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Sarah Crawford – Department of Environmental Services

Cover photo from Arlington Economic Development
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HR&A undertook a commercial market study as part of broader ongoing efforts to enhance the Columbia Pike Corridor.

Arlington Economic Development (AED) engaged HR&A to assess conditions of the Columbia Pike retail market and identify market opportunities for enhancing retail. The following report summarizes HR&A’s analysis, key findings, and recommendations. Recommendations are structured as a toolkit of potential initiatives, policies, or programs for further exploration by AED and Arlington County.

**ONGOING INITIATIVES**

- Promote walkable, pedestrian-scale development
- Improve connectivity for various nodes
- Reinforce identity and sense of place
- Strengthen commercial activity and vibrancy

**KEY QUESTIONS INFORMING RETAIL MARKET OPPORTUNITIES**

1. What is the character and competitive positioning of Columbia Pike relative to neighboring commercial areas?
2. What retail opportunities exist for Columbia Pike and how do these opportunities vary across identified subareas of the Corridor?
3. Based on supportable retail and locational considerations, how can retail be positioned for success?
**Market Transition** | Columbia Pike is transitioning from an auto-oriented suburban corridor to a walkable urban corridor.

**FINDINGS**
Following the implementation of a form-based code in 2003 that fosters higher-density development, the Columbia Pike Corridor has begun an evolution from a primarily auto-oriented retail corridor to an urban corridor comprised of mixed-used development with ground floor retail. Since 2003, 270,000 square feet of new retail space has been built.

The Corridor is continuing its transition, and currently **38% of retail square footage is in new development** built in an urban, walkable format. The remaining 62% of retail is in legacy storefronts constructed prior to implementation of the form based code.

**IMPLICATIONS FOR COLUMBIA PIKE**
Columbia Pike is still in an early phase of evolving into a more urban place and its **trajectory is similar to other corridors that have densified over time**. Although there has been some retailer turnover in new spaces in recent years, this is fairly typical in locations undergoing a transition. As more mixed use buildings are constructed, new development will establish a stronger concentration of retail, enhance walkability, and increase the local consumer base, all of which will continue to support the transition.

*Source: Arlington Economic Development, HR&A Advisors*
Retail Character | Retail tenants are primarily neighborhood-serving uses catering to local residents, workers, and through-traffic.

FINDINGS
The majority of Columbia Pike retail is neighborhood-serving uses such as grocery stores, hair salons, dry cleaners, and gyms, as well as quick service and casual restaurants. These stores cater to the local population who live and work in the neighborhoods surrounding the Pike.

Destination retail tenants, which include retailers such as clothing or furniture stores that attract customers from a wider area for a specific good, are concentrated in nearby regional shopping destinations such as Fashion Centre at Pentagon City, Market Common Clarendon, Ballston Quarter, and Bailey’s Crossroads. Because Columbia Pike is in such close proximity to these locations, retailers there generally consider Columbia Pike residents and workers to be part of their existing consumer base.

IMPLICATIONS FOR COLUMBIA PIKE
Based on existing retail character and the competitive landscape of nearby centers of retail, Columbia Pike is best positioned to support and attract neighborhood-serving retail. New retail located on Columbia Pike, whether in legacy or new storefront spaces, is likely to continue being neighborhood focused.

Note: Share of retail by type is based on space occupied by each retail type.
Source: Arlington Economic Development, HR&A Advisors
Legacy Storefronts | Market conditions for legacy storefronts are healthy and vacancy there is lower than in new development.

**FINDINGS**
Vacancy in legacy storefronts is very low, with just three percent of legacy space currently unoccupied, indicative of a well functioning retail market. In comparison, vacancy in new development retail spaces is a still healthy seven percent. The success of legacy storefronts is a product of established tenants that cater to both the immediately proximate population as well as passing auto traffic with access to highly visible parking.

**IMPLICATIONS FOR COLUMBIA PIKE**
Though currently performing well, legacy tenants risk being displaced as new development occurs on their properties. While some tenants of redeveloping properties will seek opportunities to reopen in the new building on site, others will look to relocate in auto-oriented locations similar to their existing storefronts, either on Columbia Pike or elsewhere. As a result, legacy retailers located on properties planned for redevelopment may require relocation support.

Source: Arlington Economic Development, HR&A Advisors
Supportable Retail | There is additional, though limited, supportable retail potential for Columbia Pike.

**FINDINGS**
Total supportable retail space exceeds existing supply. After accounting for the 716,000 square feet of existing retail space along Columbia Pike, inclusive of 94,000 square feet currently under construction, there is demand to support an additional 45,000 square feet. Based on projected population and employment growth through 2030, supportable retail space will increase by an additional 51,000 square feet, for a total increase of 96,000 square feet of additional supportable retail through 2030.

**IMPLICATIONS FOR COLUMBIA PIKE**
The Columbia Pike Corridor can absorb additional retail inventory in addition to space currently under construction. However, the additional supportable retail space can be met fairly easily through new development, and there is potential for a future oversupply of space based on current ground floor retail requirements.

Capturing the full potential of supportable retail will require strategic positioning of new retail to be well located and in well designed spaces, with tenants that meet identified needs of the consumer base or fill existing gaps in the market.

### EXISTING AND FUTURE SUPPORTABLE RETAIL (SQUARE FEET)
Columbia Pike Trade Area, 2019

- **Existing**
  - 716,000
- **Under Construction**
  - 94,000
- **Supportable Today**
  - 45,000
- **Supportable by 2030**
  - 51,000

Source: Arlington Economic Development, HR&A Advisors
Evolving Demographics | Ongoing demographic changes of local residents will impact tenanting as retail spaces become available.

**FINDINGS**
Residential demographics in the Columbia Pike Study Area are evolving, a product of both new multifamily development along the Pike and changing dynamics in surrounding single family neighborhoods.

Incomes are increasing at a more rapid pace than the Washington region. From 2010 to 2017, median household income in the Study Area grew by over $6,000, or 8.2%. In comparison, income rose by just 1.1% across the region.

Additionally, new residents moving to the Study Area are younger, more likely to have a college degree, and less likely to be of Hispanic or Latino origin than existing residents.

**IMPLICATIONS FOR COLUMBIA PIKE**
As demographics continue to change along the Corridor, retail will adapt to reflect consumer preferences and spending patterns that serve the needs of households in the trade area. Changes in retail tenant types will be a gradual process, as retail changes tend to lag demographic changes due to retail lease structures.

Note: All dollar figures shown are in 2017 dollars. Change represents real change in income. Source: ACS 5-year 2013-2017, HR&A Advisors
Office Workers | A small office worker population limits daytime activity, and there is limited potential for office growth in the near-term.

FINDINGS
Retail is supported by a variety of consumer groups – residents, workers, and visitors. Although the mix of consumers vary in different locations, retailers typically rely on each of these groups to provide steady foot traffic at different times of day.

Compared with other Arlington retail corridors, Columbia Pike has far fewer employees and, therefore, a significantly lower daytime population. Workers account for just 5% of total retail spending potential on Columbia Pike.

There is limited potential to grow the office base in the near term due to weak regional office market conditions. Additionally, Columbia Pike is not a natural draw for office tenants given its lack of Metrorail access. However, growth of Amazon’s HQ2 in nearby Pentagon City may encourage some overflow growth of related businesses on Columbia Pike in the longer term.

IMPLICATIONS FOR COLUMBIA PIKE
The limited daytime population along Columbia Pike poses challenges to operating some businesses, such as restaurants, which rely on steady business for both lunch and dinner in order to be profitable. Columbia Pike tenants are more reliant on a strong residential consumer base to support businesses.

Source: BLS, LEHD On the Map, HR&A Advisors
E-Commerce Impact | E-commerce continues to impact retail nationally, but Columbia Pike tenants are generally well positioned.

FINDINGS
The majority of retail along Columbia Pike is neighborhood serving, which is less impacted by e-commerce than other retail.

Ten percent of all retail sales nationally now occur online, though the share of e-commerce activity varies widely by retail type. **Online sales make up a very small share of sales for neighborhood-serving retail** such as grocery stores or food and beverage establishments, while destination goods such as electronics, sporting goods, and clothing are much more likely to be purchased online. Although online delivery has made some inroads in the grocery and prepared foods markets, sales of neighborhood-focused retailers still occur almost entirely through brick-and-mortar locations.

IMPLICATIONS FOR COLUMBIA PIKE
Columbia Pike is relatively insulated from the impacts of e-commerce due to its retail mix. However, retail there will continue to adapt to an evolving retail market in coming years, reflecting the impact of e-commerce through a continued emphasis on neighborhood-serving goods and services, and entertainment uses that cannot be purchased or replicated online.

**ONLINE SALES BY RETAIL TYPE, U.S., 2018**

<table>
<thead>
<tr>
<th>Retail Type</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronics</td>
<td>55%</td>
</tr>
<tr>
<td>Sporting goods and hobby</td>
<td>45%</td>
</tr>
<tr>
<td>Office Products</td>
<td>35%</td>
</tr>
<tr>
<td>Furniture and Housewares</td>
<td>23%</td>
</tr>
<tr>
<td>Clothing</td>
<td>22%</td>
</tr>
<tr>
<td>Beauty and Cosmetics</td>
<td>9%</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>3%</td>
</tr>
<tr>
<td>Home Improvement</td>
<td>3%</td>
</tr>
<tr>
<td>Grocery</td>
<td>1%</td>
</tr>
<tr>
<td>All Retail</td>
<td>10%</td>
</tr>
</tbody>
</table>

**ONLINE SALES SHARE OF TOTAL RETAIL SALES U.S., 2010-2022**

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail Sales (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>4%</td>
</tr>
<tr>
<td>2018</td>
<td>10%</td>
</tr>
<tr>
<td>2022</td>
<td>17%</td>
</tr>
</tbody>
</table>

Projected growth

Source: US Census, Virginia Department of Taxation, CBRE, HR&A Advisors
Retail Nodes | Retail character evolves along the Corridor and there are defined nodes of activity.

FINDINGS
Stretching for three miles from Arlington National Cemetery to Bailey’s Crossroads, Columbia Pike serves as central Arlington’s retail corridor. However, commercial activity is not continuous for the full duration of the Pike and retail actually functions as a series of nodes, with activity centered around the Pike’s intersection with Walter Reed Drive, Glebe Road, George Mason Drive, and Four Mile Run. Each of these retail nodes, though drawing from the same trade area, has a different mix of retail tenants and unique character.

IMPLICATIONS FOR COLUMBIA PIKE
Because of their differences, the retail strategies or tools employed at one node may not be applicable or useful for another node. Recognizing these differences and reinforcing the unique identity of each node is critical in the overall success of Columbia Pike as a commercial corridor.

Additionally, focusing new retail space in existing nodes will reinforce these locations as centers of retail activity and enhance their identity.

Source: HR&A Advisors
Retailer Considerations | Retailer’s decision-making criteria for new locations impacts tenanting along Columbia Pike.

FINDINGS
Retailers employ a variety of demographic criteria thresholds when considering new locations — including residential population, daytime population, traffic count, household income, and educational attainment — in order to determine the likely success of new stores. Each retailer’s requirements are slightly different, as they are shaped by their target customer base.

Retailers also consider proximity to their existing stores. Because Columbia Pike is in such close proximity to retail in the Rosslyn-Ballston and Route 1 Corridors, destination retailers there generally consider Columbia Pike residents and workers to be part of their existing consumer base.

For retailers who do decide to locate on Columbia Pike, they must then identify a retail space that meets their needs, taking into account considerations such as visibility, accessibility, space quality, co-tenants, and nearby competition.

IMPLICATIONS FOR COLUMBIA PIKE
Local demographics, available retail spaces, and competitive positioning relative nearby areas all impact Columbia Pike’s ability to attract new businesses.

Source: Retail Lease Trac, HR&A Advisors
Strategy Toolkit | HR&A identified five strategic themes that frame a toolkit of recommendations.

- **FOCUS ON NODES**
  Concentrate retail at key main street, intersection, and neighborhood nodes to draw customers and establish centers of activity along Columbia Pike. Each node should be defined as a distinct place with unique character relative to other locations on the Pike.

- **RIGHT-SIZE RETAIL**
  Ensure that future development provides an appropriate amount of retail space aligned with what can be supported by the consumer base. This may involve concentrating ground floor retail in identified areas or allowing alternative uses to fill retail space in some locations.

- **ENCOURAGE ALTERNATIVE USES**
  Promote the development of uses such as public facilities or office space to bring more people to the Corridor and increase the daytime population. Based on market conditions, attracting private uses may require incentives such as a density bonus.

- **CREATE AN ENVIRONMENT CONDUCIVE FOR RETAIL**
  Build on ongoing transportation, infrastructure, placemaking, and ground floor activation efforts to create an environment supportive of walkable retail, including enhancement of programming, wayfinding, and alternative transportation options.

- **DEVELOP COORDINATED TENANTING AND ATTRACTION**
  Build connections to the retail community of brokers and tenants and develop strategic initiatives for attracting desired uses. Strategies to achieve tenanting and attraction include holding retailer roundtables and targeting specific uses through outreach or incentives.
Introduction and Executive Summary

**Existing Conditions and Analysis Findings**

Strategy Toolkit Recommendations

Appendix

- Demographic Analysis
- Retail Analysis
- Subarea Analysis
- SWOT Analysis
- Strategy Toolkit
Retail activity on Columbia Pike is driven by a diverse population that supports a wide range of retail tenants.

Columbia Pike is home to a wide range of household types, with just under one third of residents identifying as being of Hispanic origin. On average, household income along the Pike is lower than the County, though there are a sizable number of households at all income levels.

<table>
<thead>
<tr>
<th>RACE</th>
<th>Columbia Pike</th>
<th>Arlington County</th>
</tr>
</thead>
<tbody>
<tr>
<td>WHITE</td>
<td>53%</td>
<td>69%</td>
</tr>
<tr>
<td>BLACK</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>ASIAN</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>OTHER</td>
<td>29%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ETHNICITY</th>
<th>Columbia Pike</th>
<th>Arlington County</th>
</tr>
</thead>
<tbody>
<tr>
<td>HISPANIC ORIGIN</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>NON-HISPANIC ORIGIN</td>
<td>71%</td>
<td>84%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HOUSEHOLD INCOME</th>
<th>Columbia Pike</th>
<th>Arlington County</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$25K:</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>$25-50K:</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>$50-100K:</td>
<td>33%</td>
<td>26%</td>
</tr>
<tr>
<td>$100-200K:</td>
<td>29%</td>
<td>35%</td>
</tr>
<tr>
<td>$200K+:</td>
<td>12%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Note: ACS data does not distinguish people of Hispanic or Latino origin as a race. Source: ACS 5-year 2012-2017, Esri, HR&A Advisors
Population characteristics also vary within the Corridor, contributing to the identity of existing retail in subareas along the Pike.

As an example of demographic diversity within subareas, median household income varies across Census tracts in the Trade Area. Median incomes are highest, above $150,000 per year, in tracts near the Penrose/Walter Reed Drive and Glebe Road subareas, as well directly north of the Barcroft / Four Mile Run subarea. Educational attainment, home value, and other demographic considerations also trend along the Corridor.
With recent development, Columbia Pike is a retail market in transition from an auto-oriented throughway to a pedestrian-focused Corridor.

With a wide roadway, narrow sidewalks in some locations, and proximity of auto traffic to pedestrians, the Corridor faces several physical challenges and provides a pedestrian-friendly environment in only select locations, which hinders its ability to build foot traffic. While Arlington County has implemented a number of streetscape projects to improve conditions, additional improvements are needed to realize the full vision for a walkable corridor, some of which will require infrastructure provided through new private development.
Just over one third of retail space is in newer, more urban-style buildings, which are intermixed throughout the Corridor.

New developments along Columbia Pike, which have been built since the form-based code was implemented in 2003, are more likely to be mixed-use and higher density. While the Corridor has attracted numerous new developments, it is still mainly comprised of legacy spaces.

**COLUMBIA PIKE RETAIL SPACE**

*Legacy vs. New Development, 2019*

<table>
<thead>
<tr>
<th>Category</th>
<th>Space (SF)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Development</td>
<td>270,000</td>
<td>38%</td>
</tr>
<tr>
<td>Legacy (Pre-2003)</td>
<td>446,000</td>
<td>62%</td>
</tr>
</tbody>
</table>

**NEW BUILDING TYPOLOGIES**

Siena Park

**LEGACY BUILDING TYPOLOGIES**

Columbia Pike Plaza

Note: New development inventory includes spaces under construction as of July 2019.
Source: Arlington Economic Development, CPRO, HR&A Advisors
New development and the transition to urban building typologies, while generally successful, has presented some challenges for new retail spaces.

