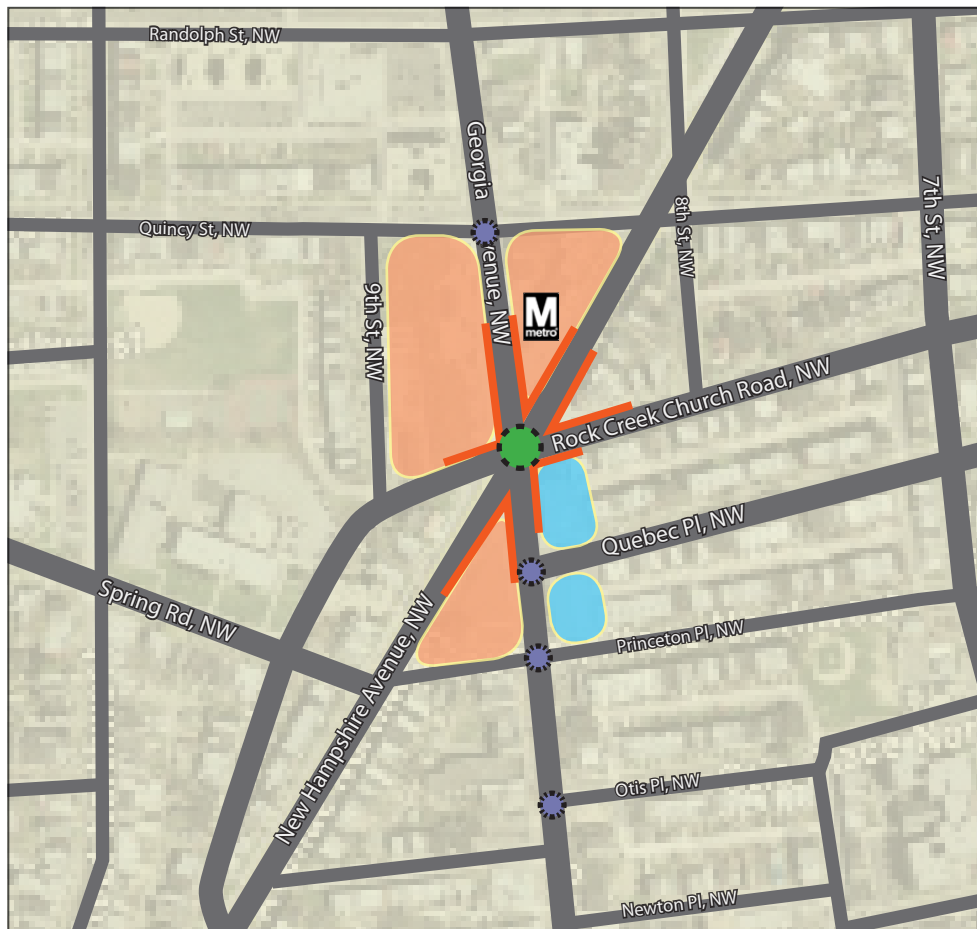
- 1) Embrace the momentum of the current mix-use, transit-oriented developments.
- 2) Design high-density, mixed-use buildings that are sensitive to the character of adjacent low-scale residential buildings.
- 3) Cherish the existing building stock through restoration and preservation efforts.

Planning Concepts Node 2: Georgia Ave-Petworth Metro

-  = Prime Corner
-  = Mixed-Use Opportunity
-  = Reinvestment Opportunity
-  = Major Intersection
-  = Neighborhood Intersection

The following concept diagram is intended to be used as a general guide for retail improvement opportunities. Actual building configurations and mix of uses should be reviewed on a parcel-by-parcel basis.

Redevelopment Option 1



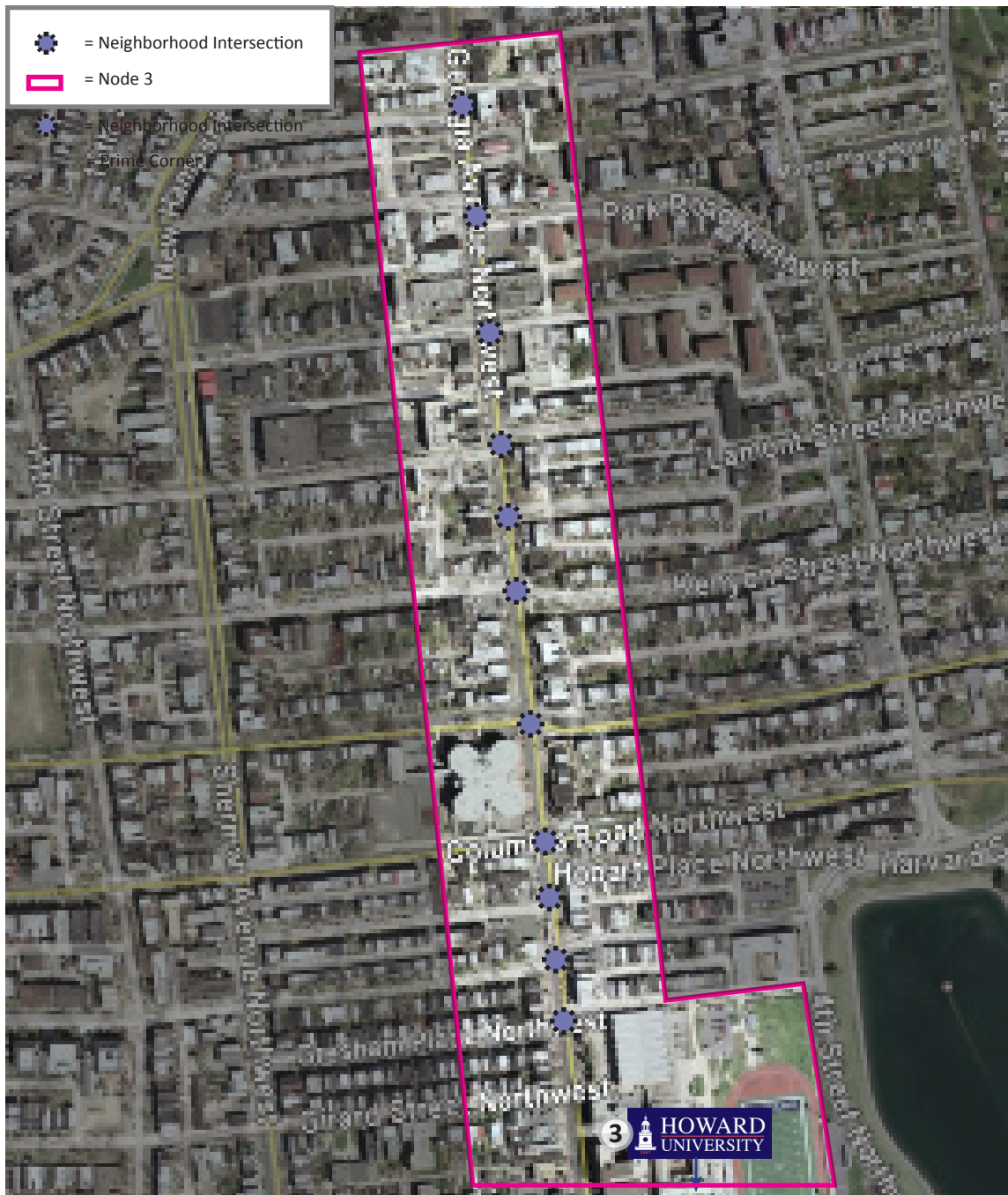
HIGH-DENSITY, MIXED-USE DEVELOPMENT OPPORTUNITIES

Parcels bordering the Metro should be considered as part of a transit-oriented, mixed-use strategy. Respectful consideration to the low-scale residential properties that surround the potential mixed-use density will produce a more positive and integrated community

REINVESTMENT/REPOSITIONING OPPORTUNITIES

Preserving good building stock along Georgia Avenue will reinforce the established character of the neighborhood. Introducing neighborhood-serving retail within these blocks will better define the Georgia and New Hampshire Avenue intersection as the focal point of this trade area.

Planning Analysis Node 3: Lower Georgia Ave-Petworth

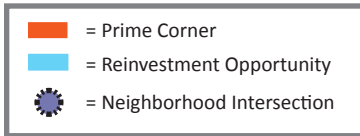


General Observations about Existing Area:

- 1) Short blocks, shallow leasing depths, and multiple ownerships limit future expansion of retail in this submarket south of Otis Place.
- 2) Howard University serves as a “people anchor” for the corridor.
- 3) While the University’s influence extends both to the north and south along Georgia Avenue, momentum around the Shaw-Howard University Metro station to the south has detracted attention and investment from the northern part of the neighborhood.

Retail Planning Principles:

- 1) Focus on making existing retail better rather than creating additional retail.
- 2) Tailor merchandising to reduce redundant retail.
- 3) Devise a branding strategy that defines the character of retail in this node as something unique to the Georgia Avenue corridor.



The following concept diagram is intended to be used as a general guide for retail improvement opportunities. Actual building configurations and mix of uses should be reviewed on a parcel-by-parcel basis.

