

King Street Retail Study *Public Presentation*

March 19, 2008 Gibbs Planning Group



The Overall Purpose of this Study:

To identify the challenges and opportunities for increasing King Street's commerce without compromising the quality of life for its surrounding neighborhoods.



Key Findings

King Street's business potential is being artificially suppressed by a confluence of correctable non-market factors.



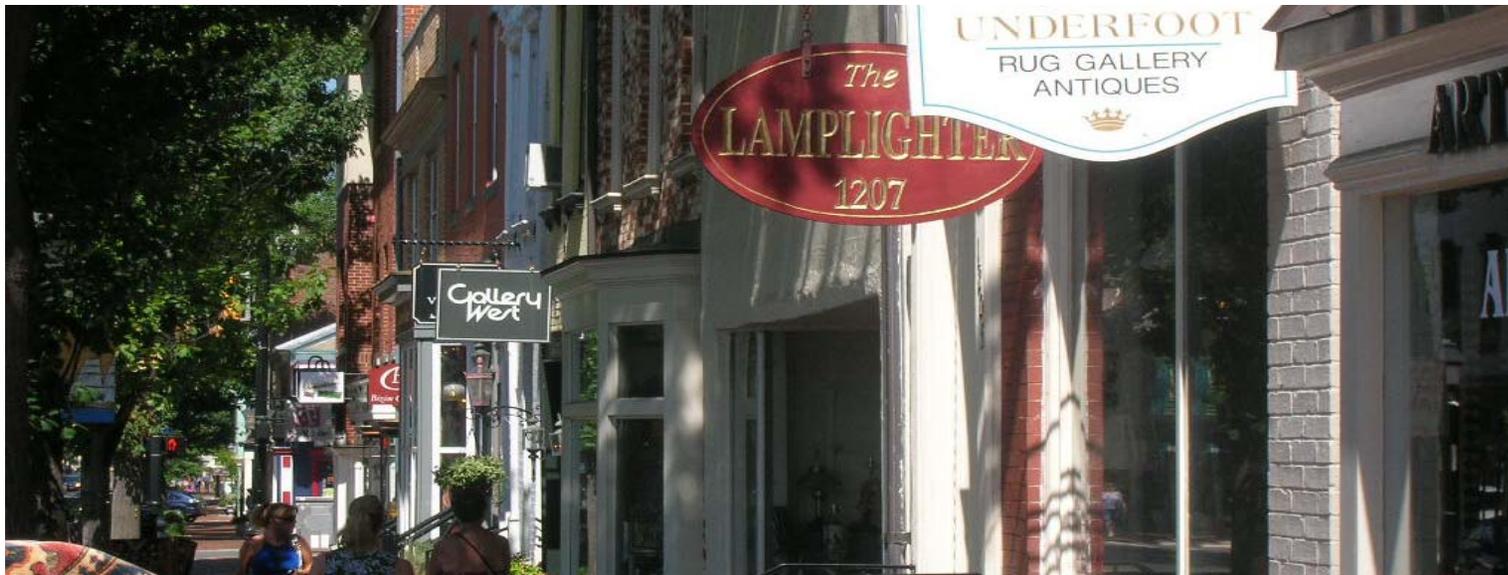
Key Findings

Numerous well-intended private sector actions, community pressures and public policies have led to an ironic condition: local residents must drive to suburban strip centers and malls for most of their essential goods and services. Many King Street businesses depend on tourism or purpose-driven shoppers for their livelihood.



Business Improvement District

Although King Street is one of the most picturesque urban shopping destinations in the country, its physical character alone will not ensure economic sustainability. Old Town's small retailers and restaurants individually lack the resources to compete with major shopping centers and districts. Just having a unique store selling desired goods and services is not enough for the business owner to earn a reasonable living.



Key Findings

The residents and civic groups also expressed mixed opinions about the need to modify King Street's existing business mix. Although many did not find Old Town's businesses useful for their daily needs, there was little support for King Street to attract popular regional or national retailers.



Key Findings

King Street's business potential is being artificially suppressed by a confluence of correctable non-market factors. Old Town businesses could capture this additional spending by implementing modern merchandising and business practices.





Old Town's Saturday market is one of the nation's oldest and a popular destination for many residents and visitors. The market operates on top of an underground City parking garage that has limited pedestrian access.

Key Findings

Old Town Alexandria has the opportunity to increase its market share of retail and restaurant sales by expanding its business mix and implementing a series of policy, marketing and physical enhancements.

Even during the current economic downturn.



Study Tasks:

Conduct an Independent third-party analysis

Seek views from:

- ***Business owners***
- ***City departments***
- ***Community groups***
- ***Organizations***
- ***Property owners***
- ***Residents***
- ***Workers***



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Define sales trends & opportunities

- *Sales*
- *Rents*
- *Competition*

Review City Policies

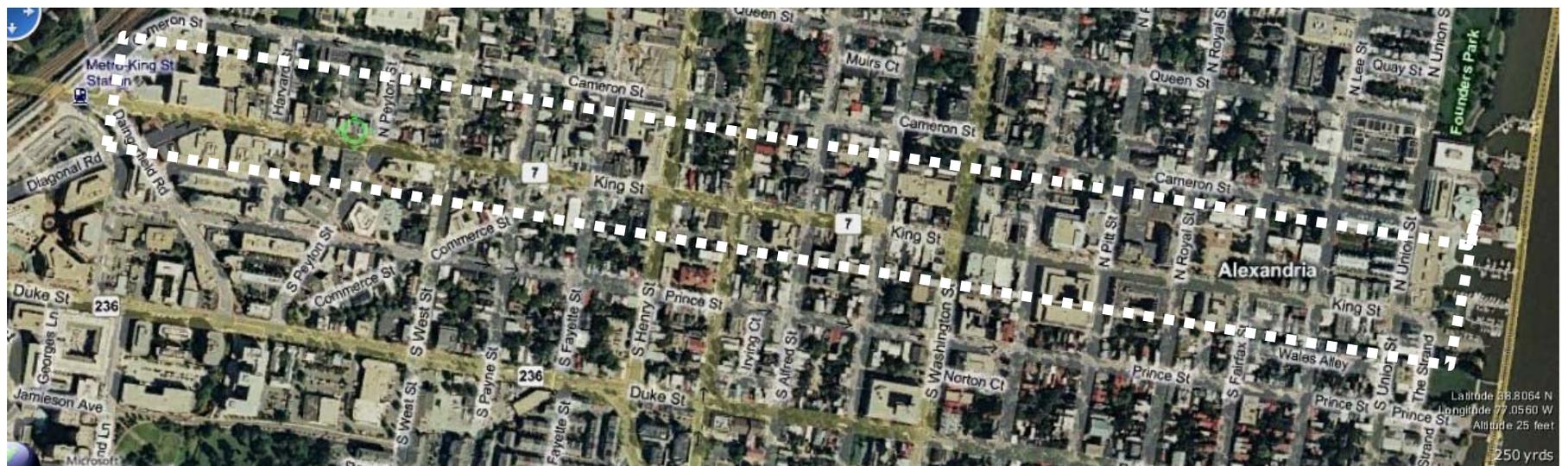
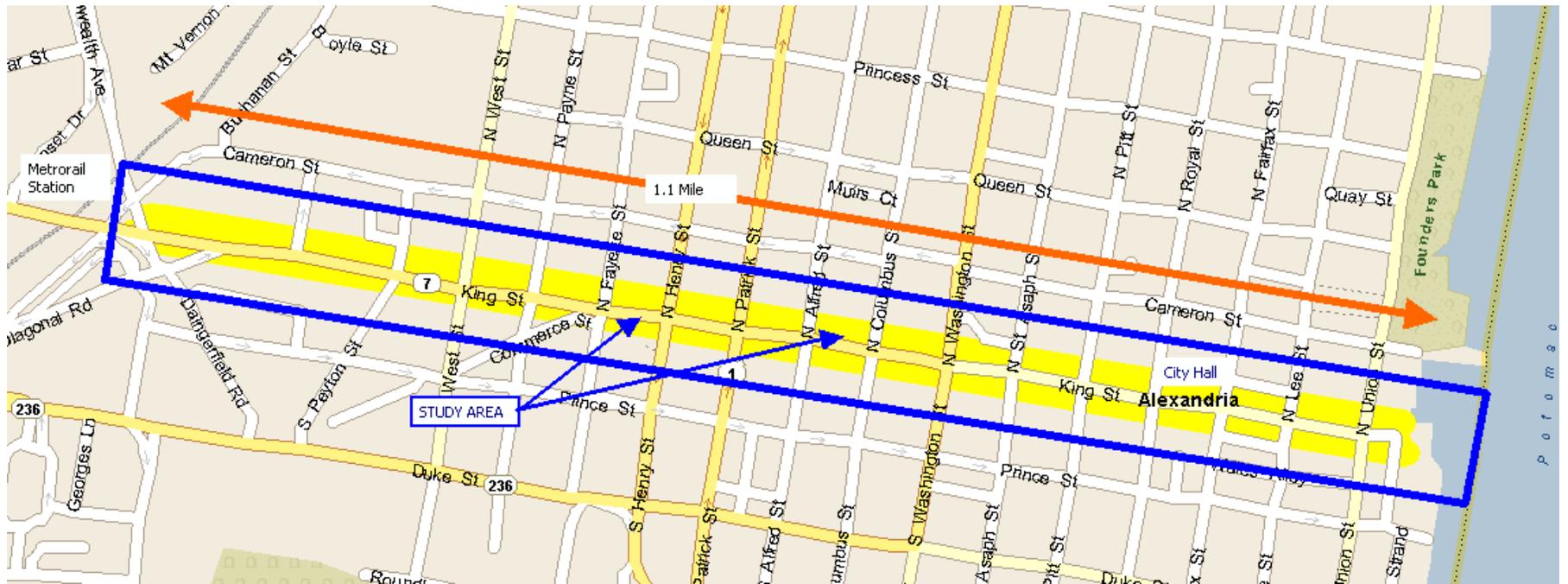


Study Tasks:

Review Built Environment

- ***Lighting***
- ***Parking***
- ***Signage***
- ***Streetscape***
- ***Waterfront***





King Street Retail Study

King Street Circa 1965: *Was the region's primary shopping district.*



Market Conditions



The relevancy of many of King Street's businesses for the day-to-day needs of its neighborhoods and the City at large has gradually diminished to a point where the surrounding residents must rely on suburban shopping centers for most of their primary retail, restaurant and grocery essentials.

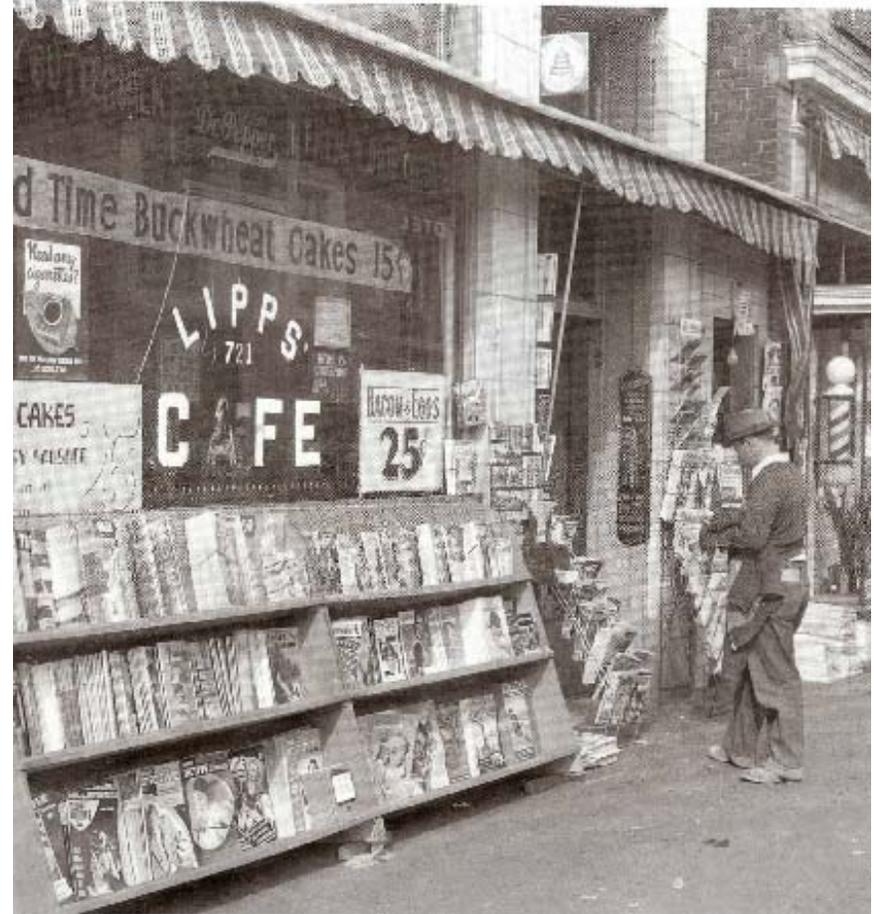


Sustainable Community

Many property owners have found that the types of retailers desired by the community do not generate enough sales to be able to afford market rate rents.



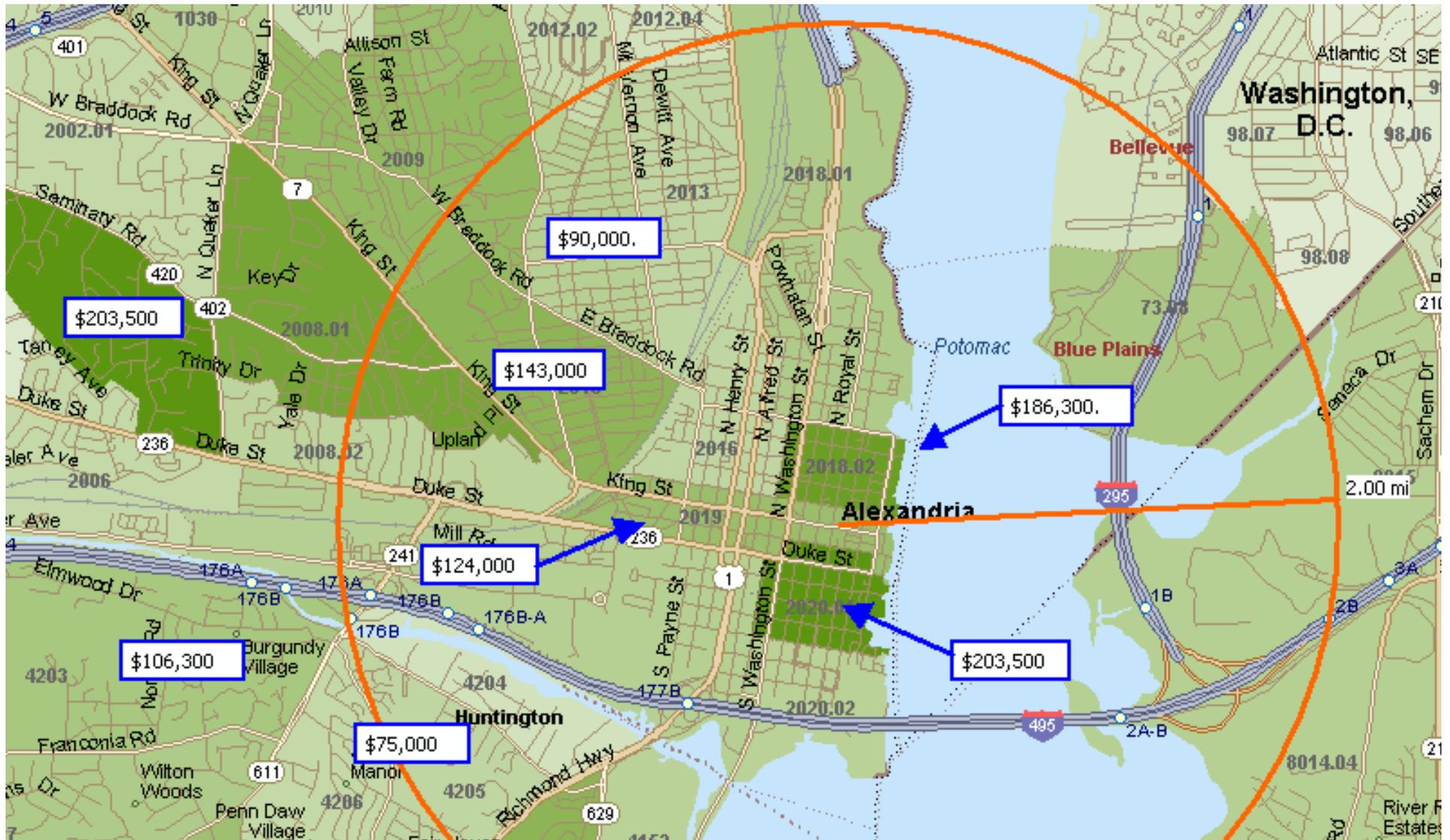
King Street Circa 1910's & 1950's





King Street still attracts thousands of shoppers, but not for their primary goods and services.

