# Benning Road - Minnesota Avenue
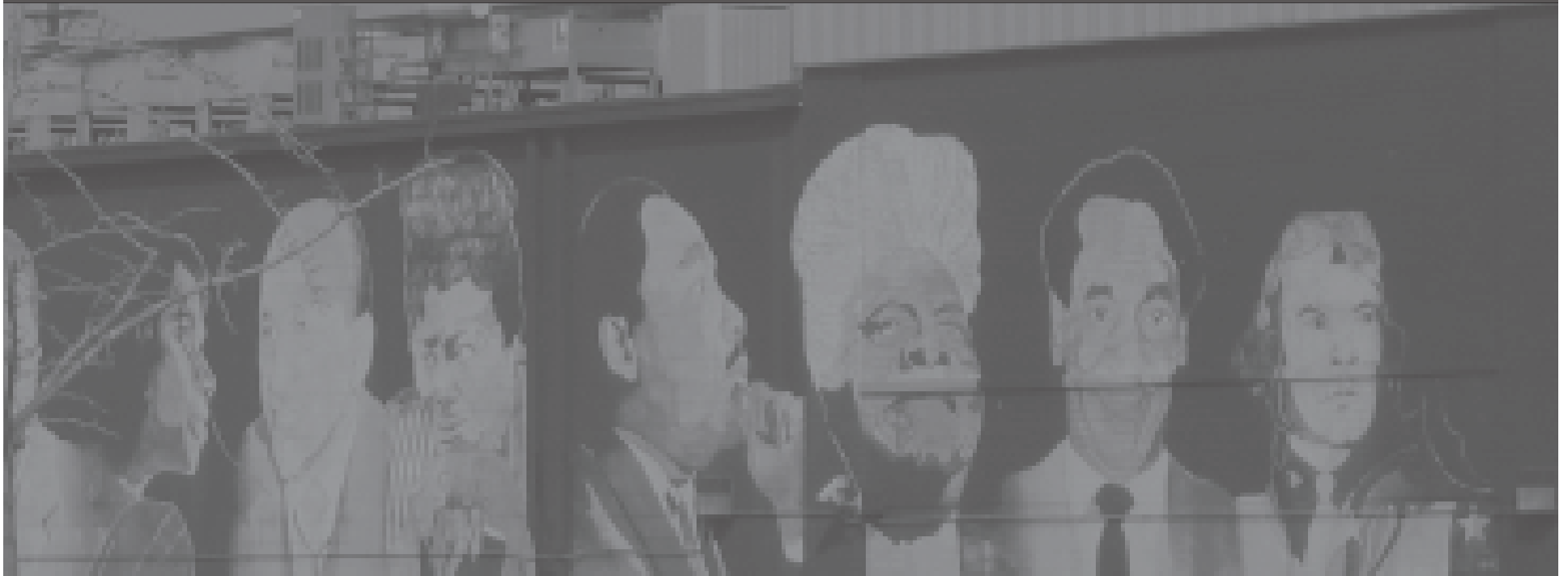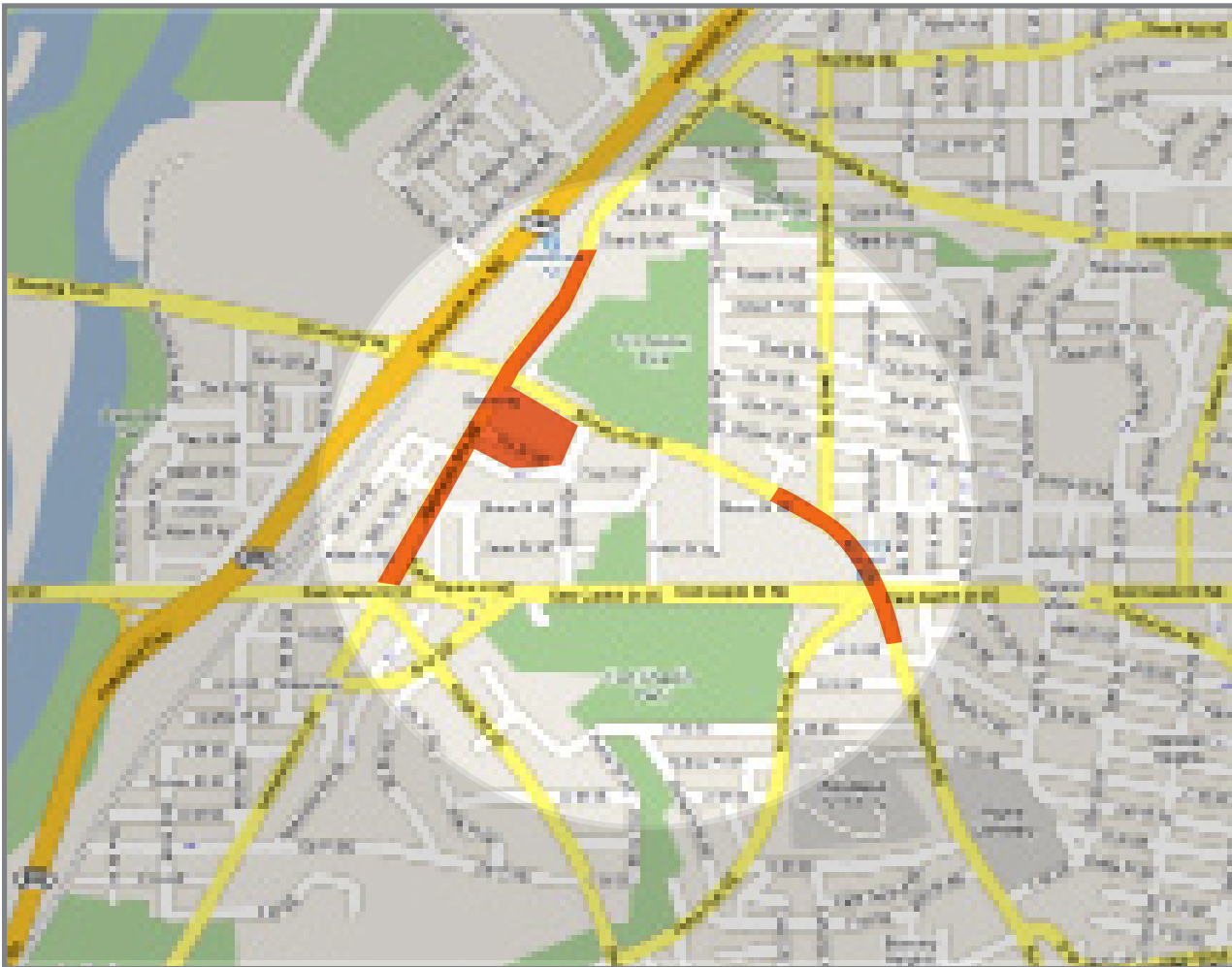
SWOT Analysis, Retail Demand Analysis, Strategy and Preliminary Planning Diagrams

District of Columbia Office of Planning

ERA

JAIR LYNCH
DEVELOPMENT PARTNERS

streetsense

Washington, DC
Economic Partnership

December, 2009

# Benning Road - Minnesota Avenue SWOT Analysis

## Overview

Currently, this submarket is perceived as economically challenged, with lagging socioeconomic indicators and aesthetic appeal. Despite this appearance, the area around Benning Road and Minnesota Avenue is experiencing significant redevelopment and has the potential to become a more robust and integrated submarket. It is a true transitional community with various community assets, including a strategic location: it is proximate to a D.C. government office building (currently under construction) and the Parkside development and it has excellent access via two Metro stations, as well as East Capitol Street, Minnesota and Kenilworth Avenues, and Benning Road.

## Boundaries

**Node 1**: Minnesota Avenue from Grant Street NE to East Capitol Street; Benning Road and Dix Street, both from Minnesota Avenue to 40th Street NE.

**Node 2**: Benning Road from Blaine Street to A Street, SE

## Zoning

Minnesota Avenue is zoned as commercial for the entirety of the submarket. Running parallel to Minnesota Ave is a distinct commercial-light manufacturing corridor along Kenilworth Ave/Metro rail tracks. Benning Road is zoned sporadically as commercial – major areas include the East River Park center near the intersection with Minnesota Avenue, as well as the second node by the Benning Road Metro stop. The surrounding area is otherwise residential, with several large parks including Anacostia Park, Fort Dupont, and the National Arboretum, as well as smaller parks such as Forts Chaplin and Mahan.

## 1 Minnesota Avenue

The intersection of Minnesota Avenue and Benning Road marks the major retail node of this submarket. Compared to other commercial areas in the vicinity, it has more potential to become a neighborhood-serving, and perhaps even a regional, destination. This area has critical mass, especially around the East River Park shopping center, which currently has multiple anchors like CVS, Safeway, and Murry's. The majority of retail is price-point sensitive, which is consistent with the area's economic indicators. Change in this submarket is particularly evident in this node; a large-scale redevelopment is currently being considered for both sides of the main intersection anchored by East River Park (see 1B on map).