**NEW RETAIL CHALLENGES**
- Prospective tenants apprehensive without highly visible parking or stronger transit options
- Development economics require high rents
- Lack of foot traffic in an inconsistent pedestrian-friendly environment

**IMPLICATION**
- Higher vacancy (though, still healthy by market standards)
- Lower than expected rents
- Inactive ground floor uses

**COLUMBIA PIKE RETAIL VACANCY, 2019**

<table>
<thead>
<tr>
<th></th>
<th>Legacy</th>
<th>New Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy</td>
<td>3%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Arlington Economic Development, HR&A Advisors
Tenanting is concentrated in neighborhood-focused retail such as grocery stores, local restaurants, and drug stores.

Of the 716,000 SF of retail space along Columbia Pike, 68% is made up of neighborhood or convenience goods, which includes grocery, fitness, health care, and personal services. Destination goods and services, for which consumers seek out specific retailers due to brand, quality, or other defining characteristics, are less prevalent in the area but are more likely to draw in consumers from further distances. Destination retail includes uses such as clothing stores, entertainment, home goods, sporting goods, and gifts.

Note: Share of retail by type is based on space occupied by each retail type.
Source: Arlington Economic Development, BMSmith, Arlington County, HR&A Advisors
Surrounding retail nodes compete with Pike retail, and many offer destination uses such as clothing stores and fine dining restaurants.

Retail on Columbia Pike is supplemented by available options in nearby corridors, many of which offer a higher concentration and broader range of options than is available on Columbia Pike. These other retail corridors are already established and have a high concentration of retail, including destination retail, such as clothing stores and restaurants.

### RETAIL INVENTORY BY COMMERCIAL NODE

- **Rosslyn-Ballston**: 2.5M Square Ft.
- **Seven Corners**: 1.4M Square Ft.
- **Bailey’s Crossroads**: 2.3M Square Ft.
- **Route 1**: 2.4M Square Ft.
- **Shirlington**: 220K Square Ft.
- **Del Ray**: 435K Square Ft.

Source: Arlington Economic Development, CoStar, HR&A Advisors
Many retailers in nearby commercial areas consider Columbia Pike residents and workers to be part of their existing customer base.

Retailers think about the trade area, or customer draw, of their existing stores before opening a new location. The Columbia Pike Trade Area is surrounded by many major centers of retail including Ballston Quarter, Market Common Clarendon, Fashion Centre at Pentagon City, and shopping centers at Bailey’s Crossroads, among others. Trade areas of a given retailer vary by retail type. Convenience retailers, such as a coffee shop, are likely to define smaller trade areas, while destination uses, such as a clothing store or fine dining restaurant, are likely to define a larger trade area that draws customers from a farther distance. Major retailers in nearby areas are not likely to open another location in Columbia Pike because they consider their existing stores to already be serving the residents and workers there.

**EXAMPLE 3-MILE TRADE AREAS OF NEIGHBORING COMMERCIAL AREAS**

Source: HR&A Advisors
Neighboring corridors are similar in length, but have a denser population that supports a higher concentration and total amount of retail.

While Columbia Pike is similar in size to neighboring retail corridors, such as Rosslyn-Ballston and Route 1, it has a lower population density and fewer employees. This corresponds to a smaller total amount of retail and since there are areas in close proximity that retailers see as reaching a larger population, it can pose challenges to retail attraction.

<table>
<thead>
<tr>
<th>RETAIL CORRIDOR LENGTH</th>
<th>POPULATION DENSITY (PEOPLE / SQ. MI.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rosslyn – Ballston</td>
<td>10,508</td>
</tr>
<tr>
<td>Columbia Pike</td>
<td>12,831</td>
</tr>
<tr>
<td>Route 1</td>
<td>16,976</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EMPLOYMENT (2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia Pike</td>
</tr>
<tr>
<td>Route 1</td>
</tr>
<tr>
<td>Rosslyn-Ballston</td>
</tr>
</tbody>
</table>

Note: For employment, Columbia Pike data includes the full Columbia Pike Trade Area, as defined in this study.
Source: Esri, LEHD On the Map, HR&A Advisors
Retail demand on Columbia Pike is driven by residential population, as the worker and hotel visitor population in the Corridor is limited.

**56,848** RESIDENTS
*In the Trade Area*

**6,774** WORKERS
*In the Trade Area that live elsewhere*

**175,800** VISITORS
*Annual overnight guests in the Trade Area*

-$673M$ Current Spending Potential

+$6,138$ New Residents by 2030

-$30M$ Current Spending Potential

+$415$ New Workers by 2030

-$35M$ Current Spending Potential

+$ Limited New Visitors by 2030

$738 M$
*Total Current Spending Potential*

$44.6M$
*Additional Spending Potential by 2030*

Note: See page 107 for more information on retail gap analysis calculations. Source: Esri, HR&A Advisors
Based on spending patterns and capture, Columbia Pike can support 45,000 SF of new retail space today, and another 51,000 SF by 2030.

Based on the competitive landscape of retail in Arlington County and the mix of retail uses along Columbia Pike, retailers along Columbia Pike can capture about 43% of the Corridor’s total spending potential, or about $321M. When compared to existing sales, there is $80M unmet spending potential. After accounting for existing retail space under construction (which is not yet contributing to sales), capturing the remaining retail gap would support an additional 45,000 SF of retail, mainly in food & beverage uses. With new growth expected through 2030, the Corridor will support an additional 51,000 SF of retail, for a total of 96,000 square feet of new space.

**RETAIL GAP ($M)**
Columbia Pike Trade Area, 2019

<table>
<thead>
<tr>
<th>Capturable Spending Potential</th>
<th>Current Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food &amp; Beverage</strong></td>
<td>$78M</td>
</tr>
<tr>
<td><strong>General Merchandise, Apparel, Furnishing, and Other</strong></td>
<td>$70M</td>
</tr>
<tr>
<td><strong>Neighborhood Goods and Services</strong></td>
<td>$173M</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$321M</strong></td>
</tr>
</tbody>
</table>

$80M Gap

**45,000**
Net supportable square feet of retail space*

**Key Supportable Tenant Types:**

- **Quick Service / Fast Casual Restaurants**
  - 15K Supportable SF

- **Sit-Down Restaurants**
  - 15K Supportable SF

- **Health and Personal Care Stores**
  - 11K Supportable SF

*Net supportable space accounts for retail space currently under construction

Note: See page 96 for more information on retail gap analysis calculations.
Source: Esri, HR&A Advisors
Retail requirements in new mixed-use development could create an oversupply of retail space as new development continues along the Pike.

For new higher density development, which makes up almost all new growth in the Trade Area, demand generated by upper floor uses generally does not alone support the amount of retail built. For example, households in a new 250 unit apartment building support about 3,860 square feet of retail, but ground floor retail requirements along the Pike generally require a greater amount of retail space to be built. Historically, the net gain in retail space has been beneficial for the Corridor by narrowing the existing retail gap and establishing a greater concentration of retail space. However, looking forward, and based on the capturable amount of retail, future development is likely to close the retail gap and potentially create an oversupply as a result of retail requirements currently in place.

### ADDITIONAL RETAIL DEMAND GENERATED BY USE

<table>
<thead>
<tr>
<th>Use</th>
<th>Average Space</th>
<th>Additional Population</th>
<th>Supportable Retail (SF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel</td>
<td>200 Rooms</td>
<td>+ 71,000 Annual Visitors</td>
<td>7,000</td>
</tr>
<tr>
<td>Apartments</td>
<td>250 Units</td>
<td>+ 250 Households</td>
<td>3,860</td>
</tr>
<tr>
<td>Traditional Office</td>
<td>128,000 SF</td>
<td>+ 640 Workers</td>
<td>3,000</td>
</tr>
<tr>
<td>Co-working Space</td>
<td>30,000 SF</td>
<td>+ 300 Workers</td>
<td>1,420</td>
</tr>
<tr>
<td>Medical Office</td>
<td>3,000 SF</td>
<td>+ 15 Workers</td>
<td>70</td>
</tr>
</tbody>
</table>

Source: HR&A Advisors
While demand generated by office and hotel uses would support additional retail, opportunities to add these uses are limited.

When office tenants or hotels are selecting new locations in an area, there are a number of considerations related to accessibility, amenities, and proximity to beneficial uses that these users take into account. Hotels for example, seek out locations that provide Metrorail accessibility and proximity to tourism/office space that drive demand for rooms. Because Columbia Pike offers fewer of these characteristics than other locations in Arlington, hotel uses are less prevalent there and opportunities to support this development are more limited in the near term. Looking to the longer term, spillover growth from Amazon’s HQ2 development in Pentagon City and Crystal City may present potential to support some office or hotel uses, particularly on the eastern end of the Pike closer to Pentagon City. Additionally, a planned WhyHotel, which will serve as a temporary hotel use in the planned Centro Arlington apartment building, will serve as a litmus test for supporting hotel uses.

**LOCATIONAL CONSIDERATIONS OF HOTEL AND OFFICE USES**

<table>
<thead>
<tr>
<th>Hotel Location Considerations</th>
<th>Columbia Pike</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Metrorail Accessibility</td>
<td>X</td>
</tr>
<tr>
<td>2. Proximity to Tourism</td>
<td>✓</td>
</tr>
<tr>
<td>3. Proximity to Office Uses</td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Office Location Considerations</th>
<th>Columbia Pike</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Metrorail Accessibility</td>
<td>X</td>
</tr>
<tr>
<td>2. Amenities for Workers</td>
<td></td>
</tr>
<tr>
<td>3. Existing Office Base</td>
<td>X</td>
</tr>
</tbody>
</table>
New civic uses are unlikely to generate strong retail demand themselves, but provide activation of ground floor uses and increased foot traffic.

**IMPACT OF CIVIC USES ON COMMERCIAL ENVIRONMENT**

<table>
<thead>
<tr>
<th>SCHOOL</th>
<th>LIBRARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Population*</td>
<td>+800 Students + Faculty</td>
</tr>
<tr>
<td>Additional Retail Demand</td>
<td>1,200 square feet</td>
</tr>
<tr>
<td>Additional Population*</td>
<td>+50,000 Visitors**</td>
</tr>
<tr>
<td>Additional Retail Demand</td>
<td>Limited</td>
</tr>
</tbody>
</table>

**BENEFITS OF NEW CIVIC USES**

Generate more trips to Columbia Pike, which supports retail

Create additional active ground floor uses

---

*Represents net new space of new facilities being considered for Columbia Pike
**Library visitors assumed to be existing local residents

Source: Esri, HR&A Advisors
Introduction and Executive Summary
Existing Conditions and Analysis Findings
Strategy Toolkit Recommendations
Appendix
  Demographic Analysis
  Retail Analysis
  Subarea Analysis
  SWOT Analysis
  Strategy Toolkit
Several strategic themes guide the next steps toward enhancing Columbia Pike’s position as a successful, neighborhood-serving Corridor.

The retail strategy toolkit provides Arlington County, Arlington Economic Development, CPRO, and other Columbia Pike stakeholders a set of recommended action items. These recommendations are intended to provide a suite of options for enhancing retail along Columbia Pike rather than a prescriptive set of tasks. Toolkit action items are grouped into five key themes.

- CREATE AN ENVIRONMENT CONducIVE FOR RETAIL
- DEVELOP COORDINATED TENANTING AND ATTRACTION
- FOCUS ON NODES
- RIGHT-SIZE RETAIL
- ENCOURAGE ALTERNATIVE USES
Continue building on existing transportation, infrastructure, placemaking, and ground floor activation efforts.

**Placemaking**

**Create a Place**

Use public art tailored to social media to enhance identity
- Increase visibility and generate interest in nodes.

Add outdoor seating along the sidewalk and in public areas in key nodes
- Provide opportunity to linger and create a more engaging public realm.

Add additional programming and events that provide exposure to the Pike
- In addition to existing programming, promote large events such as street festivals to showcase the Pike to broader audiences. Additionally, allow sale of alcohol in certain public spaces during certain events.

Add wayfinding in key areas along the Corridor
- Inform potential consumers, particularly those unfamiliar to the area, about retail options.

Support retail pop-ups and interim uses in new developments
- Allow retailers to test the market while activating vacant retail spaces.

**Supportive Policies and Initiatives**

Continue to focus on design and construction of streetscape improvements
- Continue improvements to widen sidewalks, add greenery, increase signage, etc.

Locate traffic generating public facilities in store fronts
- Engage passersby with an active use while adding an amenity to the Corridor that draws residents.

Establish stewardship of infrastructure improvements
- Dedicate funding to oversee upkeep of streetscape and infrastructure improvements along the Pike and ensure improvements are maintained.
Continue building on existing transportation, infrastructure, placemaking, and ground floor activation efforts.

**Transportation and Infrastructure**

**Improve Bike/Ped. Connectivity**

Promote safe bicycling networks
- Ensure Arlington residents and visitors know biking to and along the Corridor is an option following recent completion of network paralleling the Pike.

Improve sidewalk connectivity on streets leading to Columbia Pike
- Increase the number of people who can safely and comfortably travel to retail.

Expand sidewalk width where possible
- Create a more comfortable pedestrian environment with six to ten foot sidewalks after accounting for street furniture.

Add or promote “last mile” micromobility transportation options to the Corridor at key nodes
- Allow more people to access retail along Columbia Pike without using cars by dedicating dockless scooter corrals. Review the usage of current bikeshare locations and create additional stations or promote existing stations, as needed.

**Improve Car and Bus Connectivity**

Improve signage to garage parking along the Pike
- Make garage parking easier to find so drivers do not perceive a lack of visible surface parking as a deterrent.

Establish parking validation programs in garages
- Increase consumer likelihood of utilizing garage parking and patronizing Pike retail.

Continue consideration for establishing dedicated rideshare vehicles Pick Up/Drop Off (PUDO) zones for at retail nodes
- Ease accessibility for rideshare users while reducing traffic blockage.

Place electric vehicle charging stations along the Pike
- Offers additional options to electric car users.
Connect with Retail Community

Enhance retail support capabilities to manage and implement coordinated retail initiatives
- Providing direct support in as a liaison to the retail community of brokers and property owners.

Hold semiannual retailer roundtable meetings
- Establish a formalized channel to hear challenges impacting retailers while also promoting coordinated actions.

Publish a quarterly retail one-pager
- Ensure retail brokers and property owners are informed on relevant retail data and positive news on the Pike.

Supportive Policies and Initiatives

Consider incentives to attract additional uses
- Expand the consumer base of the Pike and provide opportunities for new visitors to patronize other commercial uses through incentives that attract uses such as: An additional retail space anchor use or a food incubator.

Consider grants or low interest loans, such as real estate improvement grant, for legacy spaces
- Reinforce tenant attraction of high quality users in vacant space. Many of the Pike’s legacy buildings are aging, resulting in expensive upkeep and a loss of appeal to potential customers.

Consider establishing a program providing design services to owners of legacy spaces
- Reinforce tenant attraction by supporting owners in upgrading legacy spaces to meet retailer needs.

Provide small business support for adapting to new technologies
- Increase sales at small businesses and provide exposure to potential new customers.

Consider implementing a relocation support program for displaced local legacy tenants
- Connect local retail tenants to resources such as realty support or small business grants.
Concentrate retail at key nodes to draw customers and establish centers of activity along Columbia Pike.

Enhance Node Identities

Confirm key intersections and areas of focus identified in this report to reinforce nodes.
- Strengthen customer attraction through clustering and distinguishing different areas of Columbia Pike
- Market and brand Columbia Pike nodes based on unique attributes
  - Brand portions of Columbia Pike based on their unique attributes and identities

Supportive Policies and Initiatives

Focus infrastructure investments in nodes
- Ensure planned infrastructure investments align with the commercial strategy for the Pike
Different nodes serve different functions based on retail market dynamics.

**Main Street Node**
The Main Street Node functions as a center of retail with a diverse but critical mass of activity to draw consumers from all parts of the Corridor, with the potential to grow the consumer base beyond the Corridor as it matures.