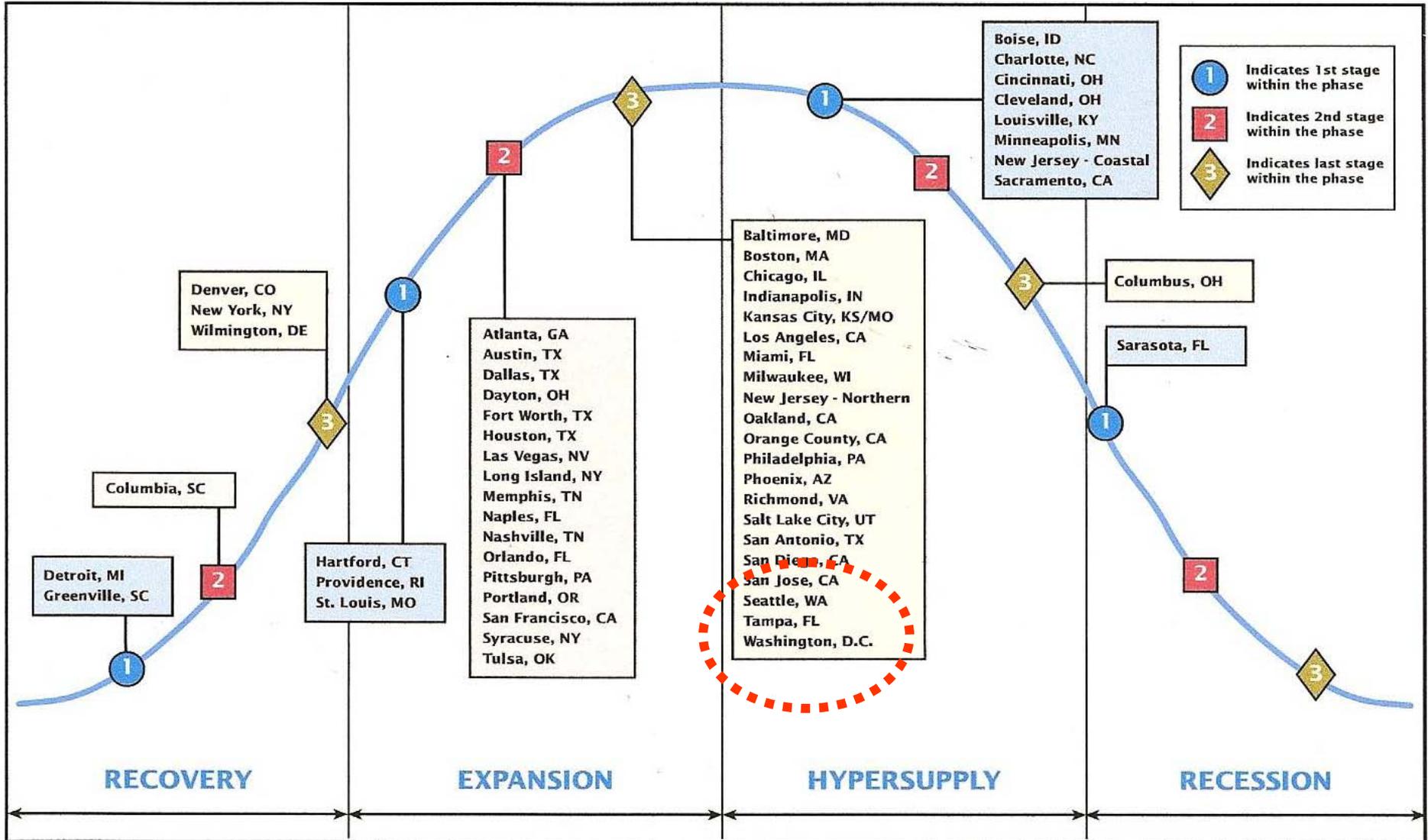
Market Conditions: 2005 Average Household Incomes



Market Conditions: 2005 Average Household Incomes



RETAIL MARKET CYCLE



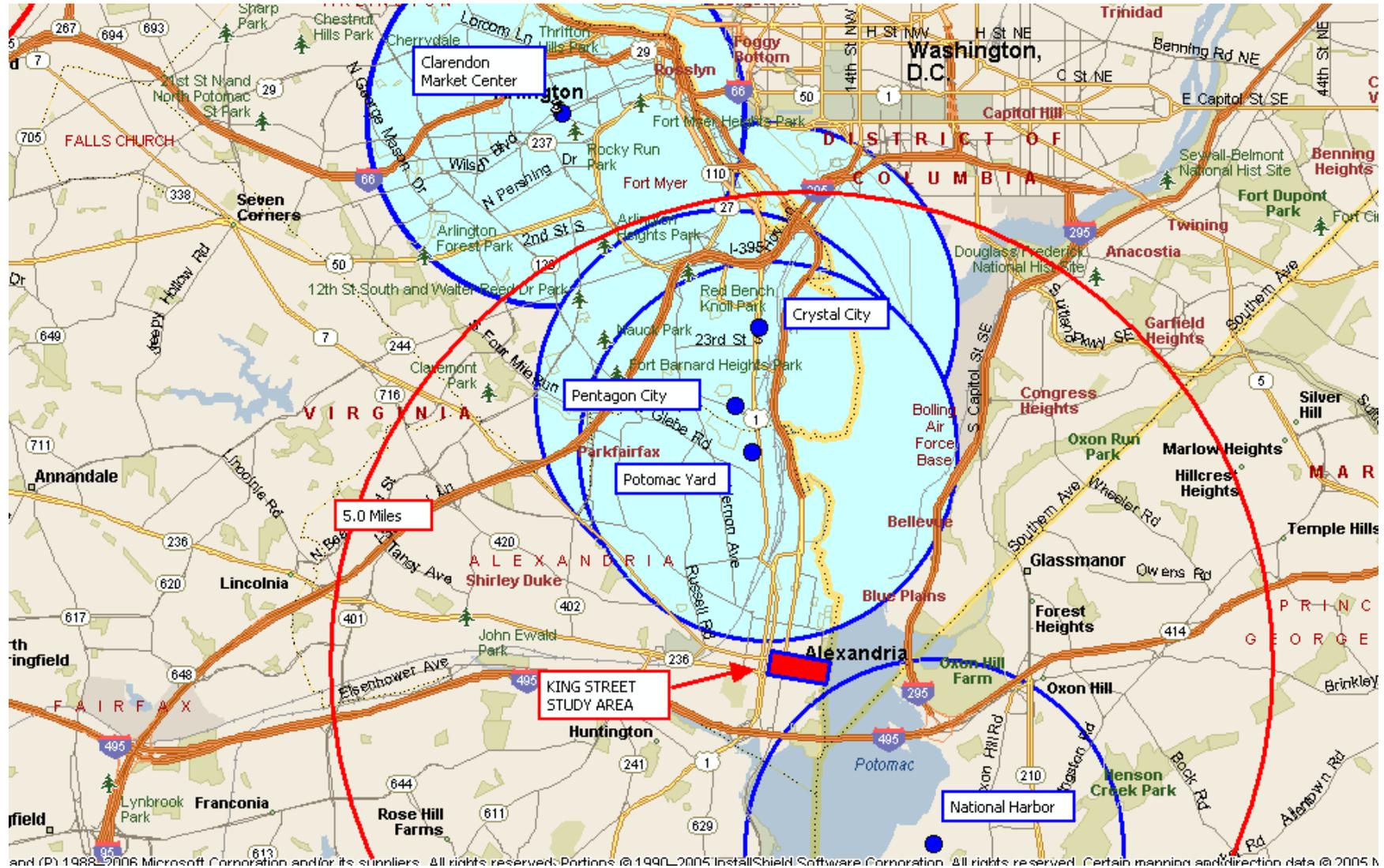
Decreasing Vacancy Rates
 Low New Construction
 Moderate Absorption
 Low/Moderate Employment Growth
 Neg/Low Rental Rate Growth

Decreasing Vacancy Rates
 Moderate/High New Construction
 High Absorption
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 Med/High Rental Rate Growth

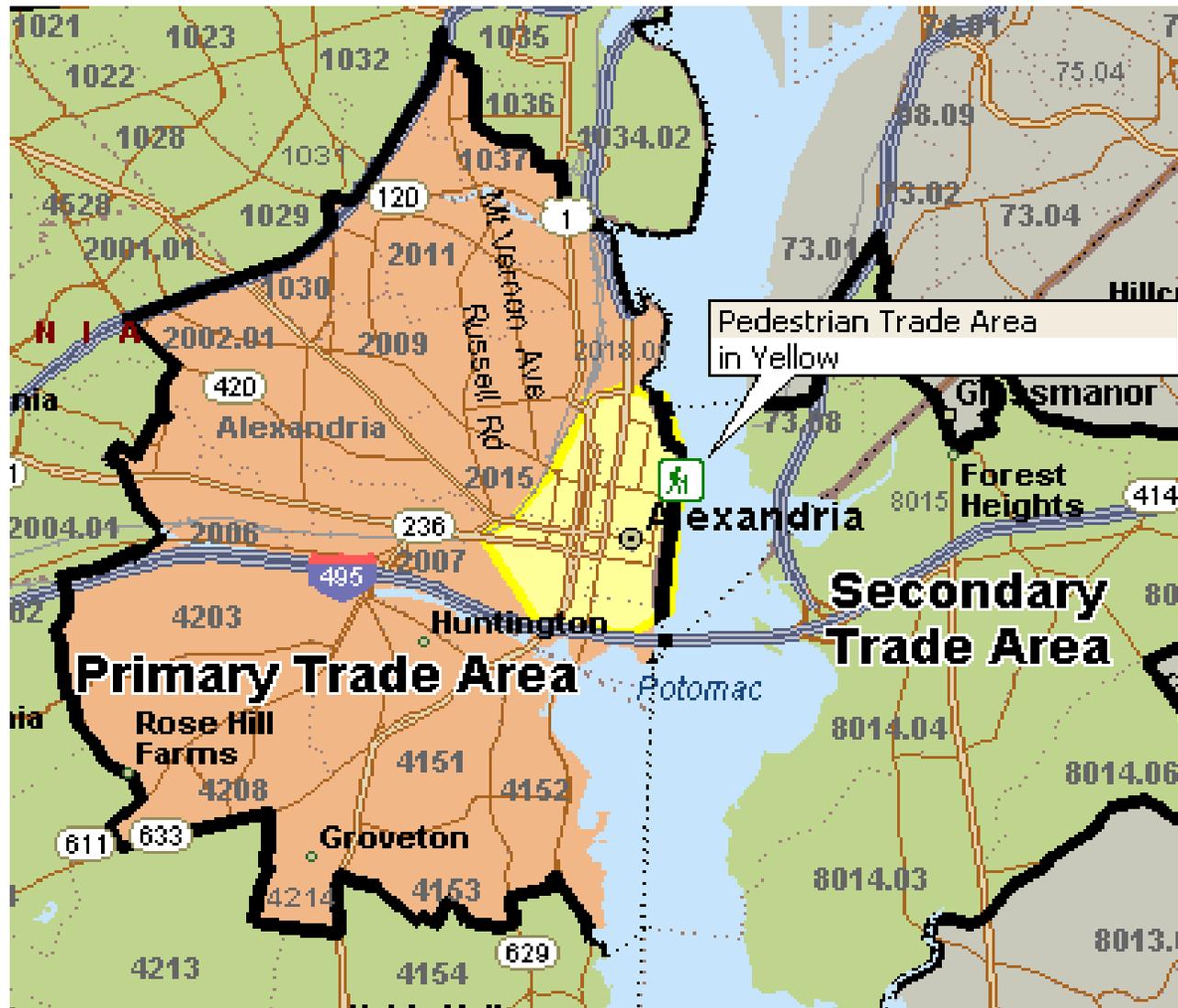
Increasing Vacancy Rates
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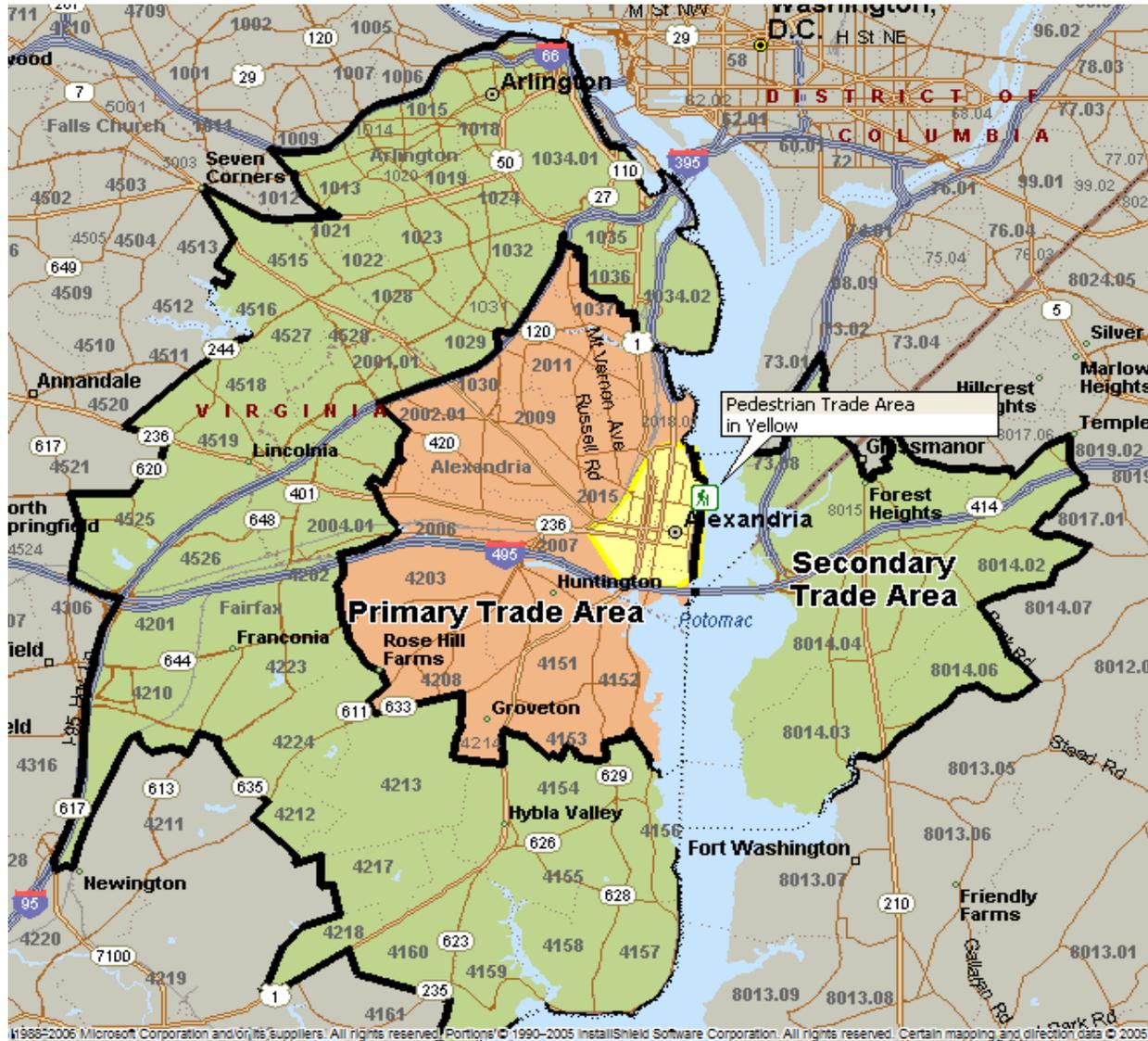
Challenges: Competition