Redevelopment Option 1



REINVESTMENT/REPOSITIONING OPPORTUNITIES

Rather than focusing efforts on changing the fundamental nature of Lower Georgia Ave, let it remain a line of small-scale retail between larger development to the north and south near the Georgia Ave-Petworth and Shaw-Howard University Metro stations. However, reinvestment into this area is strongly advised, especially where there are gaps in the urban landscape.

When considering additional retail, it is important to acknowledge that neighborhood-serving environments are best served when merchandising is clustered. Concentrating retail efforts within 1- or 2-block zones separated by other uses is often more effective than a sprinkling of retail throughout a longer corridor. Individual zones should be comprised of similar uses to create distinct shopping destinations.

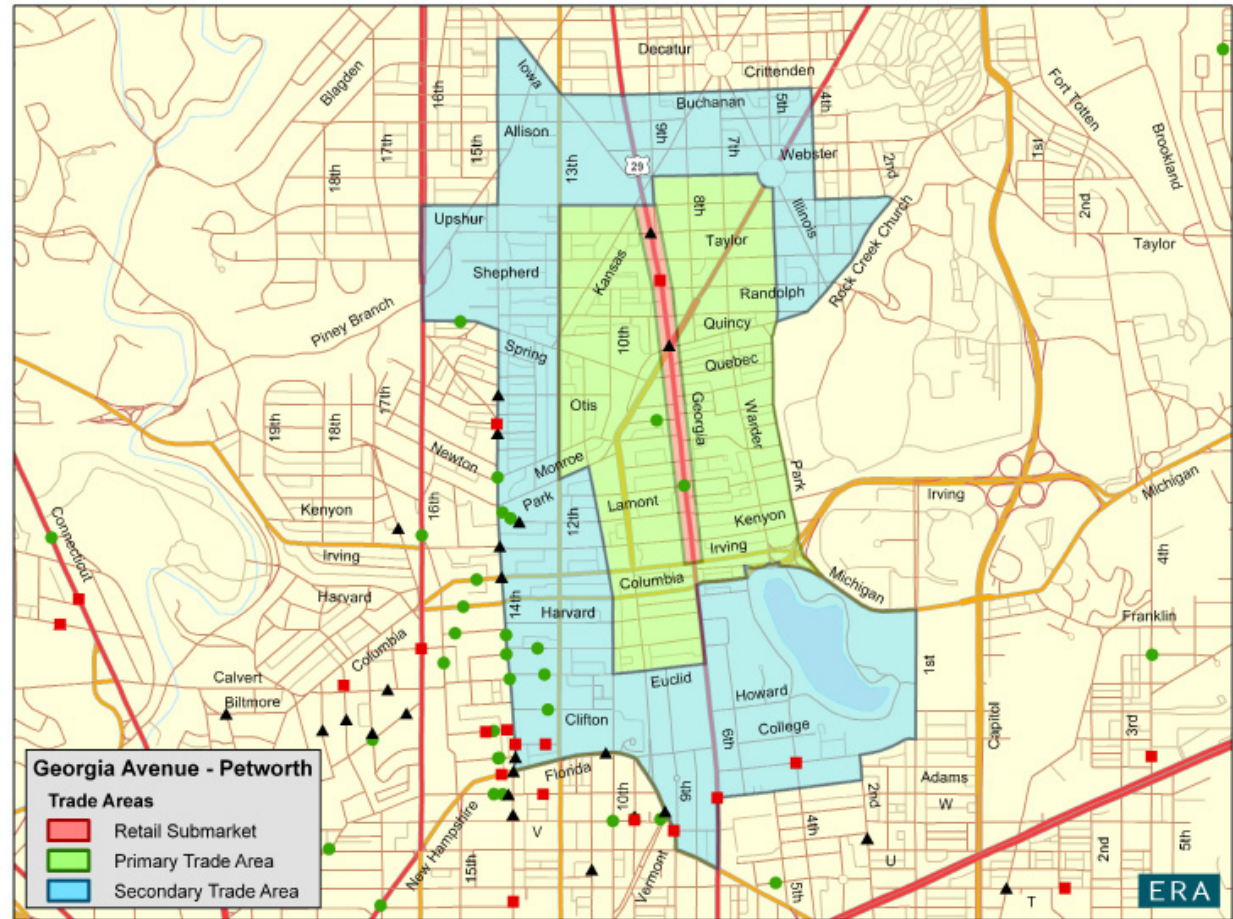
Establishing a comprehensive merchandising strategy to limit redundant retail will also have a great impact on this retail node. In addition to diversifying the service tenants, merchandising can help with District branding and the creation of a clean and safe pedestrian experience.

Involving Howard University in the revitalization of Georgia Avenue will provide additional help with District branding and bring added significance to the area.

The retail submarket is located along Georgia Avenue NW from Upshur Street NW south to Columbia Road NW.

Key Elements

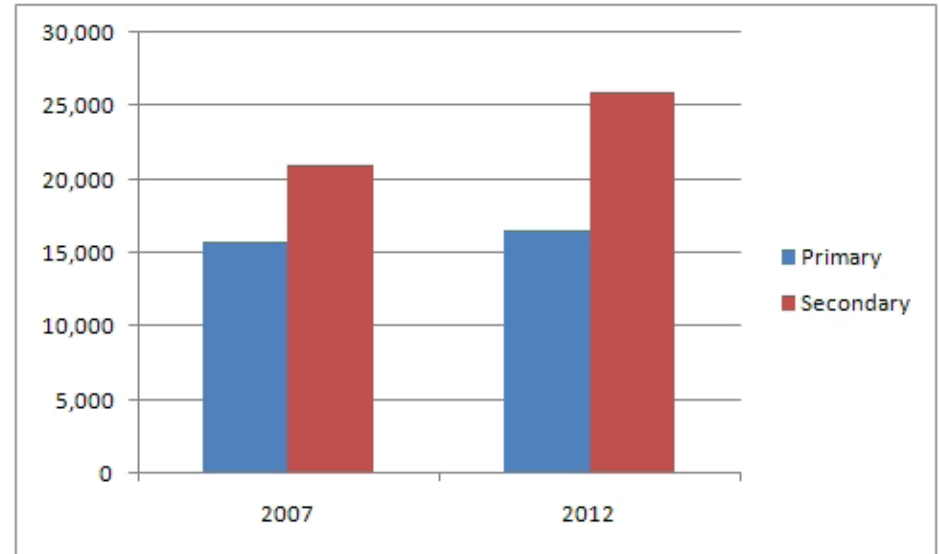
- The retail submarket is situated along a major north-south artery, Georgia Avenue NW. Development trends are centered at the Georgia Avenue-Petworth Metro Station (green line)
- Trade areas assess residents and other potential customers that could be drawn to the site
- The primary trade area encompasses the block groups within a ¼ mile of the retail submarket; the secondary trade area includes the block groups within a ½ mile of the retail submarket (reasonable walking distances for pedestrian shopping)
- Primary trade area residents are expected to be frequent customers, with a focus on those living closest to the site; secondary trade area residents are expected to be consistent, but not frequent customers
- Potential customers who are not primary or secondary trade area residents are accounted for by an “inflow” factor; this is a percentage applied to potential expenditures at the site
- The trade area is bounded on the east by the US Soldiers’ and Airmen’s Home
- Trade area includes a Safeway supermarket and small, independent retail and service outlets



Due to new development there are moderate increases projected in population and housing units in the Georgia Avenue-Petworth trade area over the next five years

- New residential projects may add 1,027 households or approximately 5,838 new residents (based on average household size in each trade area) in addition to projections by ESRI
- ERA accounted for this addition in the 2012 figures for population and households
- Total population in the trade area is projected to increase from 36,741 in 2007 to 42,579 in 2012; an average annual growth rate of 3.0 percent
- Major new projects include Georgia Commons, Park Place, Residences at Georgia Ave., Howard Town Center, 9th and V St., and The Allegro, among others