*Node: Walter Reed*

**Intersection-Based Node**
Intersection-Based Nodes depend on new development and individual projects to grow their commercial character. Future development will build on existing neighborhood-serving uses and benefit from cross traffic at the intersections.

*Node: Glebe Road*
*Node: George Mason Drive*

**Neighborhood Node**
Neighborhood Nodes will have smaller pockets of activity that serve as a base for neighborhood-serving retail that meets everyday needs of nearby residents.

*Node: Four Mile Run*
STRATEGY

Emphasize Walter Reed Node as “main street”
The density of uses and concentration of existing retail provides a full range of neighborhood retail to serve residents and workers across the Pike.

Establish a second anchor
Establishing a second anchor in addition to Arlington Cinema and Drafthouse will help draw people from outside the immediate area and grow the retail base over time.

Attract office and hotel uses in the longer term
Though limited opportunity exists in the near term, long-term focus of Walter Reed should seek to draw employment and hospitality uses building on its density and proximity to HQ2.

TENANTING OPPORTUNITIES

• Family friendly restaurant
• Hardware store
• Chef-driven restaurant
• Pet store / grooming

NODE
As the largest existing concentration of retail along Columbia Pike, the Walter Reed Node should function as the Corridor’s main street, serving all consumers in the Columbia Pike trade area and seeking to draw consumers from beyond as well.

RECOMMENDED RETAIL NODES ON COLUMBIA PIKE

☐ Existing Retail Subareas, as defined by AED
STRATEGY

Build on development of Pike 3400
Retail at Pike 3400 is primarily small-scale neighborhood-serving retailers with a mix of tenant types. Retail in the node should build on this mix.

Emphasize connectivity
The Glebe Road node is in walking distance to the Walter Reed node, so where possible, the streetscape connecting Pike 3400 and Walter Reed Node should be improved to create a better walking experience between these two nodes.

TENANTING OPPORTUNITIES

• Casual sit-down restaurant
• Drug store
• Health-focused fast casual
• Hair salon

NODE
Pike 3400, a new large apartment community with ground floor retail, anchors the Glebe Road node. There is also a redevelopment application for mixed-use development of the Westmont Shopping Center site that would include retail.

RECOMMENDED RETAIL NODES ON COLUMBIA PIKE

Existing Retail Subareas, as defined by AED
George Mason Drive Node

STRATEGY

Build on development of Centro Arlington
The Harris Teeter and new apartments are a catalyst for a collection of neighborhood serving retail at the node.

Emphasize events and programming
The plaza at Centro Arlington should be programmed to bring awareness to this emerging node.

Encourage supportive retail
Neighborhood serving restaurants, food stores, and retail services and grocery stores are mutually supportive and should be encouraged at the node to create a one-stop neighborhood shop experience for meeting daily needs.

TENANTING OPPORTUNITIES

- Casual sit-down restaurant
- Fitness concept
- Coffee shop

NODE

The 77,500 square feet of retail space at Centro Arlington will establish an emerging neighborhood-serving node providing a one-stop shop for meeting daily needs of nearby residents or workers.

RECOMMENDED RETAIL NODES ON COLUMBIA PIKE

- George Mason Drive

Existing Retail Subareas, as defined by AED
**STRATEGY**

**Embrace existing tenant diversity to strengthen identity**

The diverse food offerings that exist in this subarea are reflective of the local population and provide a unique differentiator that can be leveraged to build identity.

**Establish a first mover**

A vibrant restaurant can act as a first mover to prove market potential for new exciting neighborhood offerings.

**Emphasize placemaking initiatives**

Corridor-wide placemaking initiatives are particularly important in this area that maintains much of its auto-focused character.

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**TENANTING OPPORTUNITIES**

- Food incubator/hall
- Independent coffee shop
- Restaurant
- Child care

---

**NODE**

There is sufficient retail for a node that anchors the western end of the Pike and can meet daily retail needs of the local population.

---

**RECOMMENDED RETAIL NODES ON COLUMBIA PIKE**

- Existing Retail Subareas, as defined by AED
Ensure future development provides an amount of retail space aligned with what can be supported by the market.

**Reduce Required Pipeline Retail**

Identify key focus areas where ground story retail should be concentrated.
- Concentrate retail in focused nodes rather than being dispersed throughout subareas.

Limit required ground story retail to Columbia Pike frontage.
- Promote walkability and continuity of retail while mitigating the potential for oversupply.

Allow for additional uses where retail has been required in the past.
- Permit retail exemption in non-priority commercial locations based on assessed retail potential.

**Look to the Future**

In non-priority commercial locations, encourage development of flexible ground floor spaces that could be converted to retail at a later date.
- Create flexible spaces responsive to future conditions.

Expand zoning boundaries to increase areas where residential density is permitted.
- Increase consumer base to strengthen retail potential.
Encourage development of alternative commercial uses to better activate the Corridor during the daytime.

**Activate the Corridor**

**Allow for greater flexibility for alternative retail space uses on Principal Arterials**
- Encourage alternative ground floor uses, such as clinics, veterinarians, and child care centers, or allow professional offices, art galleries, or art studios. Additionally, permit the location of breweries and distilleries outside of industrial-zoned areas.

**Supportive Policies and Initiatives**

**Encourage office development**
- Consider establishing incentives, such as a density bonus, to encourage office development, increase daytime population, and better support an 18-hour retail environment.
Appendix
HR&A defined a trade area for Columbia Pike based on the existing retail, consumer base, and competitive positioning of Pike retail.

The Columbia Pike Study Area, outlined below, is used as the primary study area throughout this study. HR&A defined boundaries considering the primary locations from which commercial spaces along Columbia Pike attract consumers, taking into account market data, interviews with commercial tenants along the Pike, and review of the competitive position of the Pike relative to nearby commercial nodes. The Study Area is mapped taking into consideration natural barriers, such as Interstate 395, Arlington Cemetery, and Route 50. Beyond these boundaries, residents and workers are likely to travel elsewhere for meeting regular retail needs.
HR&A defined six Subareas along the Pike to understand and evaluate variations in conditions.

In addition to the Study Area, HR&A also developed subareas around six defined commercial areas along Columbia Pike in order to understand how conditions vary along the Pike. HR&A mapped the subareas and assessed demographics by creating a half-mile radius around each commercial area. In considering the Pike’s transition to urban-style walkable development, a half-mile radius is a useful boundary, as it is the area generally viewed to be within walking distance. Evaluating demographics at this level provides not only a more nuanced assessment of conditions along the Pike, but also offers an understanding of the ability of each subarea to support walkable commercial development. Radii for the Arlington Mill/Western Gateway and Eastern Gateway subareas were adjusted to account for natural barriers, including I-395, Arlington Cemetery, and Bailey’s Crossroads.
Appendix

Demographic Analysis
Retail Analysis
Subarea Analysis
SWOT Analysis
Strategy Toolkit
Current and future demographics of Columbia Pike establish a baseline for understanding commercial market potential.

1. **Corridor Growth in Recent Years**
   After a period of little growth from 2000-2010, the Corridor is now growing in households, though at a slower pace than other parts of Arlington.

2. **Changing Demographics**
   New households in the Study Area are more likely to be younger, more educated, and wealthier than existing households.

3. **Variation within the Corridor**
   Demographics vary within the Corridor, with residents in eastern end tending to be wealthier, less likely to have children, and possessing higher educational attainment.

4. **Future Growth**
   Growth is expected to accelerate along the Corridor, especially with the catalyst of Amazon HQ2 nearby in Pentagon City / Crystal City.
Columbia Pike has grown following adoption of a form-based code in 2003 that allows for higher density.

COLUMBIA PIKE HOUSEHOLD GROWTH
2000 - 2018

Between 2000 and 2010 the number of households in the Columbia Pike Study Area increased by 1%, compared to more rapid growth of 6% from 2010 to 2018. The increasing growth of households is largely a product of adoption of a form-based code allowing for higher density development along Columbia Pike.
Although Columbia Pike is growing, growth has been occurring at a slower pace than other areas of Arlington.

**HOUSEHOLD GROWTH 2010-2018**

- **Columbia Pike**: 22,329 to 23,725 (6% Increase)
- **Route 1**: 19,019 to 21,505 (13% Increase)
- **Rosslyn-Ballston**: 26,645 to 31,175 (17% Increase)

<table>
<thead>
<tr>
<th>Corridor</th>
<th>2010</th>
<th>2018</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia Pike</td>
<td>22,329</td>
<td>23,725</td>
<td>6%</td>
</tr>
<tr>
<td>Route 1</td>
<td>19,019</td>
<td>21,505</td>
<td>13%</td>
</tr>
<tr>
<td>Rosslyn-Ballston</td>
<td>26,645</td>
<td>31,175</td>
<td>17%</td>
</tr>
</tbody>
</table>

**HOUSEHOLD DENSITY PER SQUARE MILE, 2018**

- **Columbia Pike**: 4,400
- **Route 1**: 7,600
- **Rosslyn-Ballston**: 15,600

The Columbia Pike Trade Area has grown at a slower rate than the neighboring Route 1 and Rosslyn-Ballston Corridors. The Study area grew by 6% between 2010 and 2018 compared to growth of 13% and 17% in the Route 1 and Rosslyn- Ballston Corridors, respectively. The Columbia Pike study area features more single-family housing than the defined areas for Route 1 and Rosslyn-Ballston, resulting in a lower overall household density in the Corridor relative to Metro-served corridors.

*Source: Esri, HR&A Advisors*
There is a higher concentration of middle- and lower-income households than surrounding areas.

**COLUMBIA PIKE INCOME DISTRIBUTION 2018**

<table>
<thead>
<tr>
<th>Income</th>
<th>Number of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$50K</td>
<td>6,430</td>
</tr>
<tr>
<td>$50-$75K</td>
<td>4,200</td>
</tr>
<tr>
<td>$75-$100K</td>
<td>3,560</td>
</tr>
<tr>
<td>$100,000+</td>
<td>9,540</td>
</tr>
</tbody>
</table>

Compared to other corridors in Arlington (Rosslyn-Ballston and Route 1), Columbia Pike has a higher concentration of households earning less than $75,000. However, 40% of households, more than 9,500 in total, earn more than $100,000, and make up the largest share of households in the Study Area. Incomes in the Study Area are above those of Bailey’s Crossroads.
New growth along the Corridor is highly concentrated in multifamily rental development.

Since 2010, the Columbia Pike trade area has produced more than 1,200 units of housing, almost 80% of which are in high density multifamily developments located along the Pike. Because the Study Area is largely built out, accommodating new households is primarily done through redevelopment of existing parcels, particularly commercial parcels along the Pike that are zoned for higher density development. Growth of the Study Area with more urban building typologies has implications on the types of residents moving there. Of new housing completed since 2010, 224 units – about 18% of the total – are designated affordable housing units at Arlington Mill and The Shell properties.

Columbia Pike is attracting a younger and more educated population.

### EDUCATION

<table>
<thead>
<tr>
<th></th>
<th>All Columbia Pike Residents</th>
<th>Residents Moving to Columbia Pike in the Past Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>% with a Bachelor's Degree or Higher</td>
<td>54%</td>
<td>65%</td>
</tr>
</tbody>
</table>

### AGE

<table>
<thead>
<tr>
<th></th>
<th>All Columbia Pike Residents</th>
<th>Residents Moving to Columbia Pike in the Past Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age Distribution (2017)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNDER 18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-34</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>35-54</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>55+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Residents who have recently moved to the Corridor are more likely to be aged 25-34 and have a Bachelor’s degree or graduate education than the typical resident along the Corridor.

Source: ACS 5-year 2013-2017, HR&A Advisors
New Residents to Columbia Pike are also less likely to be Hispanic, though total Hispanic population is growing.

The Study Area has a significant Hispanic population, which accounts for nearly 30% of existing residents. However, Hispanic residents represent a smaller share – just over one fifth – of the new residents moving to the Study Area. That being said, between 2010 and 2018, the total Hispanic population increased, suggesting that although these residents are moving to the Corridor at a slower rate, they are not necessarily being displaced by new growth.

Note: ACS data does not distinguish people of Hispanic or Latino origin as a race.
Source: ACS 5-year 2013-2017, HR&A Advisors
The highest household densities are near Barcroft/Four Mile Run and Penrose/Water Reed Drive.

While commercial space is most heavily concentrated in the Glebe Road and Penrose/Walter Reed Drive subareas, household density is concentrated in Barcroft/Four Mile Run, Penrose/Water Reed Drive, and Arlington Mill/Western Gateway. The lowest concentration of households exists at the Eastern end of the Corridor at Eastern Gateway.
Median household income shifts along Columbia Pike, with the highest incomes near Penrose/Walter Reed Drive.

Household income distributions vary along the Corridor, with the highest concentration of high-income households in the Penrose/Walter Reed Drive and Glebe Road Subareas. Over one third of households in the Arlington Mill/Western Gateway and Barcroft/Four Mile Run subareas earn less than $50,000 annually, while over 40% of households in the Glebe Road and Penrose/Walter Reed Drive subarea earn over $100,000 annually.

Source: Esri, HR&A Advisors
Median home value varies within the Corridor, with pockets of lower and higher housing values in all Subareas.

**Median Home Value by Block Group, 2018**

Median home values vary along the Study Area, ranging from below $250,000 in the northeast corner adjacent to Arlington National Cemetery (which includes only a small amount of housing), to more than $600,000 in many locations. While the area to the northern portion of the Study Area contains a larger share of block groups with high home values, there are pockets of lower and higher housing values in all parts of the Corridor.

Source: Esri, HR&A Advisors
Educational Attainment tends to increase from West to East along the Corridor.

**EDUCATIONAL ATTAINMENT, 2018**
Columbia Pike Subareas

<table>
<thead>
<tr>
<th>Subarea</th>
<th>High School or less</th>
<th>Some College; Associate</th>
<th>Bachelor's Degree or Higher</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arlington Mill/Western Gateway</td>
<td>39%</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>Barcroft/Four Mile Run</td>
<td>37%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>George Mason Drive</td>
<td>30%</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>Glebe Road</td>
<td>21%</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>Penrose/Walter Reed Drive</td>
<td>16%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Eastern Gateway</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
</tr>
</tbody>
</table>

The level of educational attainment is highest towards the eastern portion of the Corridor. In the Arlington Mill/Western Gateway subarea, 42% of the residents have a Bachelor’s degree or higher while in the Eastern Gateway subarea, 64% have a Bachelor’s degree or higher. The differences in educational attainment along the Corridor is important to understanding commercial market conditions as educational attainment is often a site selection criteria for certain retailers, including some grocery stores and clothing stores, among others.

Source: Esri, HR&A Advisors
Households are more likely to be families with children in the western portion of the Corridor.

The proportion of family households decreases moving east along the Corridor. More than 30% of households in the Arlington Mill/Western Gateway and Barcroft/Four Mile Run subareas have children compared to just 17% in the Eastern Gateway Subarea.
Psychographic analysis uses an area’s socioeconomic and demographic conditions to place the residents into various lifestyle groups that help identify what type of retail a market is most likely to support. The most prominent psychographic type shifts from International Market Place in the Arlington Mill/Western Gateway and Barcroft/Four Mile Run Subareas to Metro Renters in the Penrose/Walter Reed Drive and Eastern Gateway Subareas. International Market Place households are multigenerational and diverse families while Metro Renters tend to be younger, single person households. More detailed information on each of the psychographic types along the Corridor can be found in the appendix.

Source: Esri, HR&A Advisors
Psychographic Analysis | Methodology

What is a psychographic analysis?

Psychographic analysis integrates demographics and socioeconomic characteristics to better understand consumers lifestyle choices and spending patterns. Households with similar characteristics are grouped together and categorized according to consumer lifestyles and life stages. There are 67 distinct, behavioral market segments, 7 of which are represented in along the Columbia Pike Corridor.

What data is used to define these consumer groups?

