



WASHINGTON, D.C.

Retail Development Strategies

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GOVERNMENT OF THE DISTRICT OF COLUMBIA

Executive Office of the Mayor
Office of the Deputy Mayor for Planning and Economic Development

Washington DC: *City Profile*



Overall Demographics

Size	66.3 square miles
Population	Resident: approx. 602,000 Daytime: approx. 1.1 million Metro: approx. 5.3 million
Average Household Income:	\$93,100
Annual Visitors	16 million

Retail Market

Total Retail Space	8.5 million square feet
Annual Retail Spending	approx. \$7 billion
DC retail per capita	approx. 14 sq ft
US average per capita	approx. 23 sq ft

Estimated annual retail "leakage" to the suburbs: **\$1 BILLION**



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Why Retail Matters

Jobs

- \$1 billion in retail sales = approx. 2,500 retail jobs
- Attractive employment opportunities for lower-skilled workers

Tax Revenue

- \$1 billion in retail sales = \$60 million in District tax revenue

Resident Convenience

- Communities consistently request more shopping options nearby
- Supermarkets can boost nearby property values by 4-7%

Neighborhood Activation

- Retail can increase foot traffic and enhance nightlife

Environmental Impact

- Shorter shopping trips = fewer car miles driven
- Pedestrian-oriented retail is especially environmentally-friendly

Retail promotion is a high priority for the District of Columbia



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The District's Retail Strategy

1. Big Box Strategy

Key Element:

Introduce the city to retailers and brokers at the annual ICSC convention in Las Vegas

2. Downtown Strategy

Key Element:

Provide Tax Increment Financing (TIF) to attract "destination retail" downtown

3. Neighborhood Strategy

Key Element:

Utilize the Great Streets program to channel infrastructure and TIF funding toward emerging retail corridors

These strategies rely on good relationships with local retail brokers



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Big Box Strategy: *ICSC's Annual Meeting in Las Vegas*



Since 2001, the District has staffed a 2,400 sf booth

- 50,000 retailers, brokers, developers, and officials
- 70+ private meetings annually
- Mayoral attendance each year

Retailers Attracted

(examples)



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Downtown Strategy: *Downtown Retail TIF*

Program Overview

- Created in 2004 by the District of Columbia government
- Offers tax increment financing to assist property owners in attracting unique retailers downtown
- Is intended to spur the development of “destination retail” in downtown DC

Downtown Retail Priority Area



Approximately \$14 million of \$5 Million in available TIF has been allocated



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Downtown Strategy: *Examples of Recipients*



Recent TIF allocations have ranged from \$2 million to \$5 million

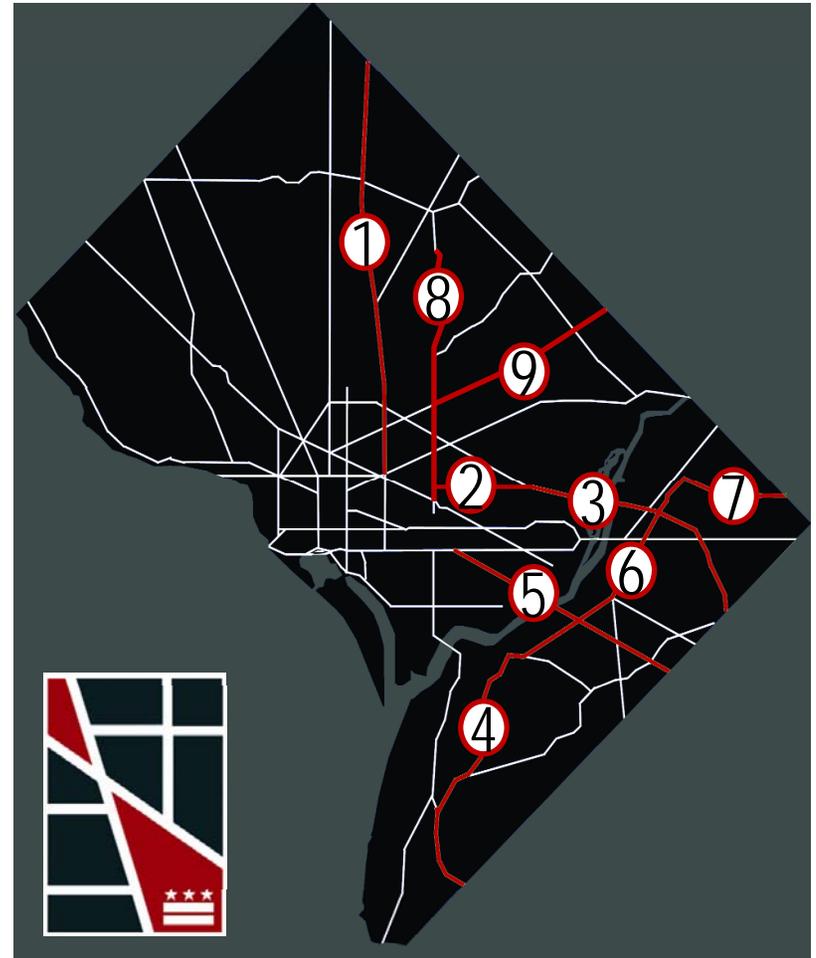


Neighborhood Strategy: *Great Streets*

An effort to use public actions and spending to leverage private investments on nine major corridors.