Market Conditions: Primary Trade Area



Market Conditions: Total Trade Area



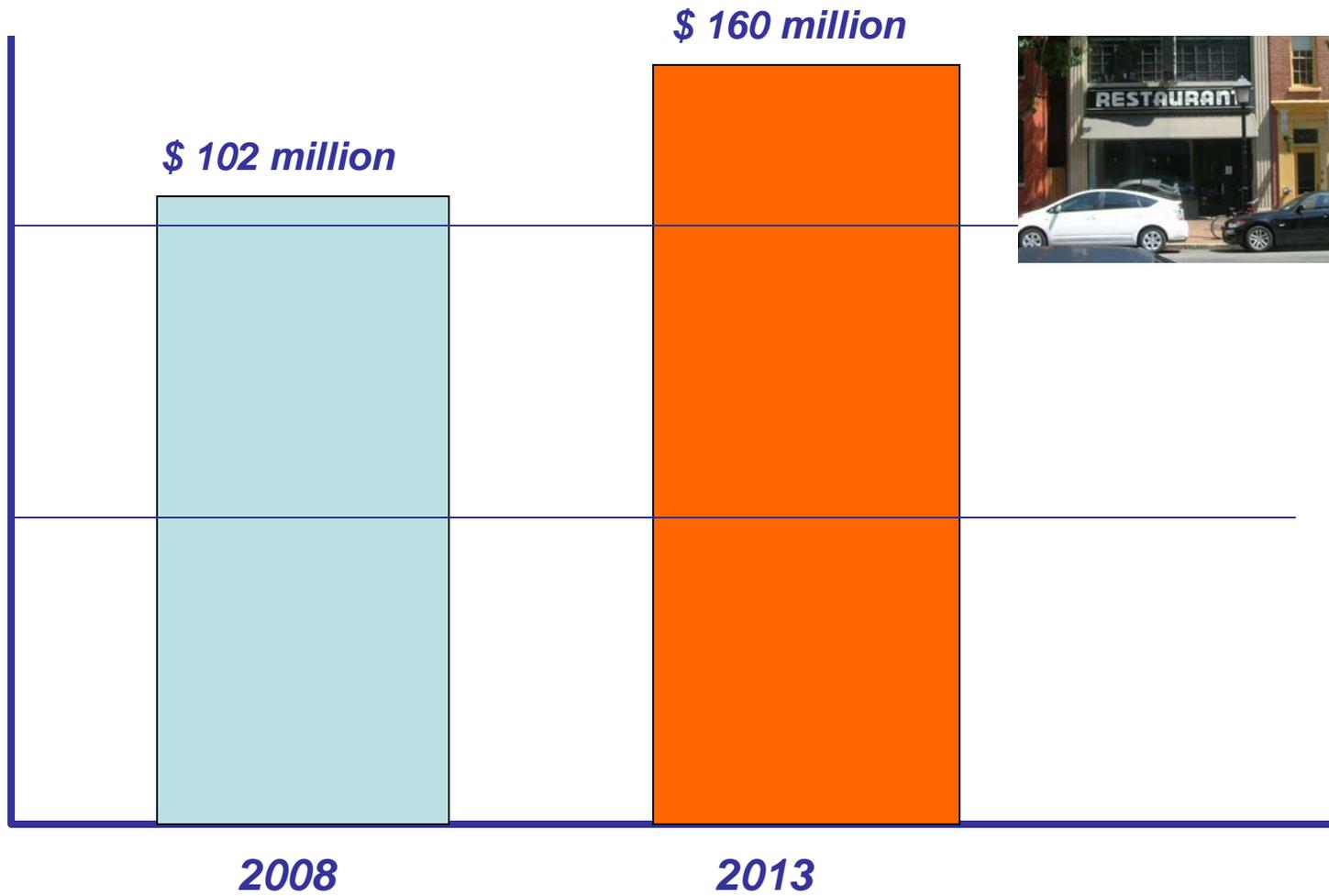
**King Street
Additional Supportable Businesses**



	2008	2013
Antiques	2,400 sf	3,700 sf
Books & Music	500 sf	3,100 sf
Clothing	600 sf	5,900 sf
Collector Shops	10,300 sf	12,880 sf
General Merchandise	56,600 sf	77,200 sf
Gifts	14,400 sf	18,400 sf
Grocery	39,000 sf	64,000 sf
Garden Supply	37,100 sf	44,200 sf
Health & Personal Care	13,500 sf	21,700 sf
Pkg. Liquor & Wine	7,500 sf	10,500 sf
Restaurants	58,400 sf	82,600 sf
Specialty Foods	11,200 sf	13,800 sf
Toys & Crafts	2,500 sf	3,700 sf

Totals: 258,000 sf 368,300 sf

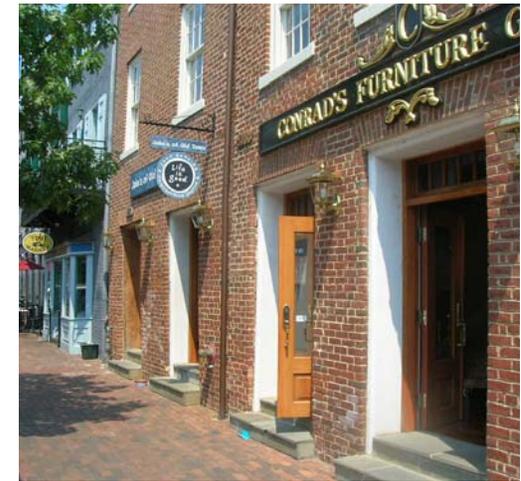
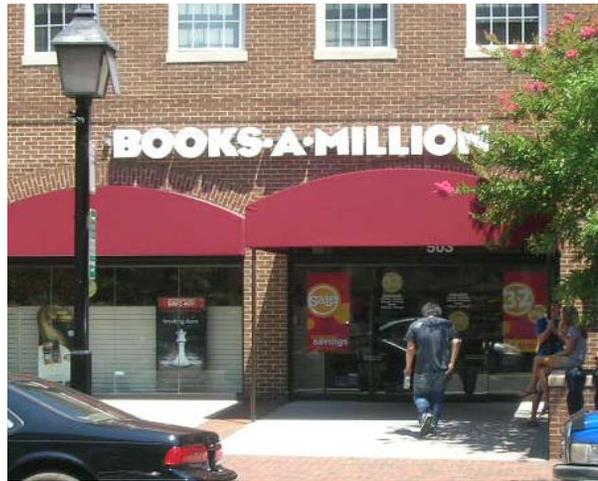
Old Town Retail & Restaurant Potential Sales Growth



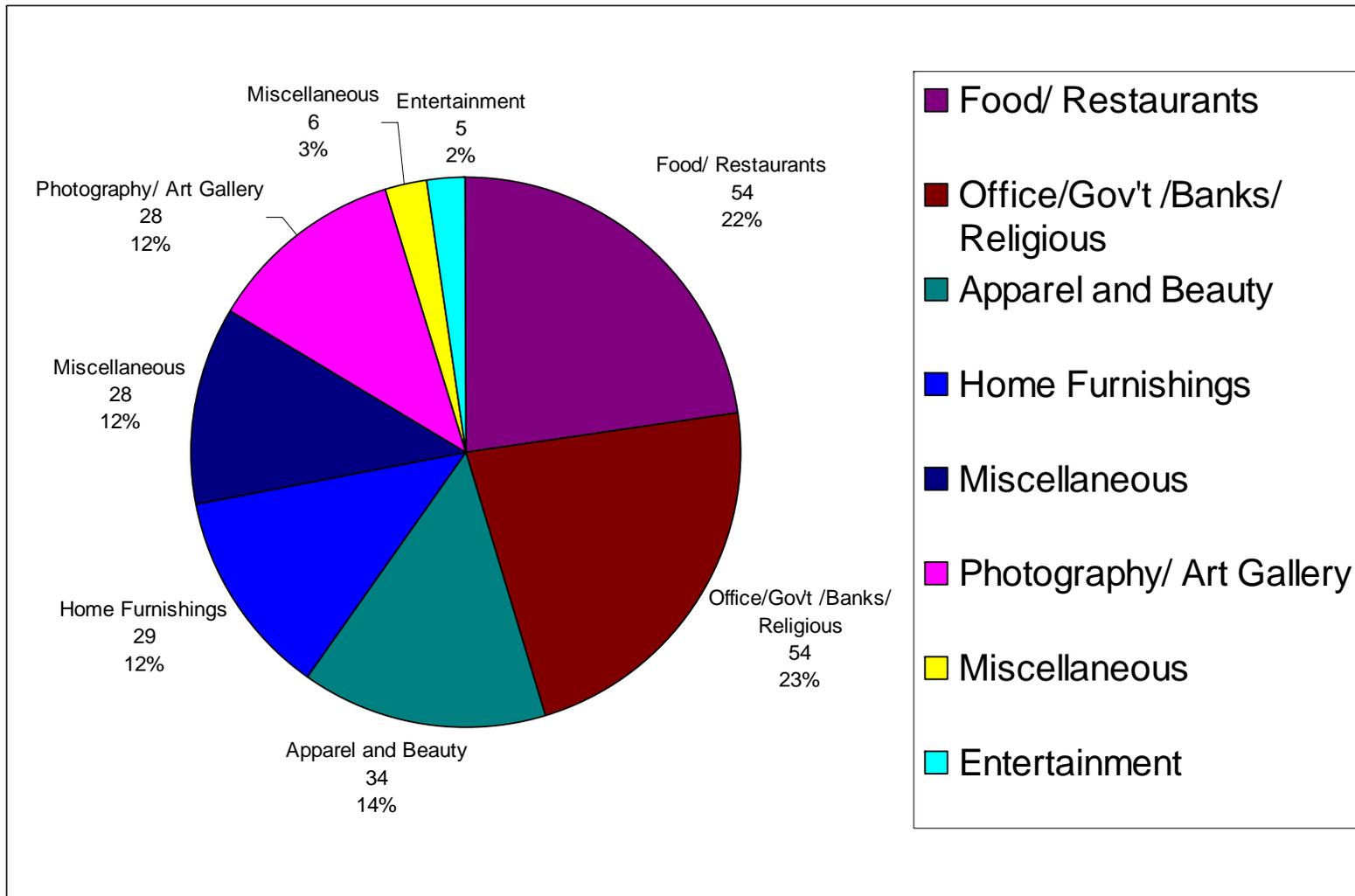


King Street offers a variety of local, regional and national businesses grouped along a walkable historic street.