Esri uses a variety of data sources to compile relevant consumer information, including the Census, the American Community Survey (ACS), Esri’s demographic updates, Experian’s ConsumerView database, and consumer surveys. These source provide demographic information, such as age, sex, family type, and race as well as socioeconomic characteristics such as income, education, and housing tenure. Esri uses this data to differentiate consumer spending, preferences, and identify commonalities that are used to define each consumer type.
### Psychographic Analysis | Consumer Types

#### PSYCHOGRAPHIC CONSUMER TYPES

| Metro Renters | Residents in this market tend to be educated, highly mobile, live alone or with one other roommate, and locate in the urban core of a city. As urban life continues to increase in popularity for consumers in their late twenties and thirties, this market is rapidly growing. Metro renters tend to spend their income, which is above the US average, on rent, clothes, and technology. |
| National Snapshot: | |
| Average Household Size: 1.7 | |
| Median Age: 32.5 | |
| Median Income: $67,000 | |

| Trend Setters | This market is educated, young, spontaneous, and has not yet settled down. They tend to not own homes or vehicles and often spend their income on upscale city living or entertainment. This group cares about art and culture, dining out, fashion, and exploring hobbies. |
| National Snapshot: | |
| Average Household Size: 2.1 | |
| Median Age: 36.3 | |
| Median Income: $63,100 | |

| Laptops and Lattes | Laptops and Lattes residents are often single, well-educated professionals. They live in densely populated neighborhoods, primarily located in the cities of large metropolitan areas. Many residents walk, bike, or use public transportation to get to work if they do not work from home. They are active and health conscious, and care about the environment. |
| National Snapshot: | |
| Average Household Size: 1.9 | |
| Median Age: 37.4 | |
| Median Income: $112,200 | |

| International Market Place | These residents are diverse, often foreign born, and found in densely populated areas. Young, Hispanic families with children that rent in older buildings dominate this market. Workers are mainly employed in white collar and service occupations (especially food service and building maintenance), and often do not own a car. |
| National Snapshot: | |
| Average Household Size: 3.1 | |
| Median Age: 32.8 | |
| Median Income: $46,500 | |

Source: Esri, HR&A Advisors
## Psychographic Analysis | Consumer Types

### PSYCHOGRAPHIC CONSUMER TYPES

<table>
<thead>
<tr>
<th>City Lights</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>National Snapshot:</strong></td>
<td></td>
</tr>
<tr>
<td>Average Household Size: 2.6</td>
<td></td>
</tr>
<tr>
<td>Median Age: 39.3</td>
<td></td>
</tr>
<tr>
<td>Median Income: $69,200</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>The wide-ranging demographic characteristics of residents mirror their passion for equal opportunity. Household type and size vary in this group. Many residents have completed some college or a degree. Willing to commute to their jobs, they work hard and budget well to support their urban lifestyles.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Urban Chic</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>National Snapshot:</strong></td>
<td></td>
</tr>
<tr>
<td>Average Household Size: 2.4</td>
<td></td>
</tr>
<tr>
<td>Median Age: 43.3</td>
<td></td>
</tr>
<tr>
<td>Median Income: $112,200</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban Chic residents are professionals that live a sophisticated lifestyle. Half of all households are occupied by married-couple families. These are busy, well-connected, and well-educated consumers—readers and moviegoers, and environmentally active. This market is a bit older, and it is growing slowly and steadily.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emerald City</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>National Snapshot:</strong></td>
<td></td>
</tr>
<tr>
<td>Average Household Size: 2.1</td>
<td></td>
</tr>
<tr>
<td>Median Age: 37.4</td>
<td></td>
</tr>
<tr>
<td>Median Income: $59,200</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Young and mobile, this market is more likely to rent and tends to locate in lower-density areas. They are also well-educated, well-employed, and environmentally friendly. They often use the Internet for entertainment and making purchases. Many embrace the “foodie” culture, enjoy going to the gym, and care about music and art.</td>
<td></td>
</tr>
</tbody>
</table>
Employment along the Corridor is concentrated in the Penrose/Walter Reed Drive and Glebe Road subareas. The majority of employment along the Columbia Pike Corridor is concentrated in Food Services and Professional Services. These jobs are primarily located in the Glebe Road and Penrose/Walter Reed Drive subareas. Understanding employment is important in the context of a commercial market study, as many retailers look for daytime population during the site selection process and daytime population is largely driven by workers.

Source: Esri, LEHD, HR&A Advisors
Employment along Columbia Pike is less and has lower average salaries than other corridors. While Columbia Pike has some employment, much of the employment is non-office employment and is typically lower salaried than other Arlington corridors. The relatively lower incomes and more limited employment result in lower daytime population available to support restaurants and retail along the Pike.

Source: Esri, Bureau of Labor Statistics, HR&A Advisors
The Columbia Pike Study Area is expected to grow by almost 50% over the next 25 years.

**HOUSEHOLD GROWTH, 2018-2045**

**Columbia Pike Study Area**

+46%
Increase 2018-2045

+11%
Increase 2018-2030

23,725
2018

26,281
2030

34,701
2045

The Columbia Pike Study Area is expected to grow by 46% through 2045, though the rate of growth is projected to be slower in the near term than in later years. Total growth is expected to be below 3% through 2025 and about 11% through 2030. Beyond 2030, the growth rate will increase. Population growth will create additional demand to support retail uses in the Study Area. These projections were made prior to Amazon’s decision to locate Amazon HQ2 in Arlington, so there may be a faster rate of growth than anticipated.
Household growth projections include the impact of Amazon’s HQ2, which will account for 1,500 Households.

The selection of National Landing (Pentagon City, Crystal City, and Alexandria) for Amazon’s HQ2 will generate growth along Columbia Pike. Based on projections of household growth in Arlington developed by the Fuller Institute, and applying a growth rate for Columbia Pike based on share of County growth, HR&A estimates approximately 1,500 HQ2-related households will live in the Study Area at full build out.

*Based on analysis by the Fuller Institute and includes household growth from employment that is direct, indirect, or induced through HQ2.

Source: Fuller Institute; HR&A Advisors
Appendix

Demographic Analysis
Retail Analysis
Subarea Analysis
SWOT Analysis
Strategy Toolkit
HR&A’s retail analysis assessed retail conditions along Columbia Pike to address key questions of this study.

1. What is the character and competitive positioning of Columbia Pike relative to neighboring commercial areas?

2. How do retail tenants make decisions about where to locate and how does that impact tenanting on Columbia Pike?

3. What is the potential to support additional retail space along Columbia Pike based on consumer spending today and in the future?

4. Based on supportable retail and locational considerations, what are retail opportunities in each Subarea of Columbia Pike?
HR&A’s retail analysis assessed retail conditions from a local, regional, and national perspective.

**LOCAL**

Columbia Pike has a high concentration of neighborhood-focused retail. New, mixed-development retail spaces along the Corridor place a stronger focus on walkability, though these spaces are not continuous along the Pike. Vacancy in new development is higher than older building stock.

**REGIONAL**

While Columbia Pike retail rents are slightly below those of other nearby nodes, there is not a strong value proposition for locating on Columbia Pike. Columbia Pike is near many established commercial nodes, including the Rosslyn-Ballston Corridor, Route 1 Corridor, and Bailey’s Crossroads, which can be a challenge to recruiting new retail tenants.

**NATIONAL**

At a national scale, e-commerce continues to grow and impact traditional brick and mortar retail. This has the highest impact on goods that are easily purchased online such as electronics or books, but e-commerce is also expanding to groceries and some other traditional neighborhood retail.
There is 716,000 square feet of retail space along Columbia Pike, primarily made up of locally-serving uses.

Of the 716,000 SF of retail space along Columbia Pike, 68% is made up of neighborhood or convenience goods, indicating that the Corridor is primarily neighborhood serving.

Neighborhood and convenience goods are goods that consumers are not likely to go out of their way to access. This includes grocery stores, fitness, health care, and services such as banking. Destination goods are more likely to draw in consumers from outside of the immediate trade area. Examples include clothing stores, entertainment, home goods, sporting goods, and gifts.

Quick service food and beverage retailers are more likely to serve the immediate neighborhood than restaurants. However, this also depends on the establishment’s reputation and convenience, such as being on a commuter route or serving a specialty food.

Note: Share of Retail by Type is a percentage of total square feet. 
Source: Arlington Economic Development, HR&A Advisors
Retail space along Columbia Pike is a mix of older buildings and new, higher density mixed-used development.

As Columbia Pike attracts new development, retail spaces along the Corridor are a mix between older, legacy buildings developed before 2003 and new developments which have been built since the form-based code was implemented. New buildings are likely to be mixed-use and higher density. Penrose Square, for example, which was constructed in 2012, includes many tenants, such as Giant Food, Taqueria Poblano, Starbucks, and fitness studios. While newer spaces can be easier to operate in, they tend to feature slightly higher rents and lack surface parking. Legacy spaces in older buildings often face challenges related to physical attributes such as aging structures and systems, inefficient floorplates, and low ceiling heights.
While there has been 270,000 SF of new development since 2003, most retail space is in a legacy storefront.

Of retail spaces in the Corridor, 40% were built after 2003 when the form-based code was implemented. The remaining 60% predates the form-based code and are considered legacy storefronts. The Penrose/Walter Reed Drive Subarea has both the most square feet of newly developed space and total space, totaling more than 350,000 square feet. Overall, new development has occurred across most subareas, creating a mix of walkable, pedestrian friendly buildings and more auto-oriented, legacy buildings. This indicates that the area is in transition from a retail perspective and has been making shifts towards increased, mixed-used retail developments.
New development along Columbia Pike lacks continuity, limiting the feeling of true walkability.

While there has been new development throughout the Columbia Pike Corridor built to the pedestrian-friendly form-based-code, this development lacks continuity which limits walkability along the Corridor. As more development occurs going forward, it will enhance connectivity along the Corridor and foster a more walkable environment. The major of new development along the Corridor is located on the ground floor of residential buildings. In total, about 270,000 square feet of retail space has been built or planned since 2003.

Source: Arlington Economic Development, HR&A Advisors
There is 94,000 SF of space currently under construction or recently completed, primarily in Centro Arlington.

The approximately 94,000 SF of retail either under construction or recently completed along Columbia Pike will increase the Corridor’s total retail inventory by 15% upon completion. The bulk of this space is attributed to the construction of a new Harris Teeter located in the George Mason Road subarea.

Additional new development at Trafalgar Flats and Gillian Place is taking place in the Barcroft/Four Mile Run and Glebe Road Subareas, respectively.

Source: Arlington Economic Development, Weingarten Realty, HR&A Advisors
Retail in newer retail spaces has higher vacancy than legacy buildings and new spaces are sometimes filled by non-traditional tenants.

Legacy retail spaces enjoy a vacancy rate of 3% while retail in new development has a vacancy of 7%. Stakeholders along the Corridor have reported challenges leasing space in newer developments and suggest higher vacancy rates in new developments are likely due to higher rents and lack of surface parking availability. Tenants in legacy spaces report facing the challenge of addressing upkeep inherent in most older buildings. Although 7% is still a low vacancy rate, some new development retail spaces are occupied with non-retail tenants, such as dentist offices, and the low vacancy rate does not always equate to a strong performance in the occupied retail spaces.
Columbia Pike is surrounded by larger established nodes where retail is more densely concentrated.

Retail on Columbia Pike is supplemented by available options in nearby corridors. Compared to Rosslyn-Ballston, Route 1, and Bailey’s Crossroads, Columbia Pike features significantly less retail inventory. These other retail corridors are already established and have a high concentration of retail, so it is unlikely Columbia Pike could become a similarly sized retail Corridor.

### RETAIL INVENTORY BY COMMERCIAL NODE

- **Rosslyn-Ballston**: 2.5M SF
- **Columbia Pike**: 715K SF
- **Route 1**: 2.4M SF
- **Shirlington**: 220K SF
- **Bailey’s Crossroads**: 2.3M SF
- **Del Ray**: 435K SF

Source: Arlington Economic Development, CoStar, HR&A Advisors
Retail in these locations is diverse including destination goods such as apparel, furniture, and sporting goods.

Columbia Pike has the highest share of neighborhood serving retail with 68% of retail inventory comprised of grocers, pharmacies, and other local-serving uses. Although Columbia Pike is the most convenient retail Corridor for its trade area, restaurants and destination retailers of Rosslyn-Ballston and Route 1 serve Columbia Pike retail demand with offerings in those locations.

### BUSINESSES BY TYPE

**ARLINGTON, 2019**

<table>
<thead>
<tr>
<th></th>
<th>Neighborhood/Convenience Goods</th>
<th>Destination Goods</th>
<th>Food and Beverage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Columbia Pike</strong></td>
<td>24%</td>
<td>8%</td>
<td>68%</td>
</tr>
<tr>
<td><strong>Rosslyn-Ballston</strong></td>
<td>28%</td>
<td>24%</td>
<td>48%</td>
</tr>
<tr>
<td><strong>Route 1</strong></td>
<td>11%</td>
<td>58%</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Shirlington</strong></td>
<td>46%</td>
<td>15%</td>
<td>39%</td>
</tr>
</tbody>
</table>

*Note: Retail at Fashion Centre at Pentagon City is categorized as destination good.*

*Source: Arlington Economic Development, HR&A Advisors*
Average rents along Columbia Pike are only slightly lower than neighboring commercial areas.

While Columbia Pike has lower average retail rents than its neighboring commercial nodes, average rents there of $35 per square foot are only slightly lower than nearby nodes such as the Rosslyn-Ballston Corridor. Spaces in new development along Columbia Pike are targeting rents higher than the market average, around $40 per square foot. Tenants along Columbia Pike have reported that pricing there does not offer enough of a value proposition for prospective tenants given the lack of rail transit and lower foot traffic relatively to neighboring nodes, which poses a challenge in attracting new retail tenants. This makes it more attractive to rent lower quality spaces along other corridors at the same rents as the newest retail space along Columbia Pike.

**AVERAGE RETAIL RENT PER SQUARE FOOT**
**ARLINGTON, 2018**

- **Columbia Pike**: $34
- **Route 1**: $72, Peak Rent in Route 1
- **Rosslyn-Ballston**: $90, Peak Rent in Rosslyn-Ballston
- **Bailey's Crossroads**: $35

Source: Arlington Economic Development, CoStar, Dochter & Alexander, HR&A Advisors
Columbia Pike is characterized by a higher share of local businesses than the Rosslyn-Ballston Corridor. Although national tenants are typically drawn to Arlington’s Metro-accessible corridors, Columbia Pike’s proportion of local businesses is a differentiator. The outsized share of local businesses on Columbia Pike can be leveraged to foster a unique local identity.

**PERCENT LOCAL BUSINESS BY CORRIDOR**
**ARLINGTON, 2019**

- Columbia Pike: 66%
- Rosslyn-Ballston: 58%
- Shirlington: 71%

Both Columbia Pike and Shirlington feature a higher share of local and regional businesses than the Rosslyn-Ballston Corridor. Note: Data on business type not available for Route 1 Corridor.

Source: Arlington Economic Development, HR&A Advisors
Nationally, e-commerce continues to grow, posing challenges to brick and mortar stores.

The rise of e-commerce has revolutionized the way people shop as an increasing number of basic retail needs can be met through online services and delivery. In recent years, the growth of e-commerce has significantly changed the outlook of in-person retail. This is particularly the case for goods such as office products, electronics, and toys. While Columbia Pike’s retail is largely neighborhood serving, it is important to consider these national trends and implications for future retail positioning along the Corridor.

### ONLINE SALES AS A SHARE OF TOTAL RETAIL SALES
**UNITED STATES, 2010-2022**

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of Retail Sales (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>4%</td>
</tr>
<tr>
<td>2011</td>
<td>6%</td>
</tr>
<tr>
<td>2012</td>
<td>8%</td>
</tr>
<tr>
<td>2013</td>
<td>10%</td>
</tr>
<tr>
<td>2014</td>
<td>12%</td>
</tr>
<tr>
<td>2015</td>
<td>14%</td>
</tr>
<tr>
<td>2016</td>
<td>16%</td>
</tr>
<tr>
<td>2017</td>
<td>18%</td>
</tr>
<tr>
<td>2018</td>
<td>20%</td>
</tr>
<tr>
<td>2019</td>
<td>22%</td>
</tr>
<tr>
<td>2020</td>
<td>24%</td>
</tr>
<tr>
<td>2021</td>
<td>26%</td>
</tr>
<tr>
<td>2022</td>
<td>28%</td>
</tr>
</tbody>
</table>

- **Projected growth**: 4% per year

### ONLINE SALES BY RETAIL TYPE
**UNITED STATES, 2018**

<table>
<thead>
<tr>
<th>Category</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beauty/Cosmetics</td>
<td>9%</td>
</tr>
<tr>
<td>Toys</td>
<td>31%</td>
</tr>
<tr>
<td>Food/Drink</td>
<td>3%</td>
</tr>
<tr>
<td>Office Products</td>
<td>35%</td>
</tr>
<tr>
<td>Furniture and Housewares</td>
<td>23%</td>
</tr>
<tr>
<td>Home Improvement</td>
<td>3%</td>
</tr>
<tr>
<td>Electronics</td>
<td>55%</td>
</tr>
<tr>
<td>Clothing</td>
<td>22%</td>
</tr>
<tr>
<td>Sporting goods and hobby</td>
<td>45%</td>
</tr>
<tr>
<td><strong>All Retail</strong></td>
<td><strong>10%</strong></td>
</tr>
</tbody>
</table>

Source: US Census, Virginia Department of Taxation, CBRE, HR&A Advisors
HR&A assessed the factors that shape Columbia Pike’s retail market by looking at the criteria set by retailers when choosing a new location.