Locations

1. 7th Street and Georgia Avenue NW
2. H Street NE
3. Benning Road NE & SE
4. Martin Luther King Jr. Ave SE & South Capitol Street
5. Pennsylvania Avenue SE
6. Minnesota Avenue NE & SE
7. Nannie Helen Burroughs Avenue NE
8. North Capitol Street
9. Rhode Island Avenue NE



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Neighborhood Strategy: *Great Streets*

Program Elements

Infrastructure Investments

\$100 million for paving, sidewalks, trees, and public art

Small Business Support

\$16 million for façade improvements, site acquisition, etc.

Retail Tax Increment Financing

\$95 million available to support tenant improvements



New Yes! Organic at 2323 Pennsylvania Ave, SE



H Street, NE (future streetcar route)

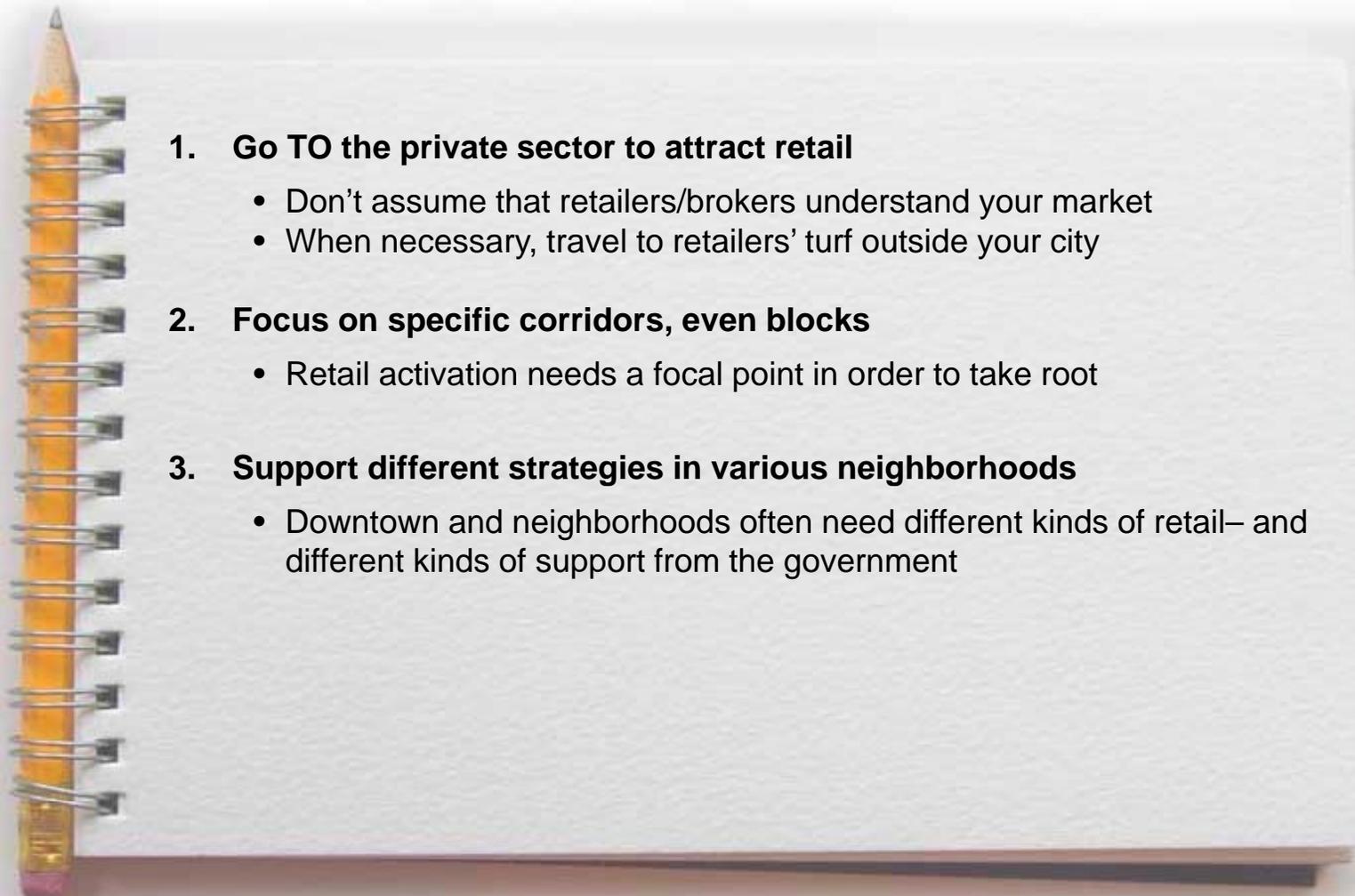


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Lessons Learned



1. Go TO the private sector to attract retail

- Don't assume that retailers/brokers understand your market
- When necessary, travel to retailers' turf outside your city

2. Focus on specific corridors, even blocks

- Retail activation needs a focal point in order to take root

3. Support different strategies in various neighborhoods

- Downtown and neighborhoods often need different kinds of retail– and different kinds of support from the government

For More Information...

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