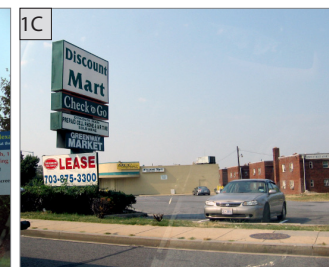## 2 Benning Rd and E. Capitol St

The area around Benning Road and East Capitol Street is more limited as a retail destination compared to Node 1. Blocks here have limited depth and less critical mass because of adjacent housing. Parkland also makes much of Benning Road feel residential. Retail, which begins around 44th Street, is local and un-anchored by a major retail tenant.
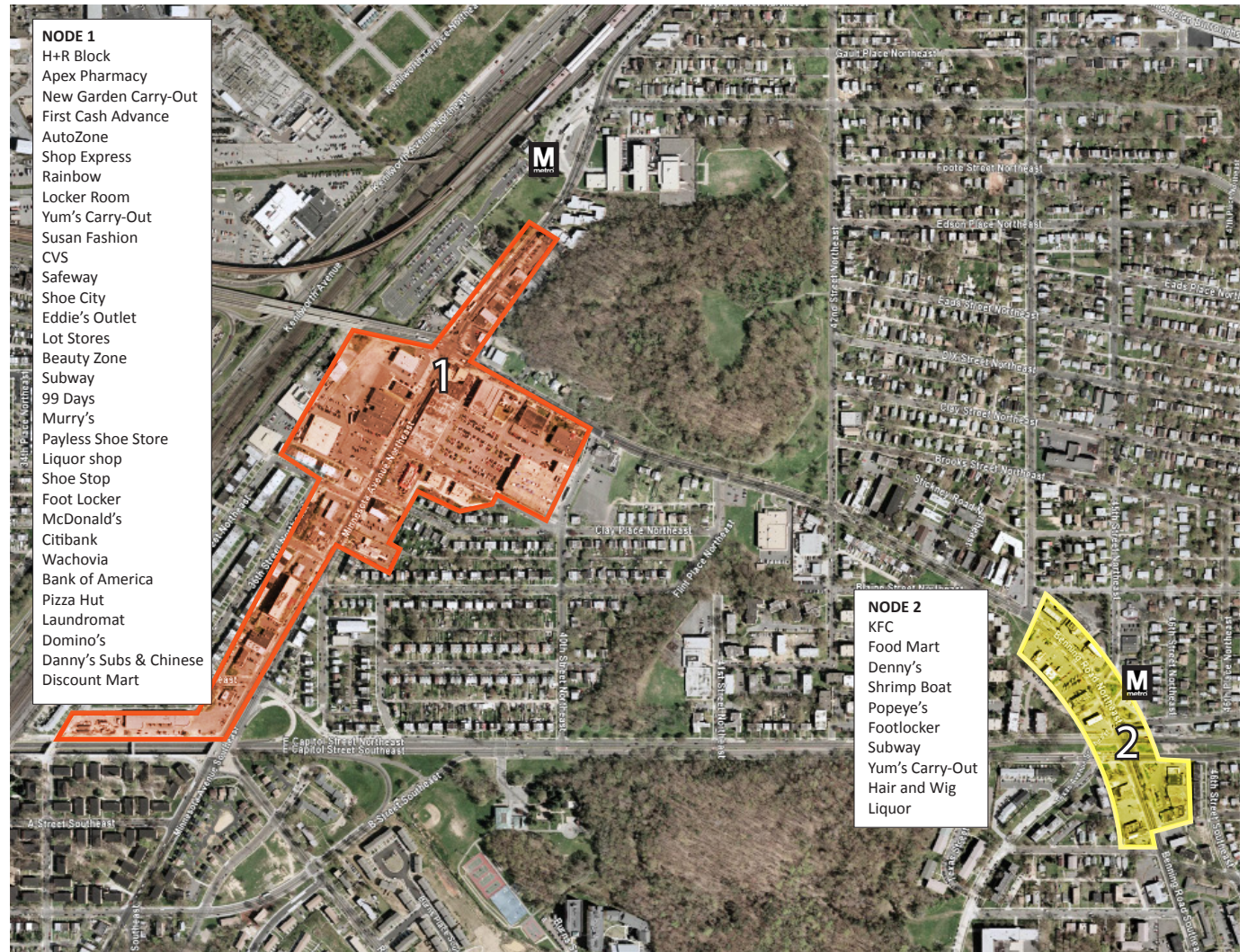
**NODE 1**
H+R Block
Apex Pharmacy
New Garden Carry-Out
First Cash Advance
AutoZone
Shop Express
Rainbow
Locker Room
Yum's Carry-Out
Susan Fashion
CVS
Safeway
Shoe City
Eddie's Outlet
Lot Stores
Beauty Zone
Subway
99 Days
Murry's
Payless Shoe Store
Liquor shop
Shoe Stop
Foot Locker
McDonald's
Citibank
Wachovia
Bank of America
Pizza Hut
Laundromat
Domino's
Danny's Subs & Chinese
Discount Mart

**NODE 2**
KFC
Food Mart
Denny's
Shrimp Boat
Popeye's
Footlocker
Subway
Yum's Carry-Out
Hair and Wig
Liquor

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

### Legend

- ● = Major Intersection
- ● = Minor Intersection
- ✦ = Neighborhood Intersection
- ▭ = Sub-node A
- ▭ = Sub-node B
- ▭ = Sub-node C
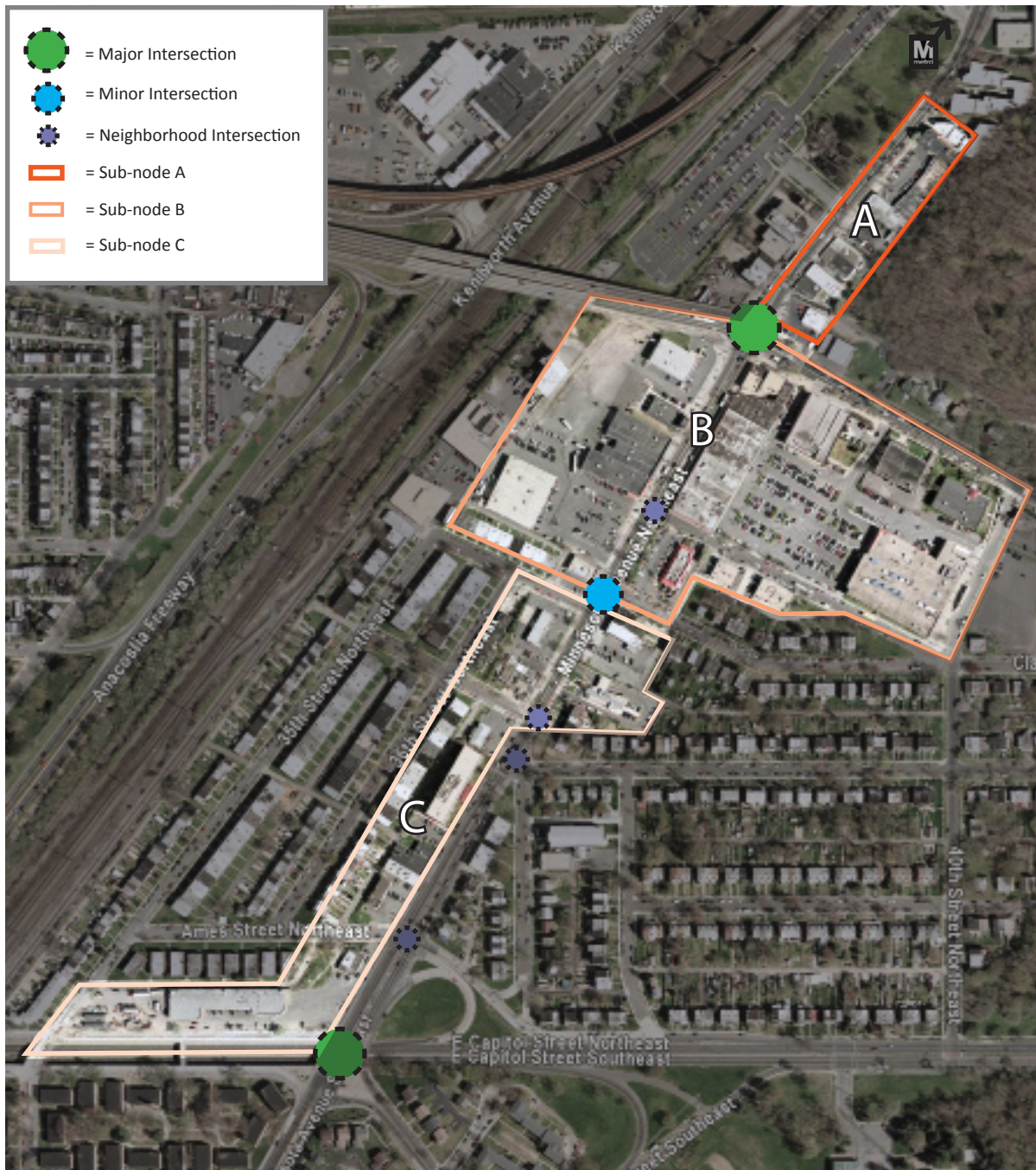
*The Minnesota Avenue corridor can be divided into 3 sub-nodes: Upper Minnesota, Middle Minnesota, and Lower Minnesota.*

**A - Upper Minnesota Avenue** is anchored by the Minnesota Avenue Metro and construction of a D.C. government building. Across the street is a shallow lot with a strip mall and auto shops. The intersection of Minnesota Ave and Benning Road is a clear boundary, as Benning Road slopes up to Kenilworth Avenue.

**B - Middle Minnesota Avenue** is more engaging, with an old theater and a colorful mural in East River Park. However, major retail anchors are not visible from Minnesota Avenue. Fast-food and banks cluster near Dix Street. The Chartered Family Health Center, set far back on the west side of Minnesota Avenue, breaks the retail streetscape. Good depths represent a great opportunity for redevelopment.

**C - Lower Minnesota Avenue** gains a southbound lane, has a starker streetscape, and is lined with gas stations and carry-out shops. However, the east side of the street is very residential.

*The smaller Benning Road corridor can be divided into 2 distinct sub-nodes: Fort Mahan Park and East Capitol Street.*



**A - Fort Mahan Park** (which separates nodes 1 & 2) lines much of Benning Road from Minnesota Avenue to 42nd Street, giving the street a woodsy, residential feel. Buildings here are community-oriented—a public library (undergoing renovation), the Marshall Heights community development center, and a Baptist church are all located here. Benning is residential until 44th Street.



**B - East Capitol Street** and the Benning Road Metro station are the center of this small retail node. This part of Benning Road, which is surrounded by houses, is dotted with gas stations and fast food chains. There are a few vacant yet eclectic older buildings which lend charm and authentic appeal to the node. The Benco Shopping Center contains several marginal goods and services tenants.

Legend:
- ● = Major Intersection
- ● = Minor Intersection
- ✦ = Neighborhood Intersection
- ▢ = Sub-node A
- ▢ = Sub-node B

## Streets & Blocks

In general, the streetscape along Minnesota Avenue is stark, with wide concrete sidewalks that have patches of brick and grass but few trees. Minnesota Avenue south of Benning Road is the dominant retail corridor; however, even in this area, there are large gaps of non-retail uses and parking lots occupy significant space by the street, which gives the corridor a heavily paved appearance. There are 2 lanes of traffic in each direction until Blaine Street, when the street widens to 3 southbound lanes. Along Benning Road, the street is more residential than Minnesota Avenue. Fort Mahan Park runs alongside a large stretch of Benning Road; across the street, a narrow sidewalk is surrounded by grass. This residential feel continues until 44th Street, the beginning of the second retail node.

## Intersections

The main intersection is located at Benning Road and Minnesota Avenue. Here, Benning Road experiences a significant elevation change leading to a raised highway, Kenilworth Avenue. This intersection experiences major commuter traffic from the Maryland suburbs because of limited bridge crossings. The southern half of the intersection marks the beginning of the area's major retail center, while the northern half contains marginal retail such as auto shops. Minnesota Avenue's intersection with East Capitol Street is large, but the blank streetscape and underutilized corner lots do not reflect that. Another major intersection is located at Benning Road and East Capitol Street. This intersection includes several gas stations, as well as the Benco Shopping Center.

## Buildings

Most of the buildings along Minnesota Avenue are older 1-story stone buildings. Typically, the lower part of the facade is glass with an awning overhead. There are a few notable buildings in the area: an old theater that currently contains a Subway and Beauty Zone, a mural on a building in the East River Park parking lot, and a bright pink restaurant at 4414 Benning Road. The residences lining Benning Road and the lower section of Minnesota Avenue are 2- or 3-story brick apartments. South of East Capitol Street, new single-family homes are in good condition along Minnesota Avenue, but run-down near Benning Road. There are also several buildings under construction, most importantly a 350,000sf D.C. government office building adjacent to the Minnesota Avenue Metro station.

## Alleys & Service

There is no dedicated space for service and loading for most of the submarket. The exception is larger anchors such as Safeway, which have a dedicated rear loading zone. There are a few visible dumpsters at the larger buildings (e.g., McDonald's and some apartment complexes). The sidewalks along Minnesota Avenue are lined with trash cans, so the streets appear to be relatively clear of litter. Trash is more noticeable along Benning Road, which has a more isolated, residential feel alongside Fort Mahan Park.