When assessing a new location for business, retail tenants consider various factors to ensure that their business will be successful in that market. These factors are considered collectively to identify the best location for a retailer and the criteria within each consideration varies by business type. HR&A identified common criteria set by retailers when choosing a new location and applied this to Columbia Pike to assess the potential for new retail.

**STEP 1: Consider Existing Locations**

Retailers will consider whether a new location will interfere with business at an existing location. Neighborhood serving good retailers tend to have a smaller trade area than destination good retailers.

**STEP 2: Demographic Analysis**

Next, retailers will evaluate the consumer demographics within the defined area. This helps identify locations that could sufficiently support and sustain business based on the targeted consumer base.

**STEP 3: Space Considerations**

If a potential location fits demographic criteria, retailers will look at additional qualitative space and location considerations, such as desired co-tenants, available spaces, and the competitive market.
Retailers look at the draw of their existing locations when considering whether to open a new location.

Retailers think about the trade area of their existing stores before opening a new location. The Columbia Pike trade area is surrounded by many major retail centers including Ballston Quarter, Rosslyn, Market Common Clarendon, Fashion Centre at Pentagon City, and shopping centers at Bailey’s Crossroads.

Major retailers in these areas are not likely to open another location in Columbia Pike because they consider their existing stores as already serving the Corridor’s residents.

Understanding these locational considerations in conjunction with identified retail gaps provides a guide for leveraging strengths and addressing challenges as the Corridor grows.
Columbia Pike residents are located within the overlapping trade areas of surrounding nodes for destination goods.

Retailers are unlikely to locate in areas that overlap with existing trade areas to avoid harming sales at the existing location. Different retailers use different trade areas depending on their customer base. Neighborhood-serving uses such as a drug store tend to use smaller trade areas while destination tenants, such as clothing or furniture stores, use a larger trade area.

As an example, a hypothetical clothing store in Clarendon uses a 3-mile radius for its cannibalization criteria when assessing new locations. The Columbia Pike Trade Area is fully encompassed by a 3-mile radius of their existing location. As a result, this store is unlikely to locate along Columbia Pike, as they view consumers in this area as served by their current location in Clarendon.
Retailers also assess consumer demographics when determining the market potential of a new store. Individual retailers often have a specific set of criteria that must be fulfilled when considering a potential store location. This may include the presence of their targeted consumer base, minimum required population, household income, educational attainment level, minimum daytime population, or traffic count.

DEMOGRAPHIC CONSIDERATION CRITERIA

- **POPULATION**
  How many people live within a given radius of the potential retail space?

- **EDUCATIONAL ATTAINMENT**
  What proportion of the population meets a certain educational attainment?

- **TRAFFIC COUNT**
  How many people drive through the potential retail location daily (annual average daily traffic)?

- **HOUSEHOLD INCOME**
  What is the average income of households or how many households meet a certain income threshold?

- **DAYTIME POPULATION**
  How many workers are in the vicinity to support daytime traffic to retail locations?
Retailers establish different criteria based on their target consumer and the area they draw from.

While each individual retailer has their own criteria which varies based on their target market, the below list is representative of criteria in the Washington, DC region. These are minimum thresholds and locations must meet other space requirements as well. When multiple locations in an area meet requirements, the retailer will choose one location which best meets its overall needs.

### DEMOGRAPHIC CRITERIA FOR RETAILERS

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Mile Range</th>
<th>Minimum Population</th>
<th>Minimum Average Household Income</th>
<th>Minimum Traffic Count (AAWDT)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Neighborhood Goods &amp; Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convenience Stores</td>
<td>1</td>
<td>19,000</td>
<td>$20,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Grocery Stores</td>
<td>3</td>
<td>47,000</td>
<td>$50,000</td>
<td>Not available</td>
</tr>
<tr>
<td>Beauty Services</td>
<td>3</td>
<td>50,000</td>
<td>$45,000-$75,000</td>
<td>3,500</td>
</tr>
<tr>
<td><strong>Destination Goods</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clothing and Apparel</td>
<td>5</td>
<td>100,000</td>
<td>$60,000</td>
<td>Not available</td>
</tr>
<tr>
<td>Furniture / Home Goods</td>
<td>5</td>
<td>100,000</td>
<td>$55,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Entertainment</td>
<td>5-10</td>
<td>300,000</td>
<td>Not available</td>
<td>Not available</td>
</tr>
<tr>
<td><strong>Food &amp; Beverage</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sit-down Restaurants</td>
<td>3</td>
<td>56,000</td>
<td>$60,000</td>
<td>23,000</td>
</tr>
<tr>
<td>Fast Casual</td>
<td>0.5-1</td>
<td>10,000</td>
<td>$50,000</td>
<td>7,000</td>
</tr>
<tr>
<td>Coffee Shops</td>
<td>0.5-1</td>
<td>10,000</td>
<td>$50,000</td>
<td>25,000</td>
</tr>
</tbody>
</table>

Source: Retail Lease Trac, HR&A Advisors
Applying the criteria of an example restaurant shows how they would assess subareas along Columbia Pike.

Applying the standard selection criteria for an example fast casual restaurant to subareas on Columbia Pikes show the areas where it would consider opening. It is important to note these factors are a starting point and may vary by specific tenant requirements. Other critical factors include proximity to competition, type of parking, and availability of space at agreeable terms. Many restaurants use a three-mile radius to evaluate cannibalization, so even when multiple subareas would support a restaurant, the restaurant is likely to locate in only one of those locations.

### SELECTION CRITERIA | FAST CASUAL

<table>
<thead>
<tr>
<th>Location</th>
<th>Population: at least 10,000 within 0.5 mile</th>
<th>Household income: at least $45,000</th>
<th>Daytime population: at least 10,000 within 0.5 mile</th>
<th>Traffic count: at least 10,000 Annual Average Daily Traffic (AAWDT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arlington Mill/Western Gateway</td>
<td>![checkmark] 19,284</td>
<td>![checkmark] $65K</td>
<td>![checkmark] 11K</td>
<td>![checkmark] 43K</td>
</tr>
<tr>
<td>Barcroft/Four Mile Run</td>
<td>![checkmark] 17,372</td>
<td>![checkmark] $67K</td>
<td>![checkmark] 9K</td>
<td>![checkmark] 43K</td>
</tr>
<tr>
<td>George Mason Drive</td>
<td>![checkmark] 13,242</td>
<td>![checkmark] $76K</td>
<td>![checkmark] 7K</td>
<td>![checkmark] 49K</td>
</tr>
<tr>
<td>Glebe Road</td>
<td>![checkmark] 14,713</td>
<td>![checkmark] $85K</td>
<td>![checkmark] 11K</td>
<td>![checkmark] 57K</td>
</tr>
<tr>
<td>Penrose/Walter Reed Drive</td>
<td>![checkmark] 17,162</td>
<td>![checkmark] $85K</td>
<td>![checkmark] 11K</td>
<td>![checkmark] 57K</td>
</tr>
<tr>
<td>Eastern Gateway</td>
<td>![checkmark] 6,323</td>
<td>![checkmark] $79K</td>
<td>![checkmark] 4K</td>
<td>![checkmark] 8K</td>
</tr>
</tbody>
</table>

Note: This is representative of some restaurants and varies for each restaurant.
Source: Retail Lease Trac, HR&A Advisors
Retailers take into account a variety of location and space factors when considering opening a new store.

**VISIBILITY**
Retailers will prefer locations that can be seen from a major roadway. Storefronts that are hidden from the public eye are not as likely to experience high sales volume from consumers passing by.

**ACCESSIBILITY**
It is important for retail storefronts to be easy for consumers to get to. Storefronts alongside a busy road or which lack parking will be harder for consumers to easily access.

**SPACE QUALITY**
Retailers prefer spaces that will meet the needs of their business, such as the ability to build out a kitchen, an adequate amount of storage, or buildings that do not require a lot of maintenance.

**CO-TENANTS**
Retailers prefer spaces with other retailers nearby that serve as a complement to their own business. This creates a “one stop shop” for consumers and helps to generate additional foot traffic.

**COMPETITION**
Retailers will make location decisions based on the level of competition in the area. A variety of retail types helps improve business opportunities for those retailers.
A hypothetical coffee shop with one location in Ballston has decided to expand and is considering locations along Columbia Pike.

**Step 1) Consider whether a new location would interfere with business at an existing location.**

This example coffee shop uses a 1-mile radius for its cannibalization criteria when assessing new locations. As the entirety of Columbia Pike is more than one mile away from the existing location, the entire Corridor remains under consideration for a new location after this first step.

In the case of neighborhood serving goods such as coffee shops, retailers usually define a small trade area, which enables multiple locations to open in close proximity. This is especially true in urban areas, where high population density can support multiple locations in close proximity.
Step 2) Evaluate consumer demographics of the defined trade area to identify locations that could support the new store with sufficient business.

Applying the standard selection criteria of a coffee shop shows it would consider locating in three Subareas along Columbia Pike: Arlington Mill/Western Gateway, Glebe Road, and Penrose / Walter Reed.

### SELECTION CRITERIA | DEMOGRAPHICS

<table>
<thead>
<tr>
<th>Location</th>
<th>Population:至少10,000 within 0.5 mile</th>
<th>Household income:至少$50,000</th>
<th>Daytime population:至少10,000 within 0.5 mile</th>
<th>Traffic count:至少25,000 Annual Average Daily Traffic (AAWDT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arlington Mill/Western Gateway</td>
<td>19,284</td>
<td>$65K</td>
<td>11K</td>
<td>43K</td>
</tr>
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<td>Barcroft/ Four Mile Run</td>
<td>17,372</td>
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<td>George Mason Drive</td>
<td>13,242</td>
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</tr>
<tr>
<td>Glebe Road</td>
<td>14,713</td>
<td>$85K</td>
<td>11K</td>
<td>57K</td>
</tr>
<tr>
<td>Penrose/ Walter Reed Drive</td>
<td>17,162</td>
<td>$85K</td>
<td>11K</td>
<td>52K</td>
</tr>
<tr>
<td>Eastern Gateway</td>
<td>6,323</td>
<td>$79K</td>
<td>4K</td>
<td>8K</td>
</tr>
</tbody>
</table>

Source: HR&A Advisors
Step 3) Assess additional qualitative space and location considerations to ensure the new location is positioned for success.

Considering desired co-tenants, the competitive market, and available spaces, the coffee shop selects the Glebe Road Subarea for its next location.

### SELECTION CRITERIA | ADDITIONAL CONSIDERATIONS

<table>
<thead>
<tr>
<th>Desired Co-tenants</th>
<th>Arlington Mill/Western Gateway</th>
<th>Glebe Road</th>
<th>Penrose/Walter Reed Drive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee shop desired co-tenants often include grocers or specialty shops.</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Competitive Market</th>
<th>Arlington Mill/Western Gateway</th>
<th>Glebe Road</th>
<th>Penrose/Walter Reed Drive</th>
</tr>
</thead>
<tbody>
<tr>
<td>The tenant wants to avoid locations with other coffee shops nearby that offer a similar product or compete for the same customers.</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Acceptable Space Available</th>
<th>Arlington Mill/Western Gateway</th>
<th>Glebe Road</th>
<th>Penrose/Walter Reed Drive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is space available and affordable that fits the tenant’s desire for high visibility, an outdoor patio space, and available parking?</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>
The Columbia Pike trade area is comprised of a significant number of residents, workers, and visitors.

Columbia Pike’s trade area consists of residents, workers, and visitors. Most of the area’s residents work outside of the Corridor, with just 12% who both live and work along the Pike. The 6,774 workers represent much of the Corridor’s daytime population, and are likely to spend along the Corridor throughout their work day. Additionally, based on Columbia Pike’s stock of hotel rooms, HR&A estimates that the Pike sees about 175,800 visitors per year.

SOURCE: Esri, STR, LEHD, HR&A Advisors
From this combination of residents, workers, and visitors, the total retail spending potential is more than $73M.

The people living, working, and visiting Columbia Pike have the ability to spend $738,000,000 on goods and services, though not all of this is spent along the Corridor. Over 90% of this spending potential is comprised of residents living within Columbia Pike’s trade area.

While these residents live in the Columbia Pike trade area, much of the spending is outside of the trade area closer to work or on destination goods purchased in other parts of Arlington and the District of Columbia.
HR&A applied capture rates to the spending potential to determine what could be captured in the trade area.

Capture rates are an assumption of the percentage of spending potential that would be spent within a designated geographic area versus being spent outside the geographic area. Based on consumer behavior and competitive corridors, these rates vary from 10% to 65% depending on the retail type.
After applying a capture rate to the Corridor and comparing potential spending to current sales, a retail gap of $80M exists.

Retail along the Columbia Pike Corridor captures between 10% and 65% of the Corridor’s spending potential, depending on retail type. Because the Corridor competes with Rosslyn-Ballston, Route 1, and Bailey’s Crossroads for destination goods and services, additional spending potential is largely in Neighborhood Goods and Services such as grocery and health & personal care stores, as well as Food & Beverage retail.
The retail gap occurs primarily among neighborhood goods and services such as Grocery, Restaurants, and Personal Care Stores.