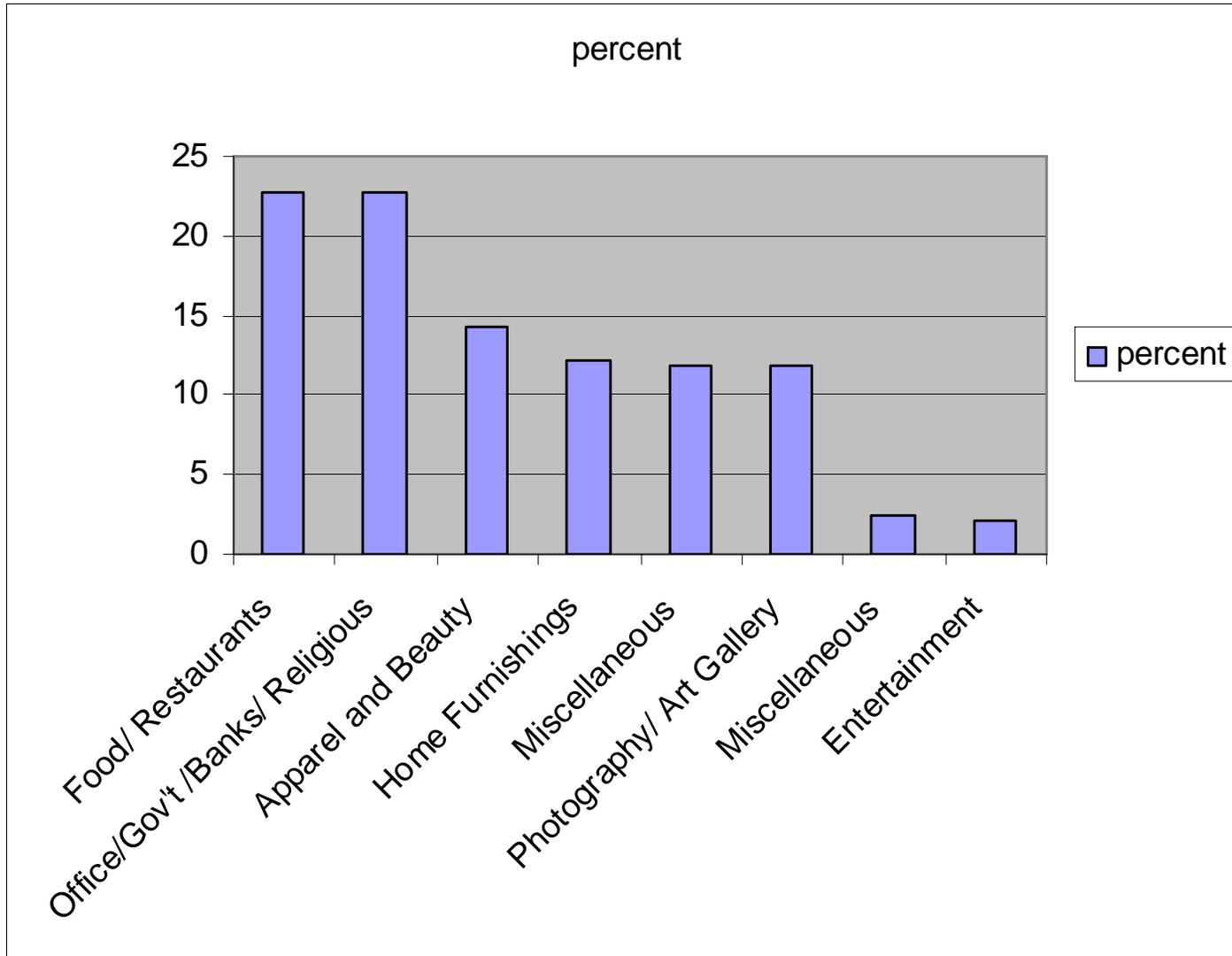
King Street: Existing Merchandising Mix



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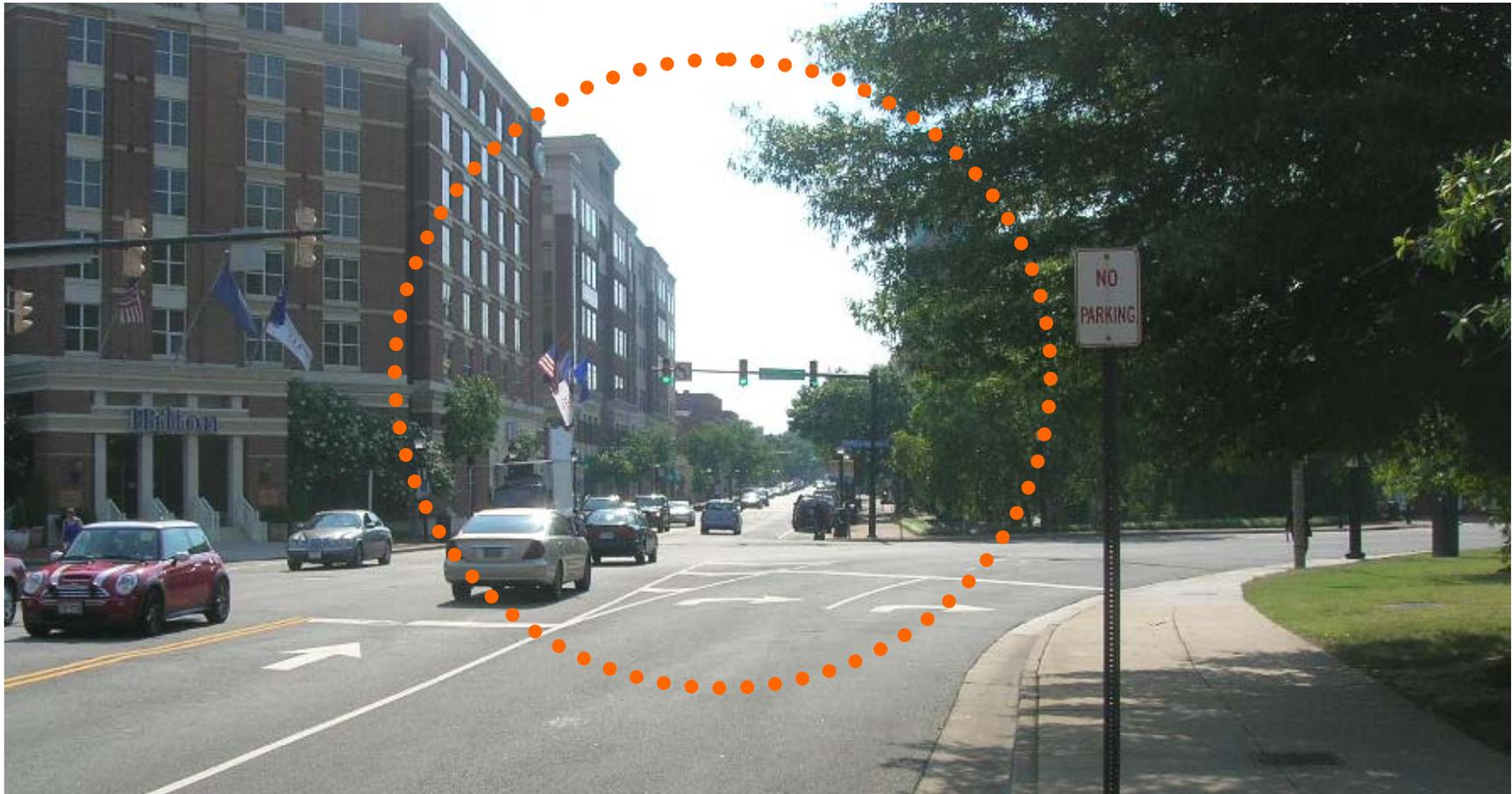
King Street Business Types



Upper King: Local Business & Employment Center



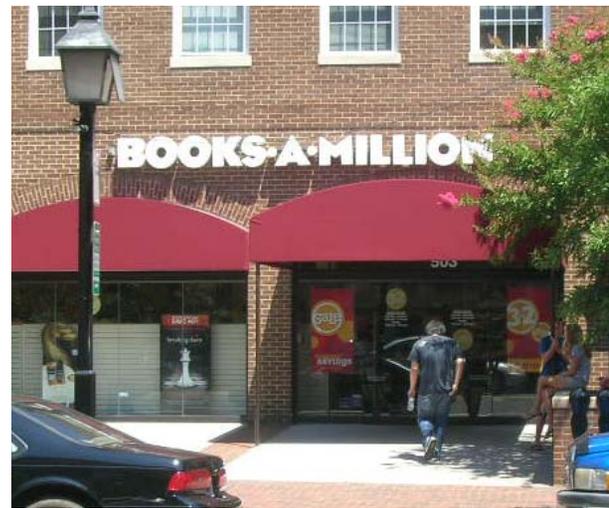
Upper King: Confusing Views from Metrorail



View looking east from Metrorail Station area (Hilton Hotel shown on the left).

Mid-King: Regional

ANN TAYLOR



King Street Retail Study

Lower King: Waterfront – Tourist dominated area.



Anchors: King Street has numerous non – retail anchors.



King Street Commercial Challenges:

While King Street and the surrounding neighborhoods represent one of our nation's most picturesque urban historical settings, King Street's commercial viability is challenged:

- ***Restricted Hours***
- ***Fluctuating Sales***
- ***Business Turnover***
- ***Parking***
- ***Novice Business Owners***
- ***Marketing***
- ***Increasing Competition***



Challenges: Limited Shopping Hours





Evening Hours:

70% of U.S. spending occurs after 5:00 pm & on Sundays.

'I am busy & shop during work...'

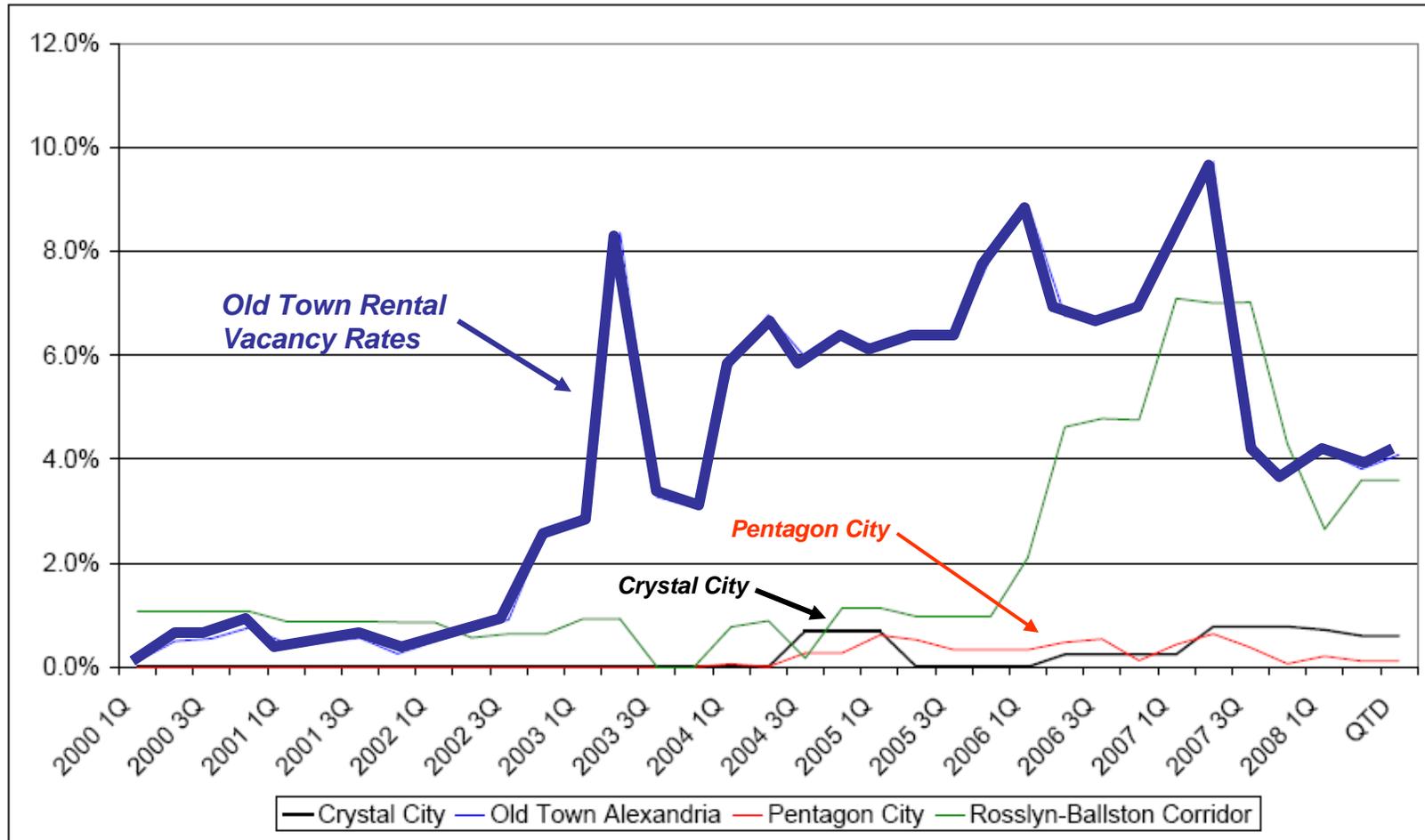


Challenges: Store Turnover



Old Town has a much higher rate of business turnover than the surrounding shopping centers.

Challenges: Store Turnover



SOURCE: Costar



Key Findings

The time frame for locating a space, negotiating a lease and obtaining the necessary City permits is too unpredictable for most business plans. Time is money, and it is difficult for new businesses to commit to a King Street location without having a guaranteed opening date.



King Street: National Retailers & Restaurants

- Comfort One Shoes
- PNC Bank
- Pendleton
- Ann Taylor
- Ann Taylor Loft
- Books a Million
- Starbucks
- Ritz Camera
- Chipotle
- Bruegger's
- Hallmark
- Restoration Hardware
- Gap Outlet
- Banana Republic
- Nine West
- Cosi
- Popeye's Fried Chicken
- Moto Photo
- Papyrus
- Chico's
- Calico Corners
- Firehouse Square
- Yves Delorme
- T Mobile
- Hampton Inn
- Wyndam Vacation Resorts



ANN TAYLOR



chico's

MY ACCOUNT | SHOPPING BAG (0 ITEMS) | SEARCH | Shop by

What's New | Travelers | Jackets | Sweaters | Tops | Pants & Denim | Skirts & Dresses | Zenergy | Jewelry | Accessories

*Black.
White.
Perfect.*

It's a classic combination with just the right amount of drama. Try it on tops, jackets, skirts, pants...even prints. Ask any style expert: opposites attract.

> SHOP BLACK & WHITE

RESTORATION HARDWARE
OUTDOOR

Sustainably harvested premium-grade teak, rustproof cast aluminum, all-weather resin and authentic Sunbrella® cushions. Each piece is built to withstand the elements and support a lifetime outdoors. Furniture arrives in 1-2 weeks via express delivery.

A short time, indeed, to wait for paradise.

SHOP OUTDOOR COLLECTIONS >

Key Findings

As a result, Old Town is not working as a cohesive shopping destination that serves the commercial needs and desires of its community. This dependence on individual shopper trips and large numbers of tourists is an unsustainable condition for one of America's first and finest cities.



Key Findings

The pro-independent retailer sentiment was so strong that a majority of interviewees stated that they prefer driving to suburban shopping centers such as Tyson's Corner for their major shopping, while maintaining King Street's status quo.



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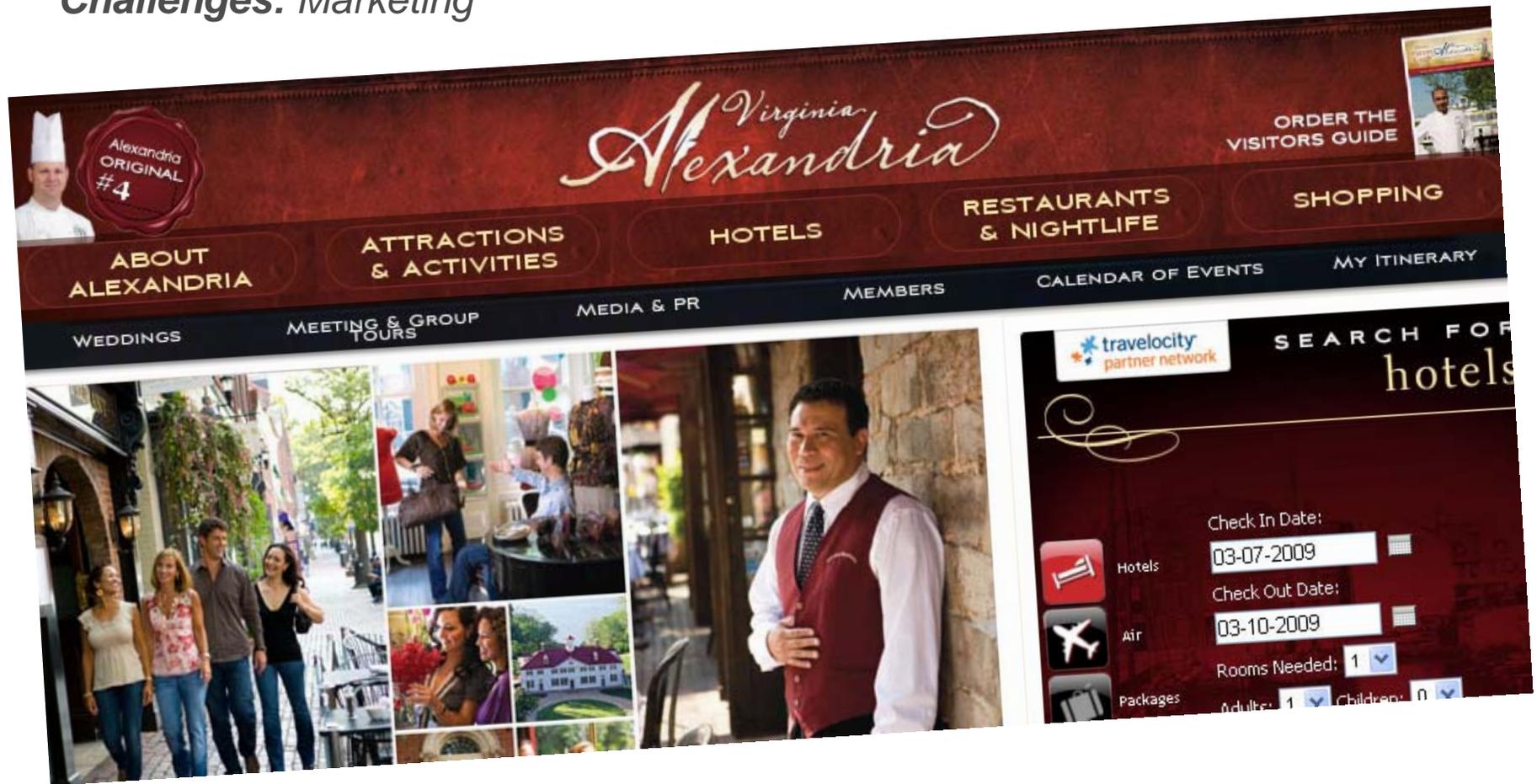