Trade Area Population Growth, 2007 and 2012



Trade Area Household Growth, 2007 and 2012

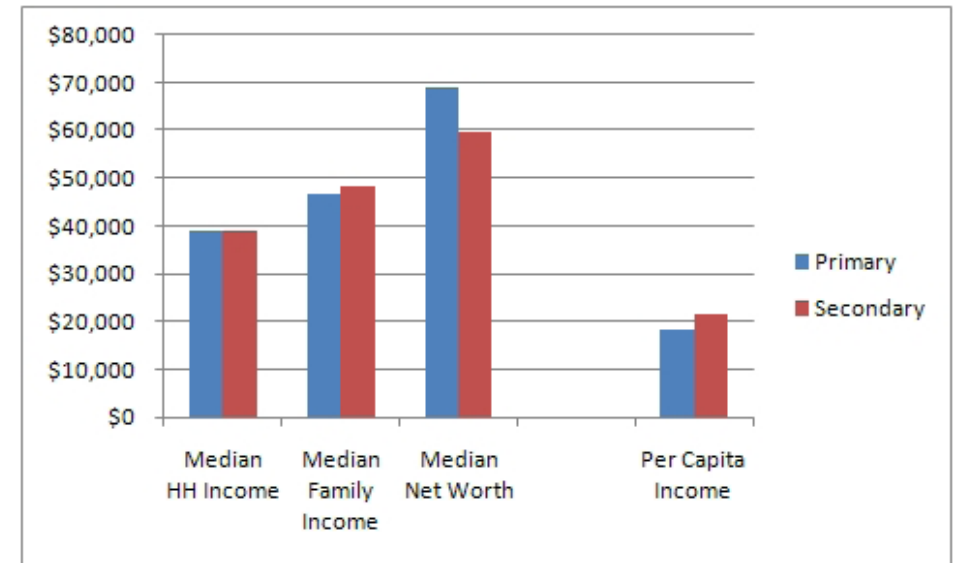
| | Estimated 2007 | Projected 2012 |
|--------------|-------------------|-------------------|
| Primary | 5,377 | 5,717 |
| Secondary | 7,207 | 7,894 |
| Total | 12,584 | 13,611 |

Georgia Avenue-Petworth Key Demographics: Trade Area Household Profile

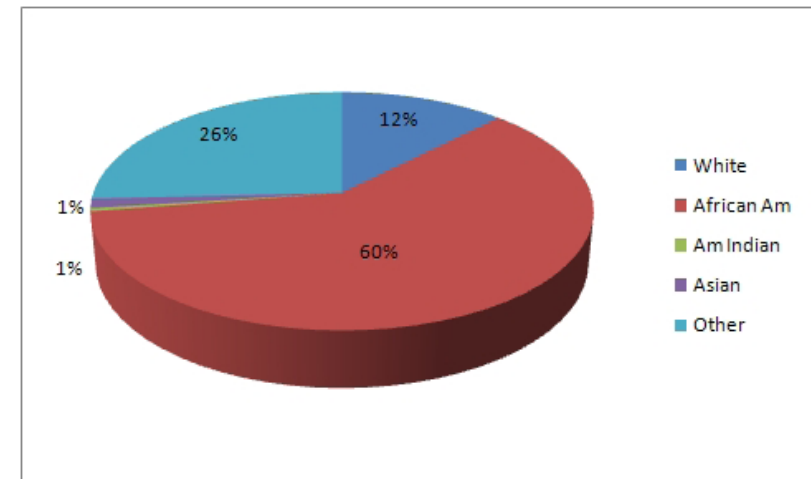
- The Georgia Avenue-Petworth trade area may be generally characterized as a working class neighborhood. The primary and secondary trade areas have a median household income of \$38,808 and \$38,944 respectively
- Median family income is \$46,731 and \$48,148 in the primary and secondary trade areas
- Median net worth includes home values. The trade area's population is 61% African-American. "Other" groups make up 26% of the population*

*"Other" includes mixed racial populations or self-identified as such. The group may include Latinos or Hispanics who do not identify with another race. Latino and Hispanic are ethnic groups, not racial, but may include people of several racial groups

Income Statistics, 2007



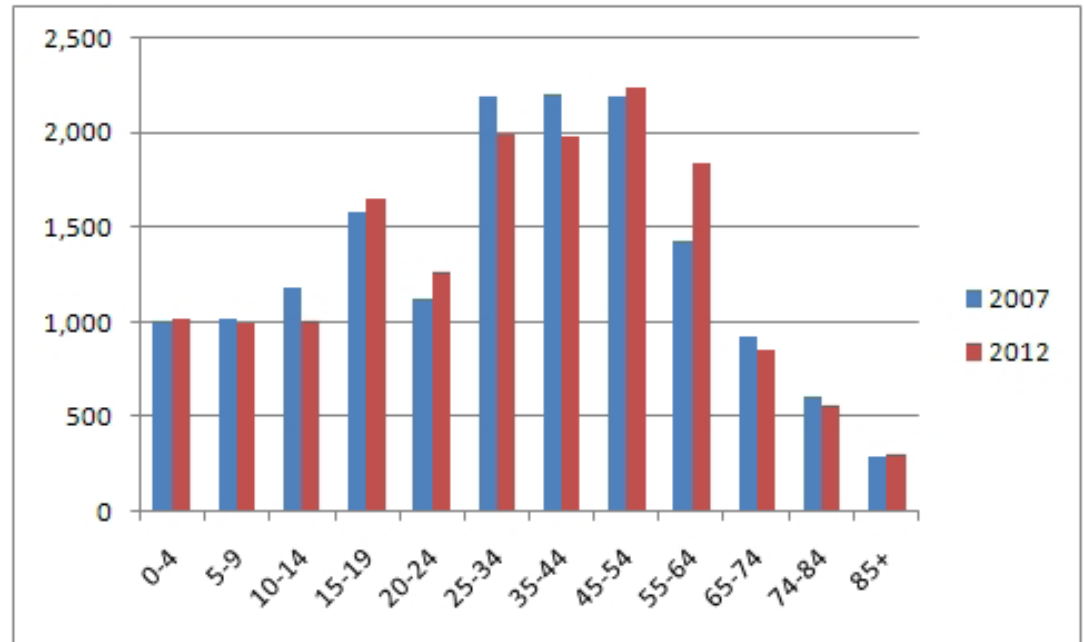
Racial and Ethnic Groups, 2007



Moderate projected population change in all age cohorts through 2012, particularly among young adults and empty-nesters, will reshape retail opportunities

- Age cohorts 25 to 34 and 35 to 44 will see a decline in population over the next five years, a negative indicator for residential demand, as these cohorts typically begin forming households. This decline will decrease demand for some types of housing product, thus reducing demand for furniture and household goods
- Growth in the 55 to 64 cohort will increase demand for goods and services associated w/ "Empty Nesters", including personal care (pharmacy and foodservice, for example)
- Moderate growth among the 15 to 19 and 20 to 24 age cohorts indicate continued demand for goods and services for families with teenage children for goods and young adult household formation-oriented items. These include items such as inexpensive furniture, quick service restaurants, bars, and pre-prepared foods at supermarkets

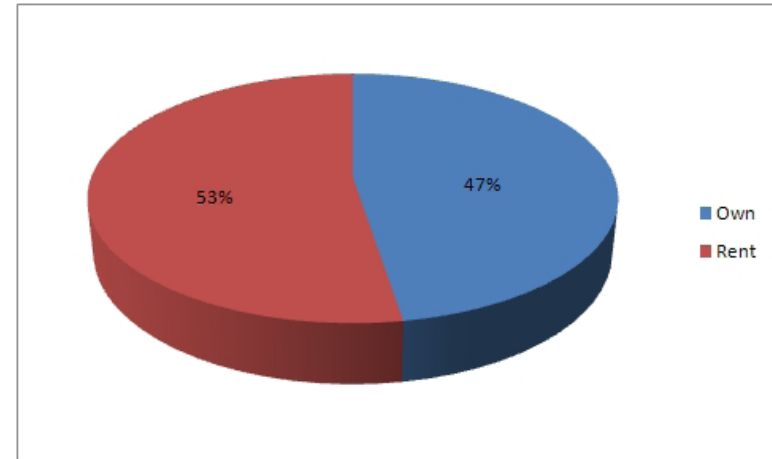
Area Population by Age, 2007 and 2012



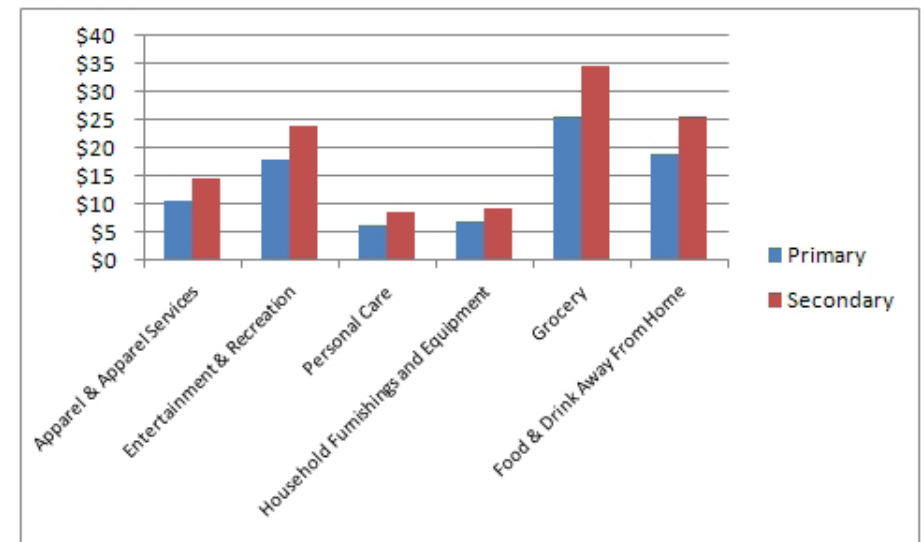
Georgia Avenue-Petworth Key Demographics: Trade Area Household Profile