<table>
<thead>
<tr>
<th>Retail Category</th>
<th>Retail Type</th>
<th>Unmet Capturable Spending Potential</th>
<th>Sales PSF</th>
<th>Supportable Space (SF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighborhood Goods and Services</td>
<td>Health &amp; Personal Care Stores</td>
<td>$7.9M</td>
<td>$696</td>
<td>11,000</td>
</tr>
<tr>
<td></td>
<td>Miscellaneous Store Retailers</td>
<td>$3.1M</td>
<td>$291</td>
<td>11,000</td>
</tr>
<tr>
<td></td>
<td>Grocery, Specialty Food, and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Liquor Stores</td>
<td>$47.9M</td>
<td>$599</td>
<td>80,000</td>
</tr>
<tr>
<td></td>
<td>Restaurants</td>
<td>$17.9M</td>
<td>$599</td>
<td>30,000</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>Drinking Places - Alcoholic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Beverages</td>
<td>$0.0M</td>
<td>$636</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>General Merchandise</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Furniture &amp; Home Furnishings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stores</td>
<td>$0.0M</td>
<td>$357</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Building Materials, Garden Equip. &amp;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supply Stores</td>
<td>$0.3M</td>
<td>$385</td>
<td>1,000</td>
</tr>
<tr>
<td></td>
<td>Electronics &amp; Appliance Stores</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clothing &amp; Clothing Accessories</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stores</td>
<td>$2.3M</td>
<td>$383</td>
<td>6,000</td>
</tr>
<tr>
<td></td>
<td>Sporting Goods, Hobby, Book &amp; Music</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stores</td>
<td>$0.0M</td>
<td>$372</td>
<td>0</td>
</tr>
<tr>
<td>Destination Goods</td>
<td>Total</td>
<td></td>
<td></td>
<td>139,000</td>
</tr>
<tr>
<td></td>
<td>Under Construction</td>
<td></td>
<td></td>
<td>94,000</td>
</tr>
<tr>
<td></td>
<td>Net Supportable Space</td>
<td></td>
<td></td>
<td>45,000</td>
</tr>
</tbody>
</table>

Source: Esri, HR&A Advisors
## Retail Gap Analysis

### Retail Gap Analysis – Detailed Information Based on Current Spending

<table>
<thead>
<tr>
<th>Retail Category</th>
<th>Total Spending Potential ($M)</th>
<th>Capture Rate</th>
<th>Capturable Spending Potential</th>
<th>Current Sales</th>
<th>Unmet Spending Potential</th>
<th>Sales PSF</th>
<th>Supportable Square Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health &amp; Personal Care Stores</strong></td>
<td>$58M</td>
<td>65.0%</td>
<td>$38M</td>
<td>$30M</td>
<td>$7.9M</td>
<td>$696</td>
<td>11,000</td>
</tr>
<tr>
<td><strong>Miscellaneous Store Retailers</strong></td>
<td>$28M</td>
<td>40.0%</td>
<td>$11M</td>
<td>$8M</td>
<td>$3.1M</td>
<td>$291</td>
<td>11,000</td>
</tr>
<tr>
<td><strong>Grocery, Specialty Food, and Liquor Stores</strong></td>
<td>$190M</td>
<td>65.0%</td>
<td>$124M</td>
<td>$76M</td>
<td>$47.9M</td>
<td>$599</td>
<td>80,000</td>
</tr>
<tr>
<td><strong>General Merchandise</strong></td>
<td>$142M</td>
<td>10.0%</td>
<td>$14M</td>
<td>$14M</td>
<td>$0.0M</td>
<td>$241</td>
<td>0</td>
</tr>
<tr>
<td><strong>Restaurants</strong></td>
<td>$134M</td>
<td>55.0%</td>
<td>$74M</td>
<td>$56M</td>
<td>$17.9M</td>
<td>$599</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>Drinking Places - Alcoholic Beverages</strong></td>
<td>$7M</td>
<td>55.0%</td>
<td>$4M</td>
<td>$4M</td>
<td>$0.0M</td>
<td>$636</td>
<td>0</td>
</tr>
<tr>
<td><strong>Furniture &amp; Home Furnishings Stores</strong></td>
<td>$30M</td>
<td>40.0%</td>
<td>$17M</td>
<td>$17M</td>
<td>$0.0M</td>
<td>$357</td>
<td>0</td>
</tr>
<tr>
<td><strong>Building Materials, Garden Equip. &amp; Supply Stores</strong></td>
<td>$58M</td>
<td>10.0%</td>
<td>$6M</td>
<td>$5M</td>
<td>$0.3M</td>
<td>$385</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Electronics &amp; Appliance Stores</strong></td>
<td>$17M</td>
<td>40.0%</td>
<td>$11M</td>
<td>$11M</td>
<td>$0.0M</td>
<td>$1,065</td>
<td>0</td>
</tr>
<tr>
<td><strong>Clothing &amp; Clothing Accessories Stores</strong></td>
<td>$57M</td>
<td>25.0%</td>
<td>$14M</td>
<td>$12M</td>
<td>$2.3M</td>
<td>$383</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Sporting Goods, Hobby, Book &amp; Music Stores</strong></td>
<td>$17M</td>
<td>40.0%</td>
<td>$8M</td>
<td>$8M</td>
<td>$0.0M</td>
<td>$372</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$738M</td>
<td></td>
<td>$321M</td>
<td>$241M</td>
<td>$80M</td>
<td></td>
<td>139,000</td>
</tr>
<tr>
<td><strong>Under Construction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>94,000</td>
</tr>
<tr>
<td><strong>Net Supportable Space</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>45,000</td>
</tr>
</tbody>
</table>

Source: Esri, HR&A Advisors
Projecting into the future, new residents and workers will add $44.6 million of new spending potential through 2030.

- **RESIDENTS**: 6,138 New Residents
- **WORKERS**: 415 New Workers
- **VISITORS**: Limited New Visitors

**$44.6M**
Additional Spending Potential by 2030
By 2030 the Corridor will support an additional 51,000 square feet of retail, concentrated in Neighborhood Goods and Services.

<table>
<thead>
<tr>
<th>Retail Category</th>
<th>Retail Type</th>
<th>Currently Supportable Space (SF)</th>
<th>Supportable Space Based on Growth (SF)</th>
<th>Total Supportable Space by 2030 (SF)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Neighborhood Goods and Services</strong></td>
<td>Health &amp; Personal Care Stores</td>
<td>11,000</td>
<td>5,000</td>
<td>16,000</td>
</tr>
<tr>
<td></td>
<td>Miscellaneous Store Retailers</td>
<td>11,000</td>
<td>4,000</td>
<td>15,000</td>
</tr>
<tr>
<td></td>
<td>Grocery, Specialty Food, and Liquor Stores</td>
<td>80,000</td>
<td>20,000</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Food &amp; Beverage</strong></td>
<td>Restaurants</td>
<td>30,000</td>
<td>12,000</td>
<td>42,000</td>
</tr>
<tr>
<td></td>
<td>Drinking Places - Alcoholic Beverages</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>General Merchandise</td>
<td>0</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td></td>
<td>Furniture &amp; Home Furnishings Stores</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Building Materials, Garden Equip. &amp; Supply Stores</td>
<td>1,000</td>
<td>1,000</td>
<td>2,000</td>
</tr>
<tr>
<td></td>
<td>Electronics &amp; Appliance Stores</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Clothing &amp; Clothing Accessories Stores</td>
<td>6,000</td>
<td>4,000</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>Sporting Goods, Hobby, Book &amp; Music Stores</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>139,000</td>
<td>51,000</td>
<td>190,000</td>
</tr>
<tr>
<td><strong>Under Construction</strong></td>
<td></td>
<td></td>
<td></td>
<td>94,000</td>
</tr>
<tr>
<td><strong>Net Supportable</strong></td>
<td></td>
<td></td>
<td></td>
<td>96,000</td>
</tr>
</tbody>
</table>
HR&A assessed alternative commercial uses including office and hospitality spaces to understand their potential to support retail.

Alternative commercial uses have the potential to (1) enhance and activate a dynamic ground floor experience through diversified uses and (2) support additional retail space in the Corridor by increasing daytime traffic and offering placemaking support.

Without a Metrorail station, Columbia Pike is unlikely to support new traditional office space. However, there is potential for niche uses such as medial office uses and co-working spaces, particularly in the longer term.

Similarly, hotels are more likely to locate in other areas of Arlington due to the lack of rail transit access on Columbia Pike.

A library would facilitate placemaking and activation along Columbia Pike, but its impact to retail demand is likely to be marginal given that the draw of library patrons would largely be from the existing trade area.

Based on student and employee spending patterns, planned expansion of Arlington Public Schools facilities near the Pike will support about 1,200 SF of additional retail space along Columbia Pike.
Current office vacancy in Arlington is high, limiting potential for new office development. The high vacancy in Arlington limits the potential for new speculative office development due to the current variety of existing options. However, Amazon HQ2 will likely spur growth in office demand more quickly than it would otherwise occur. This will likely have a positive impact on the office market in Arlington as a whole and alleviate some vacancy challenges.
Still, attracting office uses to Columbia Pike is likely to be challenging due to tenant location considerations.

<table>
<thead>
<tr>
<th>TRADITIONAL OFFICE LOCATION CONSIDERATIONS</th>
<th>COLUMBIA PIKE ASSESSMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 REGIONAL ACCESSIBILITY</strong></td>
<td>Columbia Pike lacks Metrorail access, which is key for centrally-located properties in the DC region</td>
</tr>
<tr>
<td>Office tenants seek locations that are accessible to employees and clients from across the region via transit or major roadways.</td>
<td></td>
</tr>
<tr>
<td><strong>2 AMENITIES FOR WORKERS</strong></td>
<td>While Columbia Pike provides some amenities, it lags other traditional office locations in the region.</td>
</tr>
<tr>
<td>Office tenants seek locations with access to amenities and services where they are likely to attract and retain their workforce.</td>
<td></td>
</tr>
<tr>
<td><strong>3 COLOCATION WITH EXISTING OFFICE SPACE</strong></td>
<td>There is limited existing office space along Columbia Pike.</td>
</tr>
<tr>
<td>Many office tenants prefer locations in areas with a concentration of office uses in order to have access to clients, customers, partner organizations, etc.</td>
<td></td>
</tr>
</tbody>
</table>

The Columbia Pike Corridor is unlikely to attract new office development from traditional office tenants given that it lacks access to Metrorail or a strong existing base of office uses. Without many of the desirable features of traditional office use, tenants are not willing to pay rents that justify the cost of new office development. New office buildings in Arlington are garnering rents of up to $61 per SF, well above prices that could be achieved along Columbia Pike, where top spaces are priced at $40 per SF.

Source: CoStar, HR&A Advisors
However, there may be opportunities to incorporate niche office uses such as medical office space.

**MEDICAL OFFICE LOCATION CONSIDERATIONS**

1. **PROXIMITY TO MEDICAL ANCHORS**
   Medical offices are likely to locate nearby medical anchors, such as major hospitals.

2. **PROXIMITY TO POPULATIONS USING SERVICES**
   Medical offices tend to locate in neighborhoods where the populations are most likely to utilize their services.

**COLUMBIA PIKE ASSESSMENT**

- **The closest hospital to Columbia Pike is located near Ballston.**
- **Given the high concentration and support for neighborhood serving businesses medical offices may be attracted to Columbia Pike.**

While Columbia Pike is not likely to attract additional new traditional office development, there may be potential to support additional medical offices spaces. Alternate office uses generate daytime population and can be designed to improve street vibrancy. Given how medical office tenants decide on an office location, Columbia Pike has the highest potential to support small neighborhood serving medical services such as dentist offices.

Source: HR&A Advisors
Medical office uses occupy some existing retail space along the Pike and there is potential to add more.

Currently 10% of the total office inventory in the Columbia Pike Study Area is comprised of medical space. Additional demand for medical uses could lead to additional daytime activity in the Corridor. Although medical office space is not as engaging as traditional retail uses, it often provides an active use for spaces that may otherwise remain vacant.

174,000
Total square feet of medical office space in the Columbia Pike Study Area

10%
Medical office share of total office space in the Study Area
As the Columbia Pike Corridor grows, there may be potential to attract co-working office space.

**CO-WORKING LOCATION CONSIDERATIONS**

1. **AMENITIES**
   - Co-working spaces tend to locate in areas with amenities such as restaurants, bars, and other services.

2. **METRORAIL TRANSIT ACCESS**
   - Co-working tenants prefer locations with easy access to transit. Metrorail stations are strongly preferred in the Washington region.

3. **FACILITIES AND GENERAL APPEAL**
   - These spaces are most likely to exist in trendy areas with appropriate facilities available.

**COLUMBIA PIKE ASSESSMENT**

- Some areas of the Corridor have amenities, such as fast casual restaurants and coffee shops.
- Although Columbia Pike has an active bus system, the Corridor does not feature Metrorail access.
- Currently limited demand and appropriate facilities available along the Corridor. The growth of Amazon HQ2 could increase demand and enhance appeal for coworking uses.

With frequent bus service and some restaurant amenities, the Corridor may also be able to support a co-working space. There may also be support for a co-working space in the coming years as the Corridor grows and as a result of Amazon HQ2 growth.

Source: HR&A Advisors
As nearby office employment grows with HQ2, there may be more demand for co-working space on the Corridor.

Co-Working tenants have more flexibility when choosing a location than traditional office users. Co-Working places a stronger focus than traditional office tenants on locations where entrepreneurs and employees want to be based and spend their time, which broadens potential locations.

Arlington County features 22 co-working and shared spaces although none are located on Columbia Pike. While it may be difficult for the Corridor to attract co-working space now, they may be supportable in the long-term as 1) higher density development occurs along the Corridor, and 2) the Corridor grows alongside Amazon HQ2.

**PRECEDENT: COWORKING ON THE H STREET CORRIDOR**

The H Street Corridor in Washington, DC is a successful example of a non-traditional office location that, while lacking Metrorail access or a concentration of office uses, has attracted co-working uses which add daytime population. The area’s access to amenities make it a place people want to work, which has attracted four co-working companies, including WeWork on the third floor of an apartment building and Bond Collective, which will two stories, above the ground floor, in 2019.

<table>
<thead>
<tr>
<th>Co-Working Company</th>
<th>Square Footage</th>
<th>Opening Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>WeWork</td>
<td>32,000 SF</td>
<td>2017</td>
</tr>
<tr>
<td>Bond Collective</td>
<td>30,000 SF</td>
<td>2019</td>
</tr>
</tbody>
</table>

Source: Insight Property Group, Technically Media, HR&A Advisors
The anticipated addition of 800 high school students at the current campus of the Career Center, Arlington Community High School, and Patrick Henry High School will support retail along Columbia Pike. A limited 1,200 square feet of additional retail along Columbia Pike can be supported based on the growth and student and employee spending patterns. This would likely include convenience good retail, fast casual restaurants, or fast food restaurants.

Note: Assumes a 15:1 student to employee ratio
Source: University of Michigan Monitoring the Future survey, HR&A Advisors
The offices at Sequoia 1, 2, and 3, just north of Columbia Pike near the intersection of Washington Boulevard and Arlington Boulevard represent 1,349 employees. Employees at the Sequoia office complex include the Arlington County Department of Human Services, Department of Environmental Services, and Arlington Public Schools. Based on the typical share of spending which employees spend proximate to work, these employees represent approximately $8,350,000 in spending potential, which translates to 15,000 square feet of retail. This existing demand is captured within the trade area for Columbia Pike and the area already captures a share of this demand. Enhanced accessibility to Columbia Pike would slightly increase this share to support 1,000-2,000 additional square feet but is unlikely to support much additional daytime retail given other more proximate options for lunch and other daytime needs.

**SEQUOIA OFFICE COMPLEX**

*Sequoia Office Complex*

1,349 Employees

15 minute walk to retail in Penrose/Walter Reed Drive node

**15,000**

Total square feet of retail space supported by Sequoia employees

**1,000 – 2,000**

Additional square feet that could be supported by enhanced access to Columbia Pike
Expanding the Columbia Pike library is an important community amenity, but will not drive additional retail.

Arlington Public Library is considering relocating the Columbia Pike library along Columbia Pike and expanding from 20,000 to 25,000 square feet. While doing so supports active uses along the Pike and may fill vacant retail spaces, Arlington’s numerous neighborhood libraries suggest most visitors to the Columbia Pike already live, work, and shop along the Pike and are representative of net new retail demand. Libraries are strong community anchors and can support placemaking initiatives and enhance ground floor activation along the Corridor, but the use is unlikely to drive additional net demand.

**Limited**
Additional Supportable Retail Space Due to Draw from Existing Trade Area

Source: HR&A Advisors
Hotel conditions in Arlington are strong, with stable occupancy and rising average daily rates.

Hotels in Arlington have higher daily rates and occupancy than hotels across the region. From 2011 to 2017, there was an increase of demand for hotel rooms by 10% and an increase in supply by 4% in Arlington. This indicates that the hotel conditions in the County are strong. Assuming the hotels in Columbia Pike follow similar trends, the Corridor may have the potential to use hotels to generate more demand for retail.

**Average Daily Rate, 2015 - 2018**

- **Arlington**: $154, $162, $165
- **D.C. Region**: $151

**Hotel Occupancy, 2015 - 2018**

- **Arlington**: 77%, 77%, 72%, 74%
- **D.C. Region**: 77%, 72%, 70%, 75%

2018 figures for the D.C. Region are not available.

Source: STR, HR&A Advisors
Of the 11,240 hotel rooms in Arlington County (2017) only 4% are now located along Columbia Pike. The 491 hotel rooms along Columbia Pike are largely concentrated at the Sheraton, which calls itself Sheraton Pentagon City.

**HOTELS ALONG COLUMBIA PIKE**

- **Sheraton Pentagon City**
  - 416 Keys
- **Day’s Inn**
  - 75 Keys

**491**

Total Hotel Rooms in the Columbia Pike Corridor

Source: STR, Arlington Convention and Visitors Services Division, HR&A Advisors
Limited supply along Columbia Pike is driven by locational considerations, which likely do not support new development.

**HOTEL LOCATION CONSIDERATIONS**

1. **METRORAIL ACCESSIBILITY**
   Hotels are most likely to locate in areas that are easy to access. This includes close proximity to airports and proximity to public transit, specifically Metrorail access.
   - While relatively close to the National airport, Columbia Pike does not feature frequent rail transit, making other nearby areas more accessible.

2. **PROXIMITY TO TOURISM**
   Hotels also benefit from being located near local attractions and tourism. Other nearby amenities, such as shopping, restaurants, and recreation are assets as well.
   - Columbia Pike is close to downtown DC and Arlington Cemetery, making it close though not walking distance to local tourism attractions.