Strengths
• The construction of a large D.C. government office will bring new employees to the area and increase retail demand
• The Benning-Minnesota submarket is expected to have significant residential growth–the Parkside development in particular, with its small retail component, will help to build market credibility in this area of the District
• Redevelopment along the river's edge (ie. Baseball district, Poplar Point) is putting pressure on this upstream neighborhood to change
• The area has a large amount of open parkland, including Fort Mahan and Fort Chaplin Parks
• It has easy Metro access to 2 stops: Minnesota Avenue and Benning Road
• The area has access to 2 major arteries: I-295 (Kenilworth Avenue) and East Capitol Street
• The future streetcar terminus has been proposed at Minnesota Avenue
• There are many new development opportunities in the "gaps" along major commercial corridors

Weaknesses
• Multiple ownership of commercial buildings translates into a lack of control and consensus among stakeholders
• The streetscape is stark and there are several "gaps"
• Pedestrians are secondary to auto traffic on Minnesota Avenue
• Major retail anchors are hidden at East River Park, breaking retail rule of clear access and visibility
• Lack of retail diversity shows there is no comprehensive merchandising strategy (there are 2 Foot Lockers and Subways)
• Physical retail space is not in good condition
• Railroad tracks impose a strict boundary, exacerbating the Anacostia River's physical/psychological barrier

Opportunities
• Develop retail and other mix of uses appropriate for a future transit hub (with scale-appropriate Transit-Oriented Development), with Minnesota Avenue as a clear main street
• Create a main street, utilizing land all the way to the railroad tracks
• Create a merchandising strategy, especially to accommodate demand from an increase in employees
• Brand the "district" to improve the poor-quality streetscape
• Implement streetscape guidelines to promote a pedestrian culture on Minnesota Avenue
• Redevelop underutilized Discount Mart lot to establish a stronger corner at Minnesota Avenue and East Capitol Street
• Plan for an evolving market (for example, a more affluent Benning Heights)

Threats
• Multiple ownerships might not work together to support the overall merchandising strategy and prepare/engage change
• The success of Benning Rd - Minnesota Ave also depends upon improvement of neighboring areas (ex. Nannie Helen Burroughs)
• There is no organization of the "district" to create an urban brand or fabric

Benning - Minnesota Preliminary Planning Diagrams

**Legend:**
- = Major Intersection
- = Minor Intersection
- = Neighborhood Intersection
- = Node 1
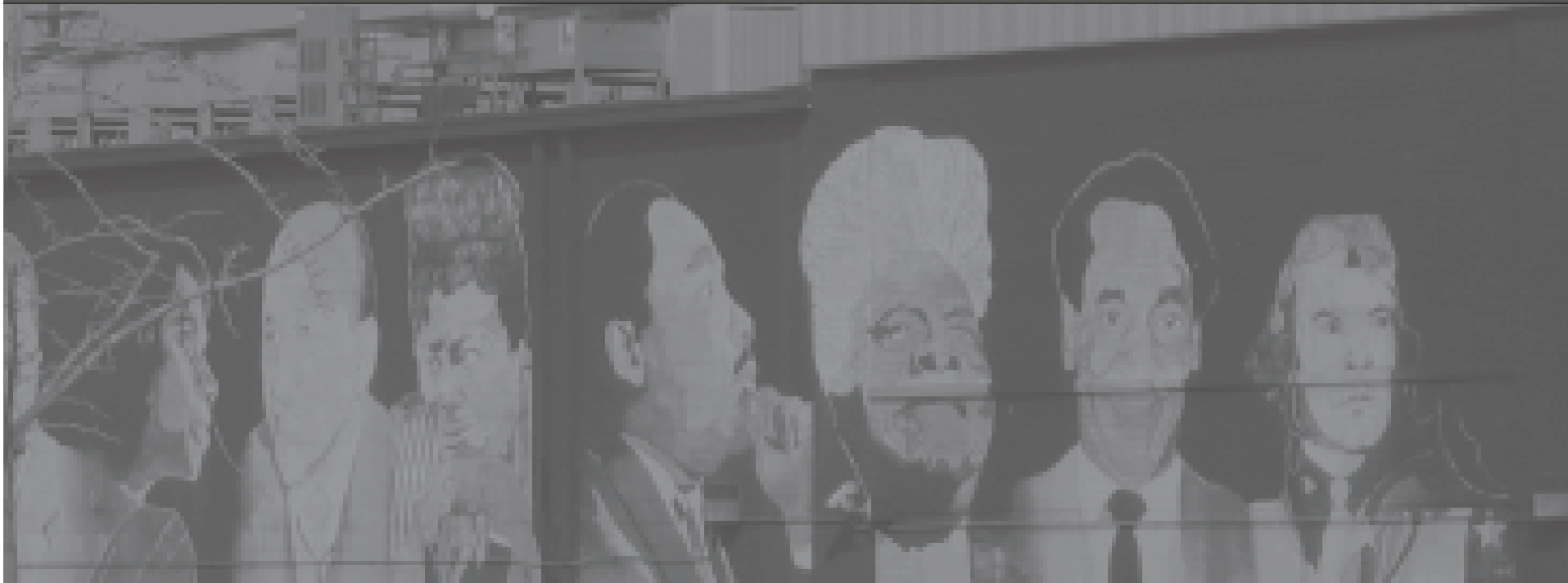
## General Observations about Existing Area:

1) A concentration of retail exists near the intersection of Minnesota Avenue and Benning Road; however, poorly maintained storefronts and lack of visibility for anchor tenants are impeding the success of retail in this node.

2) The major intersection of Benning Road and Minnesota Avenue has poor retail visibility and inconvenient pedestrian connections; these problems are exacerbated by Benning Road's steep grade change near where it is elevated above the railroad tracks.

3) Currently, there are weak transitions from commercial zones to low-scale residential neighborhoods.

## Retail Planning Principles:

1) Focus on developing mixed-use buildings where large site depths allow for optimal building and parking footprints.

2) Cluster retail together to provide a more consolidated shopping experience.

3) Create a more defined hierarchy of intersections, starting with the intersection of Minnesota Avenue and Benning Road as the community's focal intersection.

4) Scale down building height and density as new development approaches low-scale residential neighborhoods.

= Prime Corner
= Mixed-Use Opportunity
= Multi-Use
= Single-Use Opportunity
= Consolidation 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**
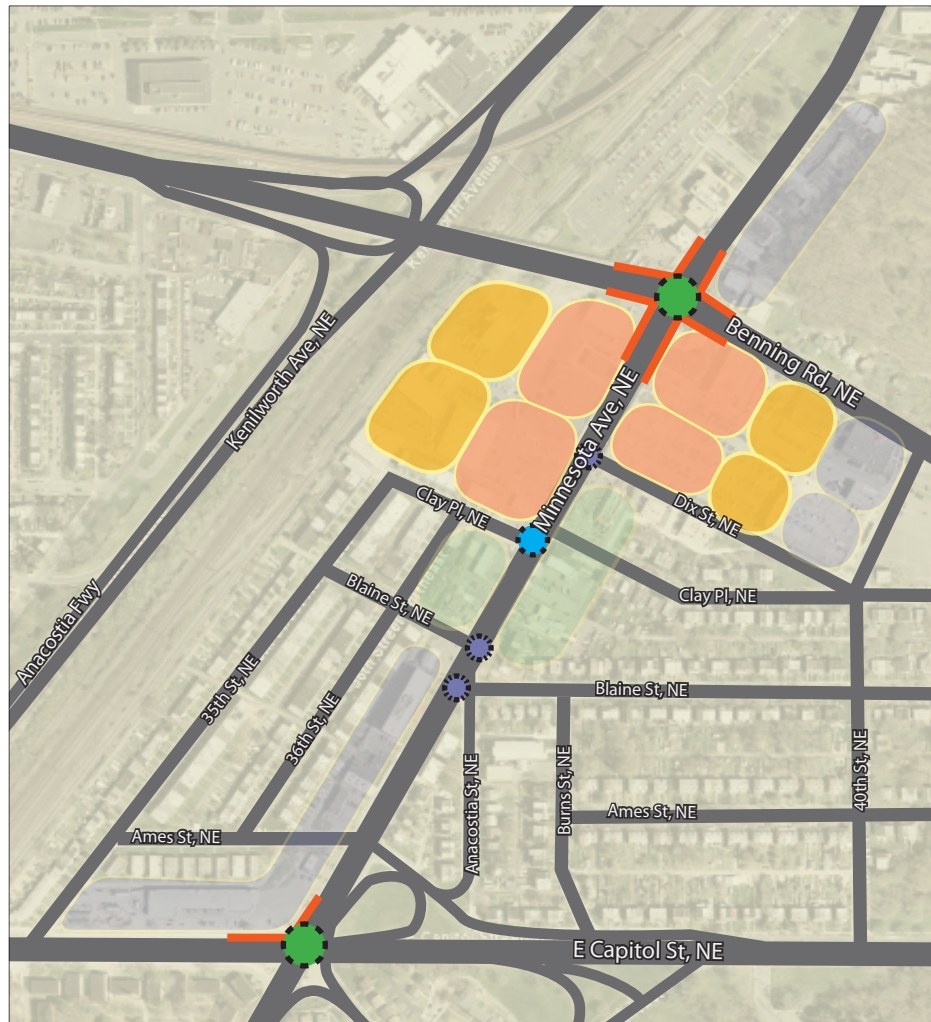


## HIGH-DENSITY, MIXED-USE AND MULTI-USE DEVELOPMENT OPPORTUNITIES

The intersection of Minnesota Avenue and Benning Road serves as the prime corner to the neighborhood's retail experience. Engaging all four corners of this intersection with the built environment is vital to creating an animated "sense of place."

Deeper site depths along Minnesota Avenue allow for a higher density mixed-use and multi-use program. A strong initial offering in these areas is crucial, as it will drive the success and direction for the rest of the Minnesota Avenue. In these areas, structured parking can be considered; however, this market is primarily suburban and a parking strategy should therefore serve consumers who drive. As the program moves closer to residential streets (especially east of Minnesota Avenue), the density should decrease to a scale more appropriate to low-rise residential homes.

