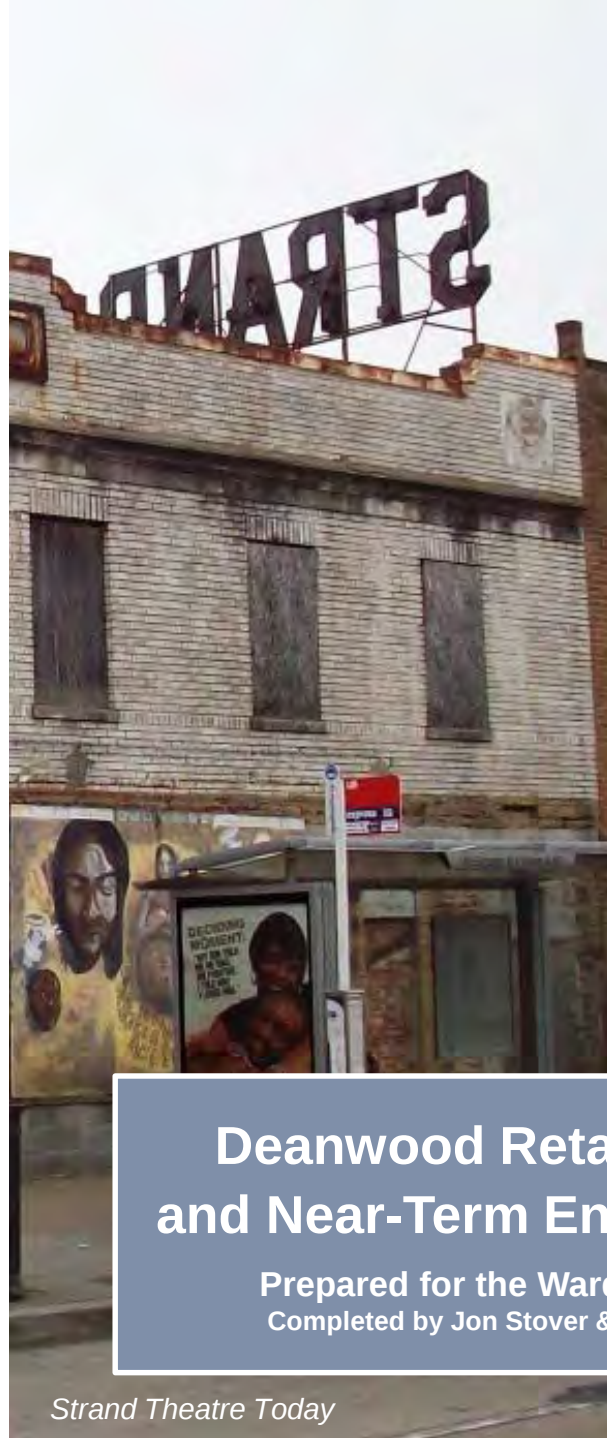




JS&A

Economic
Development
Consulting

Strand Theatre in the 1950s



Strand Theatre Today



Proposed Redevelopment

Deanwood Retail Market Analysis and Near-Term Enhancement Strategy

Prepared for the Ward 7 Business Partnership
Completed by Jon Stover & Associates | September, 2017

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01 Executive Summary

EXECUTIVE SUMMARY

PROJECT BACKGROUND AND EXISTING RETAIL CONDITIONS

Study Purpose

This report provides a retail market analysis of the Deanwood Heights commercial area for the Ward 7 Business Partnership (W7BP). The purpose of this study is to help W7BP understand the context of the area, the needs of the local business owners, and identify what changes could help better serve residents' retail needs, support existing retailers, and attract new businesses.

This report includes an analysis of the existing retail marketplace and identifies future retail opportunities expected from demographic and retail development projections. Recommendations and strategies to enhance retail conditions are oriented to help the Ward 7 Business Partnership continue enhancing the vibrancy and commercial sustainability of the area.

Location and Retail Conditions

Deanwood is located in eastern Washington, D.C., in northern Ward 7. The neighborhood is characterized by its abundance of detached single-family homes and quiet, family-friendly atmosphere.

Two commercial corridors, Sheriff Road and Nannie Helen Burroughs Avenue, run east-west through Deanwood Heights. Each offers a differing retail mix and commercial atmosphere. Sheriff Road is characterized by a mix of housing, local churches and small retailers, predominantly Neighborhood Goods & Services establishments.

Nannie Helen Burroughs Ave features larger retail spaces and a greater range of businesses. Several new developments are either proposed or under construction near the intersection of Nannie Helen Burroughs and Division Avenue, creating a strong opportunity to bring in new commercial amenities and day-time users.

A strong desire exists in the neighborhood for improved commercial amenities, specifically grocery stores, restaurants, pharmacies, and banks. Despite the local demand, numerous retail storefronts sit vacant in the neighborhood. Many of these are not being actively marketed to the public, restricting the area's ability to attract new businesses or support local business expansion.

Average asking rents in the area are well-below the District-average, making the area potentially attractive to first-time business owners looking for an affordable space within the city.

Key Opportunities

Several opportunities exist to improve the vibrancy of Nannie Helen Burroughs Avenue NE and Sheriff Road NE. Planned new development in the area will bring new retail to the area with its ground floor uses and new storefronts. Increasing pedestrian activity will help improve the safety of the neighborhood. Providing a Clean and Safe team along the corridors can also improve the perception of safety. Implementing additional placemaking efforts and enhanced branding can strengthen the unity of the neighborhood and tie the corridors together into the Deanwood and Ward 7 Business Partnership brand. Leveraging these opportunities will help the corridors become more vibrant, distinct places to serve the neighborhood residents and local population.

SUMMARY OF DEANWOOD RETAIL GROWTH TARGETS

	Current Conditions (2017)		3-Year Target (2020)		5-Year Target (2022)		10-Year Target (2027)	
Summary of Current Conditions and Future Target Conditions	“Residential neighborhood under-served by retail amenities”		“A few targeted space rehabs and startup businesses create buzz and provide new services”		“Deanwood becoming known as an intriguing and attractive commercial business location”		“Established retail identity that attracts customers from outside of the neighborhood”	
Conditions Needed to Attract and Sustain Community-Serving Retail	Population Density and Local Spending Power	✓	Population Density and Local Spending Power	✓	Population Density and Local Spending Power	✓	Population Density and Local Spending Power	✓
	Retail Opportunity Gap	✓	Retail Opportunity Gap	✓	Retail Opportunity Gap	✓	Retail Opportunity Gap	✓
	Affordable Rents	✓	Affordable Rents	✓	Affordable Rents	✓	Affordable Rents	✓
	Accessibility, Walkability	✓	Accessibility, Walkability	✓	Accessibility, Walkability	✓	Accessibility, Walkability	✓
	Retail-Ready Spaces		Retail-Ready Spaces	✓	Retail-Ready Spaces	✓	Retail-Ready Spaces	✓
	Retail Investment Success / Precedent		Retail Investment Success / Precedent	✓	Retail Investment Success / Precedent	✓	Retail Investment Success / Precedent	✓
	Established Brand Identity, Retail Niche		Established Brand Identity, Retail Niche		Established Brand Identity, Retail Niche	✓	Established Brand Identity, Retail Niche	✓
	Attract Shoppers from Outside Neighborhood		Attract Shoppers from Outside Neighborhood		Attract Shoppers from Outside Neighborhood		Attract Shoppers from Outside Neighborhood	✓
Key Assets and Opportunities	- Stakeholder support/capacity - Political support - Technical assistance - Planned development at the Strand and Deanwood Hills		- Stakeholder/political support - Technical assistance - Planned developm’t at Metro - Larger residential population 2-3 new businesses in area - More retail-ready spaces		- Track record of success - Neighborhood buzz and emerging identity as a retail location 5-8 new businesses in area - Vibrancy at Division/NHB		Attraction of outside visitors enhances the customer base and allows for new types of retail (sit-down restaurants and merchandise retail) that was previously not viable	
Implementation Strategies and Neighborhood Investments	- Support proposed devel. - Retail space buildout and start-up grant program - TA: licensing/permitting - TA: targeted existing biz. - Broker/leasing support - Enhance key partnerships		- Continue existing programs and investment (see cell to the left) - Neighborhood branding initiative - Comprehensive marketing Campaign		Changes to existing programs and development of new programs and strategies to be determined			

NEAR-TERM DEANWOOD RETAIL ENHANCEMENT STRATEGIES

	Opportunity	Retail Enhancement Strategies	Priority	Resource Intensity	Potential Partners
1	Know your market: communicate Deanwood's retail orientation, opportunity, and competitive advantages	- o Communicate that Deanwood is a vibrant residential neighborhood with a near-term opportunity for new neighborhood goods and services retailers and a long-term opportunity for commercial property value growth and for new neighborhood-oriented food and beverage establishments. - o Help spread the word to property owners and retail brokers to regarding the corridor's competitive advantages: affordable commercial rents; significant NG&S retail opportunity gaps; recent investment and upcoming investment; a supportive political and stakeholder context; and a variety of available support services, financial assistance programs, and other resources.	High	Low	Property owners, local brokers, residents, board members
2	Continue to partner with key stakeholders to leverage existing capacity to support new programs and build the fundraising capacity	- o Prioritize enhancing relationships to help support other local initiatives and garner additional capacity to bolster W7BP programs and objectives: • Local churches and orgs. such Parks & People and Words, Beats & Life to further activate Marvin Gaye Park and showcase local businesses. • Local food incubators, creative groups, and entrepreneurship programs • Real estate brokers and existing commercial land owners • Economic Development Council, CM Gray's Office, LISC, and WACIF	High	Moderate (High in time, low in cost)	Churches, Parks&People, Words, Beats, & Life, EDC, political leadership, LISC, WACIF, and more
3	Support proposed and future development projects to encourage real estate investment	- o The Ward 7 Business Partnership should act as vocal advocate for new commercial and/or multifamily residential real estate development - o Partner with the ANC, Deanwood Civic Association, & other neighborhood stakeholders to help encourage and incentivize investment in Deanwood.	High	Low	Developers, ANC, civic association, residents
4	Prioritize allocation of technical assistance to key businesses and services that best address neighborhood need	- o Apply for, manage, and distribute TA with the following priorities: • Prioritize support for existing businesses/properties with significant current and potential community impact, including Deane Avenue Cleaners and food services within the Riverside Recreation Center • Prioritize neighborhood-wide SBTA toward issues pertaining to licensing, permitting, training, entrepreneurship, startups, and leasing - o Consider developing an evaluation framework to guide decision-making.	High	High	Business owners, property owners, DMPED, DSLBD
5	Provide leasing assistance & support to commercial brokers	- o Work with local commercial brokers/owners to actively lease vacant spaces - o Create an investment pitch sheet for brokers, bldg. owners, and prospective tenants highlighting Deanwood's investment opportunity and advantages	High	Moderate	Local brokers, prop. owners and managers
6	Develop a commercial space activation program	- o Work with the EDC to consider developing a space activation or popup grant program to support (a) the physical improvement of selected vacant spaces and (b) finding a viable new tenant and subsidizing rent or startup costs - o Consider developing the program in coordination with existing DMPED, OP, and DSLBD programs pertaining to innovation, makers, and made in DC	High	High	EDC, Council Member Gray's Office, DMPED, DSLBD



02 Project Background

STUDY PARTICIPANTS



Ward 7 Business Partnership

Authorized by DC City Council legislation and awarded a competitive grant in November 2008, Ward 7 Business Partnership (W7BP) is a designated DC Main Streets program funded by the DC Department of Small and Local Business Development (DSLBD). Using the Main Street 4 Point Approach®, W7BP supports comprehensive and sustained commercial revitalization within Ward 7 Washington, DC. W7BP directly assists businesses and coordinates sustainable community-driven revitalization efforts in our business district. Visit www.wardseven.com for learn more.



Jon Stover & Associates

Jon Stover & Associates (JS&A) specializes in economic analysis, retail revitalization, and helping public, private, and nonprofit organizations collaborate to meet economic development objectives. JS&A has helped a wide range of clients implement plans and programs that have successfully enhanced urban neighborhoods and corridors. Visit www.jonstoverandassociates.com to learn more.

WHAT IS “RETAIL”

When selecting a site for a store or restaurant, a knowledgeable entrepreneur undertakes a systematic analysis. How might a retailer eyeing Washington, DC, choose among its neighborhoods (submarkets) and then hone in on a particular storefront? Although every retailer evaluates sites differently, retail categories have common requirements for an ideal location.

In general, fresh produce stands, pharmacies, florists, dry cleaners and nail salons (Neighborhood Goods & Service category -- NG&S) have similar demands. So do restaurants, cafes, bars and coffee shops (Food & Beverage category -- F&B) and stores selling luggage, electronics, apparel and

books (General Merchandise, Apparel, Furnishings, and Other category -- GAFO). The bottom line is whether enough customers will spend enough money to make their business a success.

For the purposes of this study, retail is sorted into the following categories:

- **General merchandise, accessories, furniture, and other merchandise (GAFO)**
- **Neighborhood goods and services (NG&S)**
- **Food and beverage establishments (F&B)**

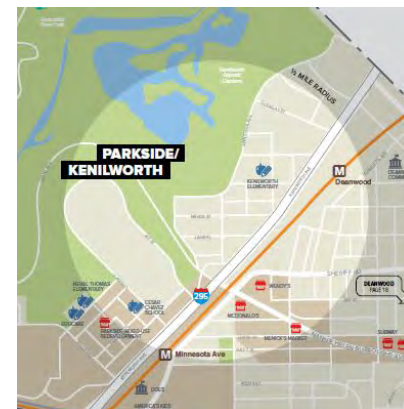
This study accounts for the following other land uses, but does not define them within the retail category:

- Civic uses such as churches, art space, or nonprofits
- Residential uses such as apartments or condominiums
- Office space
- Industrial space

DATA SOURCES & COMPARISON NEIGHBORHOODS

This analysis relies on data provided by the Ward 7 Business Partnership, the Washington DC Economic Partnership, ESRI, CoStar, WalkScore.com, a large variety of local planning and visioning documents, local real estate blogs such as CurbedDC and Urban Turf, and in-person site visits. Retail metrics and evaluation criteria correspond with the DC Office of Planning Vibrant Retail Streets Tool Kit.

