

## COLUMBIA HEIGHTS DC USA MARKET STUDY

Washington, DC



### Project Areas

- Affordable/Workforce Housing
- Corridor Planning
- Design Economics
- Downtown Revitalization
- Economic Development
- Economic & Fiscal Impact
- Industrial City Turnaround
- Metropolitan Growth Strategy
- Neighborhood Planning
- Public-Private Partnerships
- Transit-Oriented Development

National Capitol Revitalization Corporation

### Scope of Work

- Cluster Analysis
- Economic Impact
- Financial Modeling
- Fiscal Impact
- Implementation
- Market Analysis
- Partnership Structuring
- Public Financing
- Public Outreach
- Regional Economics
- Retail Tenanting
- Strategy Planning

### The Challenge

The Columbia Heights neighborhood in Washington, D.C. had been underinvested for decades and had experienced significant challenges, including disinvestment, violent crime, and under-development vis-à-vis minority/low-income retail spending power and an overall pattern of urban decay. The National Capitol Revitalization Corporation (NCRC) had the opportunity to infuse the neighborhood with a significant new catalytic retail project and needed to confirm the market and development feasibility of a new format big-box anchored urban retail project to act as the lynchpin for an overall redevelopment strategy for the Columbia Heights Neighborhood.

### Solution

RCLCO was engaged by NCRC to conduct a retail market study and TIF financial analysis for the planned 450,000+ square foot DC USA project in the Columbia Heights neighborhood. RCLCO was responsible for analysis of the market opportunity for a major retail development, including an analysis of retail demand potential by type of retailer, achievable rents, projected revenues and made recommendations for appropriate development program. Notably, the project needed verification that a big box anchor – Target – could succeed in a market that had not experienced any retail activity in decades, and do so in a multi-story

transit-oriented format that was pioneering for the retail chain as well as for the nation. Additionally, RCLCO was asked to analyze the potential TIF revenues as part of the City's bond underwriting process.

### Impact

RCLCO not only created a set of market and economic analyses that confirmed the development feasibility of the project, but also created a multi-disciplinary team, including the renowned design firm, RTKL, and facilitated a charrette to address key design and development issues and their resulting market and financial implication for the DC USA project. Today, the project is credited with kick-starting the revitalization of the Columbia Heights neighborhood, which is among the hottest in the vibrant Washington, D.C. market. The project has been heralded as a major retail and mixed-use success and has outperformed even the forecast that RCLCO prepared in 2003. Notably, other urban areas around the country have pointed to the success of Columbia Heights and DCUSA as a model for urban retail development and urban neighborhood revitalization, and RCLCO's analysis remains at the forefront of the field in demonstrating the development feasibility of repositioning older urban neighborhoods for future development-grade commercial development.