**Legend**

- = Prime Corner
- = Mixed-Use Opportunity
- = Multi-Use Opportunity
- = Single-Use Opportunity
- = Consolidation 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.*
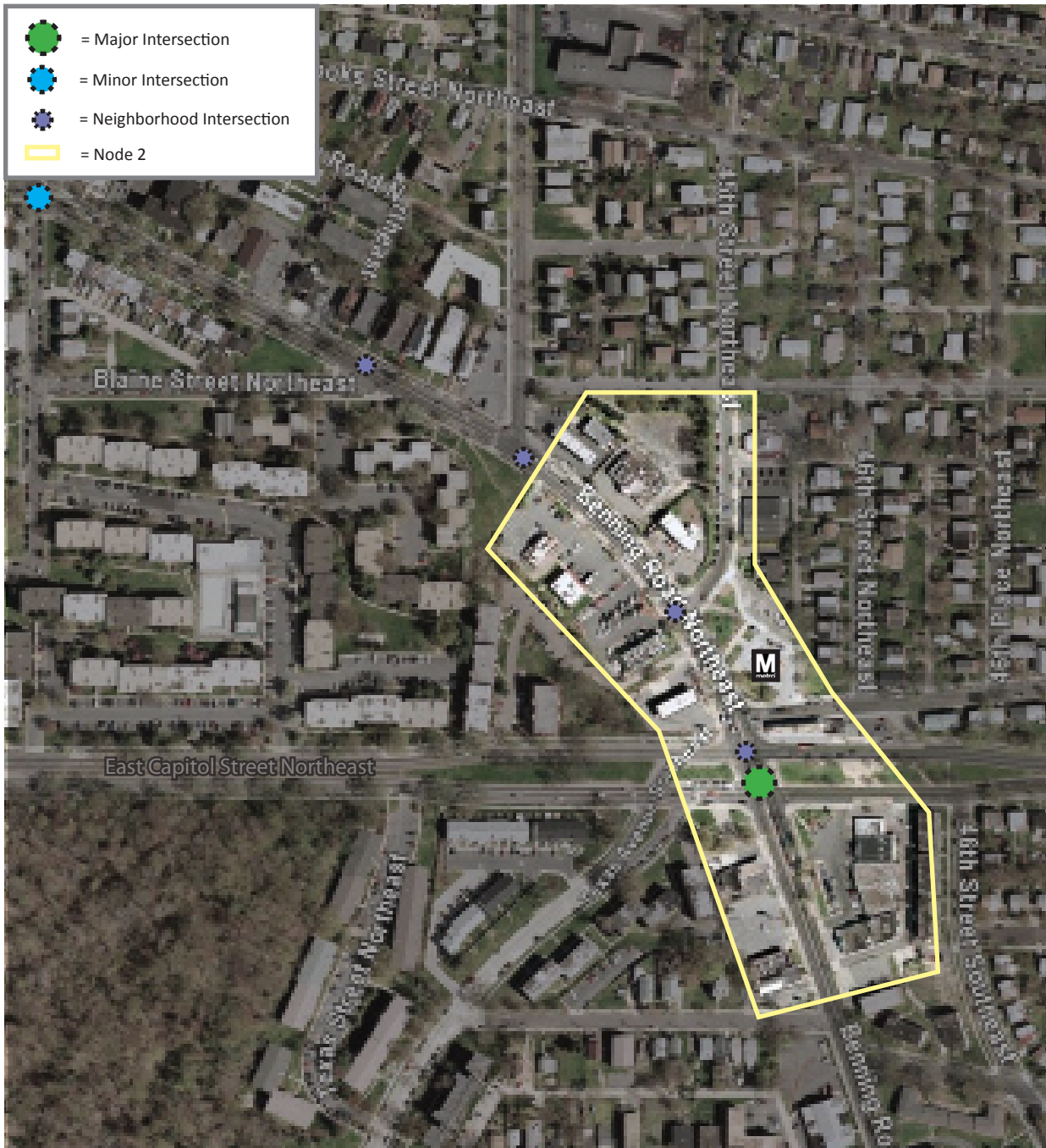
**Redevelopment Option 1**



## REINVESTMENT/REPOSITIONING OPPORTUNITIES

Consolidating existing properties will alleviate concerns about the lack of control and consensus among multiple landowners. Merging properties will also increase site dimensions and provide more desirable leasing depths.

## SINGLE-USE/TRANSITIONAL OPPORTUNITIES

Transitional programming should reflect the same character as the denser mixed-use environment. However, it should be at a smaller scale so as not to compete with quiet residential streets. Implementing streetscape and storefront design guidelines will ensure that the submarket maintains the goals of a successful "Main Street" throughout its many years of growth.

Legend:
- = Major Intersection
- = Minor Intersection
- = Neighborhood Intersection
- = Node 2

## General Observations about Existing Area:

1) The East Capitol Street and Benning Road intersection presents difficulties for pedestrian movement due to its expansive width and heavy vehicular traffic.

2) The Benning Road Metro Station should be an amenity to the neighborhood. As it currently stands, however, the Metro is disjointed from the street.

3) Due to shallow property depths and multiple ownerships, the retail character in this node is composed of small format inline and pad retailers.

4) This node is more residential and smaller in scale compared to the Minnesota Avenue node.

## Retail Planning Principles:

1) Restore a sidewalk pedestrian experience with buildings that embrace the street's edge.

2) Create a retail merchandising strategy that better serves the needs of the surrounding community.

3) Connect the Metro back with the streetscape.

**Legend:**

- = Prime Corner
- = Single-Use Opportunity
- = Consolidation 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



## REINVESTMENT/REPOSITIONING OPPORTUNITIES

Larger leasing depths provide an opportunity to lease to anchor tenants that will draw more consumers to this retail node. Consolidating existing properties can assist in increasing the density of a site as future phases develop.

Signage and landscaping strategies that draw on the "Main Street" concept will tie the Metro and surrounding open space back to the community.

Clear signage and attractive landscaping is needed to help knit together the fragmented retail offerings framing the intersection of East Capitol Street and Benning Road.

## SINGLE-USE/TRANSITIONAL OPPORTUNITIES

Neighborhood-serving retail within single-use/transitional zones help link larger retail destinations. Implementing a "Main Street" type of program can transform a typical suburban shopping strip into an integrated retail experience that serves as a community destination.

# Benning Road - Minnesota Avenue Retail Demand Analysis

# Submarket and Trade Area Boundaries

The Retail submarket has two separate nodes:
1) Along Minnesota Ave. from Grant St. NE to E Capitol St. and Benning Rd. to Dix St. NE;
2) Benning Rd. from Blaine St. to A St. SE and along East Capitol St. from Texas Ave. to 46th St., SE"

Trade Areas

• 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



Benning Rd. - Minnesota Ave.

**Trade Areas**
- Retail Submarket
- Primary Trade Area
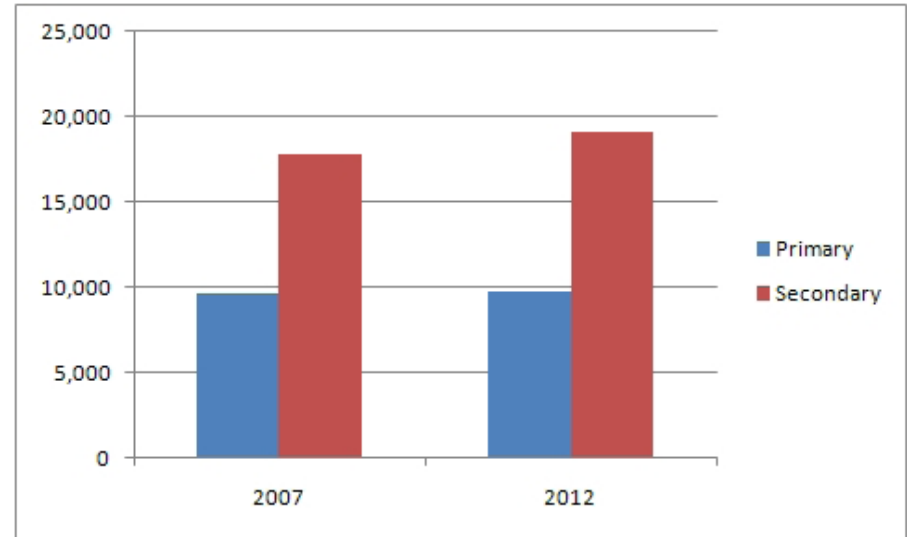- Secondary Trade Area

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# Benning Road-Minnesota Avenue Trade Area Population

• Moderate increases are projected in population and housing units in the Benning Road-Minnesota Avenue NE trade area over the next five years

• New residential projects in development pipeline may add 1,861 households or approximately 5,841 new residents (based on average household size in each trade area). This addition is accounted for in the 2012 estimates for population and households

• Total population in the trade area is projected to increase from 27,537 in 2007 to 33,378 in 2012; an average annual growth rate of 3.9 percent Major new projects include Lotus Square, Parkside, and Woodson Heights

Trade Area Population Growth, 2007 and 2012



Source: ESRI Business Analyst; ERA 2007

Trade Area Household Growth, 2007 and 2012

| | Estimated 2007 | Projected 2012 |
|---|---|---|
| Primary | 4,439 | 4,527 |
| Secondary | 7,177 | 9,580 |
| Total | 11,616 | 14,107 |

Source: ESRI; ERA 2007

Source: ESRI Business Analyst; ERA 2007

Source: ESRI Business Analyst; ERA 2007

# Benning Road-Minnesota Avenue Trade Area Households Income & Ethnicity

- Median household income in the primary trade area is $37,041; $28,868 in the secondary trade area. This difference is also found between the two areas in median family income and median net worth

- The larger difference between the primary and secondary trade areas in median net worth ($68,462 v. $34,362) may be a function of home ownership

- The primary trade area households could be categorized as middle and lower-middle income; the secondary trade area includes more moderate income households

- Racially and ethnically, the trade area is majority African-American (98%)*

*Latino and Hispanic households may identify as black, white, or other in census data. Typically, "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

Source: ESRI Business Analyst; ERA 2007

## Income Statistics, 2007
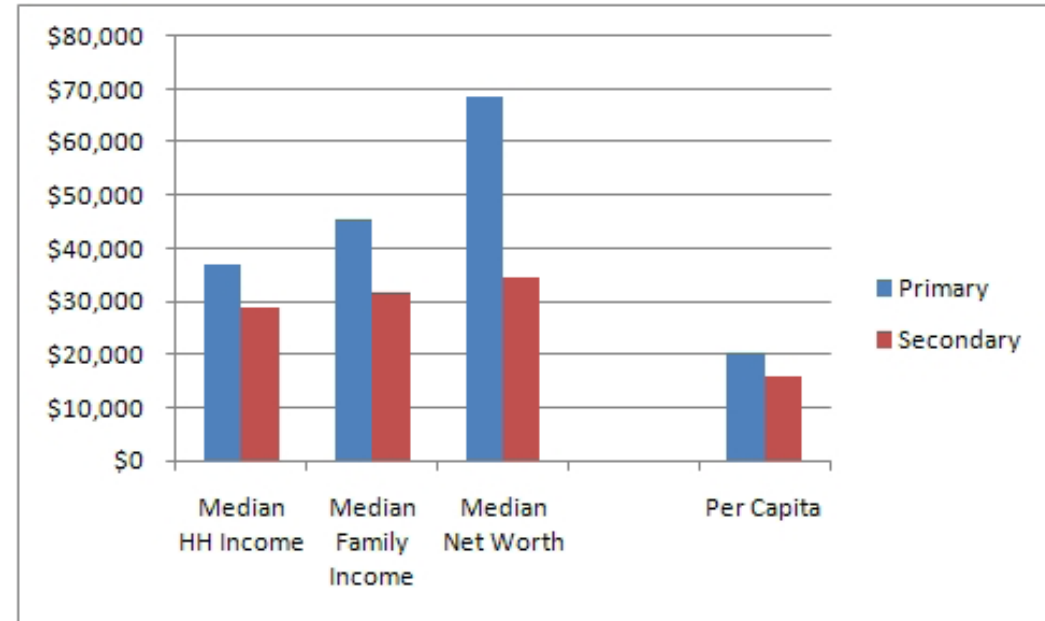


## Racial and Ethnic Groups, 2007
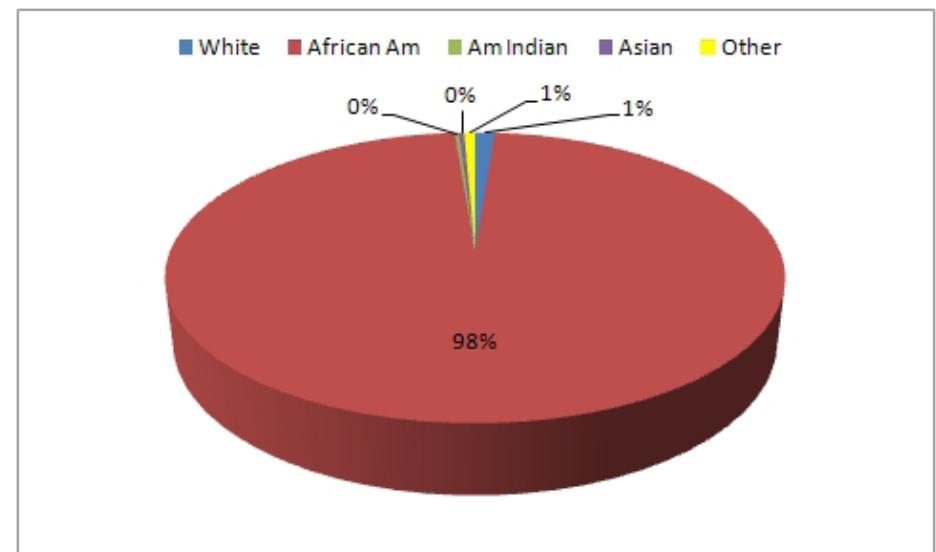
# Trade Area Population Age Cohorts

- Age cohorts 35 through 44 will see a decline in population over the next five years, a negative indicator for residential demand