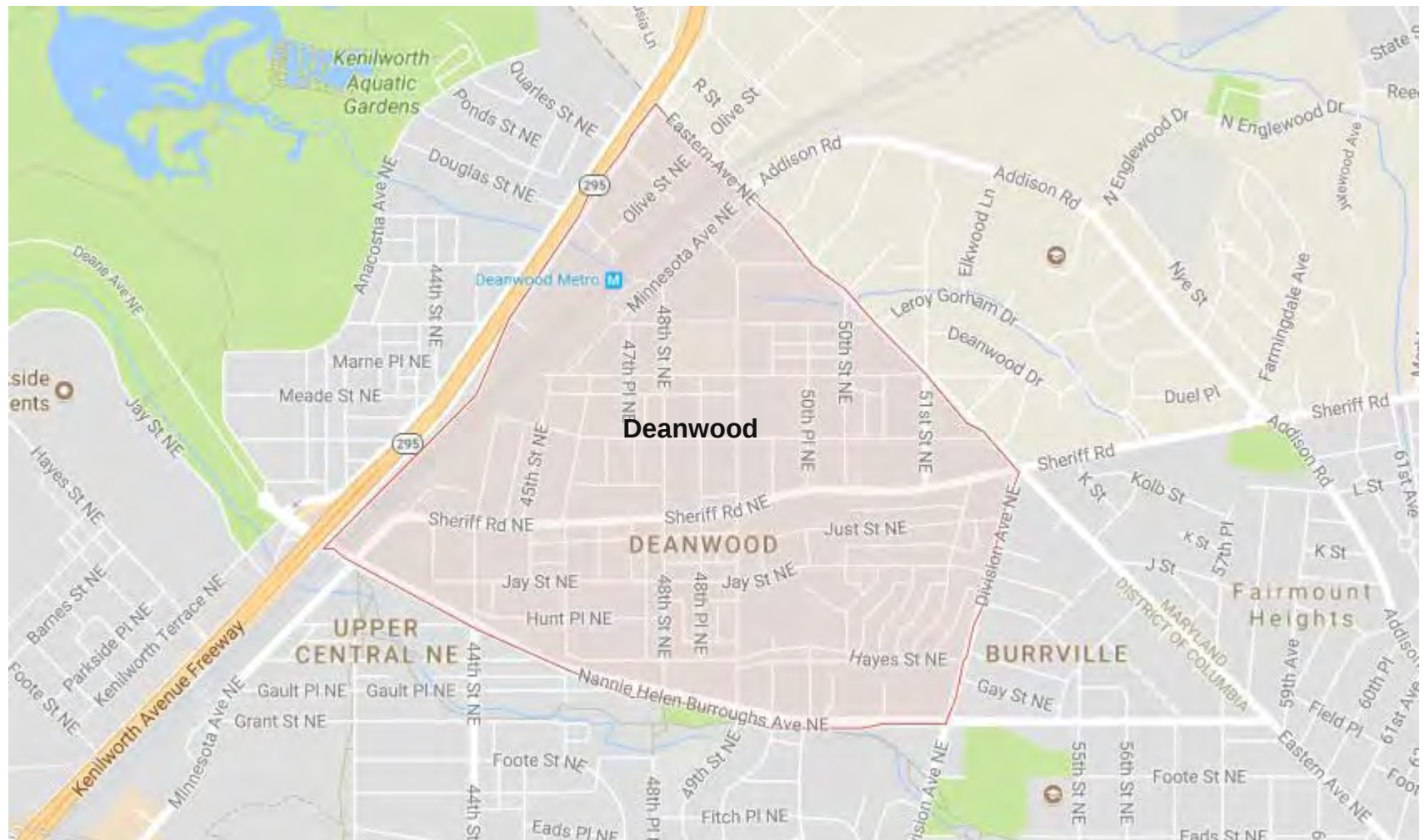
A handful of other DC retail neighborhoods are used as a frame of reference throughout this analysis: Anacostia, Congress Heights, Benning Road & East Capital, Parkside / Kenilworth, and Rhode Island Avenue.





03 Existing Conditions

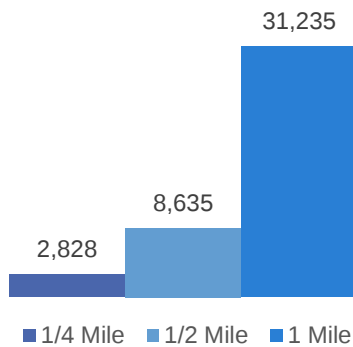
NEIGHBORHOOD LOCATION & CITY-WIDE CONTEXT



DEMOGRAPHICS

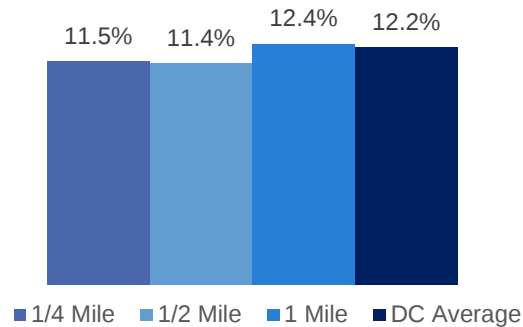
While the District has seen significant population growth over the past years, Deanwood has grown at a very similar rate with almost 1,000 new residents within a half-mile radius of Deanwood. Notably, the spending capacity of residents is significantly lower than the District on average with the median household income less than half that of the District.

Population



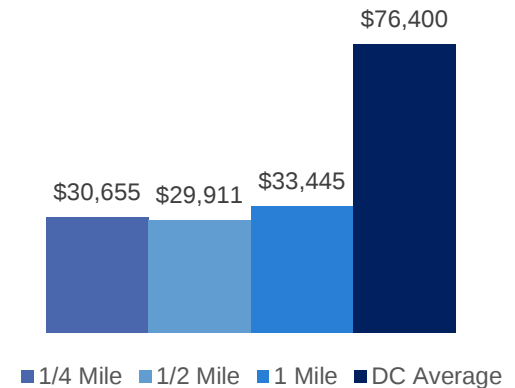
Deanwood captures a consideration population base.

Population Growth Rate (2010-2017)



Population growth in Deanwood matches the District's overall population growth over the past 7 years..

Median Household Income



The household spending capacity in Deanwood is significantly lower than other neighborhoods in the District.

WALKABILITY & AMENITIES

Deanwood is an accessible neighborhood with District with access to two Metro stations, multiple bus lines, and available parking. There is a strong opportunity to improve the walkability by increasing the vibrancy of the neighborhood by adding new retail establishments, improving façade and signage at local businesses, and implementing additional streetscaping along Sheriff Road NE and Division Road NE as Nannie Helen Burroughs Avenue NE has already done.



With a Walk Score of 51, some errands are accomplishable by walking in the neighborhood.



The Deanwood Metro station and 5 bus lines help connect Deanwood to the District and nearby Maryland.

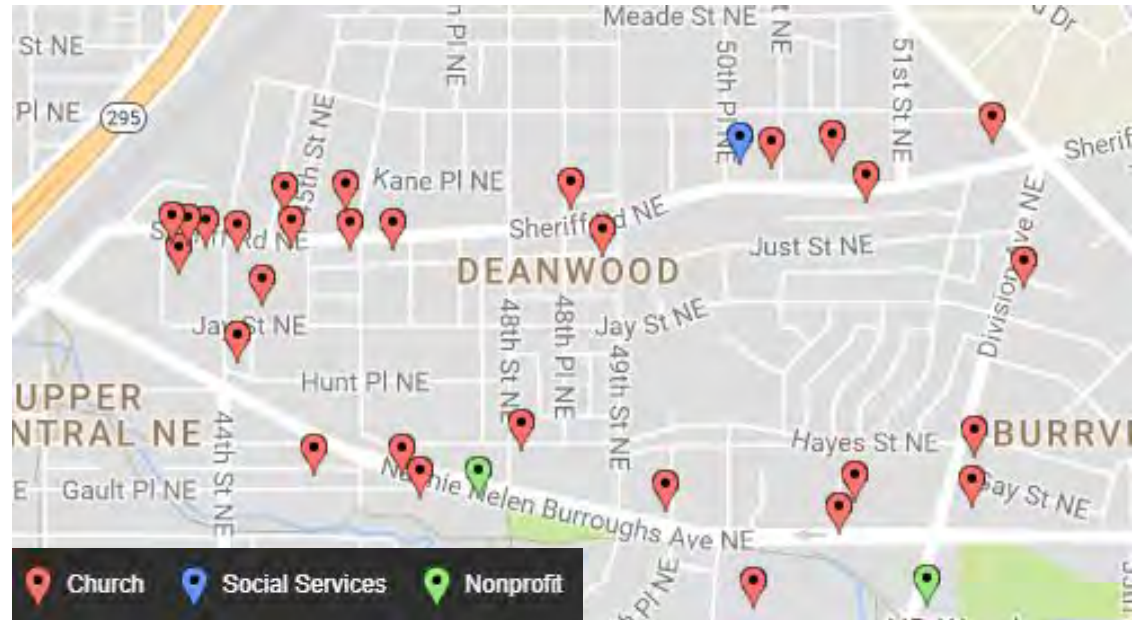


Given Deanwood's flat terrain, the neighborhood is bikeable but has little bike infrastructure such as bike lanes.

NEIGHBORHOOD NONPROFITS

Nonprofit organizations, including churches, constitute the majority of establishments within the Deanwood neighborhood.

Area churches activate the corridors during specific peak times, such as Sunday mornings and afternoons, and bring significant population to the neighborhood before and after church services. Currently, there is limited opportunity for current retailers to capture this customer base. With limited establishments geared towards these customers, visitors likely come to the neighborhood and leave without stopping at any of the local businesses.



NONPROFIT INVENTORY

Recognizing the nonprofits in the Deanwood neighborhood and incorporating stakeholder involvement with representatives is critical when considering the viability of retail in the neighborhood.

Assessing opportunities for synergies between local business owners, property owners, and neighborhood nonprofits can strengthen the vitality of Sheriff Road NE and Nannie Helen Burroughs Avenue NE.

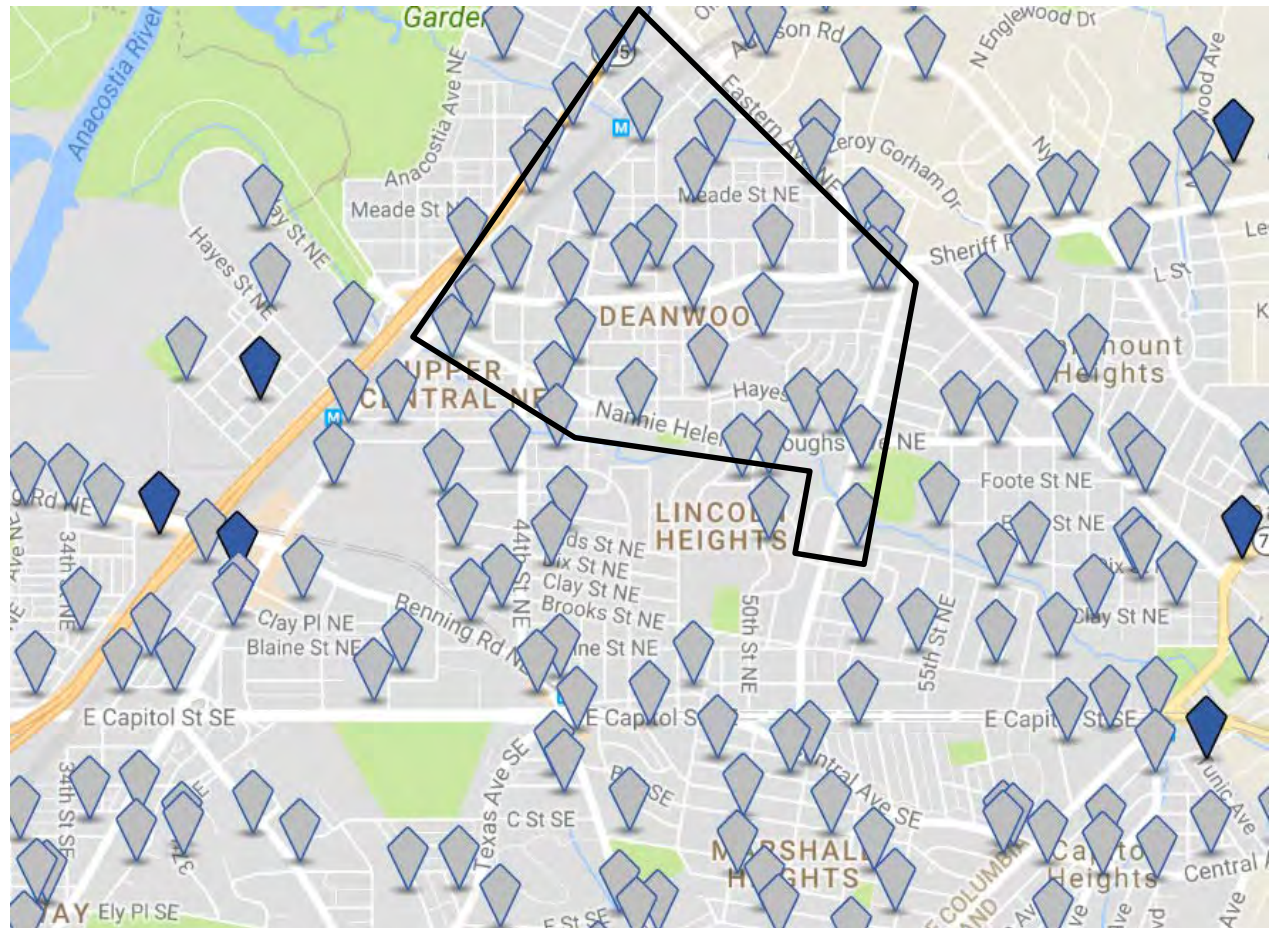
Name	Use	Address
Divine Love Baptist Church	Church	4303 Sheriff Rd NE, Washington, DC
Fruit of the Spirit Baptist Church	Church	4311 Sheriff Rd NE, Washington, DC
New Mt Calvary Baptist Church	Church	930 44th St NE, Washington, DC
Good Success Christian Church & Ministries	Church	4401 Sheriff Rd NE, Washington, DC
New Beginnings Christian Fellowship	Church	4421 Sheriff Rd NE, Washington, DC
First Baptist Deanwood	Church	1008 45th St NE, Washington, DC
Randall Memorial United Methodist	Church	1002 46th St NE, Washington, DC
New Birth Prayer Baptist Church	Church	4515 Sheriff Rd NE, Washington, DC
Pilgrim Rest Baptist Church	Church	4611 Sheriff Rd NE, Washington, DC
St Rose Pentecostal Church	Church	4816 Sheriff Rd NE, Washington, DC
Veterans On the Rise	Social Services	5002 Sheriff Rd NE, Washington, DC
New Morning Star Baptist Church	Church	5016 Sheriff Rd NE, Washington, DC
Little Rock Church of Christ	Church	5030 Sheriff Rd NE, Washington, DC
Tle Church	Church	5113 Sheriff Rd NE, Washington, DC
Through His Eyes Ministries	Church	5212 Sheriff Rd NE, Washington, DC
Contee AME Zion Church	Church	903 Division Ave NE, Washington, DC
Tabernacle Baptist Church	Church	719 Division Ave NE, Washington, DC
Macedonia Holy Church On-Rock	Church	707 Division Ave NE, Washington, DC
Riverside Recreation Center	Nonprofit	5200 Foote St NE, Washington, DC
Sargent Memorial Presbyterian	Church	5001 Nannie Helen Burroughs Ave NE, Washington, DC
The House of Praise	Church	5110 Nannie Helen Burroughs Ave NE, Washington, DC
2nd New St Lake Baptist Church	Church	4918 Nannie Helen Burroughs Ave NE, Washington, DC
Sacred Heart Spiritual Church	Church	721 48th St NE, Washington, DC
Ward 7 Business Partnership	Nonprofit	4645 Nannie Helen Burroughs Ave NE, Washington, DC
Mt Sinai Primitive Baptist Church	Church	4625 Gault Pl NE, Washington, DC, Washington
St James Church of Deliverance	Church	4611 Nannie Helen Burroughs Ave NE, Washington, DC
Revelation Knowledge Christian	Church	801 44th St NE, Washington, DC
Soul Saving Center of Christ	Church	909 43rd Pl NE, Washington, DC
New Birth Missionary Baptist	Church	930 49th St NE, Washington, DC
Progressive National Baptist	Church	601 50th St NE, Washington, DC
Holy Trinity United Baptist	Church	4504 Gault Pl NE, Washington, DC
Greater Love Church	Church	4412 Jay St NE, Washington, DC