- Homeownership patterns in the trade area are about evenly split, with 53% of households renting their homes and 47% of households owning their residences
- A significant number of homeowners is generally considered a positive indicator of neighborhood stability. Home ownership rates also impact the median household net worth
- In 2007 trade area residents spent a total of \$203.8 million on products and services in the categories represented on the graph. This is total spending everywhere, not just in the trade area
- Household expenditures in the trade area show lower amounts being spent for personal care and household furnishings. The stronger performing categories are grocery, entertainment and food & drink away from home. As previously noted, projected age cohort changes will continue to support entertainment and foodservice businesses, but personal care may increase as the area includes more “empty nest” households

Home Ownership, 2007



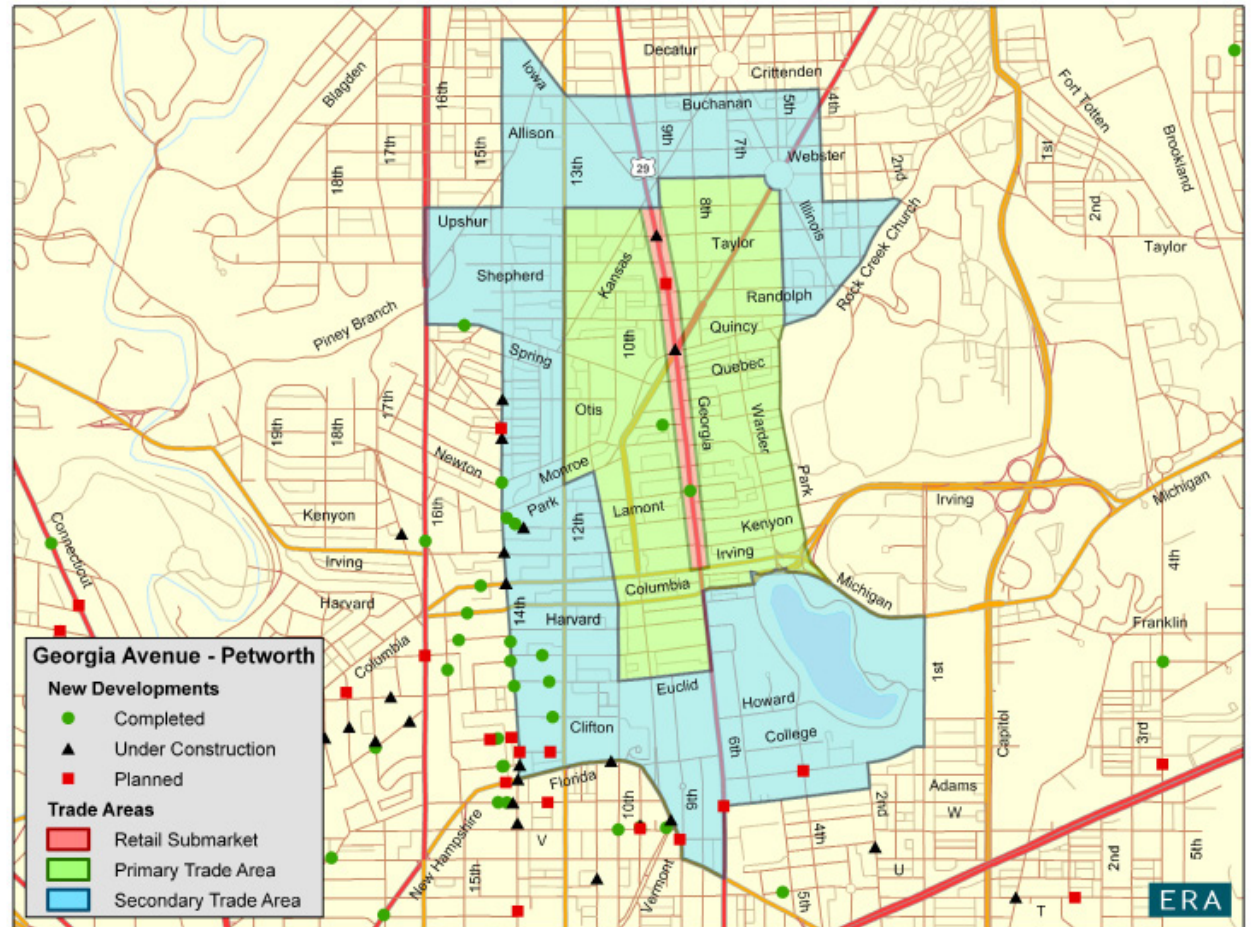
Household Expenditures (In Millions) by Category, 2007



Development Pipeline

Pipeline Projects

- Multiple new and planned projects in the Georgia Avenue-Petworth trade area will deliver residential and retail space
- There are currently 6 projects under construction in the Georgia Avenue-Petworth trade area. These projects will deliver:
 - 37,827 square feet of retail space
 - 556 residential units
- There are another 6 projects planned in the Georgia Avenue-Petworth trade area that may deliver :
 - 21,400 square feet of retail space
 - 463 residential units



Overview of Market Demand Analysis

The purpose of the market analysis is to provide quantitative data that, combined with qualitative analysis in the Strengths-Weaknesses-Opportunities-Threats (SWOT) section, inform the retail development strategy for the submarket and provide a tool to DC government, private developers, retailers, and community organizations for developing retail business opportunities.

Developing Estimates of Supportable Square Footage

A key component of the quantitative analysis is the determination of the quantity of retail space supportable in each submarket. To calculate this, retail demand or spending within the trade area along with an estimate of the spending that the submarket could capture are measured. Various factors are taken into account in developing submarket capture rates, such as the quality of existing retail offerings and trade area competition. Retail spending potential for each major retail category (Convenience Retail, Specialty Retail and Food & Beverage/Restaurants other Food Service) is divided by the retail industry standard for sales-per-square foot (sometimes called retail sales productivity) to arrive at an estimate of retail square footage that the submarket can support. Submarket demand is compared to supply by subtracting the existing retail inventory to determine the net supportable square feet for retail space.

For potential future development in 2012, pipeline residential and commercial projects, and associated increases in trade area expenditures, are factored into future demand. On the supply side, the pipeline of "under construction" and "planned" retail projects is subtracted from the estimate of supportable retail space, as it is assumed that the new space will absorb an equivalent amount of space at the threshold productivity levels.

Generally speaking, retail market demand analysis should not be considered conclusive, as it combines "typical" and "industry average" performance measures with professional judgment based on local conditions and knowledge of the market and retail industry. There are several factors that will determine the success or failure of any individual retail business; that is why the industry is constantly changing. This analysis is intended to guide the Retail Action Strategy to opportunities to recruit potential successful retail categories based on estimated demand potential.

*Estimated retail spending potential is based on household spending patterns, household income and household composition as reported by the Consumer Expenditure Survey prepared by the US Census for the US Bureau of Labor Statistics. For retail sales productivity rates, ERA used a range of retail industry-based sales per square foot estimates based on the company's experience in urban commercial districts similar to each individual submarket, as shopping center industry standards do not always reflect comparable performance in either market orientation or financial structure by locally-owned businesses or by smaller/older commercial buildings.

Retail Demand: Primary Trade Area Supportable Retail Space

Retailers measure business success by comparing their sales per square foot or productivity against their costs and revenue objectives as well as reported retail industry standards for comparable types of stores. The amount retailers can afford to spend for rent is also determined by annual sales (both the total amount and sales per square foot per year). Retail rents usually range between 8 percent and 12 percent of total annual sales. This industry standard is a benchmark by which retail performance can be determined.

Local retailers whose sales fall below these industry standards may be considered to be underperforming; the reasons for underperformance may be a result of the size of the market, stronger competitors with better merchandise, merchandising, and/or better pricing, or undercapitalization. Underperforming retailers may cause the analysis of supportable square footage to be underestimated. The higher performing operators can capture market share from existing retailers as well as new customers not currently patronizing a commercial district. When considering a commercial location or district such as the submarkets included in this analysis, retailers often review the levels of rent achieved by property owners as an indication of the level of sales that other retailers are generating.

Lower average rent levels also influence the amount that property owners can afford to invest in property improvements to retain existing tenants or recruit new ones. If property owners are unable to offer tenant improvements because rents are too low, the retailers are then required to increase the amount they must spend to prepare a building to become a store, café, or consumer service business. The greater the amount the retailer is required to invest in space improvements, the greater the financial risk, resulting in additional financial pressures during the early years while the retailer is becoming established and building a customer base. Districts presenting a higher risk of failure have difficulty attracting well managed, well capitalized businesses.

This relationship establishes the connection between the total sales that retailers can achieve, the amount they can afford to pay in rent, and whether the property owners will be willing (or able) to invest in major needed building upgrades (electrical systems, HVAC, or tenant improvements) to attract or retain retail tenants.