- Growth in the 55 to 64 cohort will increase demand for goods and services associated w/ "Empty Nesters" and those heading towards retirement

- Strong population growth among the 15 to 19 and 20 to 24 age cohorts indicates continued demand for family-oriented goods and services and young adult household formation-oriented items such as inexpensive furniture, quick service restaurants, bars, and pre-prepared foods at supermarkets

### Area Population by Age, 2007 and 2012
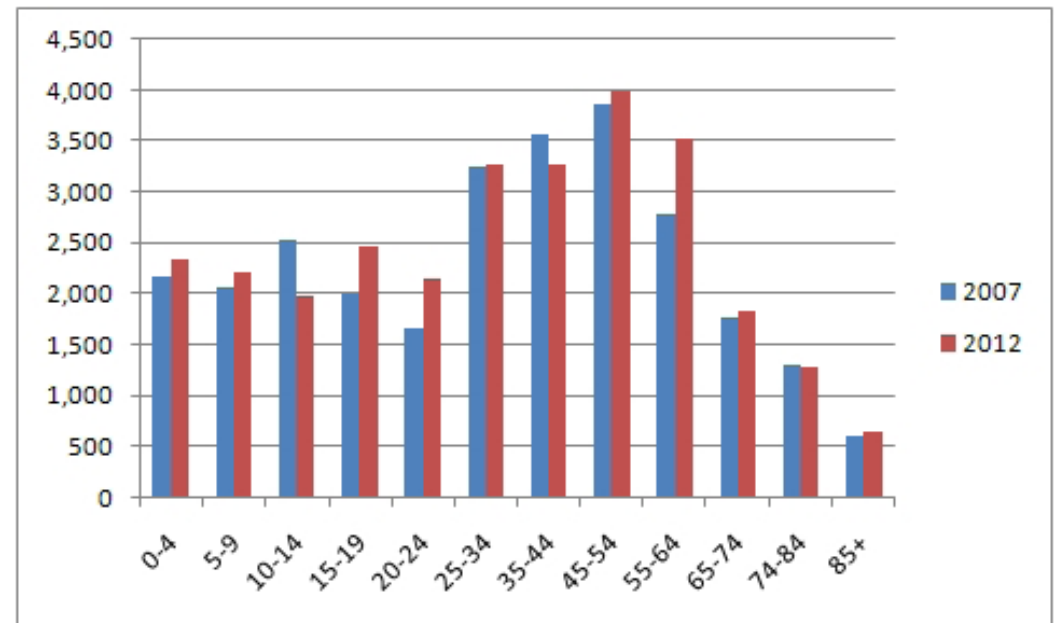
# Benning Road-Minnesota Avenue NE Trade Area Household Profile

• A higher percentage of households rent their homes (67%) than own (33%) in the total trade area. The planned introduction of newer for-sale residential units in the development pipeline will begin to adjust this ratio over time

• Reviewing the trade area's household expenditures provides a "snapshot" of how households spend their disposable dollars. In order to increase opportunities for retail sales in the community, the retail submarket needs to be able to capture more of the total expenditures available

• In 2007 trade area residents spent a total of $116 million on products and services in the categories represented on the graph. This is total spending everywhere, not just in the trade area

• Grocery represents the highest expenditures category in the trade area. Increasing the number of available food and drink establishments in the retail submarket may offer an opportunity to increase market share of total available expenditures
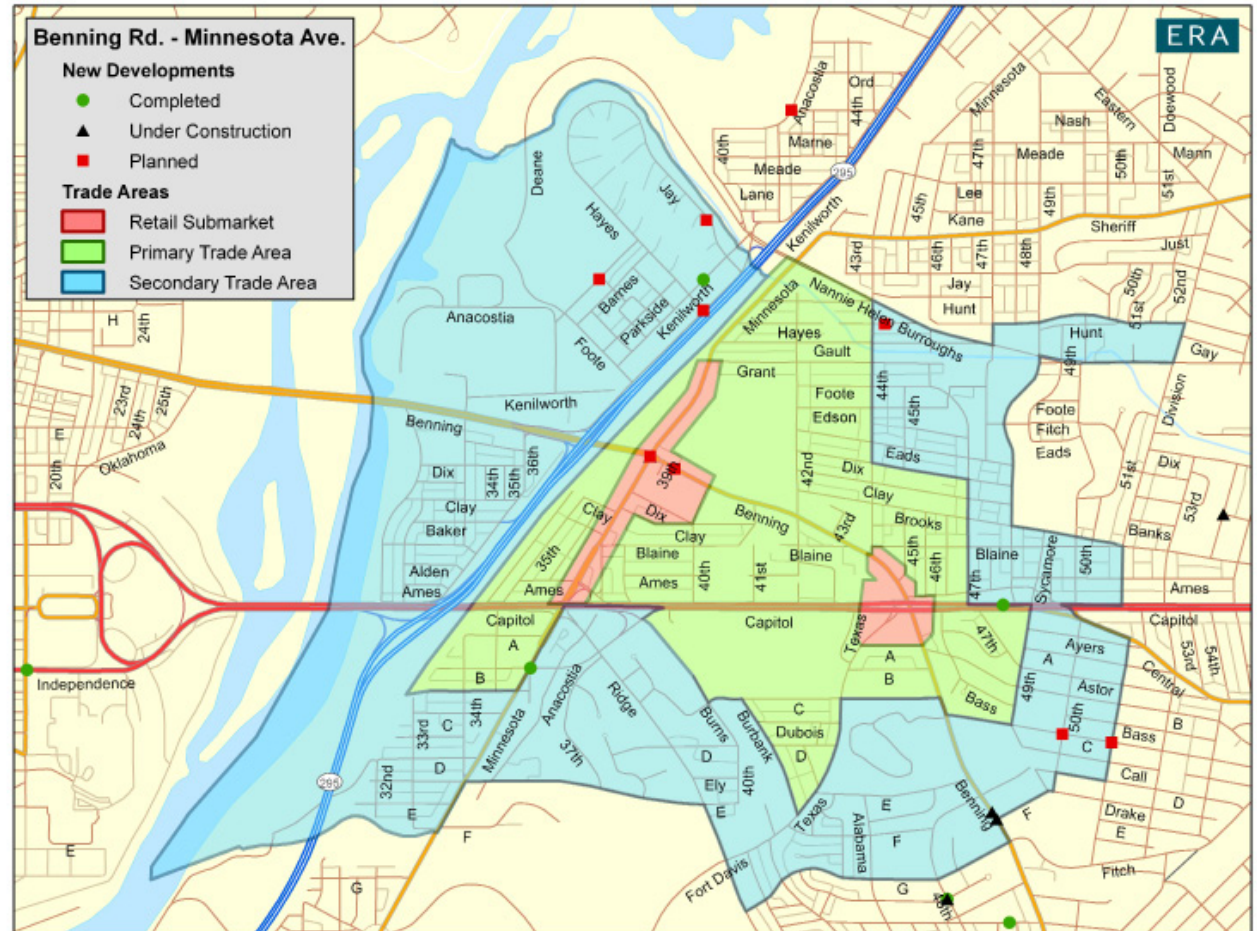
Home Ownership, 2007
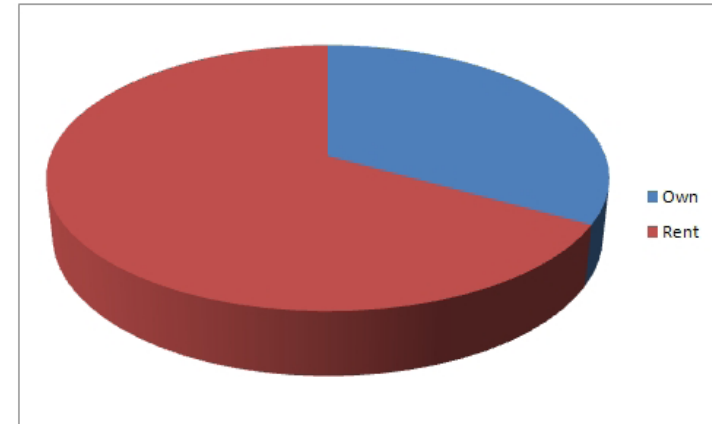


Household Expenditures (In Millions) by Category, 2007



Source: ESRI Business Analyst; ERA 2007
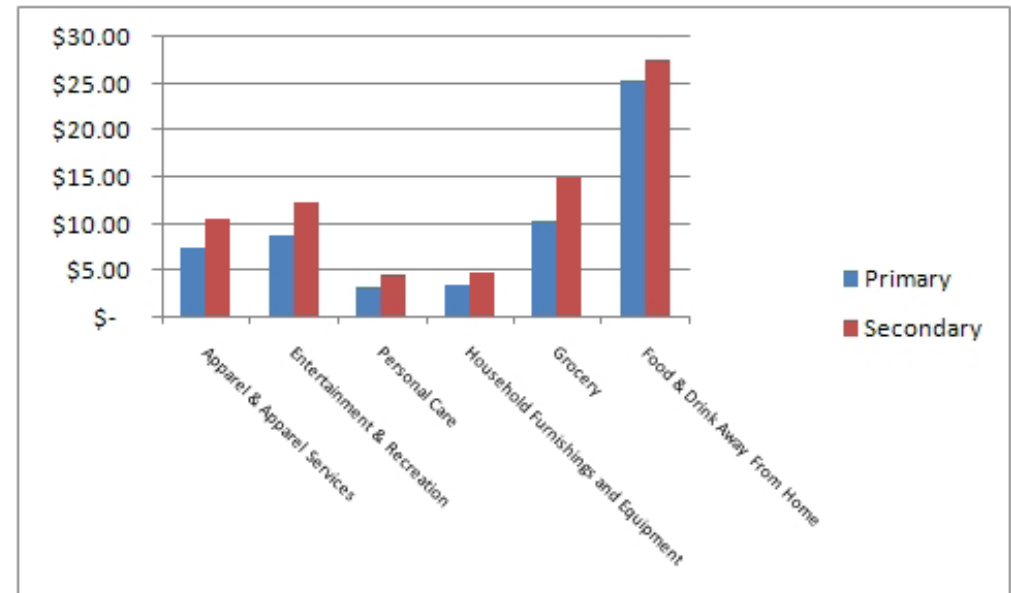
# Development Pipeline of Under Construction and Planned Projects

Pipeline Projects

- Planned projects include a total of:

    - 1,861 Residential units

    - 44,480 square feet of retail space

    - 712,553 square feet of office space

- In the following projects:

    - Lotus Square
        - 285 residential rental units

    - Parkside Mixed-Use Development
        - 500,000 square feet office space
        - 1,500 residential units (20% affordable)
        - 30,000 square feet retail space

    - Minnesota Benning Government Center
        - 14,480 square feet of retail space
        - 212,553 square feet of office space

    - Woodson Heights
        - 76 new residential units



**Benning Rd. - Minnesota Ave.**

New Developments
- ● Completed
- ▲ Under Construction
- ■ Planned

Trade Areas
- ▭ Retail Submarket
- ▭ Primary Trade Area
- ▭ Secondary Trade Area

# Overview of Retail 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 and retailers, and community organizations for developing retail business opportunities.