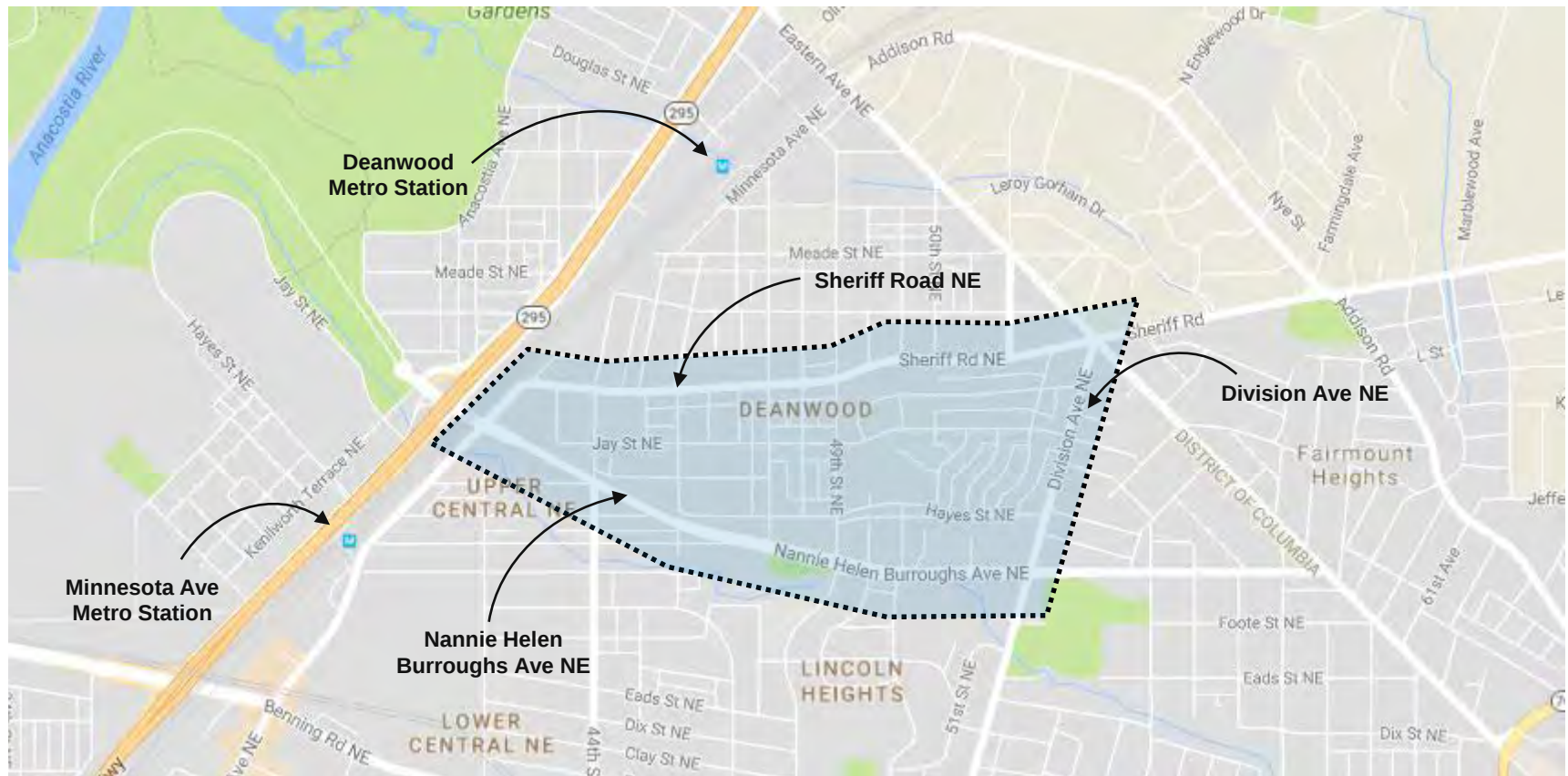
04 Retail Analysis

LOCAL RETAIL CONTEXT

Regionally, Deanwood is located in eastern Washington, D.C., in northern Ward 7. The study area lies directly east of the Anacostia River, with Prince George's County to the north. The area features stretches of retail along Nannie Helen Burroughs Avenue and Sherriff Road. The nearest competitive commercial nodes are located at the intersections of Minnesota Avenue and Benning Road, and Benning Road and East Capitol Street. H Street NE and the western portion of Benning Road NE, located just west of the Anacostia River, are also a major commercial competitor to Deanwood, with easy access via the Benning Road Bridge.



DEANWOOD RETAIL CORRIDORS



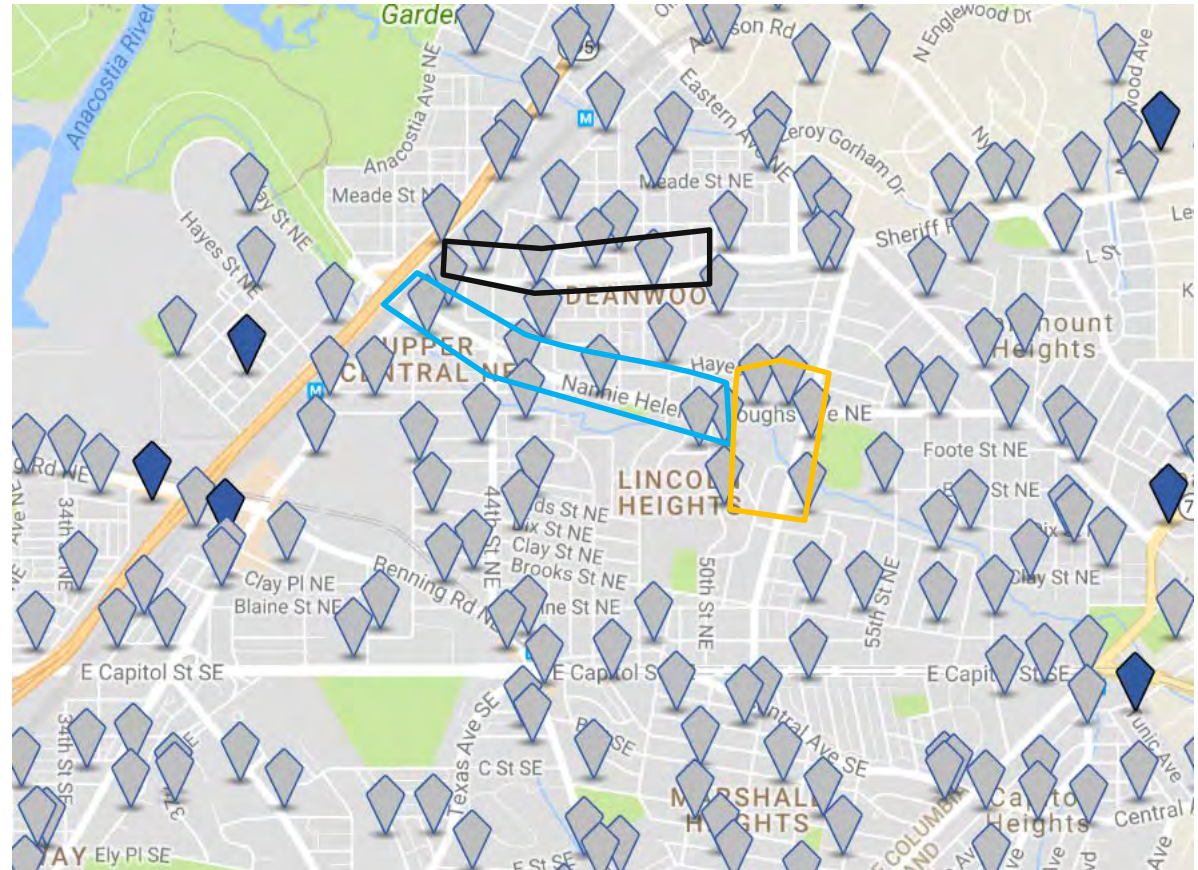
DEANWOOD HEIGHTS MAIN STREET SPANS THREE DISTINCT RETAIL NODES

While some retail and new development exists in other parts of the study area, the majority of retail in the study area is found within three different retail nodes. Each node consists of a differing mix of establishments and ranges in size.

Node 1: Sheriff Road, between Minnesota Ave. and 50th Pl. NE, is primarily characterized by its high density of small local churches. It also features a small number of neighborhood goods and services.

Node 2: Nannie Helen Burroughs West comprises the stretch of Nannie Helen Burroughs Ave between Minnesota Ave and 51st Street NE. This node primarily features fast food establishments, convenience stores, and gas stations.

Node 3: Nannie Helen Burroughs Ave. & Division Ave is greatly benefited by its recent streetscape improvements and the planned redevelopment of the Strand Theater, which will bring in additional residents and increase foot traffic.

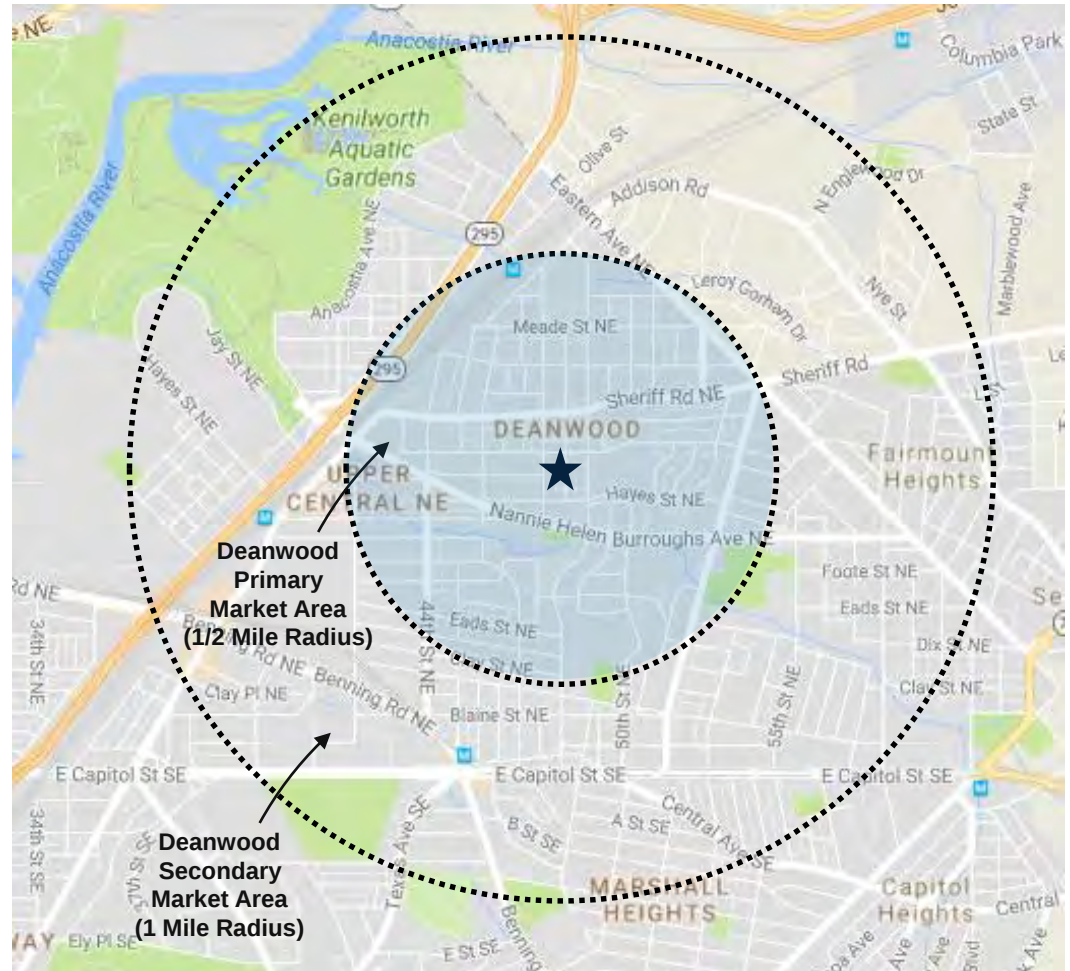


DEANWOOD'S MARKET AREAS

Retail customers in Deanwood can be thought of in three different categories. The **primary market area (PMA)** captures the largest and most notable customer base. These are local residents of Deanwood who frequent the corridors through day-to-day activities. This geography captures the local-serving population within a half-mile radius of the center of the two retail corridors, Sheriff Road NE and Nannie Helen Burroughs Avenue NE.

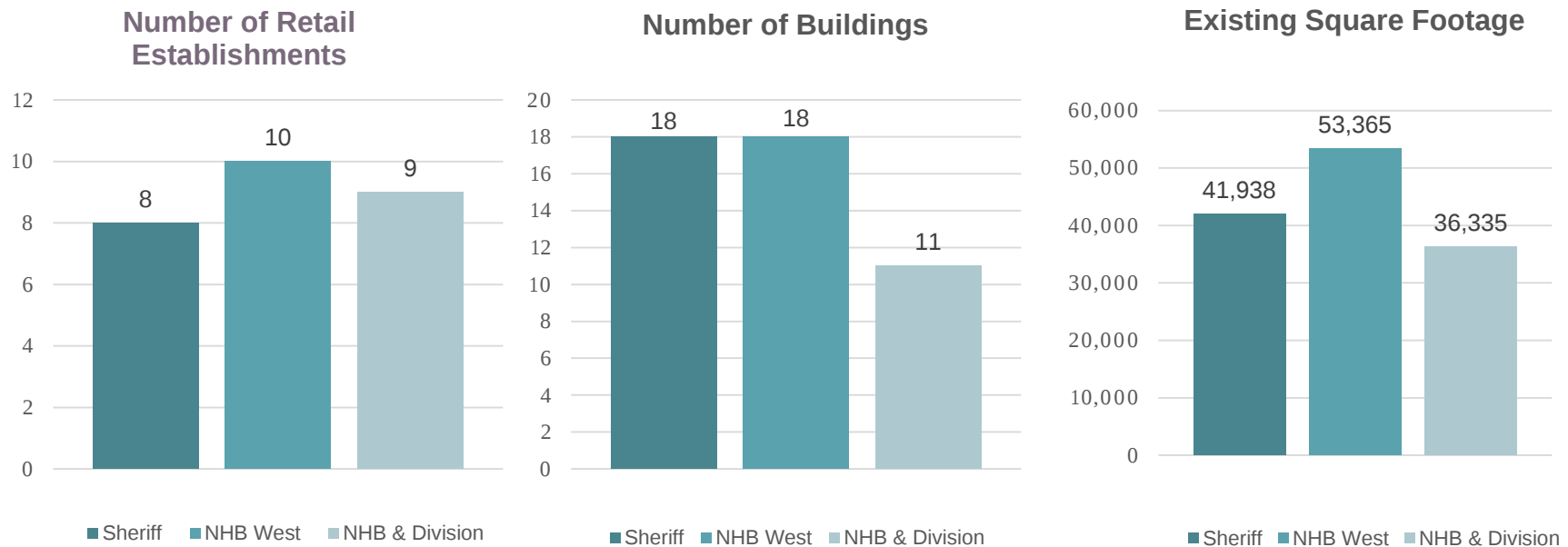
The secondary market area encompasses a one-mile radius stretching to include Benning Road NE, East Capitol Street NE, and the neighborhoods adjacent in Maryland. This population, who may live or work in the area, may frequent the Deanwood neighborhood while passing through or come specifically for events or occasions of that manner.

Lastly, the tertiary market area draws visitors from the larger geographic area who come to Deanwood as parishioners of the abundant churches in the neighborhood, commuters via I-295, and other visitors to Deanwood. This population may reside in other neighborhoods in the District or in Maryland.



RETAIL CONDITIONS: NODE COMPARISONS

The majority of retail in the Deanwood is located within three commercial nodes: Sheriff Road, Nannie Helen Burroughs West (NHB West), and Nannie Helen Burroughs & Division Avenue (NHB & Division). Each node has a unique character and is best suited for different kinds of businesses. The NHB & Division node has the best continual strip of ground-floor retail amongst the three nodes and has the greatest potential to become the primary commercial hub of the area.



There are almost the same number of retail establishments in each of the three main retail nodes.