3. **PROXIMITY TO OFFICE USES**
   Being located near office uses is beneficial for hotels which draw visitors coming from work trips or conferences.
   - Columbia Pike does not have many offices nearby that would be likely to attract visitors.

Compared to other locations in Arlington and the DC region, hotels are less likely to locate on Columbia Pike. There are some uses in the Corridor, however, that may drive hotel usage, such as the Foreign Service Institute. These uses individually are likely not going to support new hotel development. If hotels were to locate along the Corridor, it would likely be at the far eastern end of the Pike, as that area is closest to the Pentagon and the employment node along Route 1. Demand for hotel uses may be tested with the forthcoming WhyHotel concept at Centro Arlington.

Source: HR&A Advisors
The addition of commercial activity would add additional, though marginal, demand for additional retail space.

Assessment of different office space uses provides insight into their impact on retail demand if they were to locate along Columbia Pike. If Columbia Pike adds one medical office of approximately 3,000 square feet, it would lead to the addition of about 15 new workers and support 70 square feet of additional retail space. A new co-working space of approximately 30,000 SF would add about 300 new workers and support 1,420 square feet of retail. Although unlikely to locate on Columbia Pike under current conditions, HR&A also assessed the impact of traditional office space and hotels. We also identified the impact of multifamily development, though this spending is already captured in retail impacts from growth projections.

### ADDITIONAL RETAIL IMPACT BY REAL ESTATE TYPE – HYPOTHETICAL ASSESSMENT

<table>
<thead>
<tr>
<th>Use</th>
<th>Average Space</th>
<th>Additional Population</th>
<th>Supportable Retail (SF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel</td>
<td>200 Rooms</td>
<td>+ 71,000 Annual Visitors</td>
<td>7,000</td>
</tr>
<tr>
<td>Apartments</td>
<td>250 Units</td>
<td>+ 250 Households</td>
<td>3,860</td>
</tr>
<tr>
<td>Co-working Space</td>
<td>30,000 SF</td>
<td>+ 300 Workers</td>
<td>1,420</td>
</tr>
<tr>
<td>Traditional Office</td>
<td>128,000 SF</td>
<td>+ 640 Workers</td>
<td>3,000</td>
</tr>
<tr>
<td>Medical Office</td>
<td>3,000 SF</td>
<td>+ 15 Workers</td>
<td>70</td>
</tr>
</tbody>
</table>

Source: HR&A Advisors
Appendix

Demographic Analysis
Retail Analysis
Subarea Analysis
SWOT Analysis
Strategy Toolkit
In addition to assessing retail conditions across all of Columbia Pike, this report also considers conditions at specific locations with commercial activity along the Corridor – defined as six subareas – and how varying conditions impact retail potential and strategies for each location.

A key recommendation of this report is to develop a node-based strategy in which each node is marketed and branded separately to collectively make up the Columbia Pike Corridor, which will allow for aggregating and concentrating retail space to strengthen attraction and better establish identity.

To align recommendations with this subarea analysis, strategies and recommendations are provided for each node, while supporting demographic and retail market condition data is provided for each subarea.
The Arlington Mill/Western Gateway subarea has a relatively diverse and young population. 44% of the residents are Hispanic and about a third of the area’s households have children. The area has a growing population and a diverse range of household incomes.

Median household income in the Arlington Mill/Western Gateway Subarea is $65,000.

*Esri data does not distinguish people of Hispanic or Latino origin as a race.

Source: Esri, HR&A Advisors
There is 57,000 square feet of retail – about 8% of all retail space along Columbia Pike – within the Arlington Mill/Western Gateway Subarea. While the proximity of the Subarea to retail in Bailey’s Crossroads poses some challenges in attracting retail tenants, there may be potential to leverage that proximity by differentiating from what is available at Bailey’s Crossroads through unique food and beverage tenants and a more walkable environment.

### STRENGTHS
- Ability to support neighborhood and convenience retailers
- Strong potential to support retail with families as a consumer base

### CHALLENGES
- Close proximity to Bailey’s Crossroads limits some retail opportunities
- Lower average spending potential than other subareas along Columbia Pike
- Lack of vacancy for new retailers

### RETAIL BY TYPE AND EXAMPLE TENANTS
- Neighborhood/Convenience Goods: Cinthia’s Bakery II, Angie’s Carryout, Phoenix Bikes
- Destination Goods: CVS, Mega Mart Express
- Quick Service Food & Beverage
- Restaurants

Note: Retail by Type is based on percentage of total square feet
Source: Arlington Economic Development, HR&A Advisors
The Barcroft/Four Mile Run Subarea has a similar demographic profile to the Arlington Mill/Western Gateway subarea, with a diverse population and high share of households with children relative to the Study Area. However, this subarea has a higher median income.

Median household income in the Barcroft/Four Mile Run Subarea is $69,900.

### INCOME BY NUMBER OF HOUSEHOLDS

- **<$50K**: 1,462
- **$50K-75K**: 1,426
- **$75K-100K**: 1,609
- **$100K-200K**: 2,385
- **$200K+**: 532

### Key Demographics

- **Total Households**: 6,995
- **Growth 2010-2018**: 4%
- **Race**:
  - White: 44%
  - Black: 18%
  - Asian: 12%
  - Other: 26%
  - Hispanic (any origin)*: 41%
- **HH’s with Children**: 31%
- **Bachelor’s Degree or Higher**: 44%
- **Workers**: 2,318

*Esri data does not distinguish people of Hispanic or Latino origin as a race.
Source: Esri, HR&A Advisors

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The Barcroft/Four Mile Run Subarea shares similar challenges and strengths as Arlington Mill/Western Gateway. However, with more destination good retailers, this Subarea is more likely to draw in consumers from outside of the trade areas which can lead to the support of additional retail development.

**STRENGTHS**
- Recent development activity with construction of 8,000 SF of retail space at Trafalgar Flats

**CHALLENGES**
- Retail is spread out, not pedestrian friendly, and generally in older spaces that have not been updated
- Close proximity to Bailey’s Crossroads limits some retail opportunities
- Lower average spending potential than most other subareas along Columbia Pike is a potential challenge in attracting some tenant types

**RETAIL BY TYPE AND EXAMPLE TENANTS**
- Neighborhood/Convenience Goods: 69%
- Destination Goods: 13%
- Quick Service Food & Beverage: 14%
- Restaurants: 5%
- Ayana Ethiopian Market: 5%
- Dollar Plus: 13%

Note: The new development at Trafalgar Flats is included in retail space total for this subarea and assumed 100% vacant. Retail by Type is based on percentage of total square feet.

Source: Arlington Economic Development, HR&A Advisors
The George Mason Drive subarea contains more than 5,200 households and is growing at a pace slightly slower than the Study Area. Median incomes rank in the middle of subareas.

**INCOME BY NUMBER OF HOUSEHOLDS**

Median household income in the George Mason Drive Subarea is $75,900.

- <50K
- 50K-75K
- 75K-100K
- 100K-200K
- 200K+

*Esri data does not distinguish people of Hispanic or Latino origin as a race. Source: Esri, HR&A Advisors*
While a relatively small amount of retail space exists in the George Mason Drive Subarea today, the under construction Centro Arlington development will quadruple existing retail space. A new Harris Teeter grocery store will establish an anchor use along Columbia Pike.

**STRENGTHS**
- Centro Arlington development will bring a retail anchor to the Subarea
- Strong support for neighborhood and convenience good retailers
- Residents have a medium to high income

**CHALLENGES**
- Lower total population than other Subareas
- Low number of non-neighborhood uses

**RETAIL BY TYPE AND EXAMPLE TENANTS**
- Neighborhood/Convenience Goods: 80%
- Destination Goods: 7%
- Quick Service Food & Beverage: 6%
- Restaurants: 6%
- Pike Bolivian Restaurant
- Pan American Bakery
- Columbia Pike
- Thrift Shop
- Harris Teeter
- Wells Fargo

Note: Retail by Type is based on percentage of total square feet
Source: Arlington Economic Development, HR&A Advisors
The Glebe Road subarea experienced the largest increase in household growth, 11%, from 2010 to 2018. The subarea also has the highest median income of all subareas and the largest number of jobs (5,629).

Median household income in the Glebe Road Subarea is $85,400.

*Esri data does not distinguish people of Hispanic or Latino origin as a race.
Source: Esri, HR&A Advisors
About 20% of all retail square footage along Columbia Pike is located within the Glebe Road Subarea. This Subarea has the highest household growth rate along the Corridor, indicating the potential for it to become more attractive to retailers in the future. Opportunities exist for food and beverage tenants given the relatively high number of workers and high household incomes.

**STRENGTHS**
- Population is growing faster than any other Subarea along the Pike
- Households have incomes in the high range for the Corridor
- Relatively high number of workers

**CHALLENGES**
- Some vacancy in newer buildings

**RETAIL BY TYPE AND EXAMPLE TENANTS**

<table>
<thead>
<tr>
<th>Type</th>
<th>Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighborhood/Convenience Goods</td>
<td>Thai Square, Sofia’s Pupuseria, Burger King</td>
</tr>
<tr>
<td>Destination Goods</td>
<td>Bank of America, Eagle Automotive</td>
</tr>
<tr>
<td>Quick Service Food &amp; Beverage</td>
<td></td>
</tr>
<tr>
<td>Restaurants</td>
<td></td>
</tr>
</tbody>
</table>

Note: The new development at Gilliam Place is included in retail space total for this subarea. Retail by Type is based on percentage of total square feet.

Source: Arlington Economic Development, HR&A Advisors
The Penrose/Walter Reed Drive subarea is the most populous subarea, with more than 8,000 households, and experienced notable household growth of 8% from 2010-2018. About two thirds of the subarea’s residents have a Bachelor’s degree or higher and household incomes are above the Study Area median.

Median household income in the Penrose/Walter Reed Drive Subarea is $84,800.
The Penrose/Walter Reed Drive Subarea contains the largest amount of retail space of Columbia Pike's Subareas, a substantial amount of which has been built as part of the new wave of development following implementation of the form-based code. The area has an elevated vacancy relative to the remainder of the Pike, which is particularly acute for space in newer construction buildings.

### STRENGTHS
- Anchored by an existing concentration of retail making up almost half of the Corridor's total retail space
- Relatively high number of workers
- Households have medium to high incomes

### CHALLENGES
- Elevated vacancy rate, particularly in spaces part of newer development

#### RETAIL BY TYPE AND EXAMPLE TENANTS

- **Neighborhood/Convenience Goods**: 63%
- **Destination Goods**: 19%
- **Quick Service Food & Beverage**: 7%
- **Restaurants**: 11%

*Note: Retail by Type is based on percentage of total square feet*

*Source: Arlington Economic Development, HR&A Advisors*
The Eastern Gateway subarea is the only subarea to experience a decline in households from 2010 to 2018. Along with the Penrose/Walter Reed Drive subarea, Eastern Gateway has the lowest share of households with children.

Median household income in the Eastern Gateway Subarea is $78,600.

*Esri data does not distinguish people of Hispanic or Latino origin as a race.

Source: Esri, HR&A Advisors
The Eastern Gateway Subarea contains only a small amount of retail space, about 1% of Columbia Pike’s total. This area is challenged by its population, with a relatively small number of households and recent negative growth rate. Future tenant opportunities may change once Amazon HQ2 is established, given its close proximity to the Route 1 Corridor.

**STRENGTHS**

- Close proximity to Route 1 retail corridor
- The forthcoming expansion of Arlington Cemetery

**CHALLENGES**

- Very little existing retail space
- Separated from remainder of Columbia Pike by Washington Blvd
- Limited population

**RETAIL BY TYPE AND EXAMPLE TENANTS**

Note: Retail by Type is based on percentage of total square feet

Source: Arlington Economic Development, HR&A Advisors
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HR&A conducted a SWOT Analysis to determine the competitive strengths, weaknesses, opportunities and threats for Columbia Pike retail.

**SWOT ANALYSIS**

**Strengths**
Positive aspects inherent in the competitive positioning of Columbia Pike

**Weaknesses**
Less favored aspects of Columbia Pike’s competitive positioning

**Opportunities**
Forward looking factors that build upon existing strengths or eliminate weaknesses

**Threats**
External factors that could pose challenges to Columbia Pike retail
1. **Diverse population supporting a wide tenant mix**  
Columbia Pike has a diverse population with households of varying incomes, ethnicities, and consumer preferences. This population supports retail ranging from bakeries and a bike shop to a grocery and laundromats. The variety of locally owned and neighborhood serving retail along the Corridor is an authentic mix primarily supported by local residents.

2. **Proximity to nearby employment anchors**  
The eastern end of Columbia Pike is adjacent to The Pentagon and Pentagon City, soon to be home of Amazon’s HQ2. The Corridor is uniquely positioned on the way from these anchors to much of South Arlington and Fairfax County.

3. **Low vacancy of existing retail spaces**  
Overall vacancy of 5% in retail space along the Corridor is low compared with other Arlington corridors and general market stabilized vacancy, and shows there is demand to support a healthy retail market along Columbia Pike. While low vacancy is a market strength, it can pose challenges to providing opportunities for new concepts to enter the market.

4. **Existing unmet spending potential for neighborhood uses**  
Residents, workers, and visitors along Columbia Pike already spend approximately $240 million annually. The Corridor can support a net additional 45,000 square feet of retail after the delivery of currently under construction retail.

5. **Continued residential growth supporting additional retail growth**  
By 2030, the Corridor is anticipated to grow by over 6,000 residents and over 400 workers. This projected growth will be primarily along Columbia Pike and will support an additional 51,000 square feet of retail space focused in neighborhood goods and food & beverage.

6. **Historic commercial Corridor**  
Columbia Pike features many older buildings with authentic character, consistent with its role as a historic commercial corridor.

7. **Core public and non-profit leadership focused on economic development**  
A diverse range of stakeholders including Arlington County, Arlington Economic Development, and the Columbia Pike Revitalization Organization (CPRO) are working to catalyze new investment and initiatives.
Weaknesses

1. Proximity to other strong retail nodes
   Columbia Pike is surrounded by larger regional retail nodes including the Rosslyn-Ballston Corridor, Route 1 Corridor, and Bailey’s Crossroads, as well as the smaller neighborhood retail nodes of Shirlington and Del Ray. These areas contain large concentrations of retail that provide a variety of alternative options for residents and workers living near Columbia Pike.

2. Lower density than other areas, with retail that is correspondingly less dense
   Although a significant amount of new development has occurred along Columbia Pike since 2004, the overall population density of the Corridor is less than Metrorail-served corridors such as Rosslyn-Ballston or Route 1. As a result, the Corridor does not support the same degree of concentrated or continuous retail as those locations. As the Corridor continues to grow, focusing retail in concentrated nodes of activity will be critical in fostering walkability and ensuring retail success.

3. Lack of daytime population
   Many neighborhood goods and services, and especially food & beverage, rely on daytime customers to support their business. This spending is largely driven by office workers which the Corridor largely lacks. Although the Corridor is proximate to several employment centers, these centers are already well served with limited requirement to go to Columbia Pike.

4. Existing streetscape unfriendly to pedestrians
   Columbia Pike’s existing streetscape and transportation infrastructure is oriented more toward accommodating auto traffic than pedestrians, which limits the ability to foster an environment where retail customers can easily and comfortably walk between businesses along the Corridor.

5. Lack of continuity inhibits walkability
   Although new development with urban-style building typologies has occurred under the Form-Based Code, the development is dispersed along the Pike. Because this development is intermixed with legacy auto-oriented retail, the Pike does not yet feel easily walkable or generate foot traffic to support strong walk-in business in storefronts located in more urban typologies.

6. Perceived lack of parking in new developments
   Retailers considering locating in new urban-style buildings have expressed concern that the lack of visible surface parking poses a challenge to attracting customers. Many retailers in legacy storefronts have reported an unwillingness to relocate to new buildings due to higher rents and lack of surface parking.
Opportunities

1. Enhancing a unique commercial identity in nodes along the Corridor.
   Columbia Pike has the opportunity to leverage its local businesses and diverse population to enhance the unique identity of its commercial nodes. Celebrating authenticity and cultural diversity along the Pike will serve the population of the Pike while also giving those outside of the immediate trade area reasons to patronize businesses on Columbia Pike.

2. Repositioning of retail for e-commerce
   Retail uses along Columbia Pike, with their focus on neighborhood serving goods and food & beverage uses, are generally well positioned to respond to the ongoing growth of e-commerce, but must continue to adapt to an evolving retail market.