## Developing Estimates of Supportable Square Footage

A key component of the quantitative analysis is determining how much retail space is 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, 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

Source: ESRI Business Analyst; ERA 2007

Trade Area Expenditures By Category (In Millions), 2007

$116 Million Total
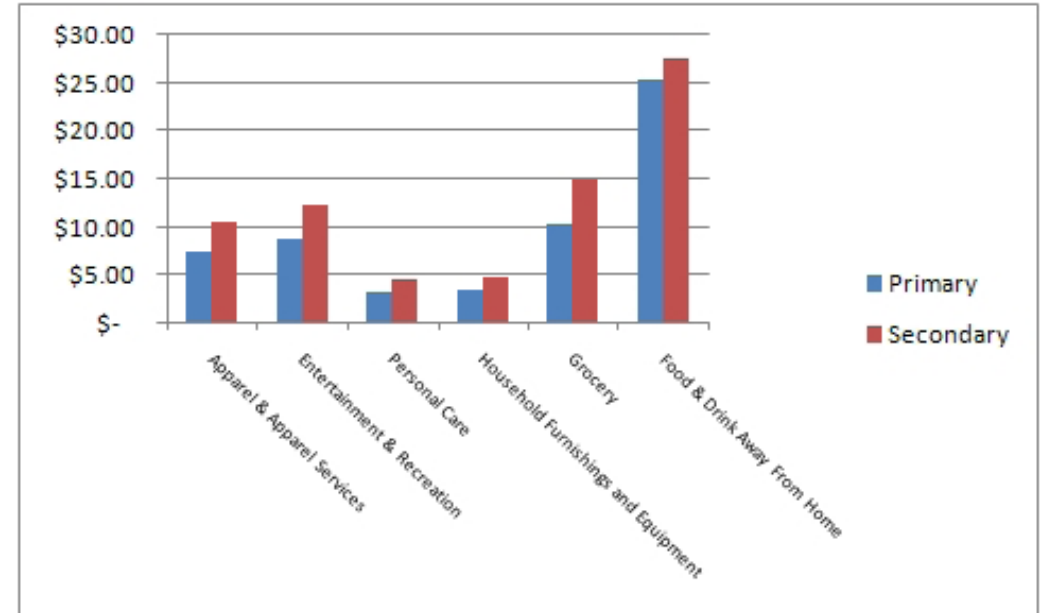
# Capture rates

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

Benning-Minnesota Submarket Capture Rates By Category

|  | Primary | Secondary | Inflow |
|---|---|---|---|
| Apparel & Apparel Services | 15% | 8% | 3% |
| Entertainment & Recreation | 10% | 5% | 4% |
| Personal Care | 20% | 5% | 3% |
| Household Furnishings and Equipment | 15% | 5% | 2% |
| Grocery | 35% | 20% | 15% |
| Food and Drink Away From Home | 25% | 7% | 10% |

Source: ESRI Business Analyst; Economics Research Associates, 2007

Source: ESRI Business Analyst; ERA 2007

# Estimated Captured Spending within the Retail Market

• Captured spending in the Benning Road-Minnesota Avenue trade area was estimated to be $19.8 million in 2007 compared to total trade area spending of $116 million in the same year

• Captured spending in the Benning Road-Minnesota Avenue trade area is expected to be $22.8 million in 2012 compared to total trade area spending of $140 million in the same year

• ERA estimates by 2012 that Grocery spending will account for more than $12.2 million annually and Food and Drink (away from home) will account for more than $4.4 million annually

• Captured spending in the retail trade area is expected to increase by almost $3 million between 2007 and 2012, due mostly to changes in population and income levels

Source: ESRI Business Analyst; ERA 2007

Estimated Captured Retail Trade Area Spending, 2007
$19.9 Million
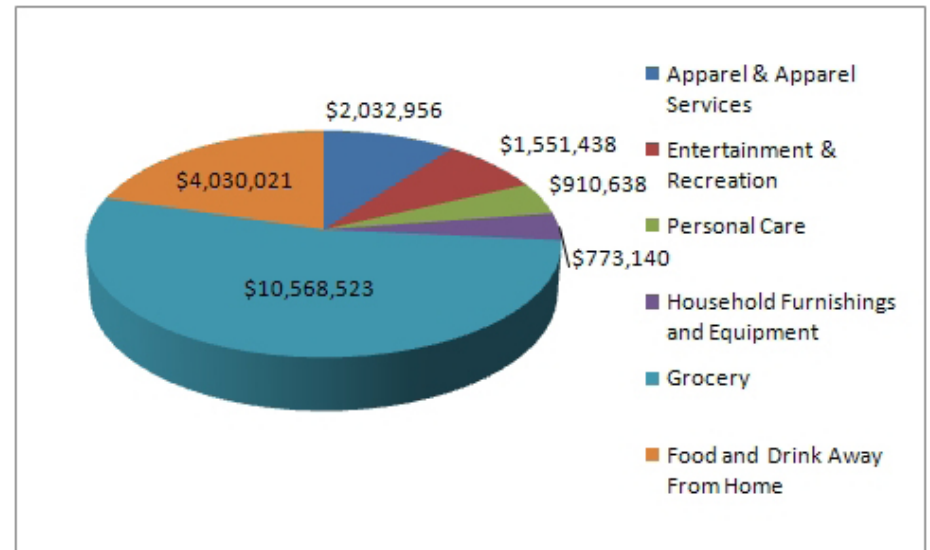


Estimated Captured Retail Trade Area Spending, 2012
$22.8 Million
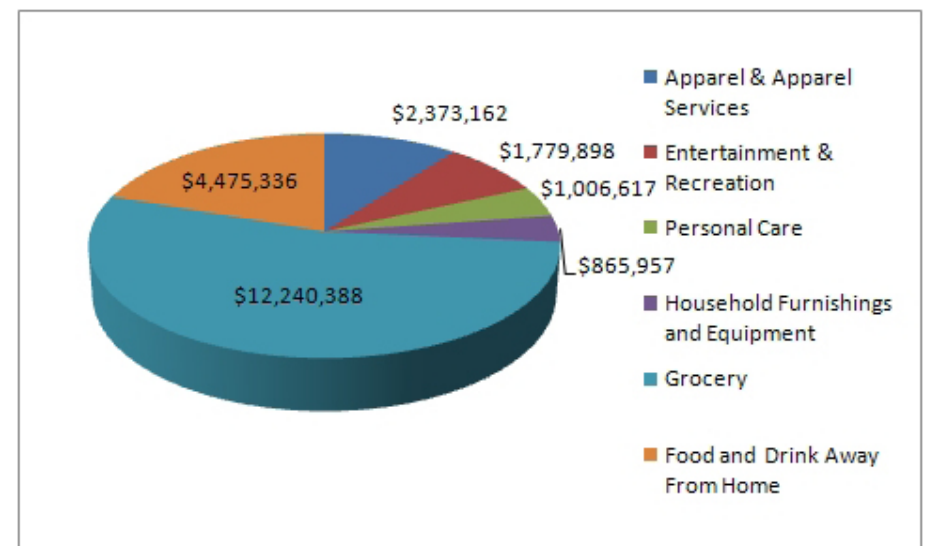
## Productivity and Typical Store Size

• 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

Benning-Minnesota Submarket Comparable Productivity

• The best way to estimate a site's productivity is to assess annuals 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 | $ 250 | $ 400 |
| Entertainment & Recreation | $ 250 | $ 400 |
| Personal Care | $ 300 | $ 450 |
| Household Furnishings and Equipment | $ 300 | $ 450 |
| Grocery | $ 400 | $ 550 |
| Food and Drink Away From Home | $ 350 | $ 550 |

1/ International Council of Shopping Centers, Dollars & Cents of Shopping Centers 2006
Source: Economics Research Associates, 2007

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 spending in the market area, the Benning Road-Minnesota Avenue NE submarket can support between 52,100 and 69,300 square feet of retail in 2007

• The existing retail inventory totals 450,026 square feet within the retail submarket. In order to take into account the lower quality space it was discounted to 283,516 square feet (see detailed explanation)

• The retail submarket has a negative net supportable square foot range between (231,416) and (214,216) in 2007

• Although additional residential units and employment have been included in the calculation, significant existing inventory creates a situation of negative demand potential

Estimated Net Supportable Square Feet 2007

| Area | Low Range | Site Supportable | High Range |
|---|---|---|---|
| Apparel & Apparel Services | 7,300 | 8,100 | 9,700 |
| Entertainment & Recreation | 5,600 | 6,200 | 7,400 |
| Personal Care | 2,700 | 3,000 | 3,600 |
| Household Furnishings and Equipment | 2,300 | 2,600 | 3,100 |
| Grocery | 23,800 | 26,400 | 31,700 |
| Food and Drink Away From Home | 10,400 | 11,500 | 13,800 |
| **Subtotal Site Supportable** | **52,100** | **57,800** | **69,300** |
| Less Adjusted Existing Inventory 1/ | (283,516) | (283,516) | (283,516) |
| **Total 2007 Net Supportable** | **(231,416)** | **(225,716)** | **(214,216)** |

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 Benning Road-Minnesota Avenue NE submarket can support between 59,800 and 79,700 square feet of retail in 2012

• There is approximately 44,480 square feet of new retail planned for the trade area including retail at Parkside and the Minnesota Benning Government Center

• The existing retail square footage and planned new projects are subtracted from the subtotal to arrive at net supportable square footage for 2012

•There a negative net supportable square foot range between (286,196) and (248,296) by 2012

• Although additional residential units and employment have been included in the calculation, significant existing inventory creates a situation of negative demand potential. Redevelopment, reconfiguration and/or selective reduction of existing inventory may help reduce the total negative net supportable square feet

Estimated Net Supportable Square Feet 2012

| Area | Low Range | Site Supportable | High Range |
|---|---|---|---|
| Apparel & Apparel Services | 8,600 | 9,500 | 11,400 |
| Entertainment & Recreation | 6,400 | 7,100 | 8,500 |
| Personal Care | 3,100 | 3,400 | 4,100 |
| Household Furnishings and Equipment | 2,600 | 2,900 | 3,500 |
| Grocery | 27,600 | 30,700 | 36,800 |
| Food and Drink Away From Home | 11,500 | 12,800 | 15,400 |
| **Subtotal Site Supportable** | **59,800** | **66,400** | **79,700** |
| Less Existing Retail 1/ | (283,516) | (283,516) | (283,516) |
| Less New Projects 2/ | (44,480) | (44,480) | (44,480) |
| **Total 2012 Incremental Supportable** | **(268,196)** | **(261,596)** | **(248,296)** |

1/ Includes adjusted inventory

2/ New projects include retail at Parkside and Minnesota Benning Government Center.