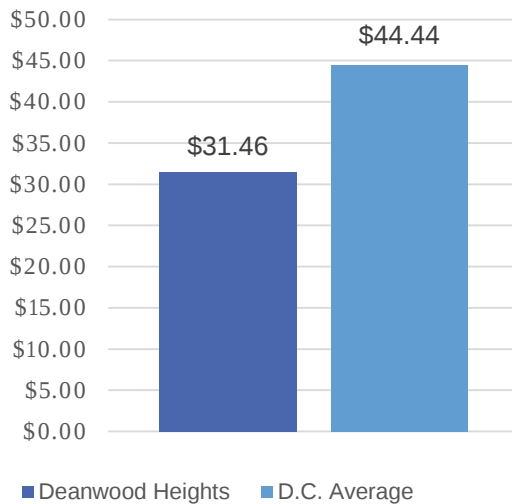
Each node has roughly the same amount of total buildings used for retail. The NHB & Division node, while having slightly fewer buildings, features the best continual strip of ground-floor retail space in the entire study area.

The differing amounts of existing retail space in each node reflects their varying characters. Sheriff Rd. and NHB & Division are comprised of smaller retail spaces, while NHB West features some larger retail footprints.

RETAIL CONDITIONS

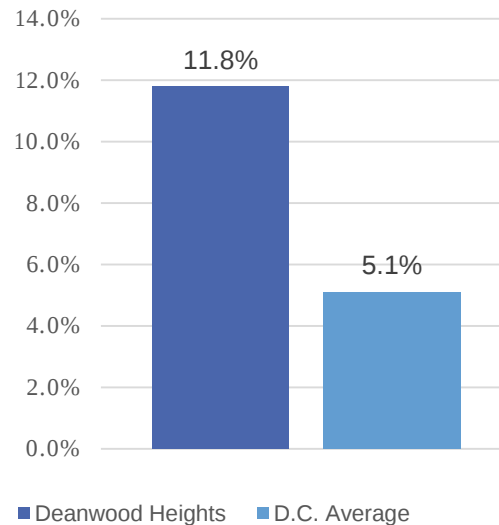
In comparison to current city-wide asking prices, retail spaces in Deanwood Heights offer prospective tenants highly affordable commercial rents. However the area also struggles to actively market many of its unused retail spaces, making it difficult for existing business owners to expand within the neighborhood and prospective businesses to find available spaces.

NNN Rent per SF



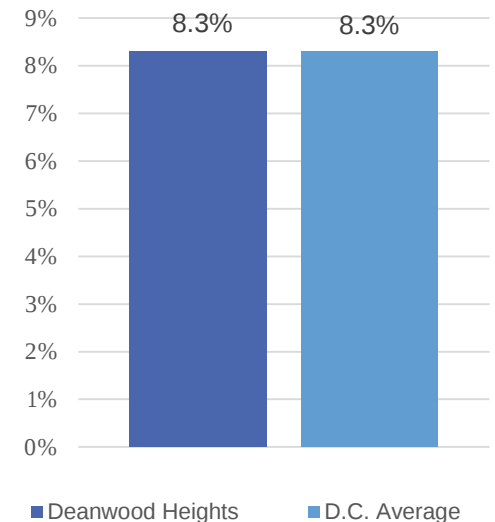
Asking rent rates in Deanwood Heights are significantly lower than the D.C. city-wide average.

Retail Vacancy Rate (5 yr. avg.)



The area's average vacancy rate over the last five years is over the twice the city-wide average. The rate has fallen over the past couple years, likely due to many vacant properties being taken off the active market.

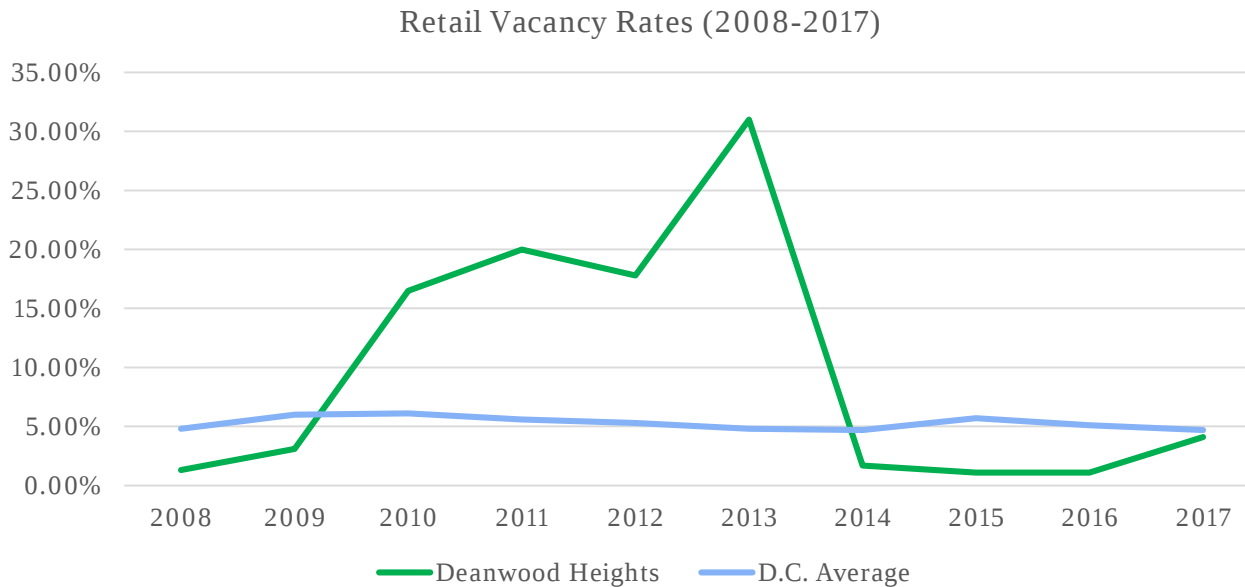
Availability Rate



The availability rate of retail space falls in line with the D.C. average, though many of the area's vacant properties are not being listed online, making it difficult for prospective tenants to find them.

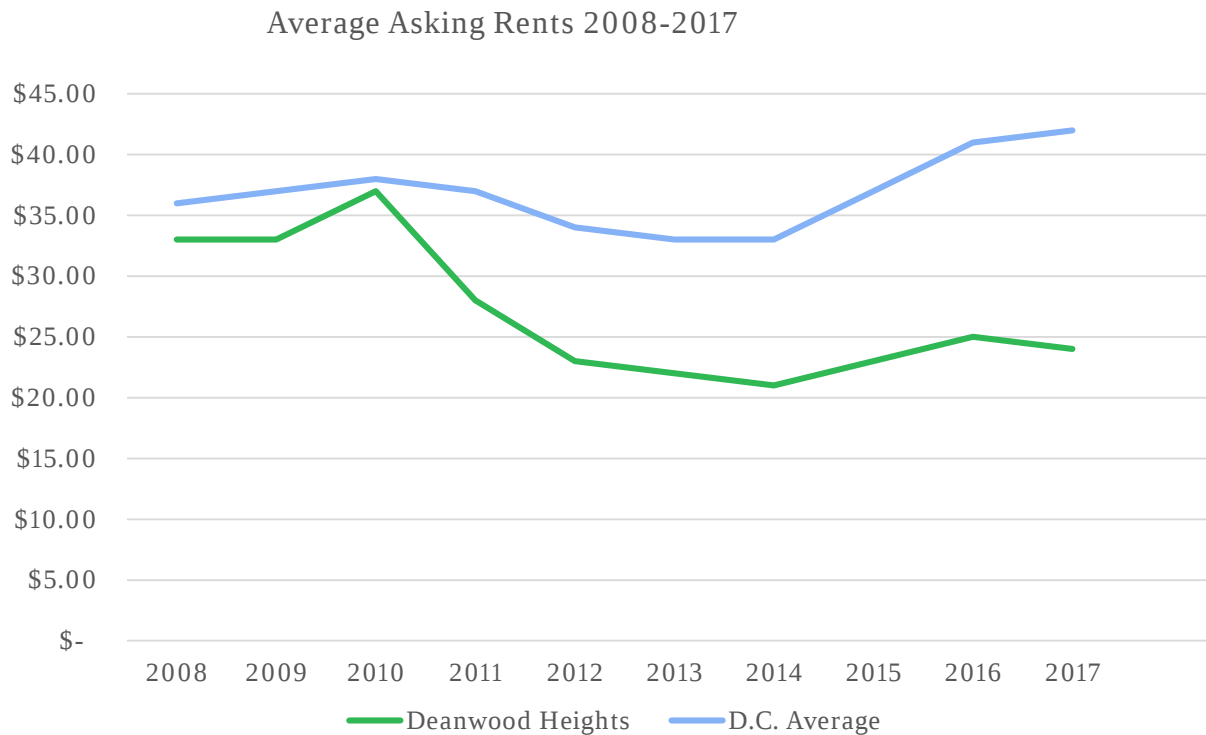
RETAIL TRENDS: VACANCY

Overall, retail spaces in Deanwood have experienced a rapid decline in vacancy rates over the last several years, after a sustained period of high vacancy. However, this percentage only reflects retail spaces currently on the market. With many of the area's retail spaces currently sitting empty, this likely indicates that many retail spaces are not actively being marketed for occupancy.



RETAIL TRENDS: ASKING RENT

The asking rents of retail spaces in Deanwood have slightly decreased over the past ten years, with an average asking rent of \$31.46 per square foot for retail spaces currently on the market. However over the last three years the average asking rent has increased by over 50%, reflecting an increased interest in Deanwood as a business location. This follows a city-wide increase in retail rents, with retail rents rising from \$33 to over \$44 per square foot over the last five years.

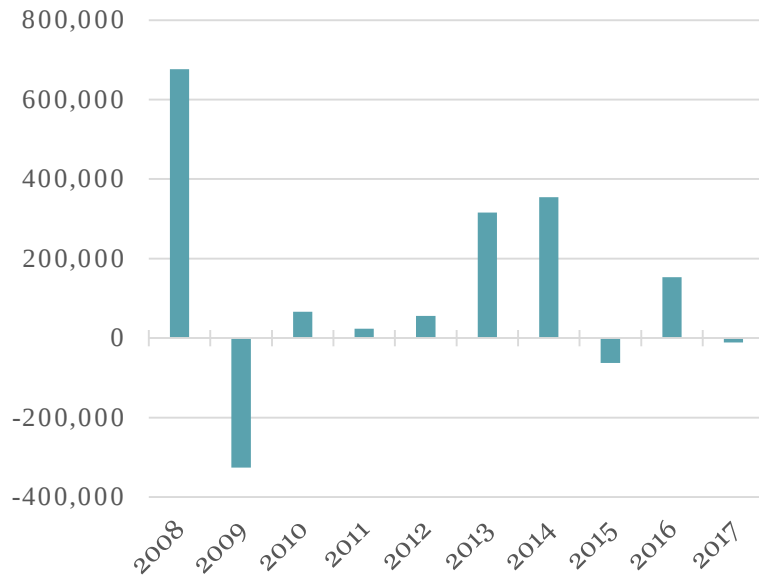


RETAIL TRENDS: ABSORPTION

Deanwood has seen very little additional retail space added to the area over the last ten years, with the exception of the mixed-use development at 4800 Nannie Helen Burroughs Ave. Thus, yearly absorption totals have remained extremely low in recent years. This

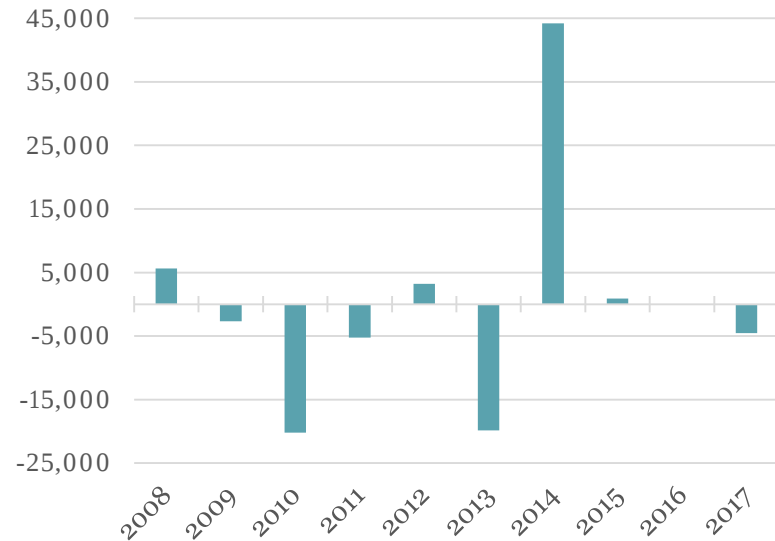
indicates that while not many new commercial tenants are moving into the area, not many are leaving either.

DC Retail Absorption (In Square Feet)



Positive absorption rates three out of the last four full years indicate a high city-wide demand for retail space

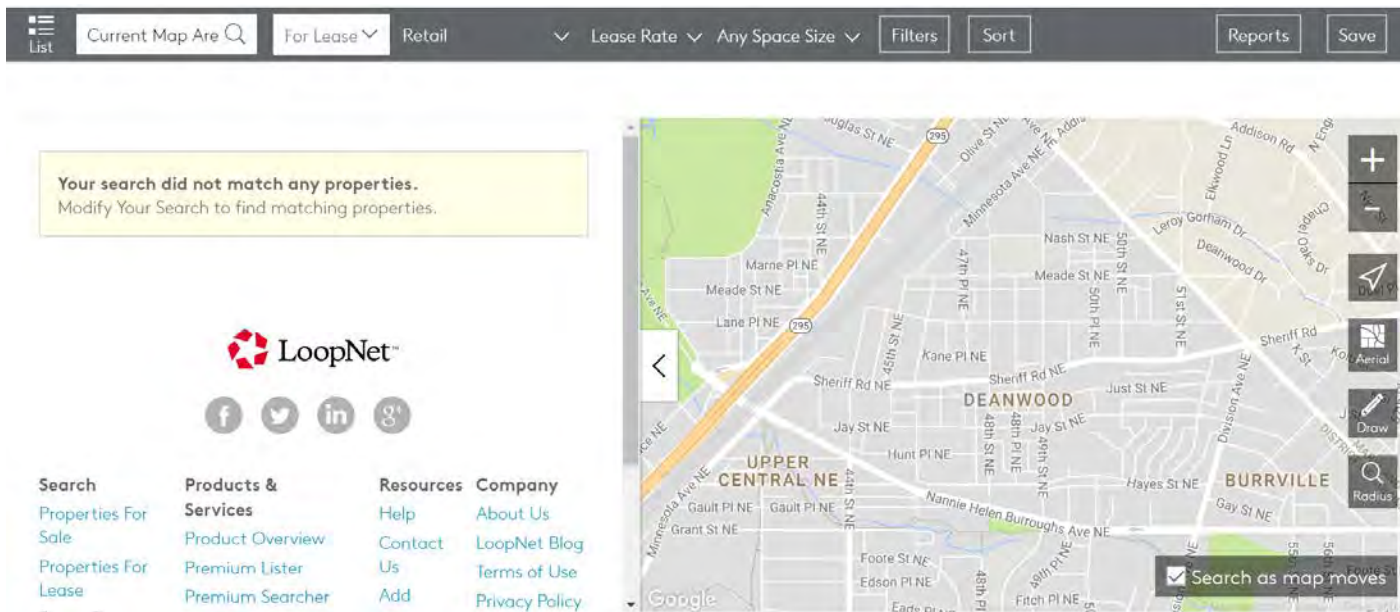
Deanwood Heights Retail Absorption (In Square Feet)



Relatively steady absorption rates in recent years indicate a stable local market