3. Capturing spillover benefits from nearby developments such as HQ2
   Columbia Pike is primed to capture benefits from the continued growth of Arlington, including HQ2. While the most immediate benefit will be residential development, proximity to HQ2 could provide long-term opportunities to support daytime uses.

4. Establishing unique uses
   As a value alternative to other retail locations in Arlington, there is opportunity to accommodate unique tenants such as new food concepts that generate buzz or interest in the Pike in moderately priced spaces.

5. Fostering active ground floor spaces through public facilities
   Moving and expanding public facilities such as the Columbia Pike Branch Library directly on the Pike would add active ground floor uses and increase activity along the Pike.

6. Increasing programing of public spaces
   Columbia Pike already has several public spaces programmed by CPRO. These spaces may continue to be used and activated more frequently with additional events and festivals, drawing more local and regional residents to interact with the Pike.

7. Enhancing transit options to align with higher density development
   Additional transit investment in alternative modes, such as Premium Bus Service Network and bike lanes will promote alternative modes and better align transit options with the urban-style development occurring along the Pike.

8. Repositioning of aging hotels
   The planned WhyHotel, a temporary hotel concept in the new Centro Arlington development, will serve as a litmus test for the Corridor in supporting hospitality uses catering to nearby employers.
1. Potential over-development of retail space
   Anticipated spending from future population growth does not support as much retail as will be built in ground floor spaces under the Form-Based Code. Adjustments to retail space requirements, through incorporation of alternative qualifying active uses or more strategically locating retail requirements, will be required to ensure future retail health.

2. New retail development near Columbia Pike
   New and redeveloped retail projects in nearby locations, including Ballston Quarter and West Alex, will provide residents and workers in the Columbia Pike trade area with additional alternative retail options.

3. Increasing development costs
   Increasing construction costs for mixed use buildings will continue to raise the required rents to make development financially feasible. If the rents required to support new development rise above what the market can support, new development along the Pike will be constrained and limit population and employment growth supporting new retail demand.

4. Continued growth of e-commerce
   Online retail sales are expected to grow from 9.2% of total retail sales in 2018 to 17% by 2022. While new population growth will help to offset some of these losses, retailers and property owners must continue to adapt to evolving market conditions to stay viable.

5. Loss of local retailers
   In new, large development projects, developers often seek out national brand credit-tenants for the financial security they provide. While these new national tenants provide much needed goods and services, they can also diminish the unique characteristics of a location. As new development occurs along Columbia Pike, it will benefit from local tenants that differentiate Columbia Pike from other commercial nodes.
Appendix

Demographic Analysis
Retail Analysis
Subarea Analysis
SWOT Analysis
Strategy Toolkit
HR&A developed a retail strategy toolkit to provide options for supporting retail activity along Columbia Pike.

The retail strategy toolkit provides Arlington County, Arlington Economic Development, CPRO, and other Columbia Pike stakeholders a set of action items to address topics identified in the SWOT analysis of the Corridor. These recommendations are intended to provide a suite of options for enhancing retail along Columbia Pike rather than a prescriptive set of tasks. Toolkit action items are grouped into five key themes.

**KEYS FOR ENHANCING COLUMBIA PIKE RETAIL**

**DEVELOP COORDINATED TENANTING AND ATTRACTION**
Build connections to the retail community of brokers and tenants and develop strategic initiatives for attracting desired uses

**FOCUS ON NODES**
Concentrate retail at key nodes to draw customers and establish centers of activity along Columbia Pike, which is too long to function as a singular entity

**RIGHT-SIZE RETAIL**
Ensure that future development provides an appropriate amount of retail space aligned with what can be supported by the consumer base

**ENCOURAGE ALTERNATIVE COMMERCIAL USES**
Promote the development of uses, such as public facilities or office, to bring more people to the Corridor and activate retail

**CREATE AN ENVIRONMENT CONDUCIVE FOR RETAIL**
Continue and build on existing transportation, infrastructure, placemaking, and ground floor activation efforts to create an environment supportive of walkable retail
### Retail Strategy Toolkit

**Develop a Node-Based Strategy**

<table>
<thead>
<tr>
<th>ACTION ITEM</th>
<th>DESCRIPTION</th>
<th>POTENTIAL CHALLENGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirm key intersections and areas of focus identified in this report to reinforce nodes.</td>
<td>Confirming key intersections or locations to be emphasized as part of a node-based retail strategy is an important first step in formalizing commercial nodes. Concentrating retail strengthens customer attraction to areas of focus and will distinguish different parts of Columbia Pike.</td>
<td></td>
</tr>
<tr>
<td>Market and brand subareas of Columbia Pike differently based on unique attributes</td>
<td>As Columbia Pike continues to transition into a pedestrian-focused environment, branding and marketing nodes will break up the Pike into walkable components and help foster unique identities and a stronger sense of place for retail in each node. The brand of nodes should be reflective of the existing or planned future identity of each and build upon existing uses.</td>
<td></td>
</tr>
<tr>
<td>Focus infrastructure investments in nodes</td>
<td>As infrastructure investments planned for the Corridor move forward, there should be coordination to ensure that those investments align with the commercial strategy. For example, stops along the planned connector system should be located at the center of each retail node. Similarly, when considering initiatives such as designated Pick-Up/Drop-Off (PUDO) zones, commercial nodes should be the area of focus.</td>
<td></td>
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</tbody>
</table>
## Right-Size Retail

<table>
<thead>
<tr>
<th>ACTION ITEM</th>
<th>DESCRIPTION</th>
<th>POTENTIAL CHALLENGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify key focus areas where ground story retail should be concentrated</td>
<td>Based on additional supportable retail space in the market, as well as demand generated by new development, current requirements in the form-based code will create an oversupply of retail space over the long-term. Narrowing the retail requirement will concentrate retail in focused nodes rather than being dispersed throughout subareas.</td>
<td></td>
</tr>
<tr>
<td>Limit required ground story retail to Columbia Pike frontage</td>
<td>Limiting retail requirements to Columbia Pike frontage will encourage continuity of commercial activity along the Corridor and promote walkability while mitigating the potential for an oversupply of retail.</td>
<td></td>
</tr>
<tr>
<td>In non-priority commercial locations, encourage development of ground floor spaces that could be converted to retail at a later date</td>
<td>While narrowing retail requirements will respond to the current retail environment, creating flexible spaces will ensure that new retail space can easily be added to Columbia Pike should the market support it in the future. For example, a new apartment building could place amenity spaces such as a fitness center on the ground floor and convert the space to retail based on market demand.</td>
<td></td>
</tr>
<tr>
<td>Allow for additional uses where retail has been required in the past</td>
<td>The County may offer a process for site-specific waivers of Ground Story Use requirements to developers along Columbia Pike. These waivers could help development happen if developers are confident in the residential market but skeptical of the ability to lease ground floor retail space.</td>
<td>Waivers issued in retail nodes detract from continuity of retail</td>
</tr>
</tbody>
</table>
## Encourage Alternative Uses to Activate Retail

<table>
<thead>
<tr>
<th>ACTION ITEM</th>
<th>DESCRIPTION</th>
<th>POTENTIAL CHALLENGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allow greater flexibility for qualifying Ground Story Uses in non-priority commercial areas</td>
<td>As an alternative to narrowing Ground Story Use requirements, encouraging a wider range of uses in non-priority commercial areas such as clinics or veterinary offices would provide an active ground floor use and promote continuity of retail. Additionally, removing barriers that limit the production capabilities of breweries and distilleries in commercial areas would enable these types of establishments to operate and potentially serve as additional anchors.</td>
<td>If not structured properly, an office incentive could harm development feasibility and constrict new development</td>
</tr>
<tr>
<td>Encourage office development</td>
<td>The small daytime population of Columbia Pike has been cited by retailers as a challenge to their business sustainability. Incentivizing the inclusion of office space in a portion of the Pike, likely in the Walter Reed Node, and providing incentives to maintain development feasibility will strengthen the mix of uses on the Pike and add to the daytime population, in turn supporting a more active 18-hour retail environment.</td>
<td></td>
</tr>
<tr>
<td>Expand zoning boundaries where increased residential density is allowed.</td>
<td>Higher density development increases the retail consumer base, which in turn can support additional and higher quality retail options along Columbia Pike. While there is still sizable development capacity along the Pike, there is long-term opportunity to add density to the Corridor as new development occurs in coming years. Expanding development capacity to include additional areas north and south of Columbia Pike will strengthen retail potential.</td>
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</tbody>
</table>
### Create an Environment Conducive for Retail – Transportation and Infrastructure

#### ACTION ITEM  

<table>
<thead>
<tr>
<th>ACTION ITEM</th>
<th>DESCRIPTION</th>
<th>POTENTIAL CHALLENGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote safe bicycling network paralleling Columbia Pike</td>
<td>A bicycle network paralleling Columbia Pike was recently completed. This network should be further promoted to ensure Arlington residents and visitors know biking is an option to visit retailers on Columbia Pike</td>
<td></td>
</tr>
<tr>
<td>Improve signage to parking garages</td>
<td>A common negative consumer perception of ground floor retail in mixed use buildings is a lack of parking. Adding signage visible to drivers on Columbia Pike and clearly denoting off-street parking options will help to mitigate this deterrence.</td>
<td></td>
</tr>
<tr>
<td>Establish parking validation programs in garages</td>
<td>The inventory of parking along Columbia Pike will allow for programs which encourage visitors in cars to use underground parking, potentially at a discount. This reduces the hassle of finding parking and makes consumers more likely to stop in ground floor retail of mixed use buildings.</td>
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</tr>
</tbody>
</table>
### Support retail pop-ups and interim uses in new developments

**Description:** Pop-up shops allow retailers to test the market, provide new retail offerings on Columbia Pike, are low risk for retailers, and allow property owners to fill underutilized or empty space. Coordinate with retailers looking for pop-up space and work with property owners to provide space.

**Potential Challenges:** Property owners may be reluctant to embrace short-term retail leases or expenses associated with accommodating new tenants.

### Locate traffic-generating public facilities in storefronts

**Description:** Locating public facilities such as public libraries in ground floor spaces provides an active use that engages passersby while adding an amenity that draws local residents to the Pike. Drawing visitors to the public facility provides opportunity for them to patronize other local retail establishments as well.
## Create an Environment Conducive for Retail – Placemaking

<table>
<thead>
<tr>
<th>ACTION ITEM</th>
<th>DESCRIPTION</th>
<th>POTENTIAL CHALLENGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add outdoor seating along the sidewalk and movable furniture in public areas</td>
<td>Outdoor seating provides residents and visitors an opportunity to linger and creates a more engaging public realm. Seating along sidewalks should be added only where they are wide enough to still accommodate pedestrian traffic.</td>
<td>Many places to add street furniture are immediately adjacent to street traffic, which does not invite lingering.</td>
</tr>
<tr>
<td>Build on existing programming with new events</td>
<td>In addition to existing programming and events, larger events such as street festivals showcase the Corridor to regional visitors. Additionally, allow for the sale of alcohol in designated public places as part of events to broaden programming opportunities.</td>
<td></td>
</tr>
<tr>
<td>Add wayfinding in key areas along the Corridor</td>
<td>Wayfinding will be an important tool for informing potential consumers, particularly those unfamiliar to the area, of retail options available along Columbia Pike. Wayfinding should include large signs with maps and be strategically located, such as at bus stops.</td>
<td></td>
</tr>
<tr>
<td>Tailor public art to social media to enhance identity</td>
<td>Dynamic and eye-catching public art, especially art that is tailored to social media, is an effective way to increase the visibility of the area and enhance identity within Columbia Pike retail nodes. In addition to existing art on the Corridor, work with arts advocacy organizations to facilitate additional identity-building art.</td>
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<tr>
<td>Establish stewardship of infrastructure improvements</td>
<td>Dedicate funding to oversee upkeep of streetscape and infrastructure improvements along the Pike and ensure improvements are maintained.</td>
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### Create an Environment Conducive for Retail – Transportation and Infrastructure

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<thead>
<tr>
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<th>POTENTIAL CHALLENGES</th>
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<tbody>
<tr>
<td><strong>Continue consideration for dedicated Pick Up/Drop Off (PUDO) zones for rideshare vehicles at retail nodes</strong></td>
<td>PUDO zones are dedicated areas to wait for rideshare vehicles. These dedicated areas, like a bus stop, can become nodes of activity themselves. Establishing PUDOs in commercial nodes will ease accessibility for rideshare users. Arlington County is currently exploring opportunities for PUDOs across the County.</td>
<td>Requires curbside space which may not be available directly on Columbia Pike</td>
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<tr>
<td><strong>Focus on planned and continue developing current streetscape improvements</strong></td>
<td>Continue to focus on the design and construction timeline for streetscape improvements with a continued focus on wider sidewalks, more greenery, and active signage throughout the Corridor.</td>
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<td><strong>Expand sidewalk width where possible</strong></td>
<td>While there have been initiatives to expand sidewalks along Columbia Pike in some locations, many sidewalks remain narrow, particularly given their proximity to auto traffic. Where practical, the County should expand the width of sidewalks on both sides of the street to at least six to ten feet to create a more comfortable pedestrian environment.</td>
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<td><strong>Add or promote “last mile” micromobility transportation options to the Corridor at key nodes</strong></td>
<td>Allow more people to access retail along Columbia Pike without using cars through alternative transportation mode such as bikeshare or scooters. Arlington County is currently exploring opportunities for scooter corrals across the County, including along Columbia Pike. For bikeshare, the County should review usage of current bikeshare locations and evaluate opportunities for new stations.</td>
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## Develop Coordinated Tenanting and Attraction

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<td>Enhance retail support capabilities to manage and implement coordinated retail initiatives</td>
<td>Establishing a liaison to the retail community of brokers and property owners will add an additional layer of support and help better connect brokers, property owners, and potential tenants. Additional coordination can include retail roundtables and targeted marketing of the Corridor.</td>
<td>May require additional staffing at designated organization depending on current staff capacity</td>
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<tr>
<td>Hold semiannual retailer roundtable meetings</td>
<td>Retailers have on-the-ground perspective of retail conditions on the Pike and the most pressing matters impacting their success. While some retailers communicate with one another informally, regular meetings will establish a formalized channel to hear challenges impacting retailers while also promoting coordinated actions by retailers.</td>
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<td>Publish a quarterly retail one-pager</td>
<td>A one-pager serves as a valuable tool for ensuring that retail brokers and property owners are informed on relevant data and positive news on the Pike such as store openings and market data trends that will benefit retail attraction. The one-pager should be shared with brokers and property owners in Arlington and Northern Virginia.</td>
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## Develop Coordinated Tenanting and Attraction

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<td><strong>Provide small business support for growing retailer consumer base through new technologies</strong></td>
<td>Provide technical support to small businesses along the Corridor to help them adapt to changes in retail including the expansion of app-based delivery services and online shopping. This support can increase sales at small businesses and provide exposure to potential new customers.</td>
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<tr>
<td><strong>Consider implementing a relocation support program for displaced local legacy tenants</strong></td>
<td>As Columbia Pike continues to transition to a higher-density pedestrian-focused corridor, many existing legacy retailers will face challenges relocating from existing locations that are being redeveloped. A relocation support program would help connect local retail tenants to resources such as realty support or small business grants for relocating their business on the Corridor or nearby.</td>
<td>There may not always be appropriate space along Columbia Pike, or in Arlington County.</td>
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<td><strong>Consider incentives such as bonus density to attract target uses</strong></td>
<td>Attracting targeted uses such as an additional retail anchor use or a food incubator will expand the consumer base of the Pike and provide opportunities for new visitors to patronize other commercial uses. Attraction of these uses is likely to require a tax incentive such as an abatement.</td>
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<td><strong>Consider establishing grants or low interest loans to renovate or bring legacy spaces up to code</strong></td>
<td>Although legacy spaces feature low vacancy overall, these spaces are often not up to current market standards and landlords are often hesitant to support space improvements required to attract high-quality uses. A program to renovate and reinvestment in these spaces will foster stronger retail tenant attraction.</td>
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<td><strong>Consider establishing a program providing design services to owners of legacy spaces</strong></td>
<td>A low-cost program to provide design services for updating legacy spaces will reinforce tenant attraction by supporting property owners in updating spaces to meet retailer needs.</td>
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