Trade Area Resident Spending

- Retail opportunities are measured using trade area retail expenditures, which describe consumer spending patterns

- Expenditures typically cover resident spending, but have been adjusted to include worker, visitor, and other spending, as appropriate

- Key categories include:

- Apparel and Apparel Services
- Entertainment and Recreation
- Personal Care
- Household Furnishing and Equipment
- Grocery
- Food and Drink Away from Home

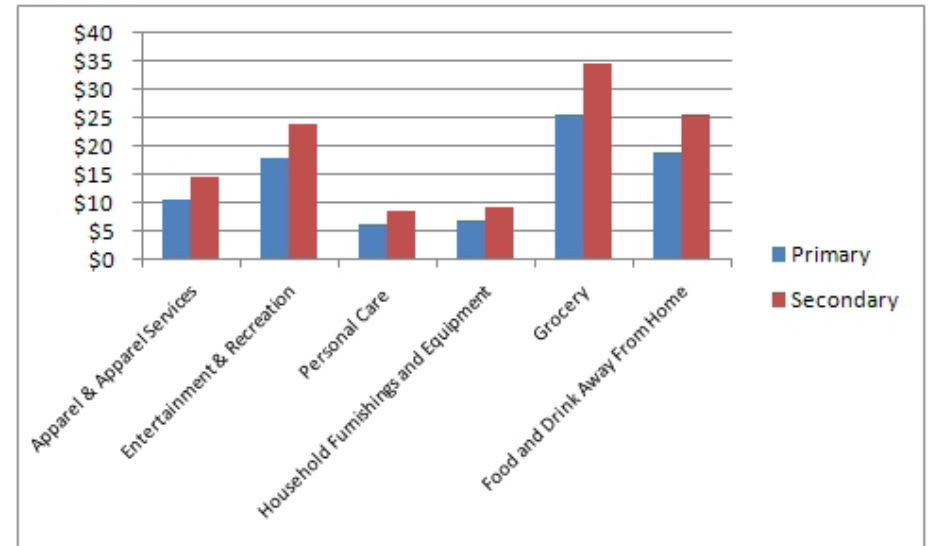
- Entertainment and Recreation includes expenditures such as fees and admissions, TV/video/sound equipment, pets, toys, recreational vehicles, sports equipment, photo accessories, and reading

- Personal Care includes stores such as, drugstores (excluding prescription drugs) cosmetic stores, and services (nail salons, hair salons, shoe repair, etc.)

- Grocery (food and drink for consumption at home) absorbs the most expenditures for the households in the trade area

Trade Area Expenditures By Category (In Millions), 2007

\$204 Million Total



Capture rates are applied to total trade area expenditures in order to estimate potential expenditures within the retail submarket

A capture rate is calculated as a percentage of sales expected from households or inflow shoppers in the entire trade area.

The rate is developed by examining the trade area's existing retail offerings, quality of retailers, the potential for increased sales with improved retail operations, size of the trade area and a professional judgment considering nearby competition and other available retail purchasing opportunities for customers.

The analysis utilizes capture rates specific to the trade area to calculate likely on-site spending within the retail submarket. For example:

- A 10% capture rate = \$10 of every \$100 spent will occur in the retail submarket
- Note that 100% capture rate is not possible, as the rate reflects all retail purchasing opportunities available to the shoppers in the trade area
- The capture rate is generally a major determinate of a retail submarket's viability

Georgia Ave.– Petworth Submarket Capture Rates By Category

| | Primary | Secondary | Inflow |
|--|----------------|------------------|---------------|
| Apparel & Apparel Services | 5.0% | 3.0% | 0.5% |
| Entertainment & Recreation | 5.0% | 2.0% | 0.5% |
| Personal Care | 20.0% | 5.0% | 0.5% |
| Household Furnishings and Equipment | 7.5% | 3.0% | 1.0% |
| Grocery | 75.0% | 35.0% | 5.0% |
| Food and Drink Away From Home | 17.5% | 5.0% | 2.0% |

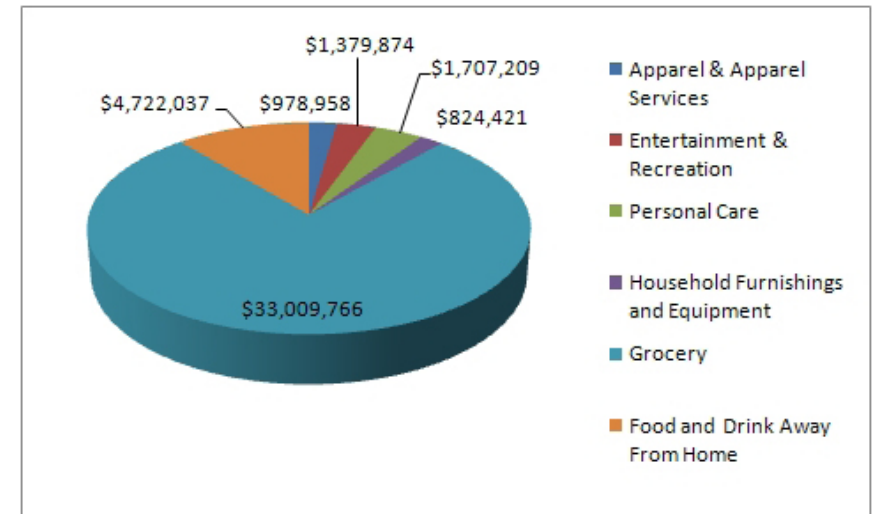
Source: ESRI Business Analyst 2007, Economics Research Associates.

Estimated Captured Spending within the Retail Market

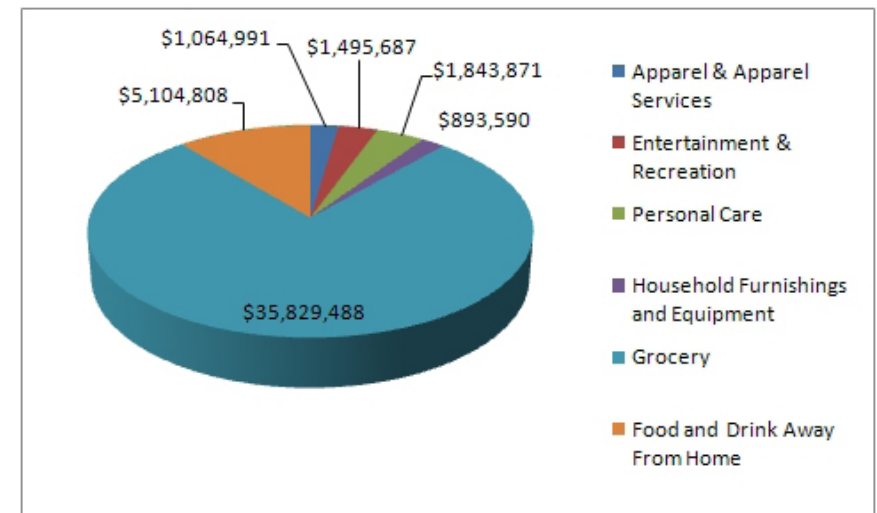
- Captured spending in the Georgia Avenue-Petworth trade area was estimated to be \$42.6 million in 2007 compared to total trade area spending of \$204 million in the same year
- Captured spending in the Georgia Avenue-Petworth trade area is expected to be \$46.2 million in 2012 compared to total trade area spending of \$223 million in the same year
- In the Georgia Avenue-Petworth trade area there are significant alternative shopping alternatives at DC USA on 14th Street NW. Although outside of the secondary trade area, these alternatives restrict the retail submarket's ability to capture significant expenditures
- ERA estimates by 2012 that Grocery spending will account for more than \$35.8 million annually and Food and Drink (away from home) will account for a little over \$5 million annually
- Captured spending in the retail trade area is expected to increase by more than \$3.6 between 2007 and 2012, due mostly to moderate changes in population and income levels

Source: ESRI Business Analyst; ERA 2007

Estimated Captured Retail Trade Area Spending, 2007
\$42.6 Million



Estimated Captured Retail Trade Area Spending, 2012
\$46.2 Million



Productivity and Typical Store Size

- A calculation of store productivity is typically based on optimal performance of quality retailers, not actual operators
- However the lower quality of the retail space available in this retail submarket requires that a lower than “optimal” productivity rate must be used to adjust the supportable square footage calculation
- The square footage of retail type does not indicate number of stores since stores sizes vary

“Typical” stores sizes might be:

- Apparel 3,500 SF
- Accessories 2,000 – 10,000 SF
- Personal Care 2,000 – 10,000 SF
- Household Furnishings 3,500 – 10,000 SF
- Grocery Stores- 30,000 to 65,000
- Restaurants 3,000 – 6,000+ SF
- Quick Service food 1,200 – 3,500 SF
- The retail submarket offerings could be anchored by a supermarket, a collection of restaurants and neighborhood-focused goods and services

Source: ESRI Business Analyst; ERA 2007

Georgia Ave.- Petworth Submarket Comparable Productivity

- The best way to estimate a site’s productivity is to assess annual sales per square foot for comparable projects
- The type of retail often impacts the sales per square foot (i.e. jewelry versus furniture)

| Category | Sales per Square Foot | |
|-------------------------------------|-----------------------|--------|
| | Low | High |
| Apparel & Apparel Services | \$ 300 | \$ 500 |
| Entertainment & Recreation | \$ 250 | \$ 450 |
| Personal Care | \$ 500 | \$ 700 |
| Household Furnishings and Equipment | \$ 300 | \$ 500 |
| Grocery | \$ 450 | \$ 750 |
| Food and Drink Away From Home | \$ 500 | \$ 850 |

1/ International Council of Shopping Centers, Dollars & Cents of Shopping Centers 2006

While the productivity rates used for this submarket were based on national averages as reported by the International Council of Shopping Centers (ICSC), ERA used the lower national rates to reflect space limitations and likely performance in the submarket. The rate still reflects the minimum productivity that would be needed for a quality retail operation return on investment.