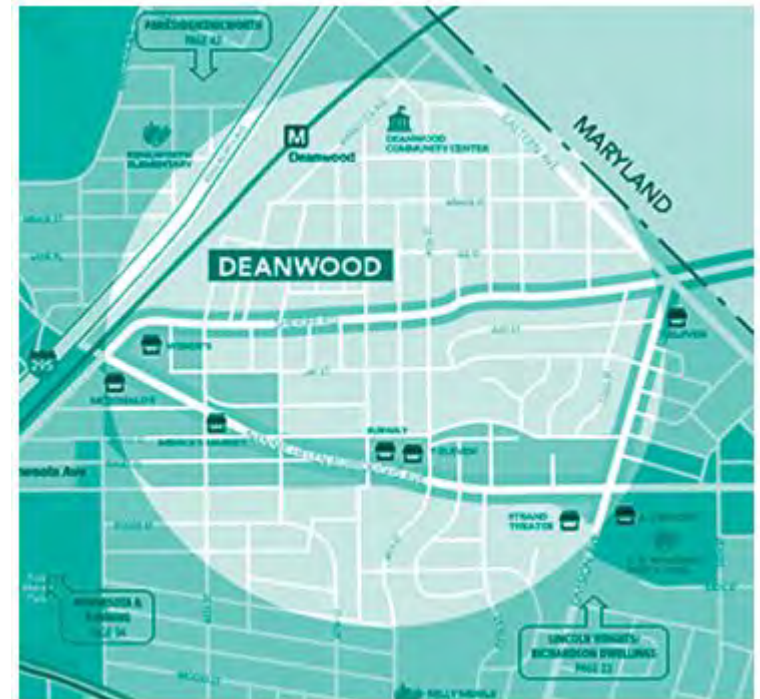
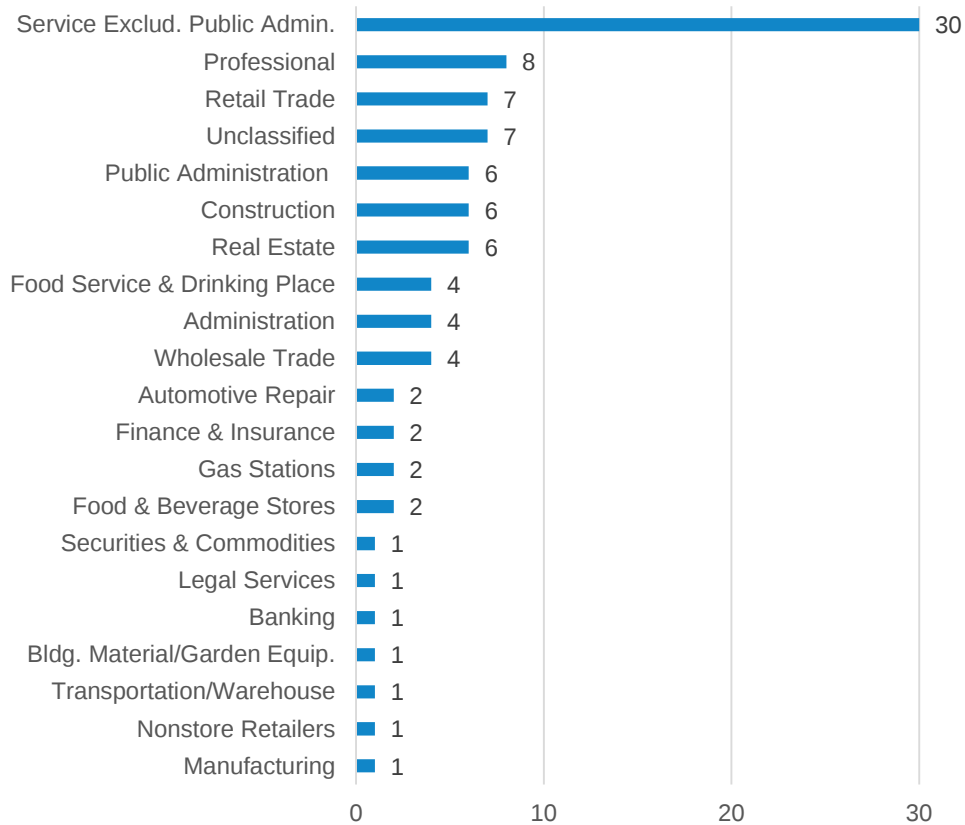
CURRENT RETAIL MARKET

Many unused retail spaces in Deanwood are either not available to lease or not adequately marketed online. This makes it highly difficult for entrepreneurs interested in starting or moving their business to Deanwood to find a suitable space. Additionally, it creates the false impression that Deanwood has no retail-ready spaces currently available. This lack of marketing and availability also prevents existing business owners in Deanwood from easily relocating or expanding to another location within the neighborhood.



DEANWOOD BUSINESS SUMMARY

Number of Businesses By Type



COMPARISON COMMERCIAL DISTRICTS

Parkside / Kenilworth

- “ Parkside / Kenilworth is surrounded by the Anacostia Freeway (I-295), the Anacostia River, Benning Road and Eastern Avenue. With both private and public investments, including federal PROMISE and CHOICE grants, this growing neighborhood expects to see rapid investment as the first phases of nearly \$600 million in development are underway.”

Rhode Island Avenue

- “ As one of Pierre L'Enfant's original streets, Rhode Island Avenue serves as a major commuter corridor, joining the heart of downtown DC to the heavily population Maryland suburbs.”

Benning Road & East Capital Street

- “ A new mixed-use development adjacent to the Benning Road Metrorail Station will bring new affordable housing, neighborhood services and retail/restaurant space to the adjacent neighborhoods of Benning, Benning Heights, Capitol View and Marshall Heights.”

Anacostia

- “ Located near the Banks of the Anacostia River, this historic neighborhood is enjoying a renaissance with burgeoning small businesses, local entrepreneurs and a thriving arts scene. Anacostia's commercial corridors are located in both HUB and Enterprise Zones with excellent access provided by Metrorail, I-295, I-395 and the Suitland Parkway.”

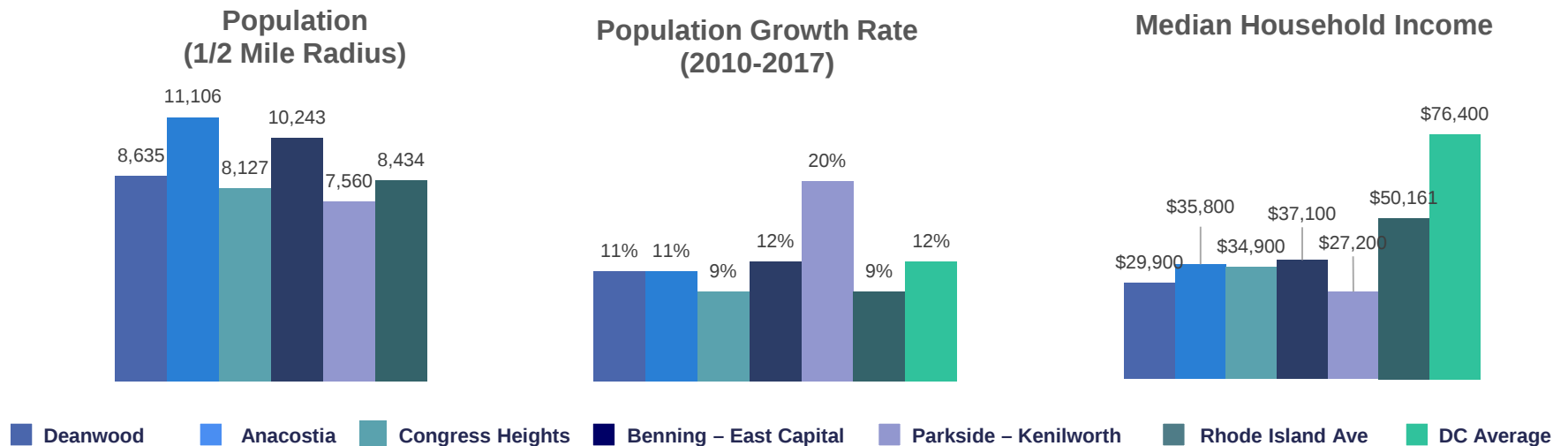
Congress Heights

- “ Home to the 350-acre Saint Elizabeths East and West Campuses, the new 3,700 employee U.S. Coast Guard headquarters and by 2021 the new home for the Department of Homeland Security, Congress Heights will be an epicenter for future business opportunities.”



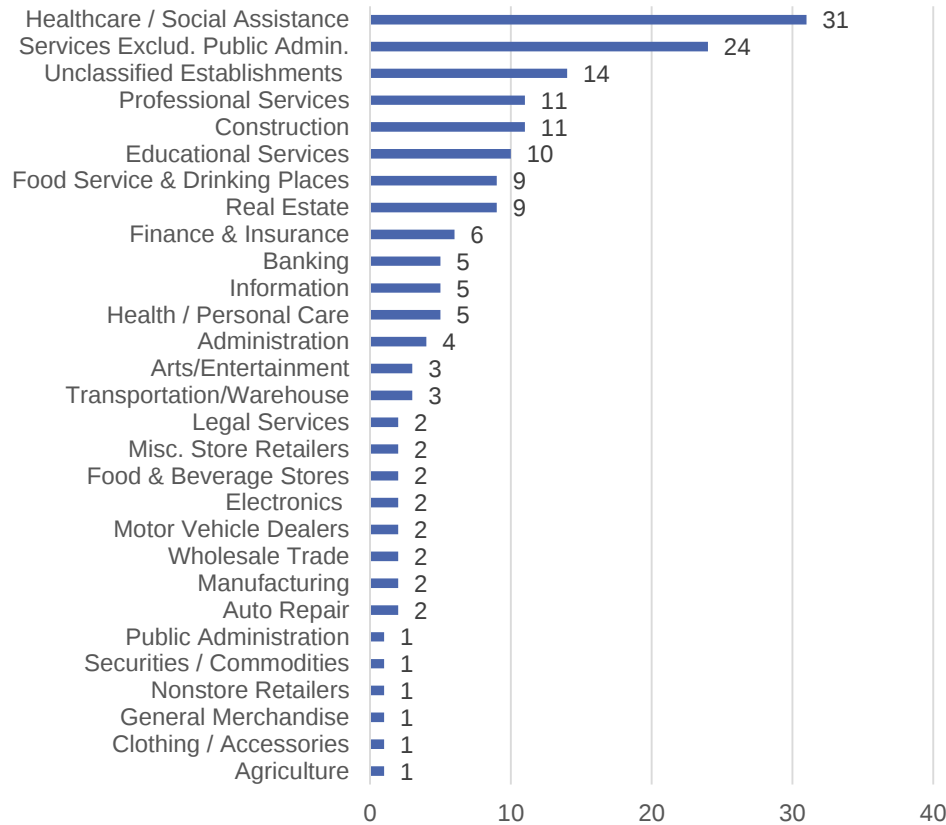
COMPARISON COMMERCIAL DISTRICTS DEMOGRAPHICS

Comparable neighborhoods with Deanwood have very similar demographics – the population size is relatively similar, with the exception of Anacostia and the Benning and East Capital neighborhood who both have slightly higher population densities. Similarly, the neighborhoods have all seen growth relatively on par with the District as a whole with the exception of the Parkside – Kenilworth neighborhood whose new developments have dramatically increased the neighborhood's population. The median household income of all of these neighborhoods are considerably lower than the District.

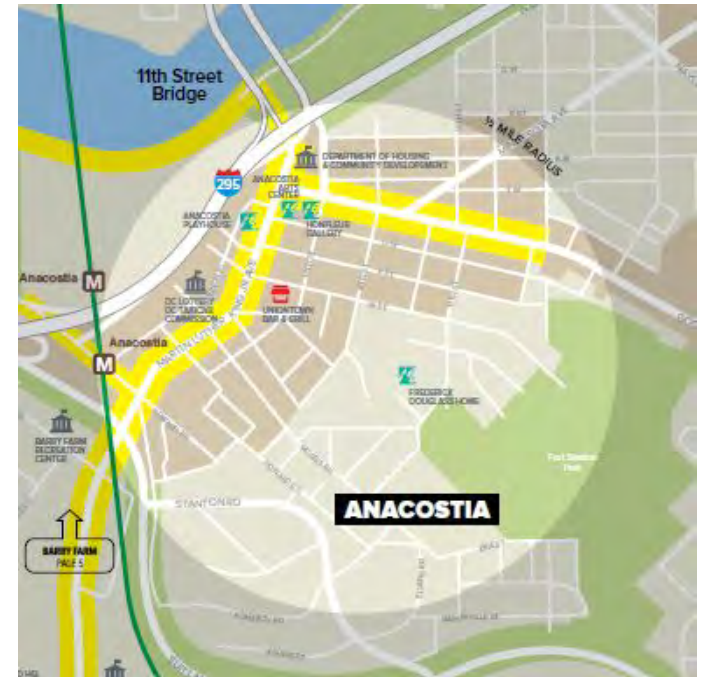


BUSINESS SUMMARY: ANACOSTIA

Number of Businesses By Type

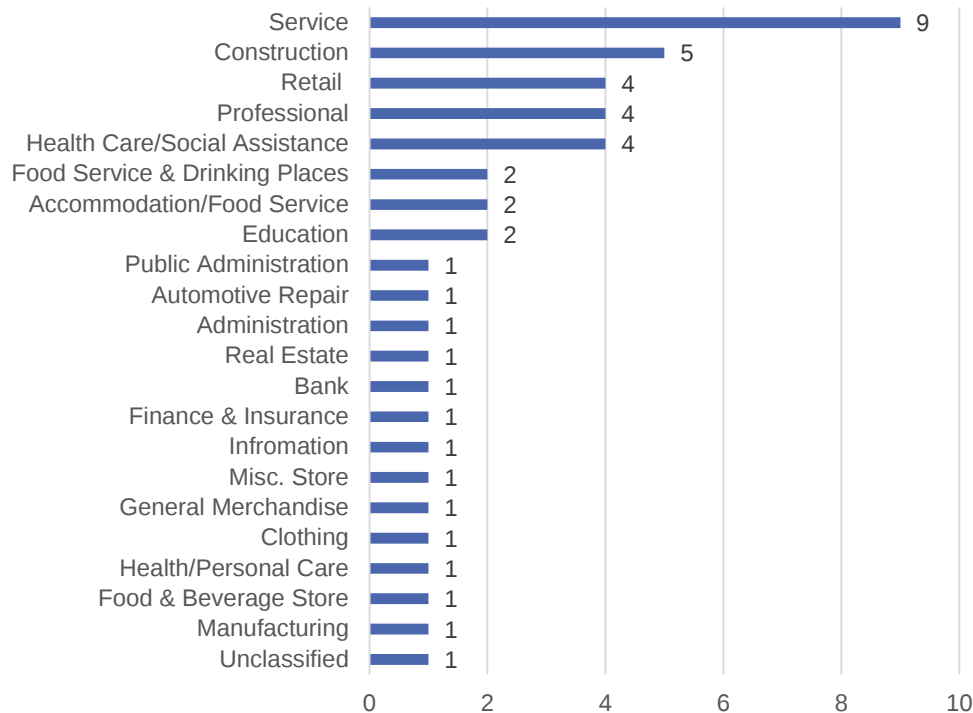


Retail in Anacostia is well-balanced between food and beverage, neighborhood goods and services, and GAFO retail with equal distributions of all three categories.