Source: ESRI Business Analyst; Economics Research Associates, 2007

# What Does Negative Supportable Square Feet Mean?

• Negative supportable square feet indicates that, at a certain point in time, there may be more retail space than the current market expenditure potential can support

• Many existing retailers in Washington DC

    • Operate in lower priced spaces that can be considered functionally inefficient/obsolete (too small, too shallow, in poor condition, etc.); or

    • Are not well capitalized to compete in an improved environment.  ERA has 'discounted' the square footage of these retailers in many areas to reflect  the qualitative/competitive differences in operating capacity

• Markets evolve and shift as the amount and type of available retail changes; what today may appear to be oversupply can attract new spenders from outside the immediate trade area and become positive over time (such as Adams-Morgan or downtown Washington near the Verizon Center).  A 'negative' supportable square footage estimate in 2012 does not mean an area is permanently oversupplied

• Retail submarkets may have a store mix imbalance and unfulfilled retail potential.   These areas may have too much of one kind of retail and not enough of other types.  An improved retail mix could increase demand and reduce the perceived oversupply of space.

• The retail subdmarket strategies will include programs and incentives to assist local retailers operating in growth/expanding markets where substantial new retail is being introduced

# Commentary on the Current Retail Inventory

According to CoStar Group Real Estate Information Services, there is 450,510 square feet of retail space in the Benning Road-Minnesota Avenue retail submarket. 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 Benning Road-Minnesota Avenue. 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 37% of the retail inventory in the trade area was Grade "C", or inadequate, for contemporary retailing needs. It also stated that 30% 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 9% and 24% 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.

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.
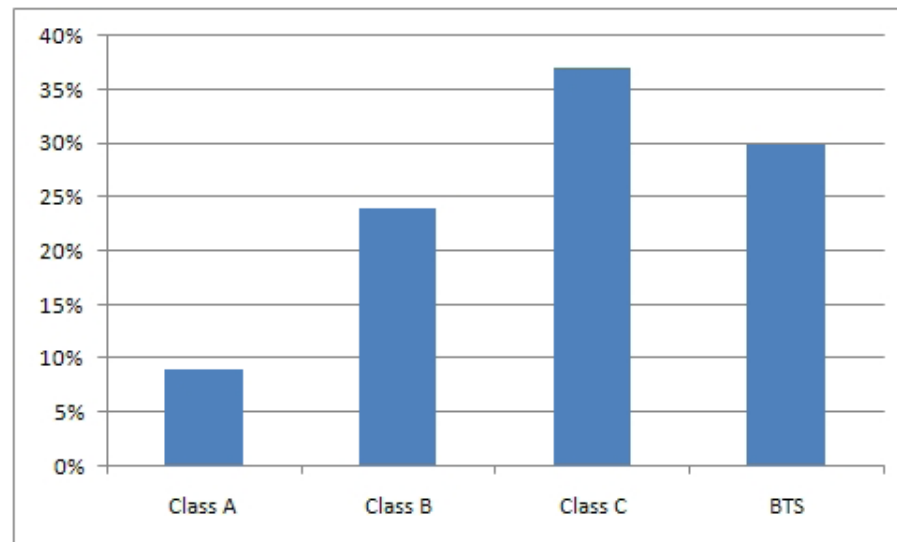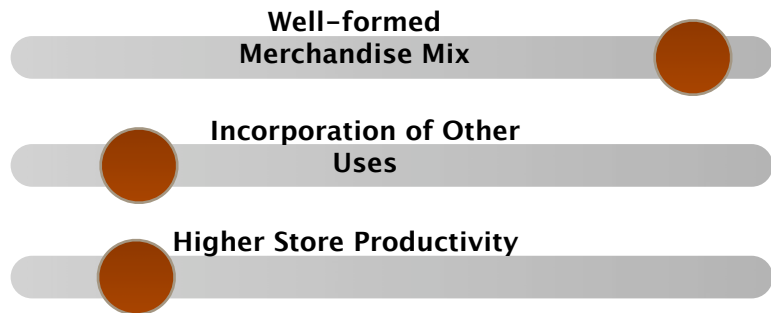


## Inventory Adjustment

| | |
|---|---:|
| Existing Retail Inventory in Submarket | 450,026 |
| Less Discounted Space ("C" Grade) | 166,510 |
| Adjusted Existing Inventory | 283,516 |

Source: DC Office of Deputy Mayor for Planning and 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

**(231,416)** ← **(225,716) SF** → **(214,216) SF**

**Well–formed Merchandise Mix**

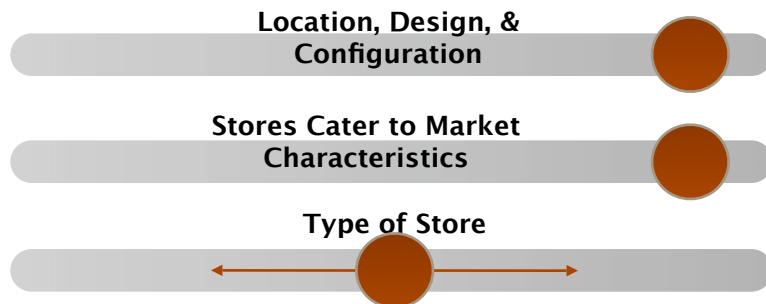**Incorporation of Other Uses**

**Higher Store Productivity**

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**

**Location, Design, & Configuration**

**Stores Cater to Market Characteristics**

**Type of Store**

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 demo-graphics 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 | $ | 1,118,102 | 10.3% |
| Entertainment & Recreation | $ | 874,883 | 8.1% |
| Personal Care | $ | 647,091 | 6.0% |
| Household Furnishings and Equipment | $ | 516,180 | 4.8% |
| Grocery | $ | 5,040,522 | 46.6% |
| Food and Drink Away From Home | $ | 2,616,518 | 24.2% |
| Subtotal | $ | 10,813,296 | 100.0% |
| | | | |
| **Secondary** | | | |
| Apparel & Apparel Services | $ | 855,642 | 12.0% |
| Entertainment & Recreation | $ | 616,885 | 8.6% |
| Personal Care | $ | 237,024 | 3.3% |
| Household Furnishings and Equipment | $ | 241,800 | 3.4% |
| Grocery | $ | 4,149,497 | 58.1% |
| Food and Drink Away From Home | $ | 1,047,137 | 14.6% |
| Subtotal | $ | 7,147,986 | 100.0% |
| | | | |
| **Inflow** | | | |
| Apparel & Apparel Services | $ | 59,212 | 3.1% |
| Entertainment & Recreation | $ | 59,671 | 3.1% |
| Personal Care | $ | 26,523 | 1.4% |
| Household Furnishings and Equipment | $ | 15,160 | 0.8% |
| Grocery | $ | 1,378,503 | 72.3% |
| Food and Drink Away From Home | $ | 366,366 | 19.2% |
| Subtotal | $ | 1,905,435 | 100.0% |
| | | | |
| **All Markets** | | | |
| Apparel & Apparel Services | $ | 2,032,956 | 10.2% |
| Entertainment & Recreation | $ | 1,551,438 | 7.8% |
| Personal Care | $ | 910,638 | 4.6% |
| Household Furnishings and Equipment | $ | 773,140 | 3.9% |
| Grocery | $ | 10,568,523 | 53.2% |
| Food and Drink Away From Home | $ | 4,030,021 | 20.3% |
| **Total** | $ | 19,866,716 | 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 | $ | 1,177,968 | 10.6% |
| Entertainment & Recreation | $ | 899,585 | 8.1% |
| Personal Care | $ | 665,361 | 6.0% |
| Household Furnishings and Equipment | $ | 530,755 | 4.8% |
| Grocery | $ | 5,182,842 | 46.5% |
| Food and Drink Away From Home | $ | 2,690,395 | 24.1% |
| Subtotal | $ | 11,146,906 | 100.0% |
| | | | |
| **Secondary** | | | |
| Apparel & Apparel Services | $ | 1,135,078 | 12.0% |
| Entertainment & Recreation | $ | 818,347 | 8.6% |
| Personal Care | $ | 314,432 | 3.3% |
| Household Furnishings and Equipment | $ | 320,768 | 3.4% |
| Grocery | $ | 5,504,644 | 58.1% |
| Food and Drink Away From Home | $ | 1,389,112 | 14.6% |
| Subtotal | $ | 9,482,380 | 100.0% |
| | | | |
| **Inflow** | | | |
| Apparel & Apparel Services | $ | 69,391 | 3.2% |
| Entertainment & Recreation | $ | 68,717 | 3.1% |
| Personal Care | $ | 29,394 | 1.3% |
| Household Furnishings and Equipment | $ | 17,030 | 0.8% |
| Grocery | $ | 1,603,123 | 73.0% |
| Food and Drink Away From Home | $ | 407,951 | 18.6% |
| Subtotal | $ | 2,195,606 | 100.0% |
| | | | |
| **All Markets** | | | |
| Apparel & Apparel Services | $ | 2,382,437 | 10.4% |
| Entertainment & Recreation | $ | 1,786,650 | 7.8% |
| Personal Care | $ | 1,009,187 | 4.4% |
| Household Furnishings and Equipment | $ | 868,553 | 3.8% |
| Grocery | $ | 12,290,608 | 53.8% |
| Food and Drink Away From Home | $ | 4,487,458 | 19.7% |
| **Total** | $ | 22,824,893 | 100.0% |

# Benning Road - Minnesota Avenue Strategy
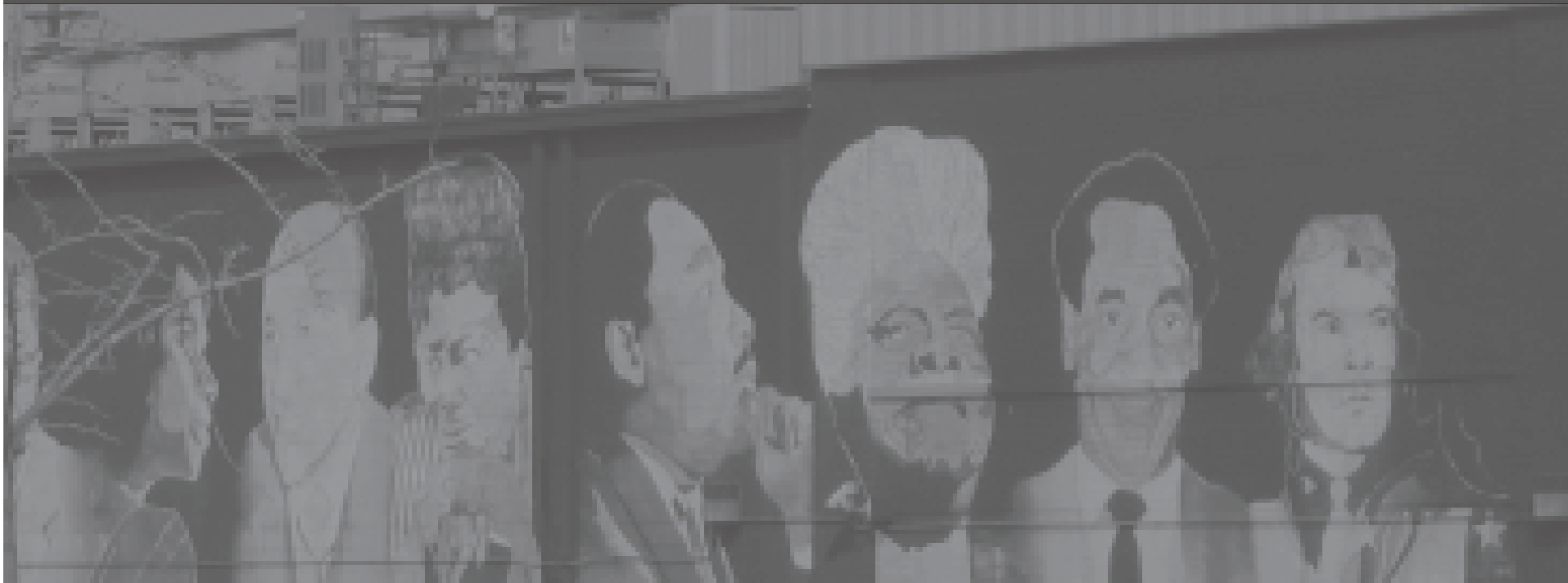
# Benning Road-Minnesota Avenue

## Introduction

The area around Benning Road and Minnesota Avenue is experiencing redevelopment and has the potential to become a more robust and integrated submarket. It is a transitional community and strategically located on two Metro lines (Blue and Orange), and with major thoroughfares running through or around the area including East Capitol Street, Minnesota and Kenilworth Avenues, and Benning Road. The area is proximate to a DC government office building (currently under construction) and the Parkside development. Total population in the trade area is projected to increase from 27,537 in 2007 to 33,378 in 2012; an annual average growth rate of 3.92%.