2007 Net Supportable Square Feet

- Based on the current and projected level of households in the trade area and their spending patterns, the Georgia Ave-Petworth submarket can support between 88,100 and 117,300 square feet of retail in 2007
- The existing retail inventory totals 127,037 square feet within the retail submarket. In order to take into account the lower quality space it was discounted to 40,652 square feet (see detailed explanation on page 17)
- The retail submarket has a net supportable square foot range between 47,448 and 76,648 in 2007
- Based on typical store size and spending patterns, the site can support, a grocery store (expansion of the current Safeway plus planned Yes! Organic), one to two restaurants, and one or more entertainment/recreation stores such as a gym or book store
- While there is evidence suggesting support for a couple of apparel stores, such businesses perform best in a larger cluster

Estimated Net Supportable Square Feet 2007

| Area | Low Range | Site Supportable | High Range |
|--|-----------------|---------------------|-----------------|
| Apparel & Apparel Services | 3,000 | 3,300 | 4,000 |
| Entertainment & Recreation | 5,000 | 5,500 | 6,600 |
| Personal Care | 3,100 | 3,400 | 4,100 |
| Household Furnishings and Equipment | 2,400 | 2,700 | 3,200 |
| Grocery | 66,100 | 73,400 | 88,100 |
| Food and Drink Away From Home | 8,500 | 9,400 | 11,300 |
| Subtotal 2007 Supportable | 88,100 | 97,700 | 117,300 |
| <u>Less Adjusted Existing Inventory 1/</u> | <u>(40,652)</u> | <u>(40,652)</u> | <u>(40,652)</u> |
| Total 2007 Net Supportable | 47,448 | 57,048 | 76,648 |

1/ Inventory adjusted for condition

Source: ESRI Business Analyst; Economics Research Associates, 2007

2012 Net Supportable Square Feet

- Based on estimated trade area expenditures and capture rates, the Georgia Ave-Petworth submarket can support between 95,400 and 127,100 square feet of retail in 2012
- There is approximately 59,227 square feet of new retail planned or under construction in the trade area including the space at Park Place and the Residences at Georgia Avenue
- The existing retail square footage and planned new projects are subtracted from the subtotal to arrive at net supportable square footage for 2012
- The Georgia Avenue-Petworth submarket has a net supportable square footage range between (4,479) and 27,221 in 2012

Estimated Supportable Square Feet 2012

| Area | Low Range | Site Supportable | High Range |
|-------------------------------------|----------------|------------------|----------------|
| Apparel & Apparel Services | 3,200 | 3,500 | 4,200 |
| Entertainment & Recreation | 5,400 | 6,000 | 7,200 |
| Personal Care | 3,300 | 3,700 | 4,400 |
| Household Furnishings and Equipment | 2,700 | 3,000 | 3,600 |
| Grocery | 71,600 | 79,600 | 95,500 |
| Food and Drink Away From Home | 9,200 | 10,200 | 12,200 |
| Subtotal 2012 Supportable | 95,400 | 106,000 | 127,100 |
| Less Existing Retail 1/ | (40,652) | (40,652) | (40,652) |
| Less New Projects 2/ | (59,227) | (59,227) | (59,227) |
| Total 2012 Net Supportable | (4,479) | 6,121 | 27,221 |

1/ Includes adjusted inventory

2/ Includes retail at Park Place, Residences at GA Ave, Georgia Commons, Shaw-Howard Metro Parcel, The Allegro and View 14.

Source: ESRI Business Analyst; Economics Research Associates, 2007

Commentary on the Current Retail Inventory

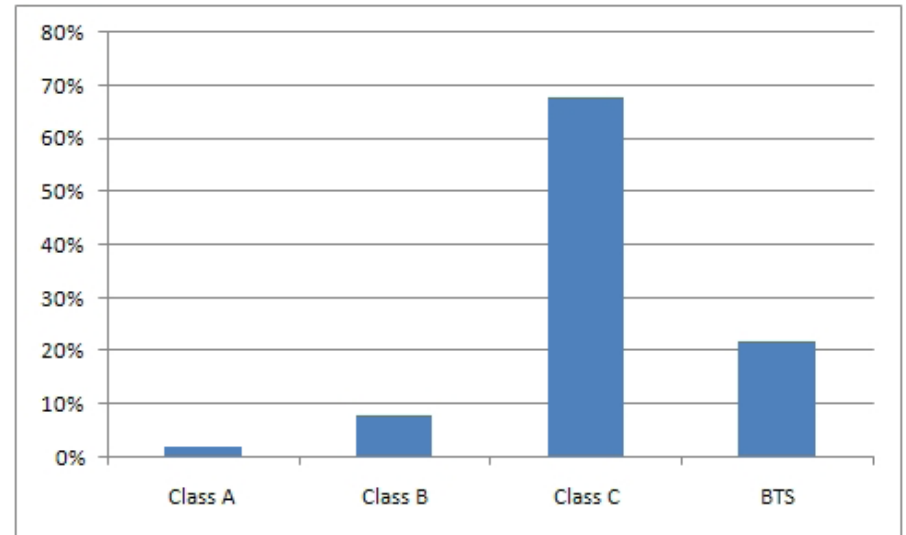
According to CoStar Group Real Estate Information Services, there is 211,450 square feet of retail space in the Georgia Avenue-Petworth trade area. Within the retail submarket itself, there are 127,037 square feet of retail space. To determine net supportable square feet, the existing retail space is subtracted from the gross supportable square feet. One major determinant of opportunity relies on the quality of the existing space – how competitive is the space relative to the rest of the trade area and other competitive districts?

A recent study of Great Streets neighborhood retail for the Office of the Deputy Mayor for Planning & Economic Development studied the quality of the existing retail space in several commercial districts to determine the feasibility of a tax increment finance (TIF) district, including Georgia Avenue – Petworth. While the study area did not coincide directly with the trade area, the assessment of the relative quality of the existing building stock suggests the general condition of the property inventory in the area.

The study concluded that 68% of the retail inventory in the trade area was Grade “C”, or inadequate, for contemporary retailing needs. It also stated that 22% of space was classified as “build to suit” (BTS), meaning space constructed for a specific purpose or tenant in such a manner that makes conversion to another use or tenant impractical. Only 2% and 8% were rated Class A and B, respectively. In order to calculate supportable square footage, the existing space was discounted by removing the Grade “C” inventory from the equation. The average age of the inventory is 79 years.

In addition, the retail submarket is adjacent to considerable new retail development to the south along Georgia Avenue and east on 14th Street immediately beyond the secondary trade area.

Retail opportunities are limited in the retail submarket partially due to poor quality of existing retail space, limited household incomes, and a lower concentration of households.



Inventory Adjustment

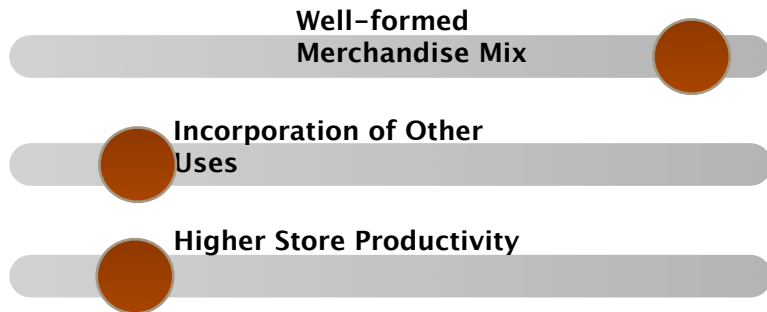
| | |
|--|---------------|
| Existing Retail Inventory in Submarket | 127,037 |
| <u>Less Discounted Space ("C" Grade)</u> | <u>86,385</u> |
| Adjusted Existing Inventory | 40,652 |

Source: DC Office of Deputy Mayor for Planning & Economic Development

Multiple factors will ultimately affect the supportable square feet and success of the retail sub-market's offerings over the long-term