BUSINESS SUMMARY: CONGRESS HEIGHTS

Number of Businesses By Type

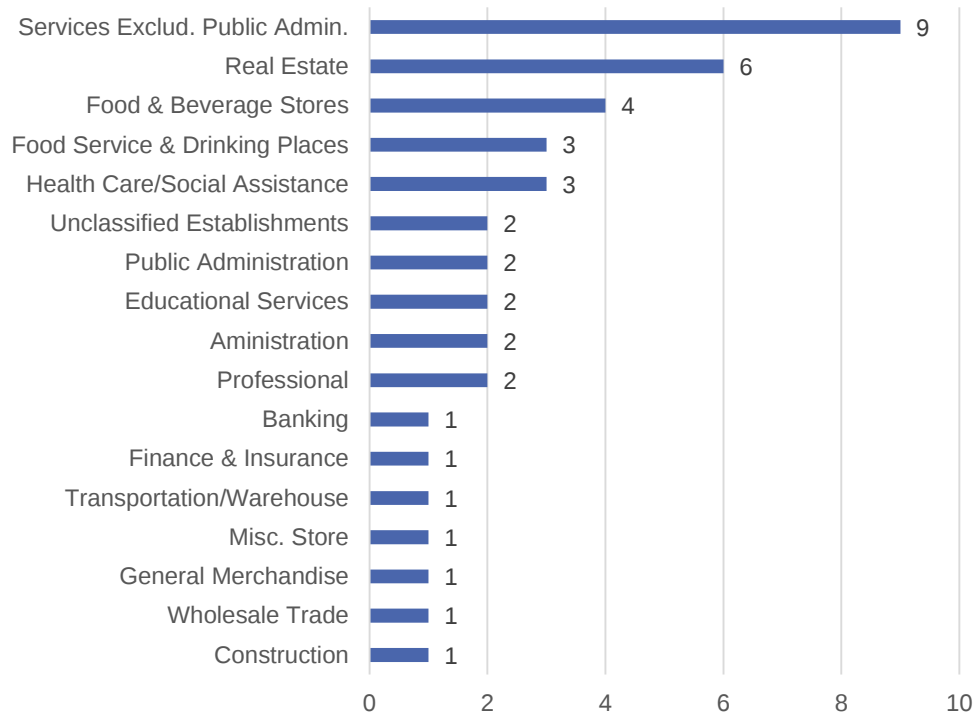


Congress Heights is filled with mostly food and beverage establishments and neighborhood goods and services. These retailers are geared towards local residents. Development at Saint Elizabeths will likely dramatically change the retail conditions of Congress Heights in the coming years.

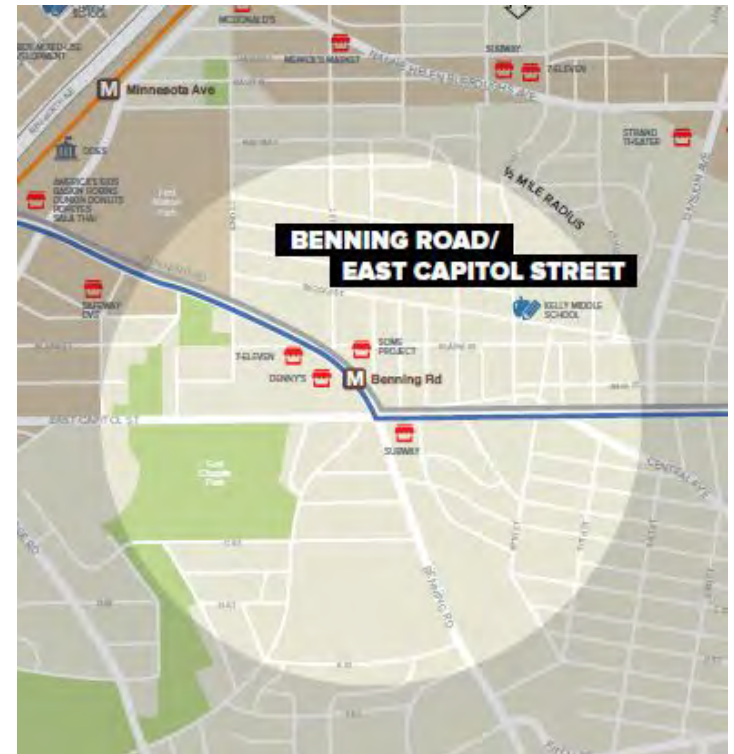


BUSINESS SUMMARY: BENNING RD./EAST CAPITAL ST.

Number of Businesses By Type

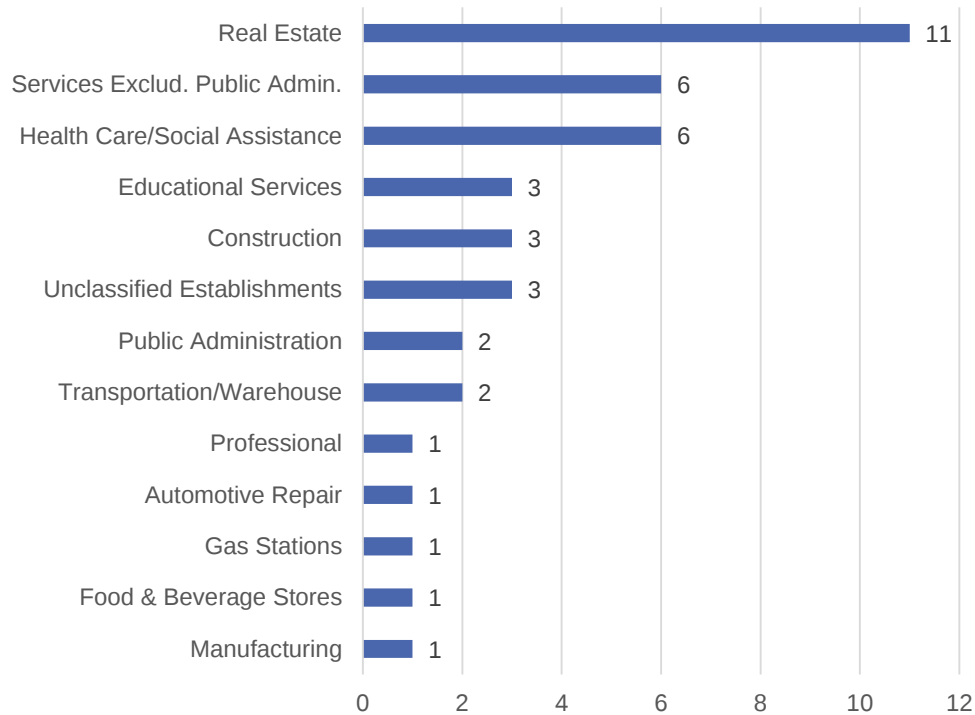


The retail node at Benning Road and East Capital Street is predominately neighborhood goods and services with very limited GAFO retail.



BUSINESS SUMMARY: PARKSIDE / KENILWORTH

Number of Businesses By Type

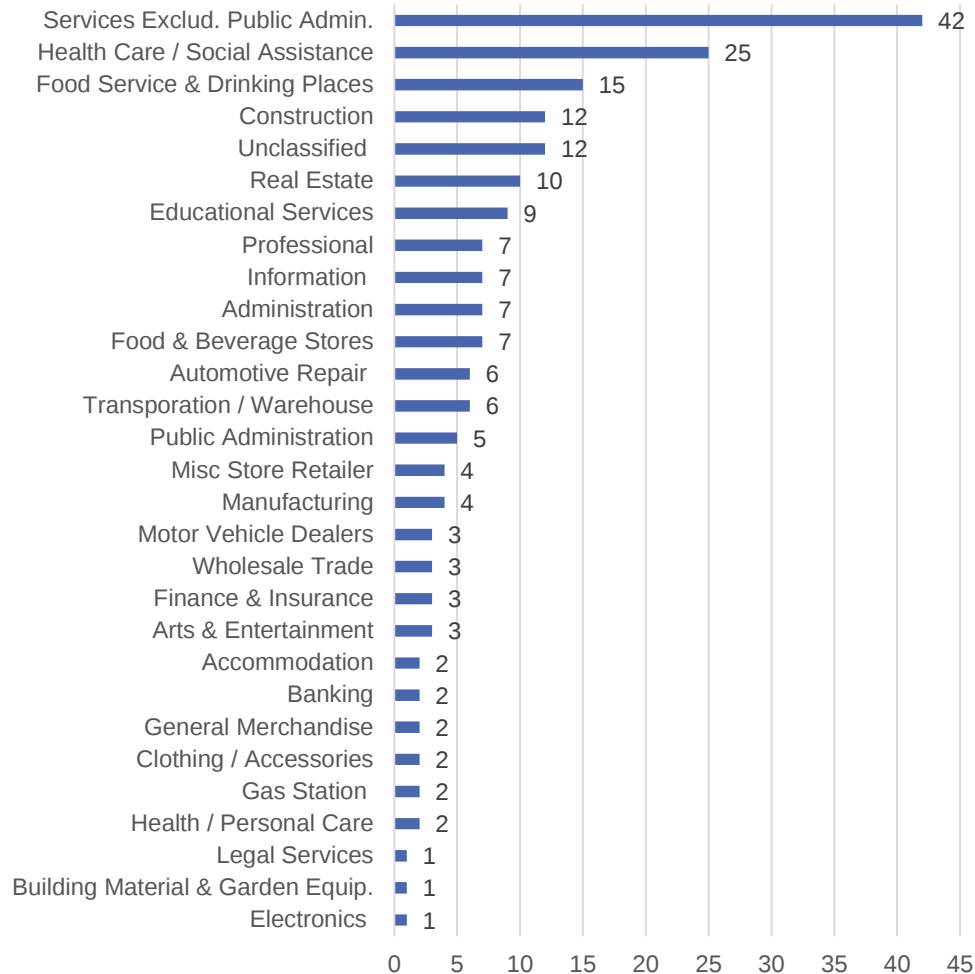


Very little retail exists within the Parkside-Kenilworth neighborhood. New development in this area will likely increase the amount of retail.

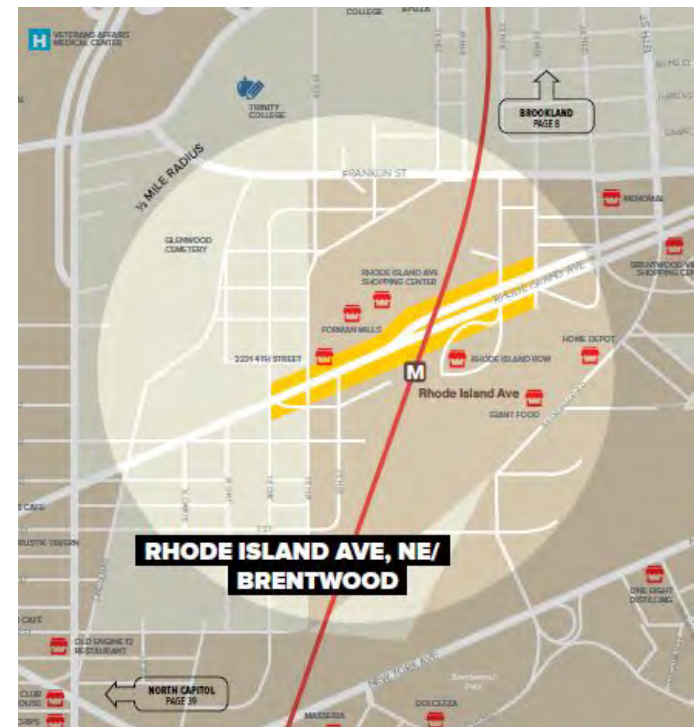


BUSINESS SUMMARY: RHODE ISLAND AVENUE

Number of Businesses By Type

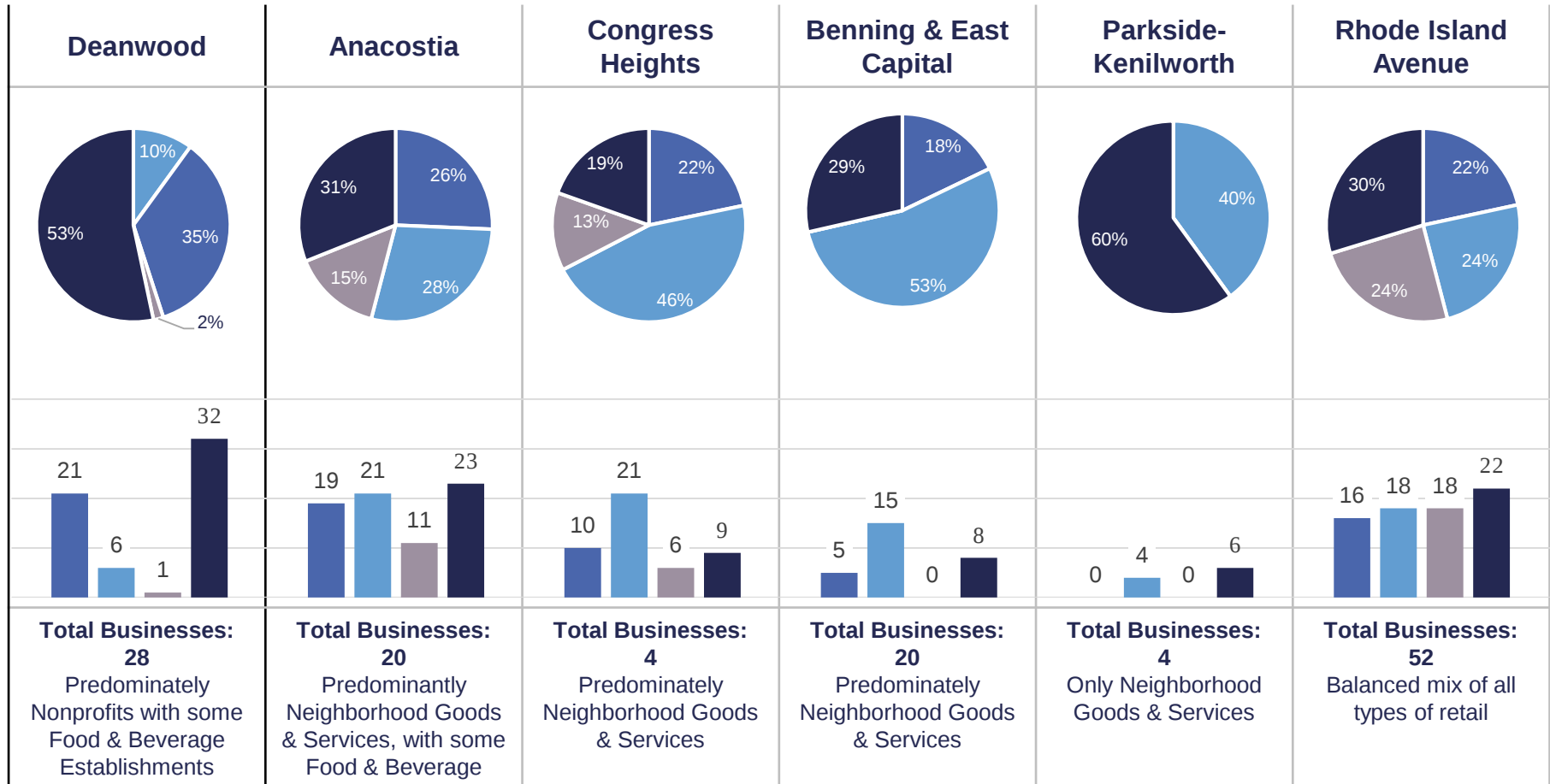


Similar to Anacostia, Rhode Island Avenue consists of equal distribution of all three types of retail – neighborhood goods and services, food and beverage establishments, and GAFO retail.



RETAIL MIX COMPARISON

Compared with other commercial areas, Deanwood has a significant proportion of nonprofits within the commercial core.



OP RETAIL TOOL KIT: IMPLEMENTATION

The DC Office of Planning developed a process for evaluating retail conditions in the District called the DC Vibrant Retail Streets Toolkit. The Tool Kit finds that vibrant retail streets in DC typically have the following attributes. As such, addressing these characteristics is a helpful way to develop the conditions that can attract, support, and sustain successful retail.

Managed. Support from an active Merchants' Association or Non-Profit Organization provides clear leadership and serves as a surrogate for single landownership for most vibrant retail streets.