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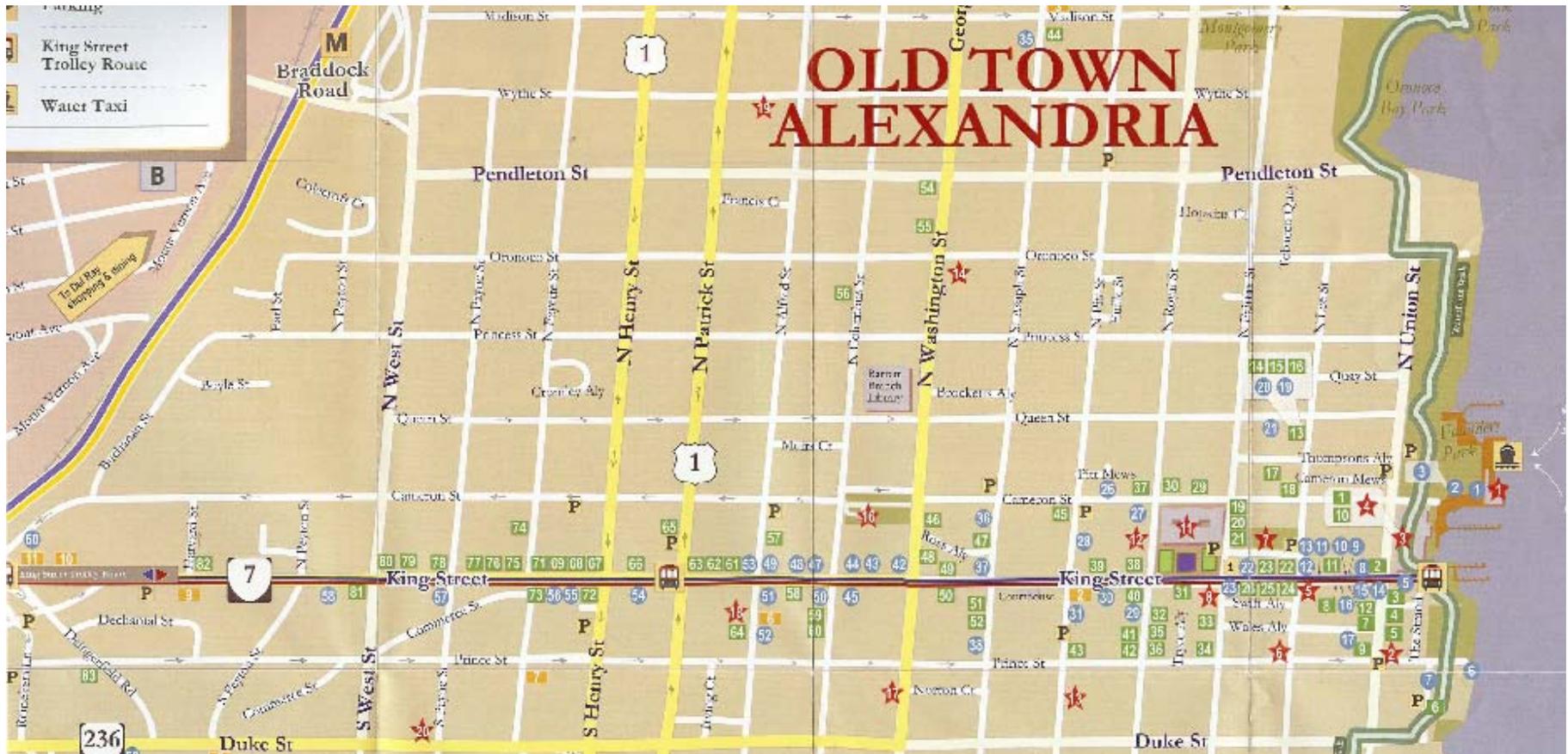
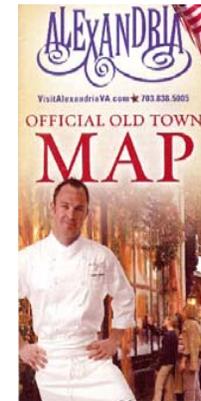
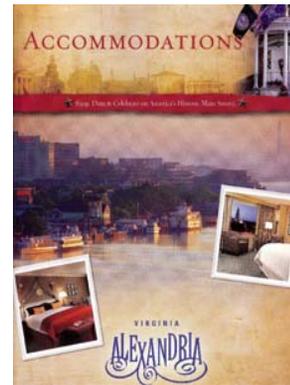


Challenges: Marketing



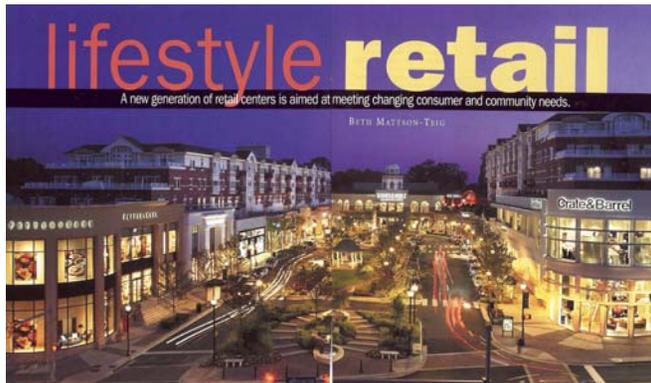
Alexandria Convention and Visitors Association web site provides useful information and links for visitors.

Challenges: Marketing



King Street Retail Study

Challenges: Competition

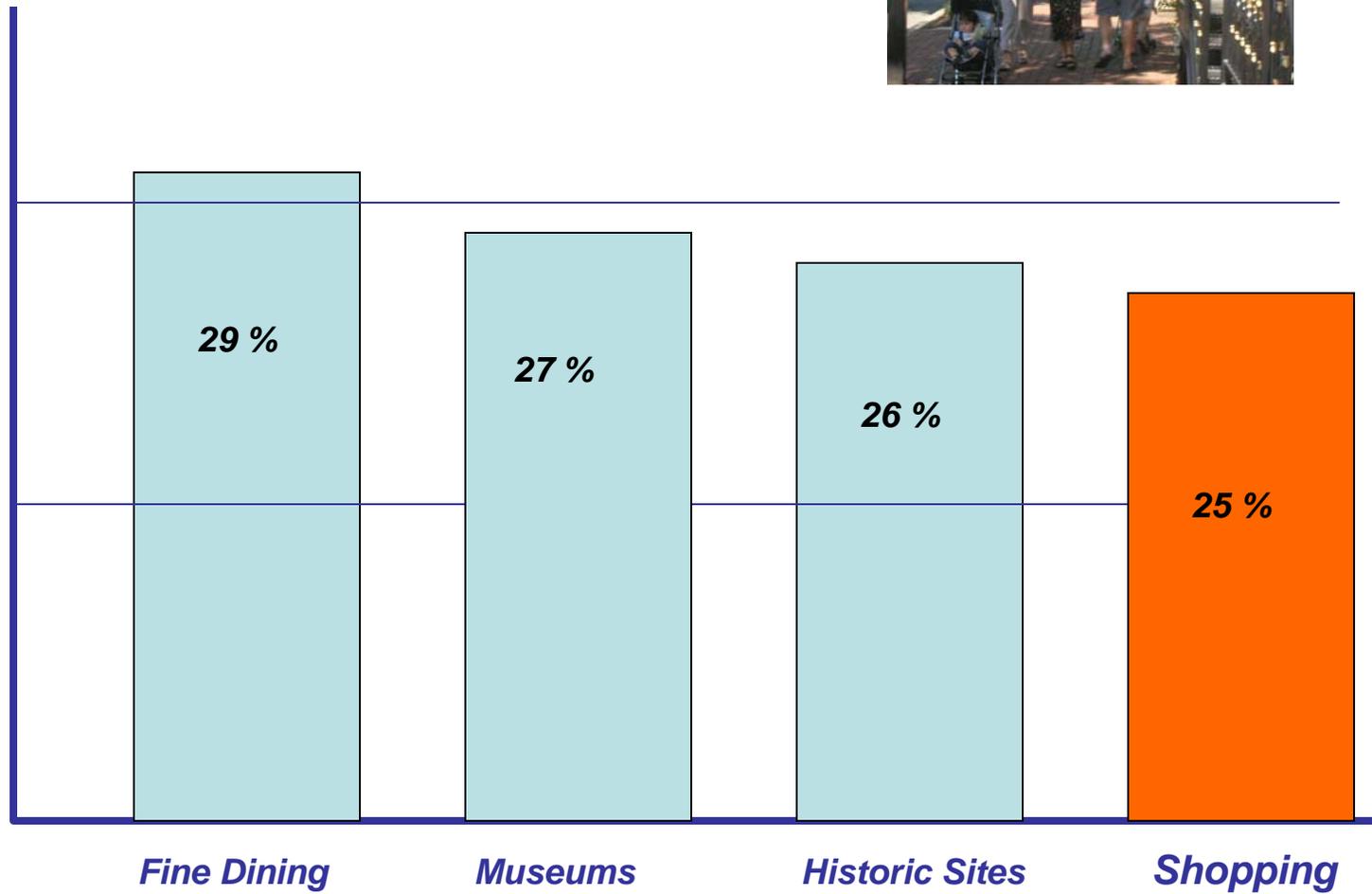



Mon-Sat: 10am-9:30pm
Sun: 11am-7pm
Restaurant & Department Store Hours May Va
Route 7 & I-495
(703) 847-7300

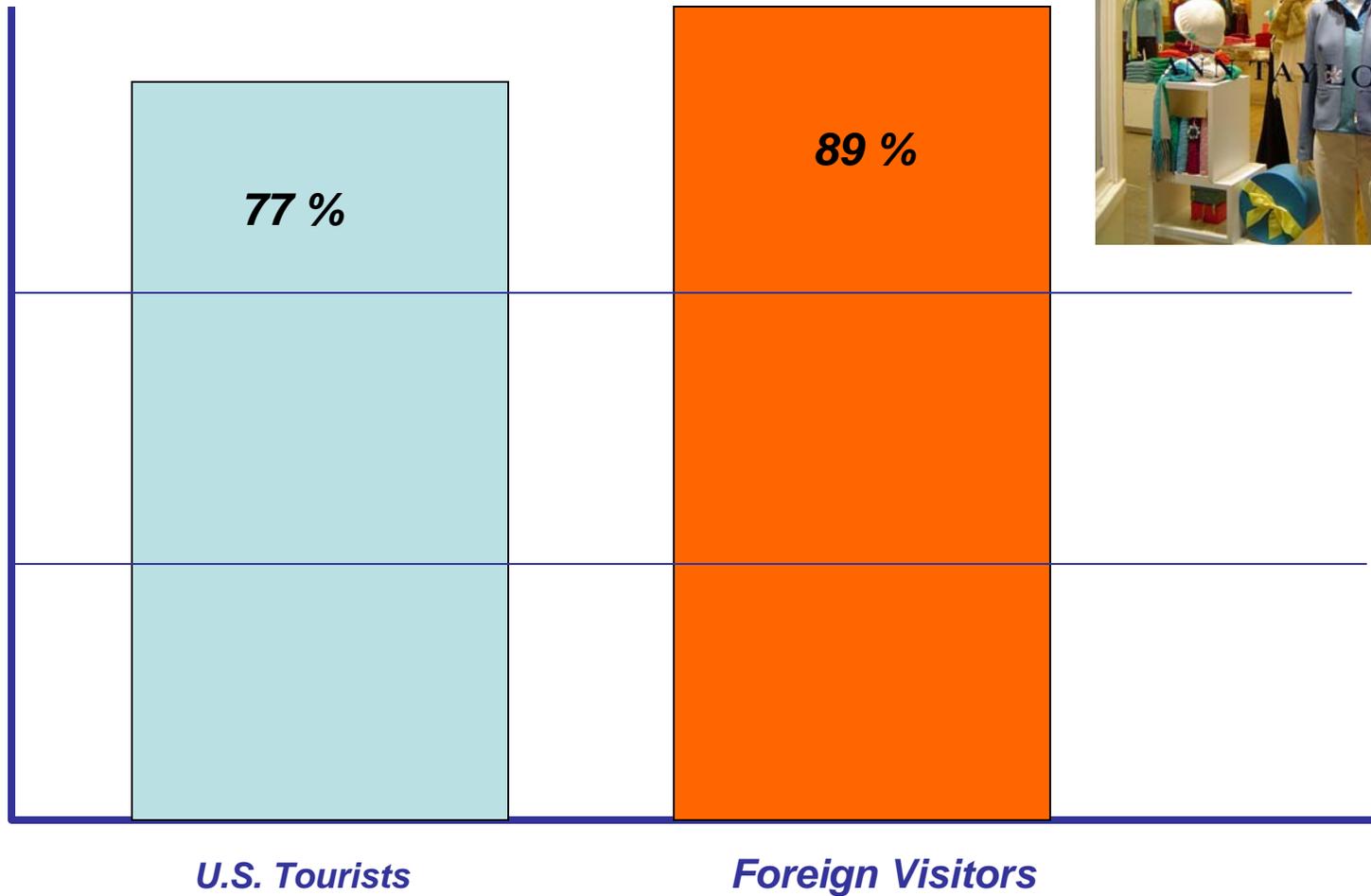
- Home
- Shopping
 - Interactive Map
 - Store Directory
 - New Stores
 - Sales & Coupons
- Dining
- Entertainment



Old Town Visitors: Favorite Activities



Shopping: The Most Favored Holiday Activity in the U.S.



Tourism

Tourist shopping behavior is different than when at home; they tend to spend more money and are seeking the highest quality possible. Both unique items and familiar name brands are preferred by tourists.



Studies indicate that tourists prefer to shop at leading quality national brands.

Tourism

Tourist shopping behavior is different than when at home; they tend to spend more money and are seeking the highest quality possible. Both unique items and familiar name brands are preferred by tourists.

Purchasing name brands also makes gift-buying less risky, as the item can easily be returned at home.



Tourism

- ***City-wide Visitors***
 - ***3.3 million visitors***
 - ***\$584 million visitor spending***
 - ***\$19.5 million generated in taxes***
 - ***5,600 jobs supported by tourism***

- ***Old Town Visitors***
 - ***\$192.8 million spending***
 - ***\$121 million spent on dining***
 - ***\$20 million spent on apparel & shoes***
 - ***76 % stay overnight***
 - ***4 night average stay***



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Recommendations: Lighting



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King Street's lighting (shown on left) is dated and generates a green hue that washes out skin tones. New shopping districts invest in color corrected fixtures that complement pedestrians and the architectural character.

Recommendations: Lighting



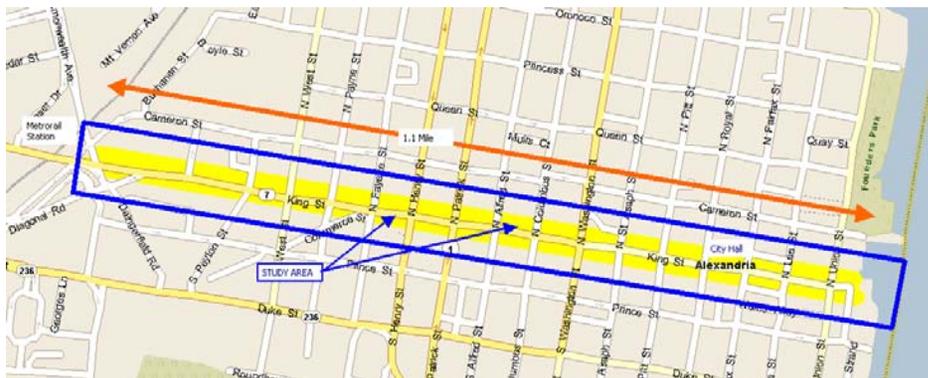
Street lighting can be enhanced with store window lighting.