However, the submarket is facing redevelopment and retail growth challenges. The average household income in the trade area is just under $33,000, indicating a low to moderate amount of trade area buying power. Income and median net worth is greater in the primary trade area than in the secondary because of a higher percentage of homeownership. The primary trade area contains stable neighborhoods, single family homes and lower-middle income families. The secondary market contains more single head of household families with children living in multi-family rental apartments. Highest household annual expenditures in both areas are for food and drink away from home.

The retail inventory in this submarket contains a substantial amount of lower quality space. According to the Retail Market Demand Analysis about 37% of the total existing retail space is Grade C, or of diminished quality and maintenance.

The Benning Road-Minnesota Avenue submarket currently has significantly more retail than the consumer base can support, explaining the poor quality of much of the existing retail. Significant new residential development is planned for the submarket over the next five years, though not nearly enough to absorb all the excess retail. The key to retail development in this submarket is to create a central location with a critical mass of quality retail that can serve both existing community needs and attract commuter/regional shoppers. Existing retailers capable of adapting their business models to the new central shopping district should be supported in their efforts to relocate to the new mixed-use development properties for improved retail performance.

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

Redevelopment of large parcels at the intersection of Minnesota Avenue and Benning Road offer the opportunity to improve the overall merchandising of the submarket by bringing retail tenanting decisions under control of fewer property owners. As a community shopping center, striving to become a regional center, East River Park Shopping Center should recruit a mix of restaurants and large format retailers. To continue to serve neighborhood needs, the best existing retailers from throughout the submarket should be given the opportunity to re-locate to the new center.

The success of the Benning Road Denny's Restaurant south of East Capitol Street has demonstrated the potential for other restaurants to create a small cluster around the Benning Road Metro.  This would be a positive enhancement of what is otherwise primarily neighborhood-serving retail.

The positioning strategies for the two nodes should differ, based on the scale of the opportunity to reposition each sub-area, as well as the competitive position of each.  The opportunity to reposition the small commercial cluster at the Benning Road Metro station is constrained by both the limited site capacity (shallower store depths and less land area) and more limited space to create a greater critical mass of retail and services.

Node 1- Minnesota Avenue:  The concept for this node is to create a new destination shopping center that will serve North East DC and adjacent Prince George's County neighborhoods.  This node has sufficient parcel size and depths to carry large-format and mid-format retail.  Large-format category dominant tenants such as Petco or PetsMart (ranging from 8,000 to 12,000 square feet), and/or mid-format price-point-sensitive fashion such as Marshall's or T.J. Maxx (15,000 to 25,000 square feet) should anchor this node for apparel, accessories and gifts.  The price point of these stores is appropriate for the income level and rental/ownership mix of the primary and secondary trade areas; there is little retail in the two nodes today that would compete with these concepts.  Additional tenants might include a well-known fitness center such as Golds Gym, Washington Sports Club or Results Gym (typical sizes range from 3,000 to 5,000 square feet of space for commercial gym facilities); a Curves gym uses less space, as little as 2,500 square feet.  Additional space should be planned for quick-service and table-service restaurants and a cafe/bakery to appeal to both residents and commuters (such as Dunkin Donuts or Java Hut) and a broad range of neighborhood goods and services such as a bank, dry cleaners, hair care or other service uses (see next paragraph).  The number of rental units in the area may also suggest addition of a new Laundromat located near food and beverage and service businesses.  Addition of larger format stores and renovation/re-tenanting of the existing (but underperforming) retail center properties at the intersection of Minnesota Avenue and Benning Road would address both resident needs as well as capturing a greater share of commuter expenditures, which today may be going to Prince George's County.

Node 2- Benning Road Metro Cluster:  The retail positioning strategy for this node should focus on a selected range of convenience and neighborhood serving retail uses.  Quick-service restaurants such as Cluck U; a bank with ATM access; independent or small chain coffee shop (such as Mayorga Coffee or Dunkin Donuts at about 850 to 1,200 square feet); a drug store such as CVS (approximately 6,000 to 8,000 square feet) and a dry cleaners with tailoring to provide services to Metro passengers (at about 1,000 to 1,500 square feet) would serve both resident and commuter spending needs, and would fit into the existing retail buildings and site capacities than larger tenants.

Urban Design Improvements

The East River Park Shopping Center and other developments along Minnesota Avenue south of Benning Road should be oriented to face Minnesota Avenue to provide an inviting and visible face to all the pedestrian and automobile traffic.  This would also take advantage of the wide sidewalks along this corridor to truly animate the area as a shopping location.  Streetscape guidelines should be implemented to promote a softer, pedestrian environment along Minnesota Avenue.  At the southern end of the Minnesota Avenue node, the Discount Mart lot should be redeveloped to better establish the corner of Minnesota Avenue and East Capitol Street.

# Benning Road – Minnesota Avenue

In the Benning Road node, the area is far more residential with limited potential for retail expansion. Streetscaping should seek to improve the pedestrian experience with planting, street furniture and other means of softening the landscape while providing improved automobile access to Benco Shopping Center and the restaurants surrounding the Benning Road Metro station. In both nodes, connections to the Metro station should be improved to provide safer access for pedestrians.

Transportation Improvements

Several transportation infrastructure issues have already been raised as part of the Great Streets Initiative analysis of Benning Road. Benning Road, with its raised approach to Minnesota Avenue from the west, creates both a north-south barrier and a challenging pedestrian experience even moving east-west across Minnesota. If the approach itself can not be improved, the addition of a proposed streetcar line and better Metro connection would still be significant steps.

Site & Market Capacity for Improvement

The submarket is comprised of two nodes – along Minnesota Avenue and along Benning Road – that have very different potential for development based on their existing lot sizes and the retail footprints they could support.

Minnesota Avenue, particularly surrounding the intersection with Benning Road, is home to large parcels that are, or could eventually be controlled by single owners. In particular, the East River Park Shopping Center is a prime redevelopment opportunity. Its proposed redevelopment as a mixed-use residential/retail center should be supported. The other corners of the Minnesota-Benning intersection could eventually be assembled and developed to create a true regional shopping draw that would capitalize on the commuter traffic and each stage of new residential and office development in the area. East River Park Shopping Center is a priority; however, as it is not encumbered by the automobile and pedestrian challenges posed by the raised Benning Road as it approaches Minnesota from the west. Quality storefront design, signage and wayfinding can modify but not eliminate the challenge of the raised road.

Retail Support

The District – through the Department for Small and Local Business Development or the reStore DC program, should provide technical assistance to existing retailers in the submarket to reposition their businesses to capitalize on market changes and to better serve the existing market. Specific assistance should be focused on identifying retailers capable of competing and succeeding in newly redeveloped mixed-use centers, with a program similar to that used in Columbia Heights to identify local retailers for inclusion in new developments.
Supportable Square Footage and Evolving Markets

The Benning Road/Minnesota Avenue NE study area is characterized by conditions that exist in many of the underserved areas of Washington DC. There is a market for retail goods and services, but there is also a large concentration of existing retail space that is substandard, in need of substantial reinvestment and a limited amount of incremental new market support. Approximately 44,500 square feet of new retail space is proposed in the Parkside mixed-use development (30,000 square feet) and about 14,500 square feet of retail space in the Minnesota-Benning

Government Center. When these pipeline projects are taken into account along with the large amount of space in need of substantial reinvestment and improvement to be considered competitive, the Benning Road/Minnesota Avenue NE nodes will include more retail space than is supportable under existing and near-term market conditions. This estimate, sometimes indicated by so-called "negative" supportable square footage, should not be viewed as a permanent condition, and will be affected by both near-term improvements as well as longer-term (beyond the five-year study period) growth through projects such as the projects described in the market analysis – they are primarily residential, and would add approximately 4,400 new residents to the study area. Available expenditures and the rate at which retail businesses in both the Minnesota Avenue node and the smaller Benning Road Metro station node can capture a share of those expenditures will depend on both potential increases in median household income levels over time as well as by the quality and quantity of retail uses that are either retained or recruited to the area.

To put into perspective the incremental resident demand needed within the primary and secondary trade areas to balance the planned under-supported/"negative" space, two primary factors were considered. Using a disposable income estimate based on present and projected median household income levels for the primary and secondary trade areas and reasonable capture rates, expenditures from approximately 55,500 additional households would be required to place retail supply and demand in balance, far more than the 2,122 units currently proposed. The larger conclusion which might be drawn is that there could be too much underutilized and underperforming retail space in this zone and the development momentum will not be present in the near term to support all of it. It should also be noted that market balance is not solely dependent on resident consumers, although that is the benchmark measurement used. Addition of over 700,000 square feet of office space would also add incremental retail support for the same convenience, consumer service and food service that would attract residents.

Based on capturing a reasonable percentage of household income spent on retail/dining/consumer services and an assumed rate of capture reflecting a good, typical mix of available offerings, each new resident in a commercial area supports between four and seven square feet of retail space. Each new employee will support between two and five square feet of space. Because this study area does not contain destination visitor attractions, the visitor market is not expected to be a major factor in supporting retail in either node. In areas that include visitor attractions, each visitor typically supports between one-half and one and one-half square feet of retail, far less than either the resident or office worker market segments. In all cases, the range of supportable square footage is based on available retail offerings, the quality of the public spaces and continuity of retail within the corridor, and relative proximity to where people live and work.

Key Recommendations

1. Treat the Minnesota-Benning submarket as two distinct retail nodes, with intensive, higher-density development of large format retail in the Minnesota Avenue node and support for an improved mix of smaller-scale, neighborhood serving retail in the Benning Road node to serve local needs around the Benning Road Metro station.

2. In the Minnesota Avenue node, urban design and development efforts should target the following.

a. Redevelopment of retail centers should orient stores to face Minnesota Avenue

b. Streetscape guidelines should be implemented to promote a pedestrian environment along Minnesota Avenue.

c. The Discount Mart Lot should be redeveloped to better establish the corner of Minnesota Avenue and East Capital Street.

3. In the Benning Road node, urban design and development efforts should target the following.

a. Make streetscaping improvements via lighting and traffic calming to improve the pedestrian experience while providing improved auto mobile access to Benco Shopping Center and the restaurants surrounding the Benning Road Metro station.

4. Transportation Improvements should include the following.

a. Improving street-level connections to Benning Road west of Minnesota Avenue

b. Implementing plans for a proposed streetcar line along Benning Road.

c. Improving pedestrian connections to Metro stations.

5. Support existing retailers by providing technical assistance related to adapting to their evolving market and the area's changing demographics, including:

a. Revising their merchandise mix

b. Establishing a program to identify and assist local retailers in securing store locations as part of any major redevelopment of East River Park Shopping Center.