Retail-Appropriate. Ground-floor spaces along vibrant streets have high ceiling heights (12 feet or more), transparent storefronts, adequate sidewalks (8 feet and more), and few disruptions in retail continuity (few instances of interference by professional offices, open space, residential-only buildings, etc.).

Safe. Regardless of the crime statistics for the neighborhood, vibrant streets maintain a perception of safety.

Mixed. The types of retail tenants on vibrant retail streets reflect the market demand. Unsupportable tenants are not artificially introduced. That said, the merchandising mixes on most vibrant streets have a prevailing retail category (NG&S, F&B, or GAFO) with similar percentages of tenants from the other two retail categories.

Championed. A vibrant retail street is likely to show signs of investment, either by the public or private sector. Examples of these investments can include major development, street furniture, public art, and removal of above-ground power lines, to name a few.

Anchored. The street is activated by a civic or cultural anchor that attracts people for purposes other than commerce.

Walkable. A vibrant street is part of a walkable community and is supported by pedestrian-oriented residents.

Unified. Vibrant streets generally have a common character or theme, often historical in nature, that binds the street's range of services.

Local or National. A majority of the district's shops are either local tenants or national chains.

Accessible. Establishments along a vibrant street are well-served by either transit or by adequate parking facilities, but not necessarily both.

Visible. Surrounding streets have enough traffic to ensure visibility, but not so much that the area is difficult to access.

OP RETAIL TOOL KIT: IMPLEMENTATION PROCESS FLOWCHART

The retail conditions in Deanwood successfully satisfies three of the eight implementation criteria for a vibrant retail street:

- It is **managed** by the Ward 7 Business Partnership.
- It is **championed**, with new development and redevelopment efforts in the surrounding area.
- It is **anchored**, with many nonprofits such as churches clustered along the corridors.

Several opportunities exist to improve the vibrancy of Nannie Helen Burroughs Avenue NE and Sheriff Road NE. The new development in the area will bring new retail to the area with its ground floor uses and new storefronts. Increasing pedestrian activity will help improve the safety of the neighborhood. Providing a Clean and Safe team along the corridors can also improve the perception of safety. Implementing additional placemaking efforts and enhanced branding can strengthen the unity of the neighborhood and tie the corridors together into the Deanwood and Ward 7 Business Partnership brand. Leveraging these opportunities will help the corridors become more vibrant, distinct places to serve the neighborhood residents and local population.





05 Retail Opportunity Gap

RETAIL OPPORTUNITY GAP

The primary market area, a half-mile radius from the center of Deanwood, experiences more demand than supply for almost all types of retail, meaning residents do a majority of their shopping outside of the neighborhood.

When customers leave Deanwood to shop elsewhere, the retail industry experiences what's known as "leakage". Deanwood residents and workers go elsewhere for almost all of their GAFO retail shopping, some neighborhood goods and services, and some restaurants. On the other hand, when customers from outside of the neighborhood come to Deanwood, the industry experiences "surplus". Gasoline stations, located at Nannie Hellen Burroughs and Minnesota Avenue NE and Division Avenue NE have a significant customer base with drivers passing through on these major roads.

However, although there is strong demand for additional retail in the neighborhood, other factors, such as marketability, population, and availability of spaces, are also key when determining the viability for additional retail in Deanwood.

Industry groups experiencing surplus and low levels of leakage in Deanwood:

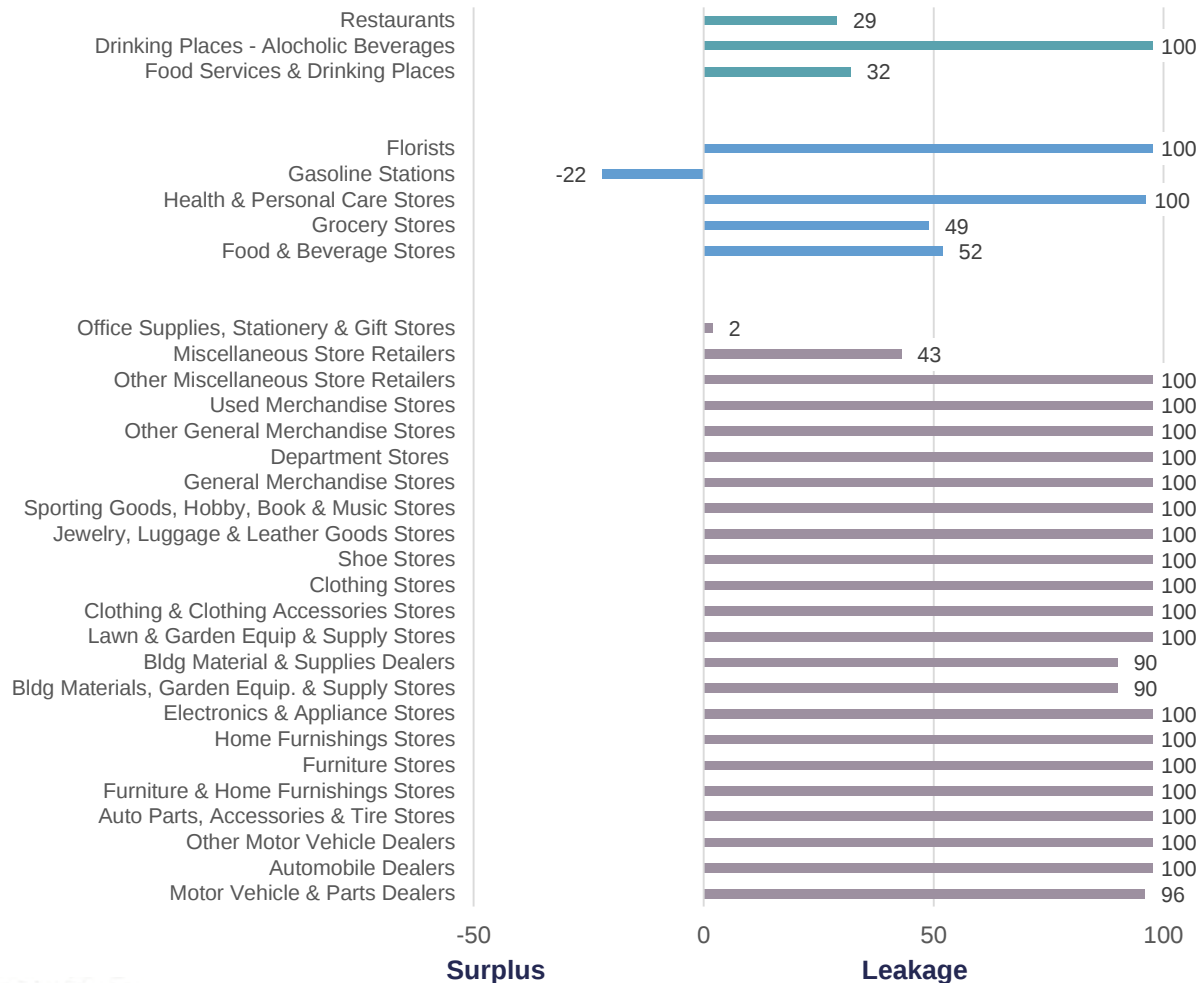
- Gas stations
- Food & beverage stores

Industry groups experiencing high amounts of leakage in Deanwood:

- Goods, apparel, furniture, and other types of merchandise
- Automobile-related retail
- Health and personal care stores

RETAIL OPPORTUNITY GAP

**Retail Surplus & Leakage By Industry Group
(Primary Market Area)**

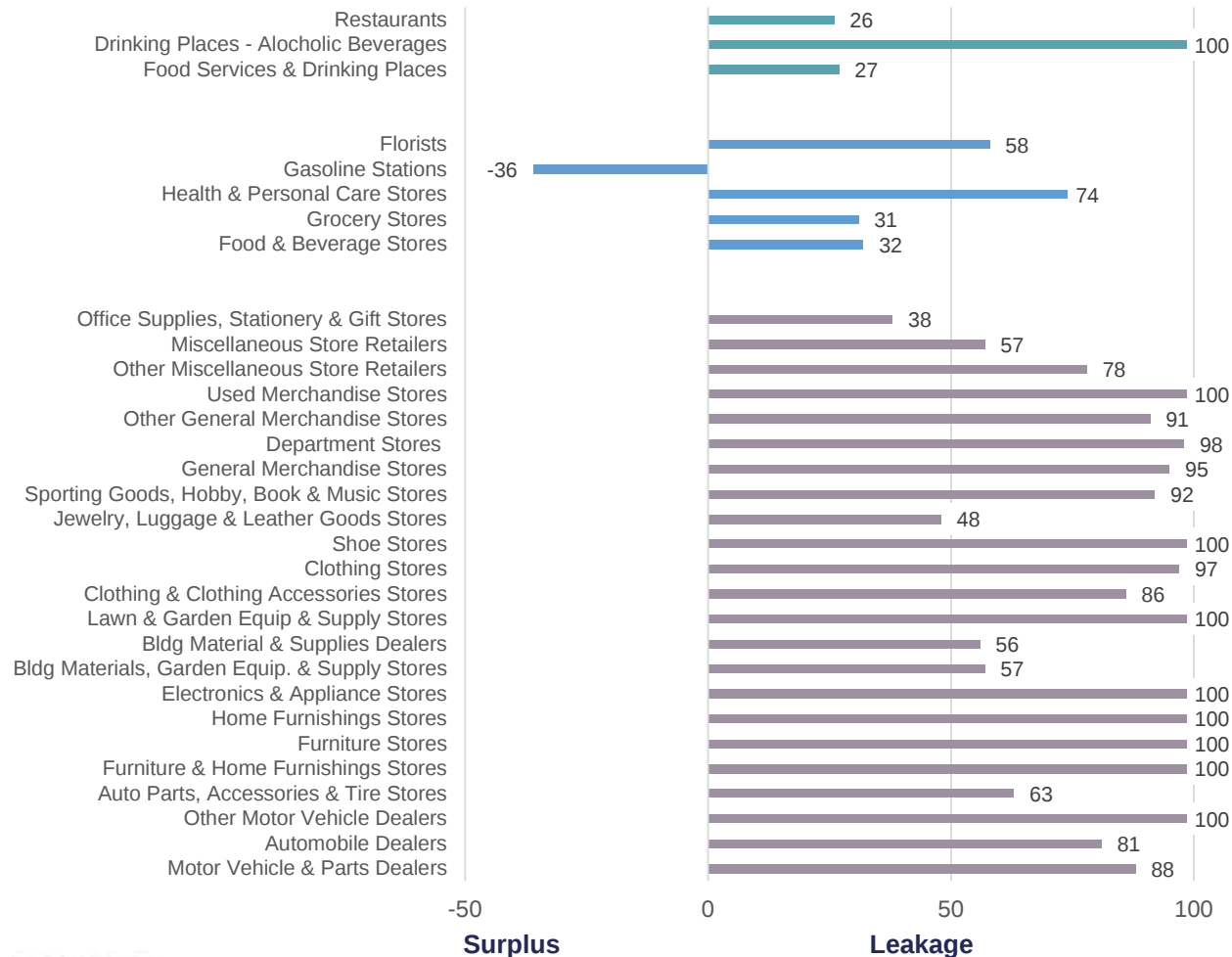


Customers within the primary market area, a half-mile radius of Deanwood, frequent neighborhood goods and service establishments and restaurants.

Because of the lack of GAFO retail, which is less viable in the neighborhood serving retail atmosphere of Deanwood, customers leave the neighborhood to shop for clothing, furniture, goods, etc. Although the neighborhood experiences significant leakage, other neighborhoods more suited for big box development and retail stores will continue to attract this customer base.

RETAIL OPPORTUNITY GAP

**Retail Surplus & Leakage By Industry Group
(Secondary Market Area)**



The greater context of Deanwood, a one-mile radius around the center of the neighborhood, absorbs a strong local customer base.

However, this neighborhood continues to fulfill the local needs rather than attract customers from outside of the area, specifically to shop and dine at local establishments. Within this context, Deanwood should continue to strive to serve neighborhood residents.

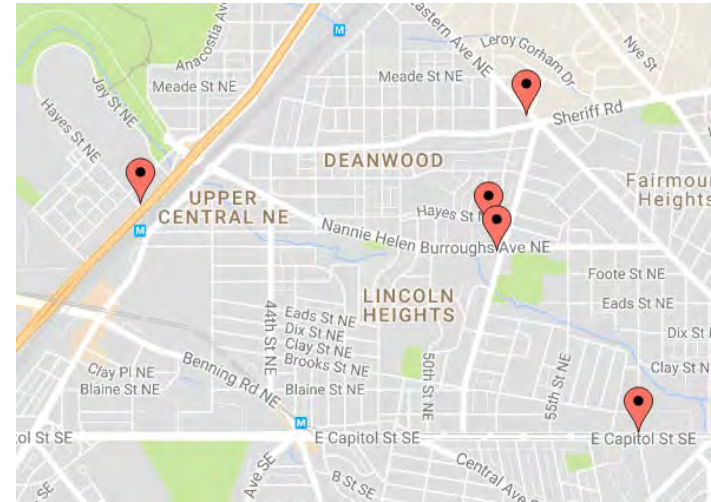


06 Projected Future Conditions

PLANNED & PROPOSED DEVELOPMENT

There are currently several planned or proposed development projects in and around Deanwood. The majority are mixed-use developments, providing the area with a substantial amount of new retail space and residential units. Most notably, the Strand Theatre renovation and adjacent residential development, located at the intersection of Nannie Helen Burroughs and Division Avenue, will add 86 residential units and 6,900 square feet of retail space.

These proposed developments represent over \$430 million in estimated development costs in the greater Deanwood Heights area, demonstrating substantial investment in Ward 7.

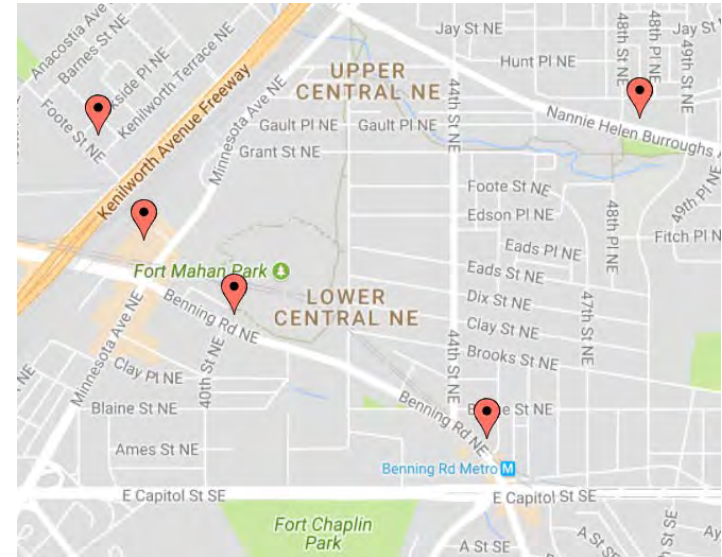


Project	Location	Developer	Total Sq Ft.	Construction Type	Major Use	Residential Units	Retail Sq Ft.	Status	Estimated Project Cost
The Strand Theater	5119-5123, 5127-5131 Nannie Helen Burroughs Avenue NE	The Warrenton Group/Washington Metropolitan CDC	37,200	Renovation & New Construction	Mixed-Use	86	6,900	Medium Term	\$28,000,000
Deanwood Hills	5201 Hayes Street NE	The Warrenton Group	150,000	New Construction	Residential	150	0	Long Term	\$32,000,000
Parkside Mixed-Use Development	Kenilworth Avenue & Hayes Street NE	Bank of America CDC/City Interests/Marshall Heights CDO	2160000	New Construction	Mixed-use	1302	43000	Long Term	\$270,000,000
Capitol Gateway Marketplace	58th & East Capitol Street NE	A&R Development/DCHA	193,000	New Construction	Retail	312	167,000	Near Term	\$100,000,000
1100 Eastern	1100 Eastern Avenue NE	Neighborhood Development Company	64,657	New Construction	Mixed-Use	56	12,000	Medium Term	n/a
			2,564,657 SF				228,900 SF		
							1,906 units		
									\$430,000,000

RECENTLY COMPLETED & UNDER CONSTRUCTION DEVELOPMENT

Over 700,000 square feet of new construction has either been recently completed or is under construction in and around Deanwood. These projects have been predominantly residential in nature, adding a total of 905 new units to the area over the last three years.