Factors Affecting Store Supportable Square Feet, 2007

24,848 SF ← 32,148 SF → 46,748 SF



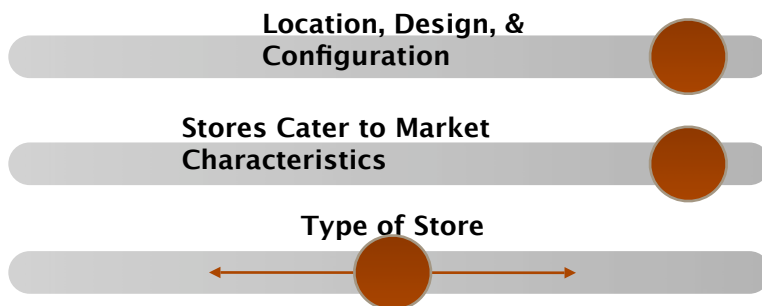
The success and appeal of a retail district is directly linked to its merchandise mix and its function as a destination

Incorporating other uses and programs may limit retail space, but complement overall project

The trade areas are capable of spending a certain amount. If more \$\$ are spent in one store less \$\$ will be spent elsewhere

Factors Affecting Store Productivity

Low Sales / SF ← High Sales / SF →



A store's size, placement within the district, interior and storefront design are part of total appeal for customers

Price-points and merchandise should accurately reflect the demographics and lifestyle characteristics of the customers

Merchandise quality/price positioning/merchandising/mark-up relative to cost of goods, as well as store size and other operating factors, influence a retailers' profitability (Sales / SF)

Detailed captured retail spending on site by category and market

2007 Potential Captured Spending on Site

| Retail Categories By Market | Potential Spending Captured On-Site | Expenditure Distribution by Category |
|-------------------------------------|-------------------------------------|--------------------------------------|
| Primary | | |
| Apparel & Apparel Services | \$ 538,517 | 2.1% |
| Entertainment & Recreation | \$ 893,789 | 3.5% |
| Personal Care | \$ 1,269,499 | 4.9% |
| Household Furnishings and Equipment | \$ 531,992 | 2.1% |
| Grocery | \$ 19,301,911 | 74.6% |
| Food and Drink Away From Home | \$ 3,343,563 | 12.9% |
| Subtotal | \$ 25,879,272 | 100.0% |
| Secondary | | |
| Apparel & Apparel Services | \$ 435,570 | 2.9% |
| Entertainment & Recreation | \$ 479,219 | 3.2% |
| Personal Care | \$ 429,216 | 2.9% |
| Household Furnishings and Equipment | \$ 284,266 | 1.9% |
| Grocery | \$ 12,135,961 | 80.6% |
| Food and Drink Away From Home | \$ 1,285,885 | 8.5% |
| Subtotal | \$ 15,050,118 | 100.0% |
| Inflw | | |
| Apparel & Apparel Services | \$ 4,870 | 0.3% |
| Entertainment & Recreation | \$ 6,865 | 0.4% |
| Personal Care | \$ 8,494 | 0.5% |
| Household Furnishings and Equipment | \$ 8,163 | 0.5% |
| Grocery | \$ 1,571,894 | 92.9% |
| Food and Drink Away From Home | \$ 92,589 | 5.5% |
| Subtotal | \$ 1,692,874 | 100.0% |
| All Markets | | |
| Apparel & Apparel Services | \$ 978,958 | 2.3% |
| Entertainment & Recreation | \$ 1,379,874 | 3.2% |
| Personal Care | \$ 1,707,209 | 4.0% |
| Household Furnishings and Equipment | \$ 824,421 | 1.9% |
| Grocery | \$ 33,009,766 | 77.4% |
| Food and Drink Away From Home | \$ 4,722,037 | 11.1% |
| Total | \$ 42,622,264 | 100.0% |

2012 Potential Captured Spending on Site

| Retail Categories By Market | Potential Spending Captured On-Site | Expenditure Distribution by Category |
|-------------------------------------|-------------------------------------|--------------------------------------|
| Primary | | |
| Apparel & Apparel Services | \$ 576,146 | 2.1% |
| Entertainment & Recreation | \$ 956,242 | 3.5% |
| Personal Care | \$ 1,358,205 | 4.9% |
| Household Furnishings and Equipment | \$ 569,165 | 2.1% |
| Grocery | \$ 20,650,623 | 74.6% |
| Food and Drink Away From Home | \$ 3,577,193 | 12.9% |
| Subtotal | \$ 27,687,573 | 100.0% |
| Secondary | | |
| Apparel & Apparel Services | \$ 483,547 | 2.9% |
| Entertainment & Recreation | \$ 532,004 | 3.2% |
| Personal Care | \$ 476,493 | 2.9% |
| Household Furnishings and Equipment | \$ 315,577 | 1.9% |
| Grocery | \$ 13,472,699 | 80.6% |
| Food and Drink Away From Home | \$ 1,427,521 | 8.5% |
| Subtotal | \$ 16,707,842 | 100.0% |
| Inflw | | |
| Apparel & Apparel Services | \$ 5,298 | 0.3% |
| Entertainment & Recreation | \$ 7,441 | 0.4% |
| Personal Care | \$ 9,173 | 0.5% |
| Household Furnishings and Equipment | \$ 8,847 | 0.5% |
| Grocery | \$ 1,706,166 | 92.9% |
| Food and Drink Away From Home | \$ 100,094 | 5.4% |
| Subtotal | \$ 1,837,021 | 100.0% |
| All Markets | | |
| Apparel & Apparel Services | \$ 1,064,991 | 2.3% |
| Entertainment & Recreation | \$ 1,495,687 | 3.2% |
| Personal Care | \$ 1,843,871 | 4.0% |
| Household Furnishings and Equipment | \$ 893,590 | 1.9% |
| Grocery | \$ 35,829,488 | 77.5% |
| Food and Drink Away From Home | \$ 5,104,808 | 11.0% |
| Total | \$ 46,232,436 | 100.0% |

Georgia Avenue-Petworth Strategy



Georgia Avenue Petworth

Introduction

The Georgia Avenue Petworth submarket is a long corridor of approximately sixteen blocks extending from just below Girard Street on the south to a location north of Upshur Street on the northern boundary; the central part of the corridor includes the Metro station at Georgia and New Hampshire Avenues, the corridor's major intersection. According to census data, the primary and secondary market included about 12,600 residents in 2007, and is projected to add approximately 1,000 new residents by 2012. The average household incomes are increasing over the same period by approximately 18% in the primary and secondary markets due higher income residents in new pipeline projects, proximity to Metro and the area's central location in the District of Columbia. Median household incomes, the primary focus in determining retail viability in 2012, are projected to increase more modestly (from about \$38,800 to \$39,950 in the primary trade area and \$45,150 to \$46,300 in the secondary trade area, or about 3.0% to 3.5%, respectively). This suggests that the majority of households will remain in solid lower-middle to middle-income ranges. The primary land uses around the corridor are residential, much of it in blocks of rowhouses and single family homes that characterize traditional, pedestrian-scaled DC neighborhoods. Howard University abuts the southern boundaries of the Georgia Avenue Petworth study area, but its 11,000 students are not currently a primary market opportunity for the corridor due to fragmented offerings and the other competing areas.

Based on the SWOT Analysis, Retail Demand Analysis and Preliminary Planning Diagrams completed as part of this submarket analysis, the most efficient approach to maximizing the value, mix and appropriateness of retail in this submarket requires acknowledging the following basic assessments of the area and then taking the specific actions listed below.

Merchandising Concepts

The submarket is comprised of three separate nodes, each of which is a distinct neighborhood-serving retail area. With new competition from the Super Giant supermarket and DC USA projects in Columbia Heights near the southern end of the corridor and potential competition from a future redevelopment of the U.S. Soldier's and Airmen's Home site at the northern end of the corridor, the Georgia Avenue Petworth submarket should continue to focus on serving neighborhood needs rather than attempting to compete with nearby destination retail. Neighborhood-serving retail functions best when concentrated in clusters, and the three existing nodes along Georgia Avenue provide a foundation upon which this strategy can be developed as appropriate for their respective populations, locations in proximity to the Metro and pipeline projects, and quality of available retail spaces. Georgia Avenue's daily auto commuter volumes are significant, but, other than the grocery stores, most commuter traffic passes through the corridor and does not stop: both commuter behaviors (in which consumer-spending patterns are more affected by proximity to home) and the more modest market potential along this portion of Georgia Avenue will limit the degree to which the commuter market can be captured by Georgia Avenue Petworth's retail offering in the next five years.

The three nodes identified in the SWOT are based on an assessment of how shopping patterns are likely to occur over time. The Park Place development will add retail activity, square footage and approximately 160 residential units as a Transit Oriented Development (TOD) at the Metro station in the central node. Merchandising niches for the northern and southern nodes should focus on more neighborhood serving need for food, pharmacy, and convenience needs. The relatively small resident population will make it more difficult to recruit a critical mass of apparel and accessories shops. Professional services (such as accountants, tax services, spas, attorneys, insurance offices, etc.) averaging 1,000 to 3,000 square feet will round out the consumer services category

Node 1- Upper Georgia Avenue NW: The retail positioning opportunity for Georgia Avenue Petworth will evolve over time as existing uses are upgraded and new uses are introduced. These uses will provide for incremental grocery sales and will draw some inflow traffic from the secondary trade area market. While having been a long-term part of retail mix in the Petworth area, the existing Safeway store in Node 1 is an older, smaller store (at 22,000 square feet) and is planned to be renovated in response to the new competitive environment. The retail cluster at Upshur continues to be a good location for independent businesses serving neighborhood needs. These businesses should be fostered and supported as the market changes.