Recommendations: Lighting



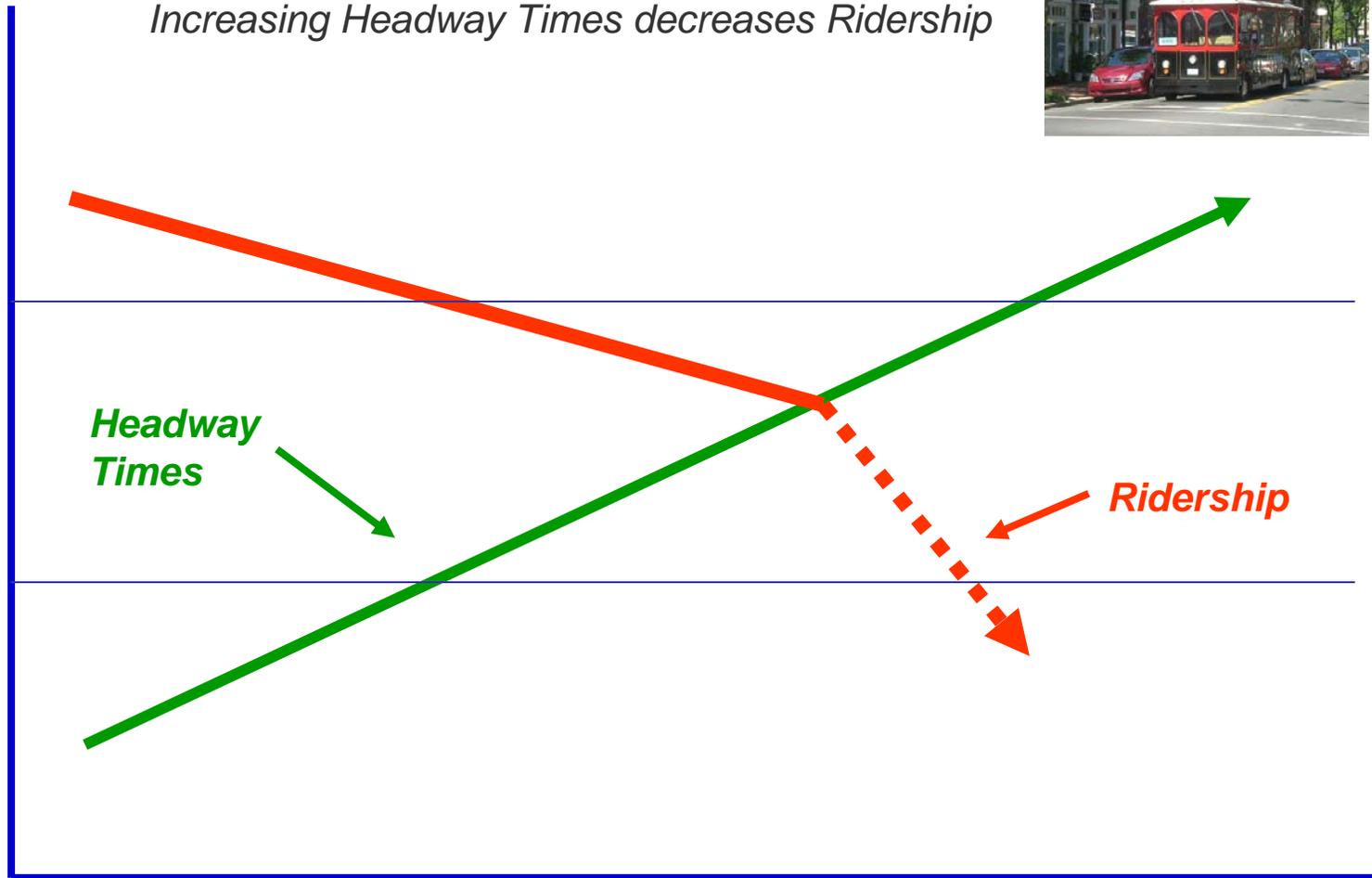
Georgetown has many buildings offering dynamic lighting.

Recommendations: Trolley

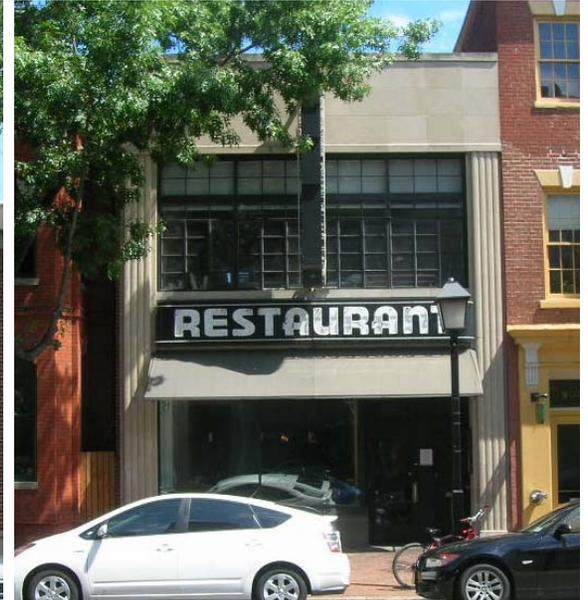
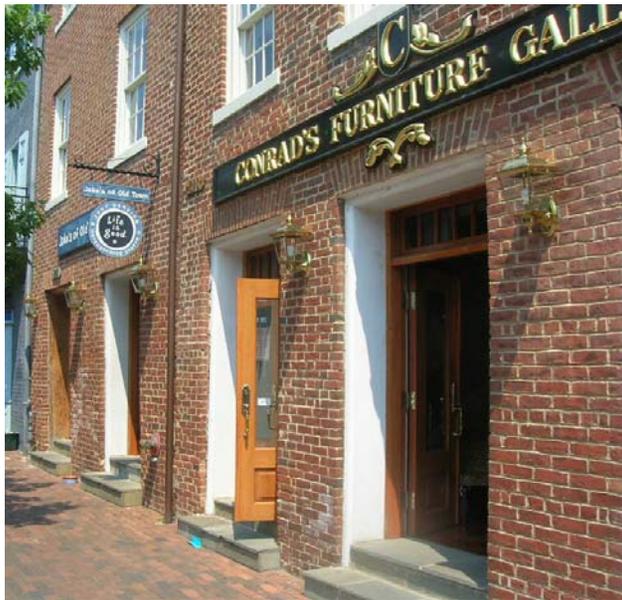
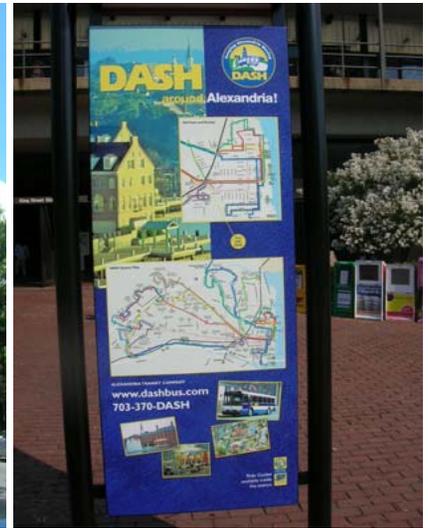
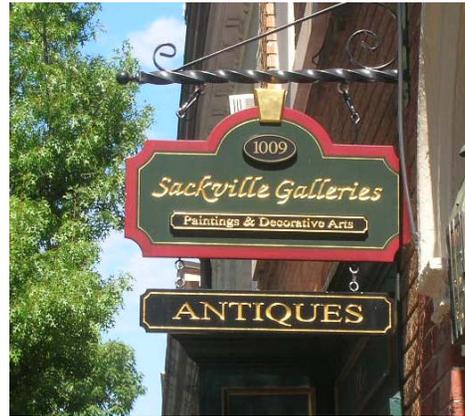


Transit Ridership vs. Headway Times

Increasing Headway Times decreases Ridership



Recommendations: Signage



Recommendations: Signage



Encourage sculptural signage by allowing for art to be a bonus permitted use.



Recommendations: Signage

Retail Visibility | A-frame option

The image shows three design options for an A-frame sign. The first is a simple wooden frame. The second and third are digital sign panels with dimensions and specifications. Below these is a graphic for 'THE SHOPS ON South Washington Street' with arrows pointing left and right. To the right is a photograph of a tall A-frame sign for 'GRAPE + BEAN', 'TREAT', 'WHISTLE STOP HOBBIES', 'Luscious Home Cupcakery', '128 *ANTIQUES*', and 'Scarlet Fox Antiques'.

Options for digital sign panels:

- 24" x 12" panel: Single digital panel applied to substrate. (1) Single message. (2) 20 characters per line. Recommended BLACK background. Panel dimensions: 18" x 14" (18" x 14" overall).
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CITY OF ALEXANDRIA
WAYFINDING DESIGN

SASAKI



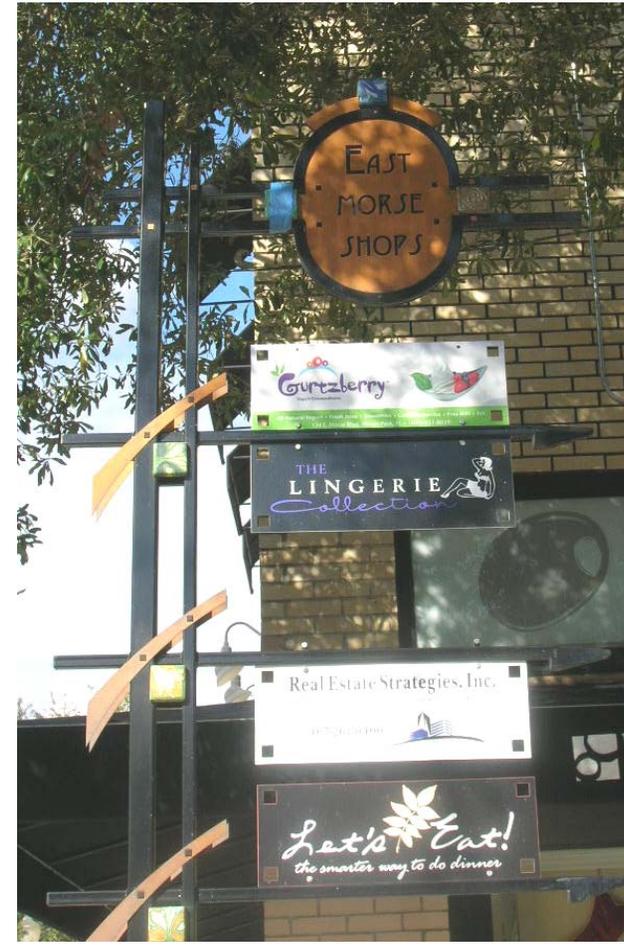
Recommendations: Signage



Charleston, South Carolina



Winter Park, Florida



Winter Park

Recommendations: Streetscape is well maintained



Recommendations: Streetscape



Recommendations: Streetscape



Add benches at Trolley Stops

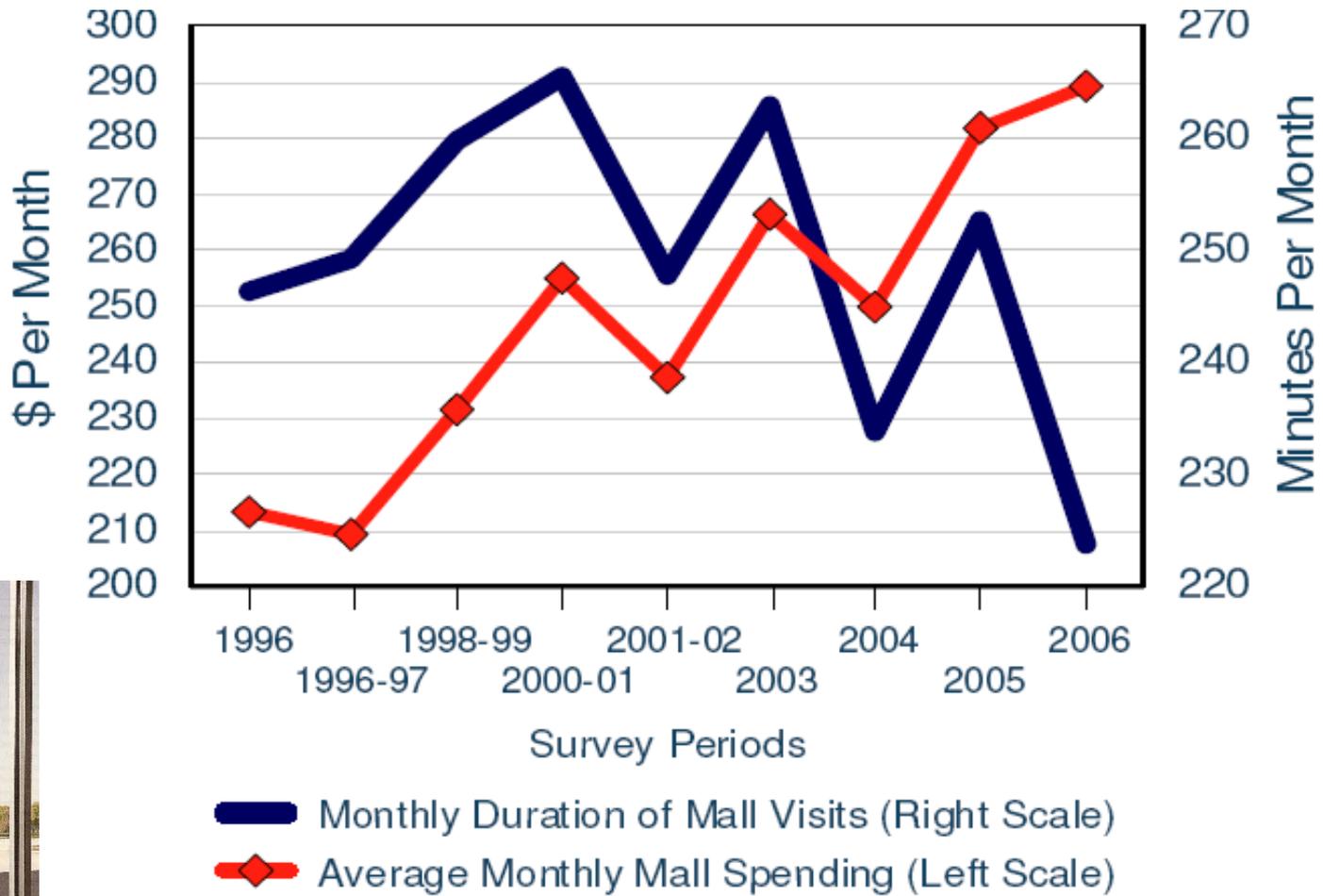


Maintain Quality Streetscape Standards

Recommendations: Parking



Shoppers Spend More Money in Less Time per Visit....



Recommendations: Parking Decks



Recommendations: Parking Decks



Observations:

- *12 Decks with public access*
- *1200 Deck stalls available*
- *Decks are generally under-used*



Recommendations:

- *Improve pedestrian access*
- *Maintain quality lighting levels & graphics*
- *Match private sector standards when possible*
- *Continue manned pay stations*
- *Implement proposed way-finding signage system*
- *Streamline fee structure:*
 - *1st 2 hrs. free*
 - *\$1.00/hr. after*
 - *Free Sundays & Holidays*
 - *Implement centralized valet stations*



Recommendations: Parking Decks



Recommendations: On-Street Parking



On-Street Parking is Not Available to Shoppers

Observations:

- *77 % Employees drive to work alone*
- *50 % Employees park on street for extended time*
- *61 % Employees feed meters daily*

Recommendations:

- *Install meters along all of King Street*
- *Limit time to 2 hrs. max.*
- *15 minute parking for quick service businesses*
- *Charge significantly more for on-street parking than decks*
- *Maintain individual meters, avoid common stations*

Recommendations: Waterfront



PUBLIC MARKET



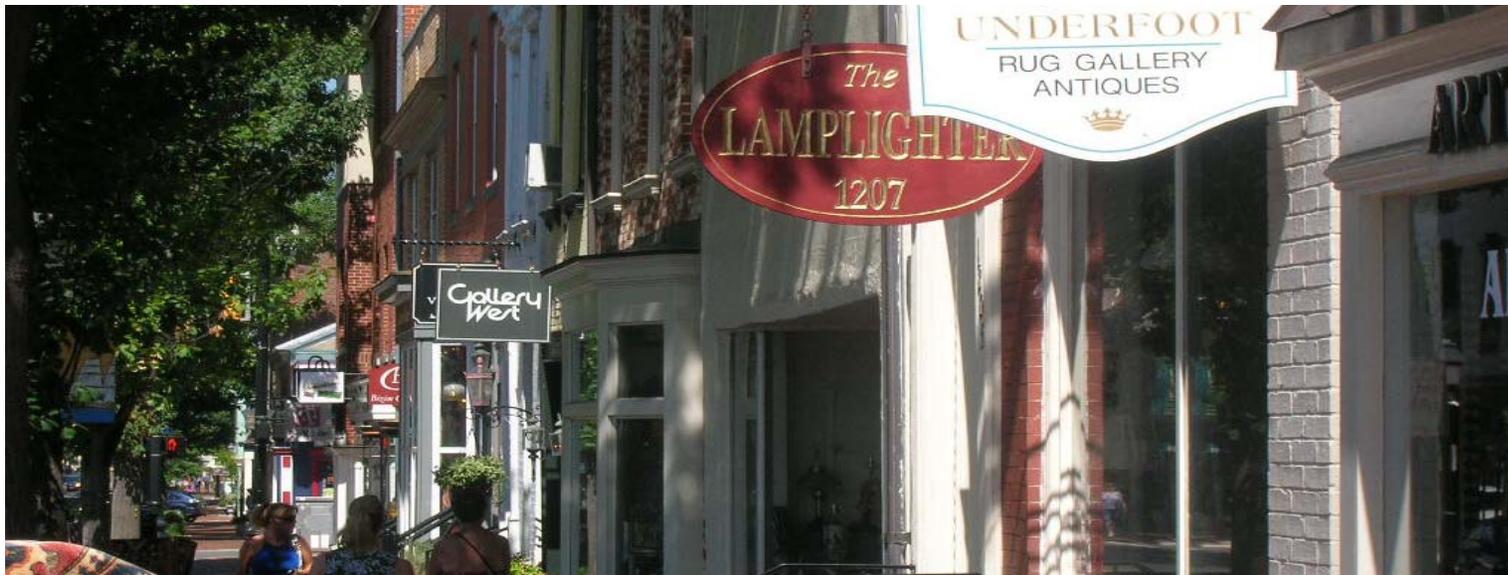
Reading Terminal Market is an enclosed public market found at 12th and Arch Streets in downtown Philadelphia, Pennsylvania. Over 80 merchants offer fresh produce, meats, fish, groceries, flowers, baked goods, crafts, books, clothing, and specialty and ethnic foods.