The Nannie Helen at 4800, The Conway Center and Park 7 Apartments have also combined to add over 25,000 square feet of new commercial retail space to the area.



Project	Location	Developer	Total Sq Ft.	Construction Type	Major Use	Residential Units	Retail Sq Ft.	Status	Estimated Project Cost
St. Stephens Apartments	4000 Benning Road	Warrenton Group/Pennrose Properties/Wash. Metro. CDC		New Construction	Residential	71		Under Construction	
The Conway Center	4430 Benning Road	SOME	197,000	New Construction	Residential	202	2,000	Under Construction	\$90,000,000
Park7 Apartments	4020 Minnesota Ave	Donatelli Development	300,000	New Construction	Residential	376	22,000	Completed	\$60,000,000
The Grove at Parkside	600 Kenilworth Terrace	Gilbane Development/City Interests	140,000	New Construction	Residential	186		Completed	\$42,000,000
The Nannie Helen at 4800	4800 Nannie Helen Burroughs Avenue	Northern Real Estate Ventures/A. Wash & Associates	89,000	New Construction	Mixed-Use	70	1,790	Completed	\$19,000,000
			726,000 SF			905 units	25,790 SF	\$211,000,000	

RECENTLY COMPLETED DEVELOPMENT

Park 7 Apartments



Located at the intersection of Minnesota Avenue and Benning Road, and adjacent to the Minnesota Avenue Metro Station and Department of General Services, Park 7 Apartments includes 376 residential units and 22,000 square feet of ground-floor retail space. Retail includes a sit-down restaurant, three fast-food establishments, and a clothing store.

As the largest residential development built in D.C. in 2015, the project serves as a catalyst for change in Ward 7, representing the increased investments being made in the area.

Location: **4020 Minnesota Ave NE**
Site Use: **Mixed-Use**
Retail sf: **22,000 SF**
Residential: **376 units**
Office: **n/a**
Parking: **n/a**
Developer: **Donatelli Development**
Architect: **Eric Colbert & Associates**

RECENTLY COMPLETED DEVELOPMENT

The Nannie Helen at 4800



Located in central Deanwood Heights, The Nannie Helen at 4800 added 70 residential units, 1,790 square feet of retail space, 3,438 square feet of office space, and a 1,900 square feet community center to the area, as well as 41 residential parking spaces.

As the first new mixed-use development the area has seen in recent years, The Nannie Helen at 4800 serves as an example for other projects that aim to add amenities and housing to the neighborhood.

Location: 4800 Nannie Helen Burroughs Ave.
Site Use: Mixed-Use
Retail sf: 1,790 SF
Residential: 70 units
Office: 3,438 SF
Parking: 41 spaces
Developer: Northern Real Estate Ventures |
A. Wash & Associates
Architect: Torti Gallas & Partners

UNDER CONSTRUCTION DEVELOPMENT

The Conway Center



The Conway Center, a new mixed-use development, is located on Benning Road, just north of East Capitol Street. Incorporating a diverse mix of uses, including a workforce development center, retail space, a health center, and 202 residential units, the project will attract new residents and visitors to Ward 7. Retail space is expected to include a sit-down deli.

Location: **4430 Benning Road NE**
Project Cost: **\$90,000,000.00**
Site Use: **Mixed**
Retail sf: **2,000 sf**
Residential: **202 units**
Office: **n/a**
Parking: **188 spaces**
Developer: **SOME**
Architect: **Weincek + Associates**

UNDER CONSTRUCTION DEVELOPMENT

Deanwood Hills



Deanwood Hills, a mixed-income apartment building at 5201 Hayes St, just a block north of the Strand Theater, is currently under construction. The building is scheduled to be completed by next summer and will feature 150 new residential units and 75 parking spaces.

Like the Strand Theater, the project will add new residents to the area, improving safety and local foot traffic, while also providing a larger customer base for local businesses.

Location: **5201 Hayes Street**
Project Cost: **\$32,000,000.00**
Site Use: **Residential**
Retail sf: **n/a**
Residential: **150 units**
Office: **n/a**
Parking: **75 spaces**
Developer: **Warrenton Group**
Architect: **Torti Gallas & Partners**
Target Delivery: **2018**

PROPOSED DEVELOPMENT

The Strand Theater



The Strand Theater was built in 1928 and added to the National Register of Historic Places in 2008. Its planned renovation will also feature the development of 86 new residential units (located adjacent to the theater), and 6,900 square feet of retail, including approximately 2,300 square feet of space for a community business incubator.

The project serves as a potential anchor development for the neighborhood as it restores a respected historic site, provides residents with new retail amenities, and offers flexible community and business support space.

Location: [5127-5131 Nannie Helen Burroughs Ave](#)
Project Cost: [\\$28,000,000.00](#)
Site Use: [Mixed](#)
Retail sf: [6,900 sf](#)
Residential: [86 units](#)
Office: [n/a](#)
Parking: [n/a](#)
Developer: [Warrenton Group | Washington Metropolitan CDC | NHP Foundation](#)
Architect: [PGN Architects](#)
Target Delivery: [2020](#)

IMPACT OF PROPOSED & COMPLETED DEVELOPMENT

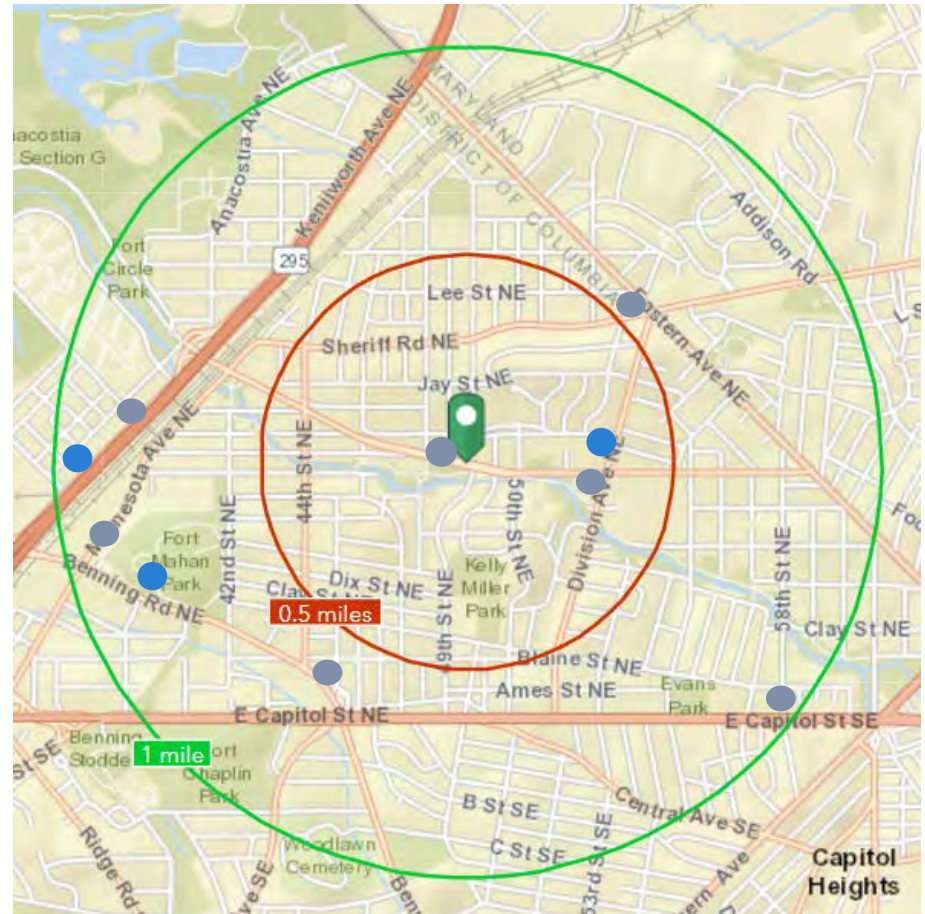
Proposed and recently completed development projects located within a one-mile radius of Deanwood will have the most significant impact on the area's retail viability.

Half-Mile Radius

Two significant developments are located within a half-mile radius of the center of Deanwood Heights. Deanwood Hills and the Strand Theater will add new residents, offer community members access to new retail, and increase foot traffic along Nannie Helen Burroughs Ave.

One-Mile Radius

Significant upcoming developments, such as Capitol Gateway, 1100 Eastern, and the Parkside redevelopment, are located within a one-mile radius. These projects serve as good examples of the recent increase of private investments being made in Ward 7. In total, these projects will add 33,393 residential units and 258,000 square feet of retail to the area.



- Development project with contributing retail and residential units
- Development project with only contributing residential units

PROJECTED POPULATION CHANGE

Projected Residential and Workforce Population Change

Based on planned and proposed development around Deanwood, there will be an estimated additional 3,336 residents, 4,286 office workers, and 509 retail workers over the next over the next 5 years within a one-mile radius. These projections assume the completion of major residential and mixed-use developments in Ward 7, such as the Strand Theater, Capitol Gateway, and the Parkside redevelopment. Overall, while there is an expected increase in population, this change will likely not substantially change the demographics and population of the area.

Proposed Land Use	½ Mile Radius	1 Mile Radius	Total Projected New Supply (1 Mile Radius)	Avg. People Per Unit / SF / Room	Total Estimated Increase in Population (1 Mile Radius)
Residential	236 units	1,670 units	1,906 units	1.75 per unit	3,336 residents
Office	0	750,000 sf	750,000 sf	1 per 175 sf	4,286 workers
Retail	6,900 sf	222,000 sf	228,900 sf	1 per 450 sf	509 workers



07 Retail Enhancement Strategies

SUMMARY OF DEANWOOD RETAIL GROWTH TARGETS

	Current Conditions (2017)		3-Year Target (2020)		5-Year Target (2022)		10-Year Target (2027)	
Summary of Current Conditions and Future Target Conditions	“Residential neighborhood under-served by retail amenities”		“A few targeted space rehabs and startup businesses create buzz and provide new services”		“Deanwood becoming known as an intriguing and attractive commercial business location”		“Established retail identity that attracts customers from outside of the neighborhood”	
Conditions Needed to Attract and Sustain Community-Serving Retail	Population Density and Local Spending Power	✓	Population Density and Local Spending Power	✓	Population Density and Local Spending Power	✓	Population Density and Local Spending Power	✓
	Retail Opportunity Gap	✓	Retail Opportunity Gap	✓	Retail Opportunity Gap	✓	Retail Opportunity Gap	✓
	Affordable Rents	✓	Affordable Rents	✓	Affordable Rents	✓	Affordable Rents	✓
	Accessibility, Walkability	✓	Accessibility, Walkability	✓	Accessibility, Walkability	✓	Accessibility, Walkability	✓
	Retail-Ready Spaces		Retail-Ready Spaces	✓	Retail-Ready Spaces	✓	Retail-Ready Spaces	✓
	Retail Investment Success / Precedent		Retail Investment Success / Precedent	✓	Retail Investment Success / Precedent	✓	Retail Investment Success / Precedent	✓
	Established Brand Identity, Retail Niche		Established Brand Identity, Retail Niche		Established Brand Identity, Retail Niche	✓	Established Brand Identity, Retail Niche	✓
	Attract Shoppers from Outside Neighborhood		Attract Shoppers from Outside Neighborhood		Attract Shoppers from Outside Neighborhood		Attract Shoppers from Outside Neighborhood	✓
Key Assets and Opportunities	- Stakeholder support/capacity - Political support - Technical assistance - Planned development at the Strand and Deanwood Hills		- Stakeholder/political support - Technical assistance - Planned developm’t at Metro - Larger residential population 2-3 new businesses in area - More retail-ready spaces		- Track record of success - Neighborhood buzz and emerging identity as a retail location 5-8 new businesses in area - Vibrancy at Division/NHB		Attraction of outside visitors enhances the customer base and allows for new types of retail (sit-down restaurants and merchandise retail) that was previously not viable	
Implementation Strategies and Neighborhood Investments	- Support proposed devel. - Retail space buildout and start-up grant program - TA: licensing/permitting - TA: targeted existing biz. - Broker/leasing support - Enhance key partnerships		- Continue existing programs and investment (see cell to the left) - Neighborhood branding initiative - Comprehensive marketing Campaign		Changes to existing programs and development of new programs and strategies to be determined			

NEAR-TERM DEANWOOD RETAIL ENHANCEMENT STRATEGIES

	Opportunity	Retail Enhancement Strategies	Priority	Resource Intensity	Potential Partners
1	Know your market: communicate Deanwood's retail orientation, opportunity, and competitive advantages	- o Communicate that Deanwood is a vibrant residential neighborhood with a near-term opportunity for new neighborhood goods and services retailers and a long-term opportunity for commercial property value growth and for new neighborhood-oriented food and beverage establishments. - o Help spread the word to property owners and retail brokers to regarding the corridor's competitive advantages: affordable commercial rents; significant NG&S retail opportunity gaps; recent investment and upcoming investment; a supportive political and stakeholder context; and a variety of available support services, financial assistance programs, and other resources.	High	Low	Property owners, local brokers, residents, board members
2	Continue to partner with key stakeholders to leverage existing capacity to support new programs and build the fundraising capacity	- o Prioritize enhancing relationships to help support other local initiatives and garner additional capacity to bolster W7BP programs and objectives: • Local churches and orgs. such Parks & People and Words, Beats & Life to further activate Marvin Gaye Park and showcase local businesses. • Local food incubators, creative groups, and entrepreneurship programs • Real estate brokers and existing commercial land owners • Economic Development Council, CM Gray's Office, LISC, and WACIF	High	Moderate (High in time, low in cost)	Churches, Parks&People, Words, Beats, & Life, EDC, political leadership, LISC, WACIF, and more
3	Support proposed and future development projects to encourage real estate investment	- o The Ward 7 Business Partnership should act as vocal advocate for new commercial and/or multifamily residential real estate development - o Partner with the ANC, Deanwood Civic Association, & other neighborhood stakeholders to help encourage and incentivize investment in Deanwood.	High	Low	Developers, ANC, civic association, residents
4	Prioritize allocation of technical assistance to key businesses and services that best address neighborhood need	- o Apply for, manage, and distribute TA with the following priorities: • Prioritize support for existing businesses/properties with significant current and potential community impact, including Deane Avenue Cleaners and food services within the Riverside Recreation Center • Prioritize neighborhood-wide SBTA toward issues pertaining to licensing, permitting, training, entrepreneurship, startups, and leasing - o Consider developing an evaluation framework to guide decision-making.	High	High	Business owners, property owners, DMPED, DSLBD
5	Provide leasing assistance & support to commercial brokers	- o Work with local commercial brokers/owners to actively lease vacant spaces - o Create an investment pitch sheet for brokers, bldg. owners, and prospective tenants highlighting Deanwood's investment opportunity and advantages	High	Moderate	Local brokers, prop. owners and managers
6	Develop a commercial space activation program	- o Work with the EDC to consider developing a space activation or popup grant program to support (a) the physical improvement of selected vacant spaces and (b) finding a viable new tenant and subsidizing rent or startup costs - o Consider developing the program in coordination with existing DMPED, OP, and DSLBD programs pertaining to innovation, makers, and made in DC	High	High	EDC, Council Member Gray's Office, DMPED, DSLBD