Node 2- Central Georgia Avenue (Metro): The Metro station and Metro bus stops in Node 2 strengthens the central zone as an intermodal transit connection, and could encourage new retail services. Retailers who have become established in the U Street Corridor would be a good fit for the Petworth area as its residential base grows; examples include specialty stores such as Home Rule kitchen/home products (approximately 850 to 1,000 square feet). Other retail uses oriented toward a primarily residential consumer base include casual dining and bars (to complement Domku Bar & Cafe, The Looking Glass Lounge, and other existing locations). Examples include Hard Times Café or Sala Thai (approximately 1,500 to 1,800 square feet). The CVS planned near the Park Place development above the Metro Station will address convenience and pharmacy needs for the submarket.

Neighborhood demand supports a supermarket- and one is planned, (a new 5,000 square foot Yes! Organic Market) that will compete with the redeveloped Safeway in Node 1. As a DC-based local retailer, the Yes! Organic Market may require support in its market positioning to distinguish itself from any new offerings at Safeway. A recreational use like a gym (examples include Gold's Gym or Washington Sports Club at 8,000 to 20,000 square feet) could be supported, but the area's demographics and available commercial footprints may more appropriately support the type of fitness training facilities such as Results Gym on U Street near 16th. The neighborhood could support a coffee shop for community gatherings; examples include coffee bars such as Tryst or Mayorga and local cafes and entertainment venues such as Saint-Ex. Typical leased spaces for these categories of food service would range from 850 square feet to 2,500 square feet. A multi-use option model may be Busboys & Poets on 14th Street which combines a restaurant, a coffee house, a bookstore or a live music/performance venue in a single location. W Domku and the Looking Glass Lounge have provided popular dining places in their respective locations; the future retail strategy should support existing cafes and recruit missing concepts such as a coffee shop to broaden the offerings of community gathering places.

Node 3- Lower Georgia Avenue: There are retail space constraints in the lower area of the submarket resulting from shallow lot and building depths. These will limit expansion/recruitment opportunities in this node, and many retail spaces also need substantial rehabilitation to be competitive. In the Lower Georgia Avenue node south of Otis Place, multiple ownership of shallow lots limits the long-term prospect for development of new retail in this area, but the area could build on its growing identity as a neighborhood serving retail node. This node currently includes carry-out food and

limited services. Dine-in restaurants would be a positive addition that could fit the space available, appealing to residents and students alike.

Almost three fourths (70%) of the existing retail space in the submarket is considered substandard (Class C space), and not competitive for attraction of new retail businesses. Future retail development at the northeastern and southern edges of the trade area (near Howard University and the US Soldiers and Airmen's Home site) will create newer, more leasable spaces in addition to the 17,000 square feet of space included in the Park Place, TOD development. The market strategy should seek to cluster new retail uses near Metro and at major intersections at Georgia Avenue NW and Randolph Street NW, Georgia and Quincy Street NW, and Georgia Avenue and Upshur Street NW (which could eventually be streetcar stops in the future).

Urban Design

The existing Safeway on the southwest corner of Georgia Avenue and Randolph Street, with its significant setback for parking, is not designed to reinforce the desired pedestrian orientation of the area. Any redesign of the site – already proposed by Safeway – should move parking below grade and bring the building out to the sidewalk. This would be crucial to the activation of Georgia Avenue between the Metro Station at Petworth and the mega-intersection at Upshur Street and Kansas Avenue. The large footprint of this and surrounding sites also supports mixed-use development with a significant residential element.

As part of the PUD process and using Great Streets Initiative resources, developers should be encouraged by the District, to develop larger parcels to include a mix of uses. Aggregating these larger developments along the Upper Georgia Avenue node will help to revitalize the street with new residents and retail uses such as restaurants. Retail (including restaurants) could be clustered together around intersections at Taylor, Shepherd and Randolph Streets in a way that allows the District to leverage its investment in streetscape and long term transit improvements with those of developers on adjacent sites. Aggregating restaurant uses (two to five small ethnic cafes and carry out food services) at a single intersection would allow the District to activate necessary safety enhancements such as lighting, parking, and improved street crossings in this Upper Georgia Avenue node. Between these intersections/nodes, the District should invest the resources of the Great Streets Initiative and re-Store DC into streetscape and storefront improvements that help create a clearly connected, desirable pedestrian corridor.

To create a more coherent identity for Georgia Avenue-Petworth and to improve the image of the public realm between nodes, the District should use the Great Streets Initiative as a vehicle to improve the appearance of streetscaping and storefront facades along Georgia Avenue. To the extent possible, these storefronts, which lack the depth and floor areas to support strong retail use, should be targeted to house such complementary office uses as non-profit associations; legal, accounting, medical and dental services; and start-up entrepreneurial businesses which are in need of (relatively) low rents and are able to function outside the central business district. The square footages for these types of businesses, services and organizations typically range from 1,000 square feet up to about 3,000 square feet.

Transportation Improvements

At the Metro station at Georgia and New Hampshire, the density, scale and mix of residential and retail uses will introduce TOD to the corridor, and should become a catalyst site for other projects close to Metro. At the northern end of the node, the District should implement traffic-

calming measures at the intersection of Georgia and Upshur. In the long-term, any potential future streetcar route running along Georgia Avenue would contribute to easier movement within and along the lengthy corridor and allow residents to move toward the central node/Metro for convenience goods. Current Metrobus service is adequate along Georgia Avenue. The addition of Smart Bike bicycle-sharing locations at the Metro station and bus stops could be helpful in linking portions of this long commercial corridor with the others.

Retail Support

As the central node is already experiencing redevelopment due to the catalytic affect of new buildings and tenants near the Metro station, retail support in this submarket should focus on improving the quality, appearance and functionality of the existing retail in the northern and southern nodes, rather than attempt to attract new retail to the area. Such a plan could be best coordinated by a local merchants association, with the support of both the Department of Small Local Business Development (DSLBD), reStore DC, DC Main Streets (potentially) and neighboring Howard University. The area would benefit to the extent that it could be branded as a unique collection of retailers not found in other sections of the Georgia Avenue corridor. This effort could build on strengthen the proximity relationship to Howard University by focusing on African-American themed bookstores, academic goods and services, galleries and imported artwork and the presence of education and activism-oriented non-profits and businesses (including a coffee house, barber shop or art galleries). Retail merchandising in this area should be supported with infill development that closes gaps in the pedestrian-oriented landscape. Because of the location near Howard University and the concentration of institutional uses in this part of the corridor, a more focused concept retail management approach celebrating the African American heritage of Howard is suggested for this submarket.

Key Recommendations

Treat the Georgia Avenue Corridor as three separate nodes, each with a distinct strategy.

1. Create or support existing merchant associations that will focus on leasing issues and merchandising by node.
2. Leverage Great Streets Initiative , Department of Housing and Community Development (DHCD), and reStore DC resources for streetscaping and storefront improvements between retail nodes to enhance the quality of existing commercial space that is not likely to be redeveloped.
3. Market storefront commercial space along the corridor to office users (not retailers) in need of relatively low rents and able to function outside the central business district.
4. Upper Georgia Avenue Node:
 - a. Implement traffic calming at intersection with Kansas Avenue and Upshur Street to create a clear, safe northern edge to the commercial area.
 - b. Promote infill development that closes gaps in the pedestrian-oriented landscape.

c. Support mixed-use redevelopment of the Safeway parcel that brings buildings to the sidewalk to animate the streetscape for pedestrians.

d. Attract successful local, independent retailers to provide such needed services as restaurants, fitness training, coffee shops, galleries and bookstores, with combined use of retail space where possible to help incubate each use.

5. Central Georgia Avenue (Metro) Node: Provide zoning support for larger-scale transit-oriented development with multi-family residential in the node surrounding the Georgia Avenue – Petworth Metro Station. This should follow the Georgia Avenue Petworth Metro Station corridor Plan. The Georgia Avenue Small Area Plan reviews orienting the area south of the Petworth Metro to TOD principles and creating a pedestrian/bike friendly environment.

6. Lower Georgia Avenue Node:

a. Improve the quality, appearance and functionality of the existing retail as a first step, while also seeking to attract selected new retail uses to the area that improve the business mix.

b. Provide necessary technical and, as available, financial support to existing merchants associations, with the support of neighboring Howard University.

c. Complete a retail recruitment/management analysis based on existing and potential new retail uses that would identify this area and determine how to attract a unique collection of retailers not found in other sections of the Georgia Avenue corridor, such as the African-American focused businesses suggested near Howard University.

d. Promote infill development that closes gaps in the pedestrian-oriented landscape. Use the Georgia Avenue Small Area Plan guidelines to enhance pedestrian and bicycle infrastructure.