Pike Place Market, open since 1907, is a public market overlooking the Elliott Bay waterfront in Seattle. It is a place of business for many small farmers, craftspeople and merchants and a popular tourist destination.



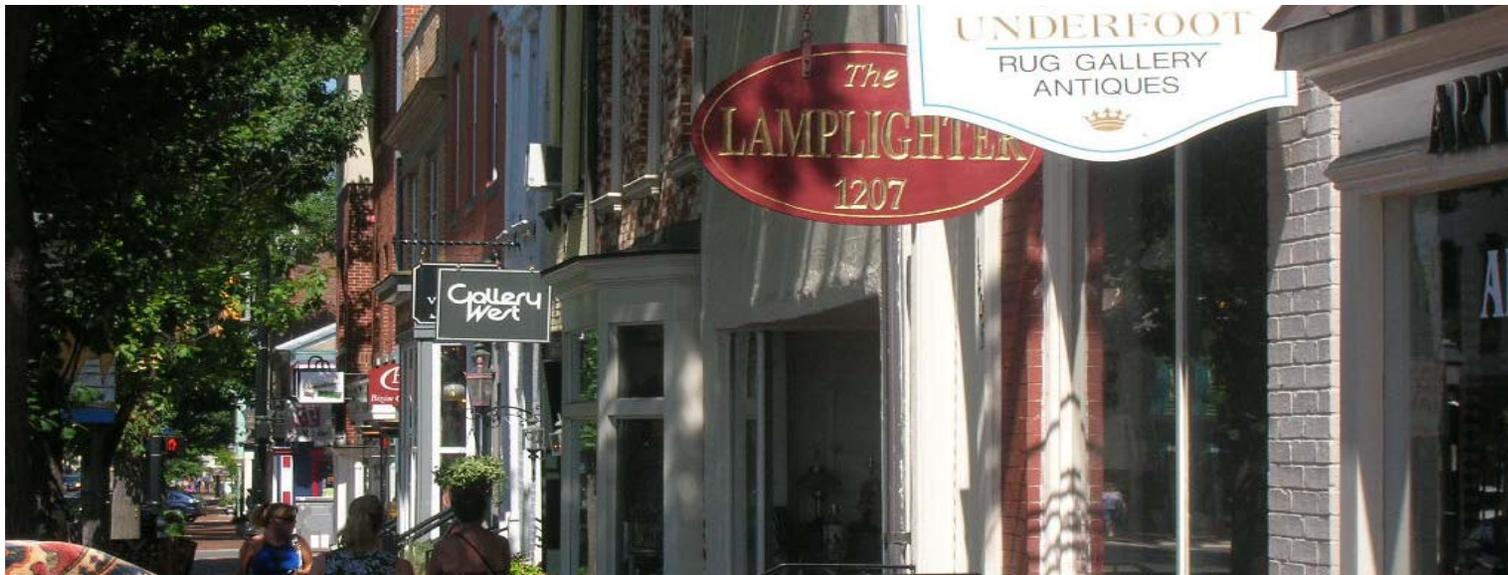
Business Improvement District

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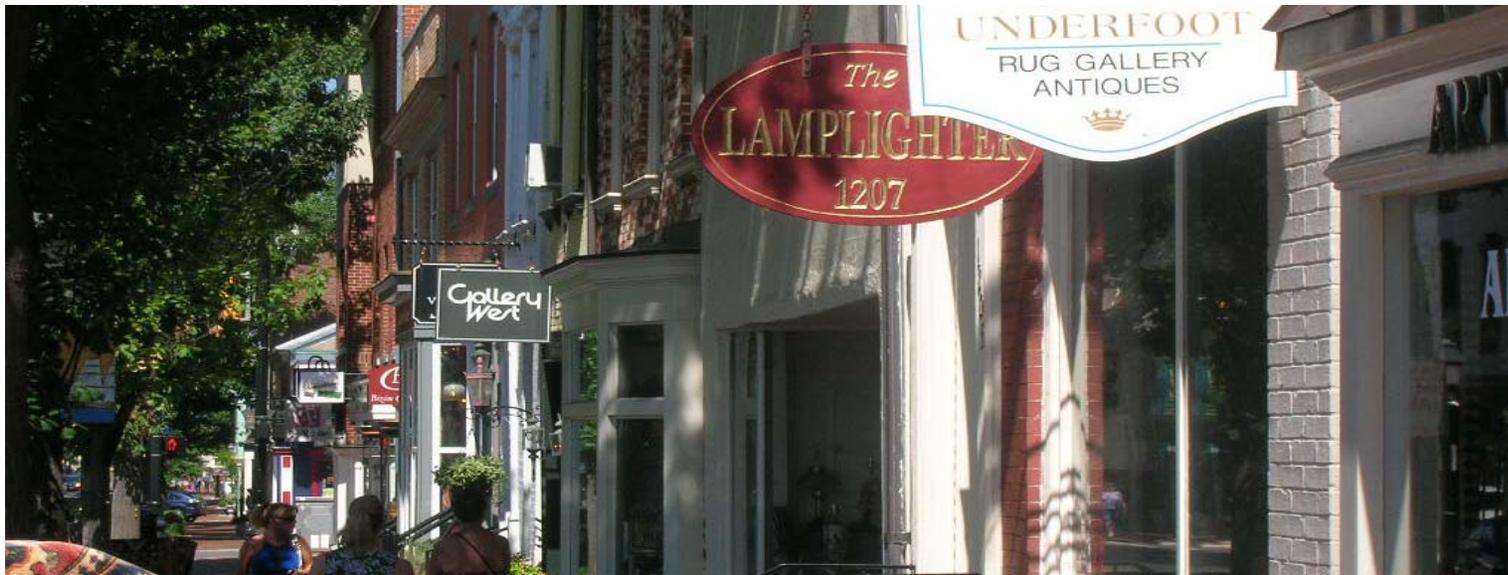
Business Improvement District

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Business Improvement District

Just having a unique store selling desired goods and services is not enough for the business owner to earn a reasonable living.



Business Improvement District

Purpose:

- ***Independent business advocate***
 - ***City policy***
 - ***Parking***
 - ***Codes***



Business Improvement District

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- ***Independent business advocate***
 - ***City policy***
 - ***Parking***
 - ***Codes***
 - ***Community organizations***
- ***Marketing***
- ***Security***
- ***Business retainment***
- ***Business recruitment***
- ***Merchandising assistance***



Apple Store



Business Improvement District

As a whole, most property owners were also opposed to a Business Improvement District (BID) type of management system because of its perceived high cost to the tenants.



Business Improvement District

As a whole, most property owners were also opposed to a Business Improvement District (BID) type of management system because of its perceived high cost to the tenants.

On the other hand, many of the property owners expressed the need for an effective organization that promotes the Old Town commercial district, and that helps to focus on the special needs of its businesses.



Business Improvement District

The screenshot shows the website for the Alexandria Economic Development Partnership, Inc. At the top, there is a navigation menu with links: AEDP Overview, About Alexandria, Available Space & Development Sites, Business Assistance, Financial & Tax Information, and Advantage Alexandria. The main content area is titled "Retail Space Available for Lease" and features two listings:

Address	Description	SF Available	\$/SF	Zoning
116-126 King Street	Former major retail location on lower King Street. KLN Retail Steve Combs 202-420-7776	3,653	\$53	CD
210 King Street	Perfect for many uses, including a restaurant. Vaaler Real Estate Tom Hunt 703-450-9394	5,212	\$23	CD

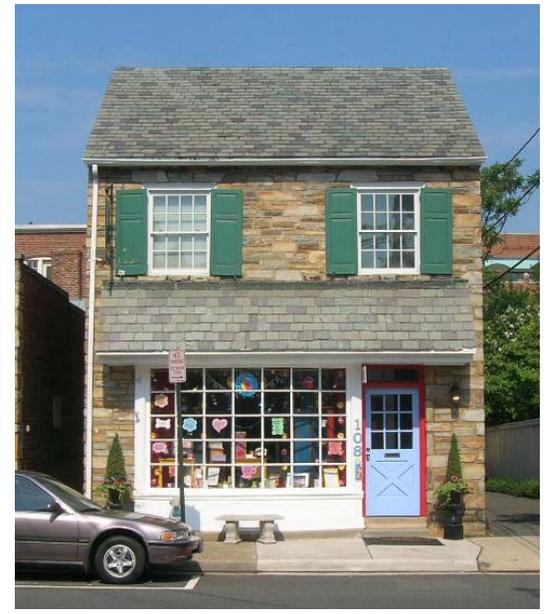
Commercial property listings are easy to locate on the Alexandria Economic Development Partnership's web site.

Merchandising & Store Planning

King Street has numerous well designed historic buildings and store fronts



Merchandising & Store Planning



King Street Retail Study

Recommendations: Merchandising & Store Planning



Second level retailers are difficult to merchandise and can be helped with additional signage rights.

Recommendations: Merchandising & Store Planning



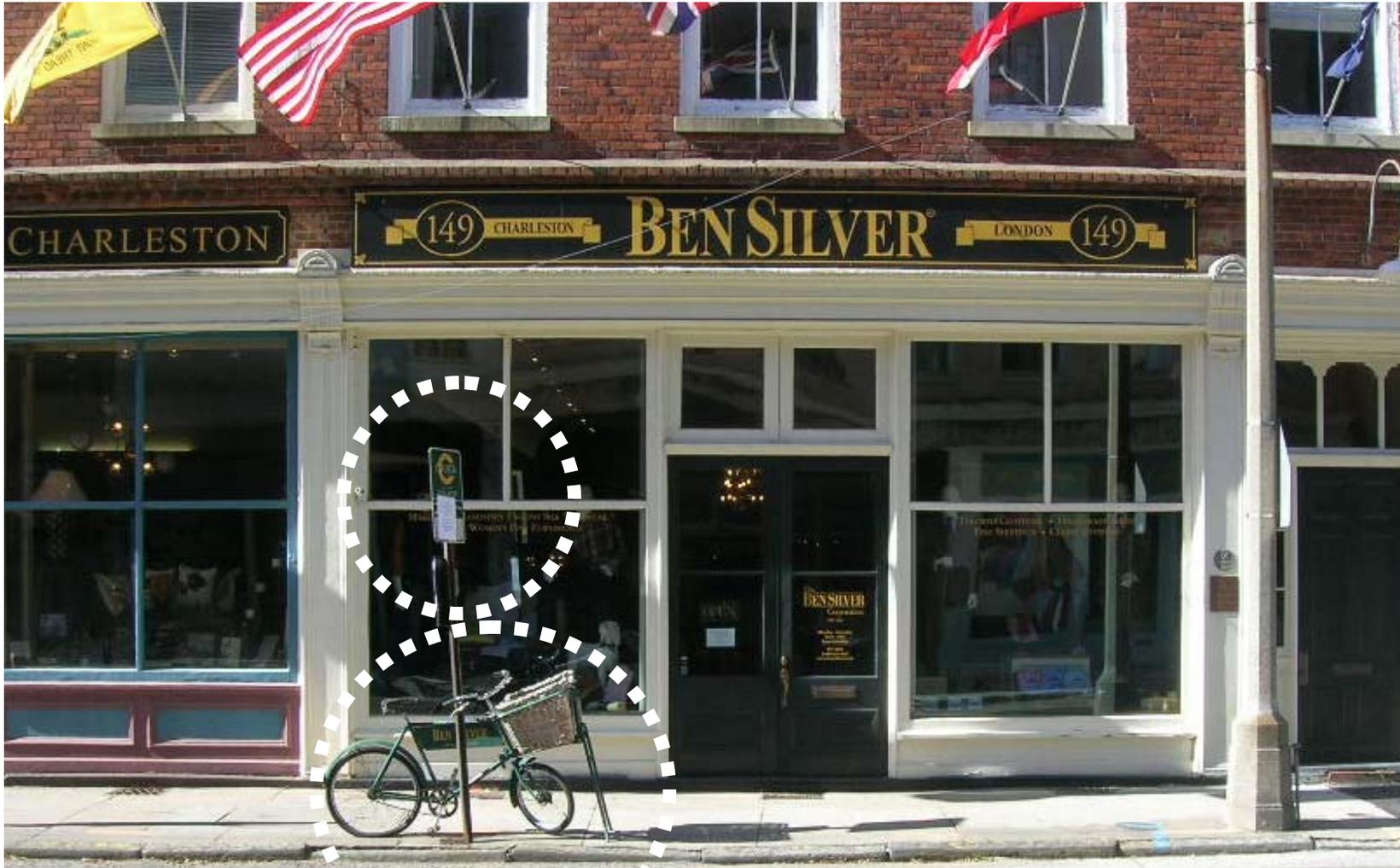
Bright colors and outside displays are common in European cities and could be effective in attracting Old Town's trolley rides to stop and shop along King Street.

Merchandising & Store Planning



Dynamic store lighting can offer effective visual merchandising displays and contribute towards an active streetscape.

Merchandising & Store Planning



Street signage and movable displays can significantly improve retail sales (show Ben Silver in Charleston).



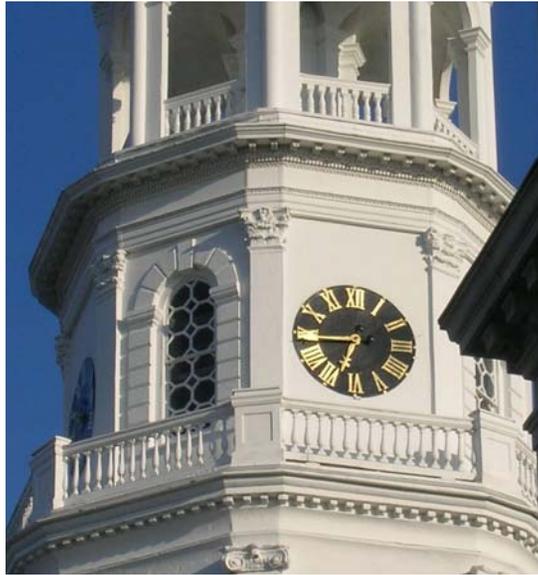
Halogen Lighting

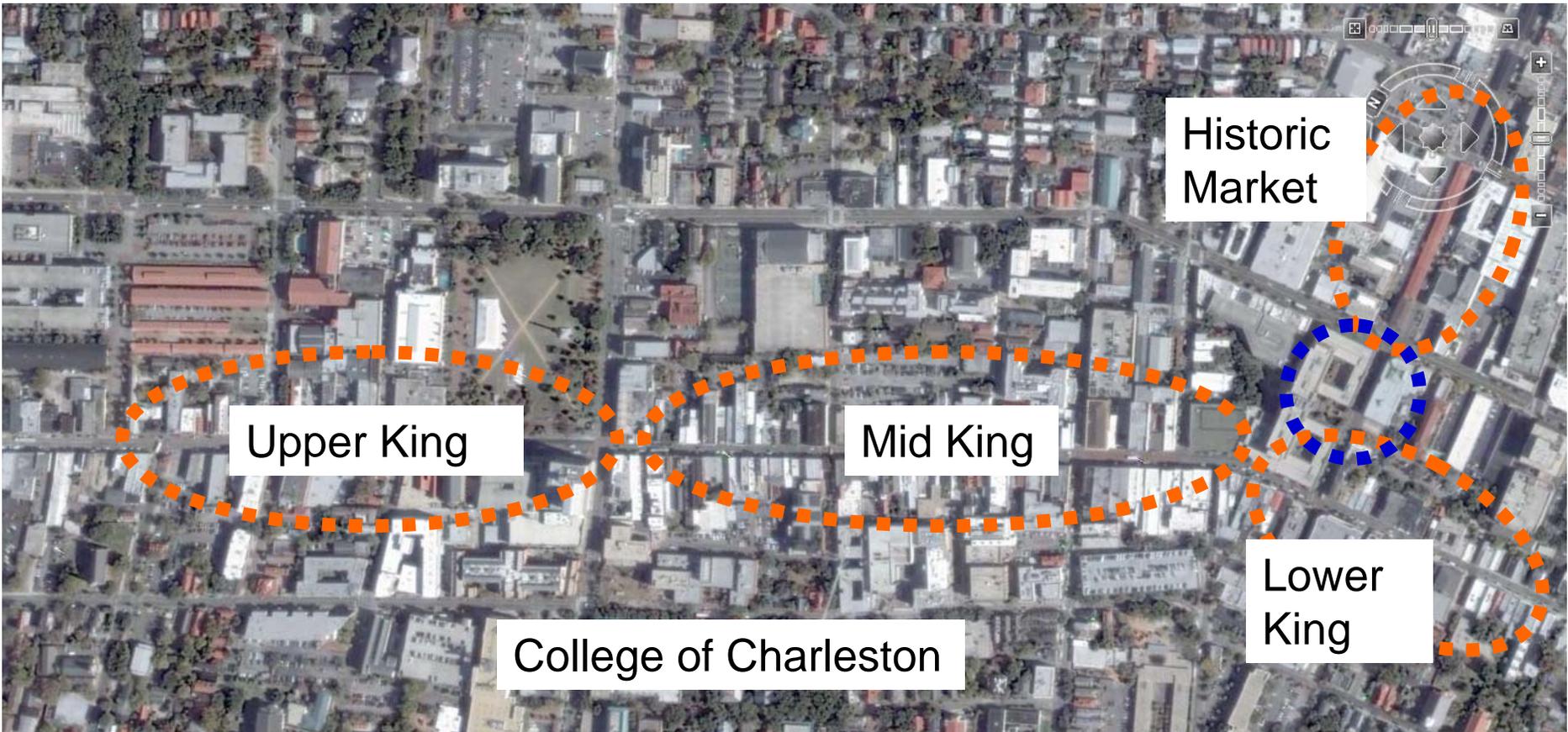
Sell What Your Shoppers Want

Lots of Red

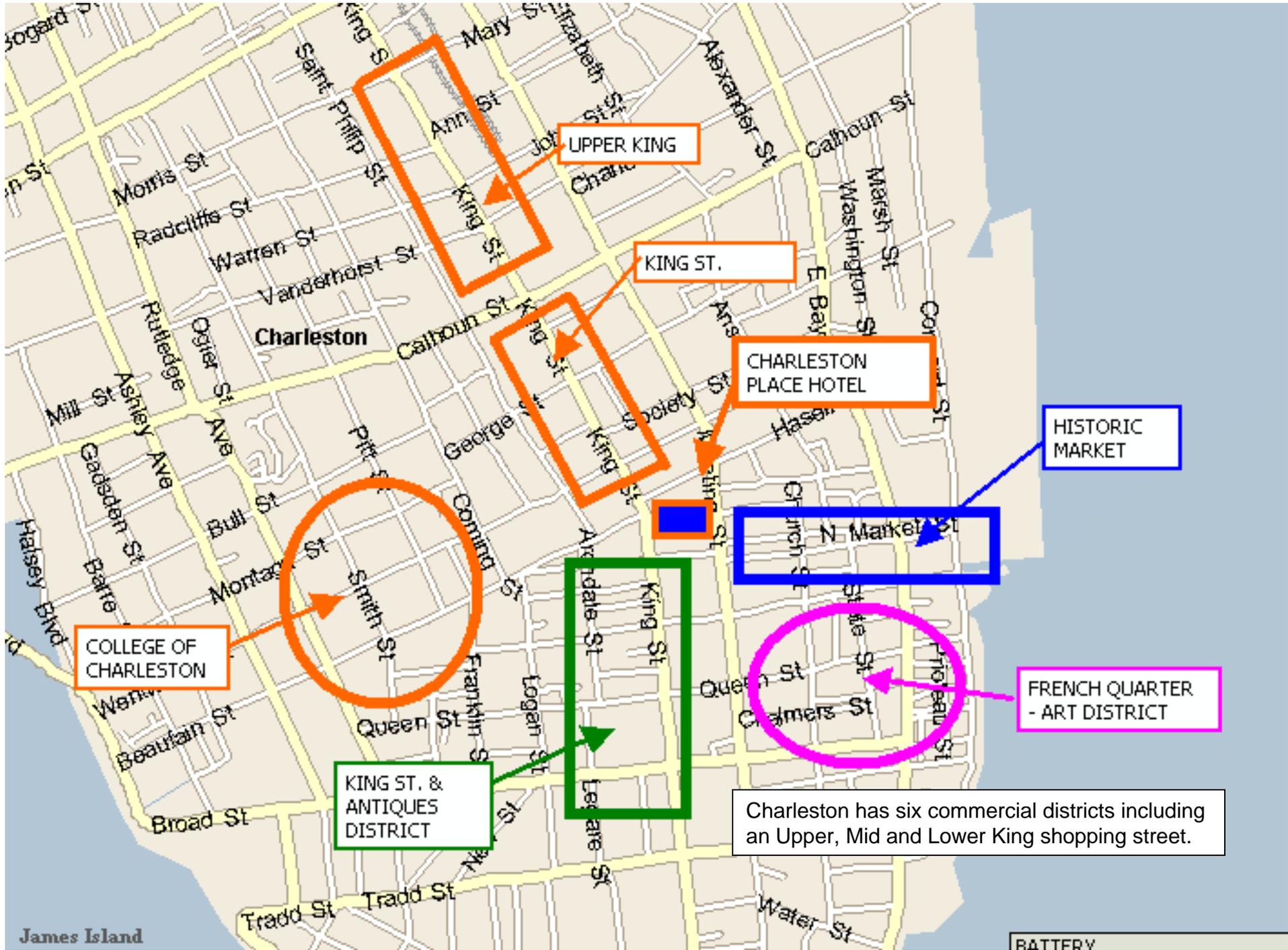
*Front & Center Table
(20% Sales – Change Weekly)*

Open Floor Plan





King Street Charleston



UPPER KING

KING ST.

CHARLESTON PLACE HOTEL

HISTORIC MARKET

COLLEGE OF CHARLESTON

KING ST. & ANTIQUES DISTRICT

FRENCH QUARTER - ART DISTRICT

Charleston has six commercial districts including an Upper, Mid and Lower King shopping street.

James Island

BATTERY



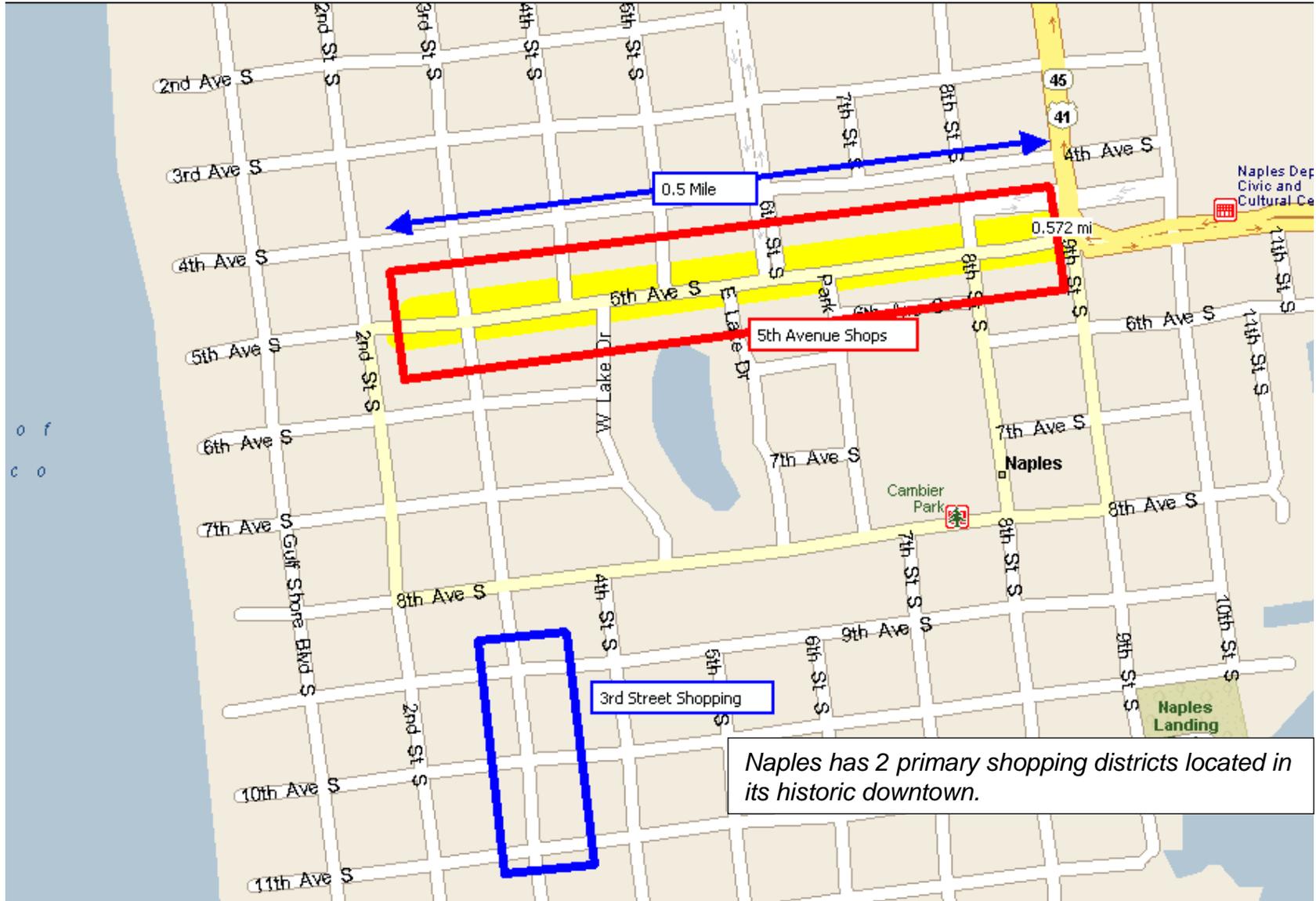
Charleston allows for generous commercial signage if it has an historical basis.

Naples, Florida: 5th Avenue



Naples 5th Avenue offers an exciting group of local retailers and restaurants.

Naples, Florida: 5th Avenue



Naples, Florida: 5th Avenue



The construction of new parking decks and surface lots released a wave of new commercial development along Naples's 5th Avenue.

Key Recommendations

- *Implement a Business Improvement District or equal*
- *Improve signage for retailers, visitors and parking*
- *Expand Trolley levels of service*
- *Improve streetscape lighting*
- *Expand marketing to include all local and national businesses*



Key Findings

The Special Use Permit Process causes hardships for small businesses and should be modified:

To encourage:

Micro businesses

Special zones:

Waterfront

Upper King



Key Findings

This growth also requires effective marketing, a Business Improvement District (BID) and more cooperation between the public and private sectors. Improvements in parking, lighting, management and signage will also enhance King Street's commercial sustainability.



Key Findings

King Street's business potential is being artificially suppressed by a confluence of correctable non-market factors. Old Town businesses could capture this additional spending by implementing modern merchandising and business practices.



Key Recommendations

- *Implement a Business Improvement District or equal*
- *Improve signage for retailers, visitors and parking*
- *Expand Trolley levels of service*
- *Improve streetscape lighting*
- *Expand marketing to include all local and national businesses*

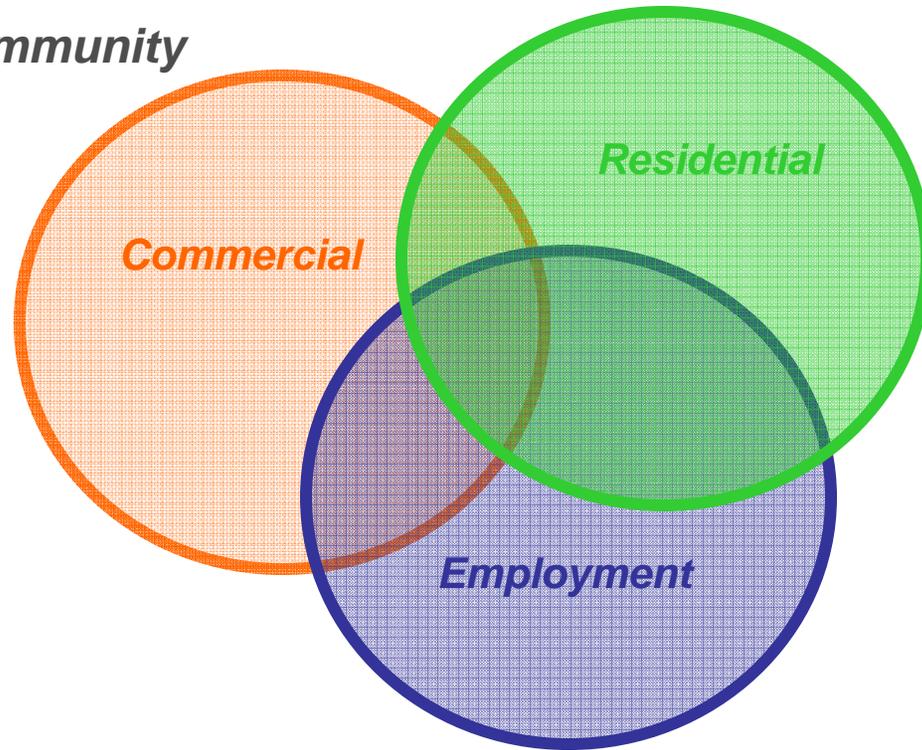


Key Recommendations

- *Implement a Business Improvement District or equal*
- *Improve signage for retailers, visitors and parking*
- *Expand Trolley levels of service*
- *Improve streetscape lighting*
- *Expand marketing to include all local and national businesses*
- ***Resolve private vs. public sector issues***
- ***Modify Special Use Permit process***
- ***Install parking meters along all of King and most side streets***
- ***Improve parking deck access, lighting, and signage; simplify rate schedule***
- ***Expand Waterfront Commercial***
- ***Increase Restaurant & National Retailers***



Sustainable Community



Sustainable Community

Many property owners have found that the types of retailers desired by the community do not generate enough sales to be able to afford market rate rents.



Sustainable Community

King Street's ideal retail mix is one that meets the primary needs and desires of its residents, workers and visitors.

Old Town historically serviced these commercial needs.





King Street Retail Study