



# City of Alexandria Market Feasibility Study SPARC Revitalization Initiative

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Alexandria, VA

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# RKG Associates, Inc.

*Economic, Planning & Real Estate Advisors*

- Firm Established in 1981
- Project Managed From Alexandria, VA Office
- Firm Specializes in Urban & Neighborhood Revitalization
- Lead Firm on Dunbar/West Greenville Neighborhood Revitalization Strategy
- Firm Consists of:
  - Urban Planners
  - MBAs (Finance & Marketing)
  - Economists/Economic Development Specialists
  - Real Estate Market Analysts
  - Real Estate Appraisers
  - Demographers & Retail Market Analysts
  - GIS & Database Specialists

# RKG's Specialized Expertise

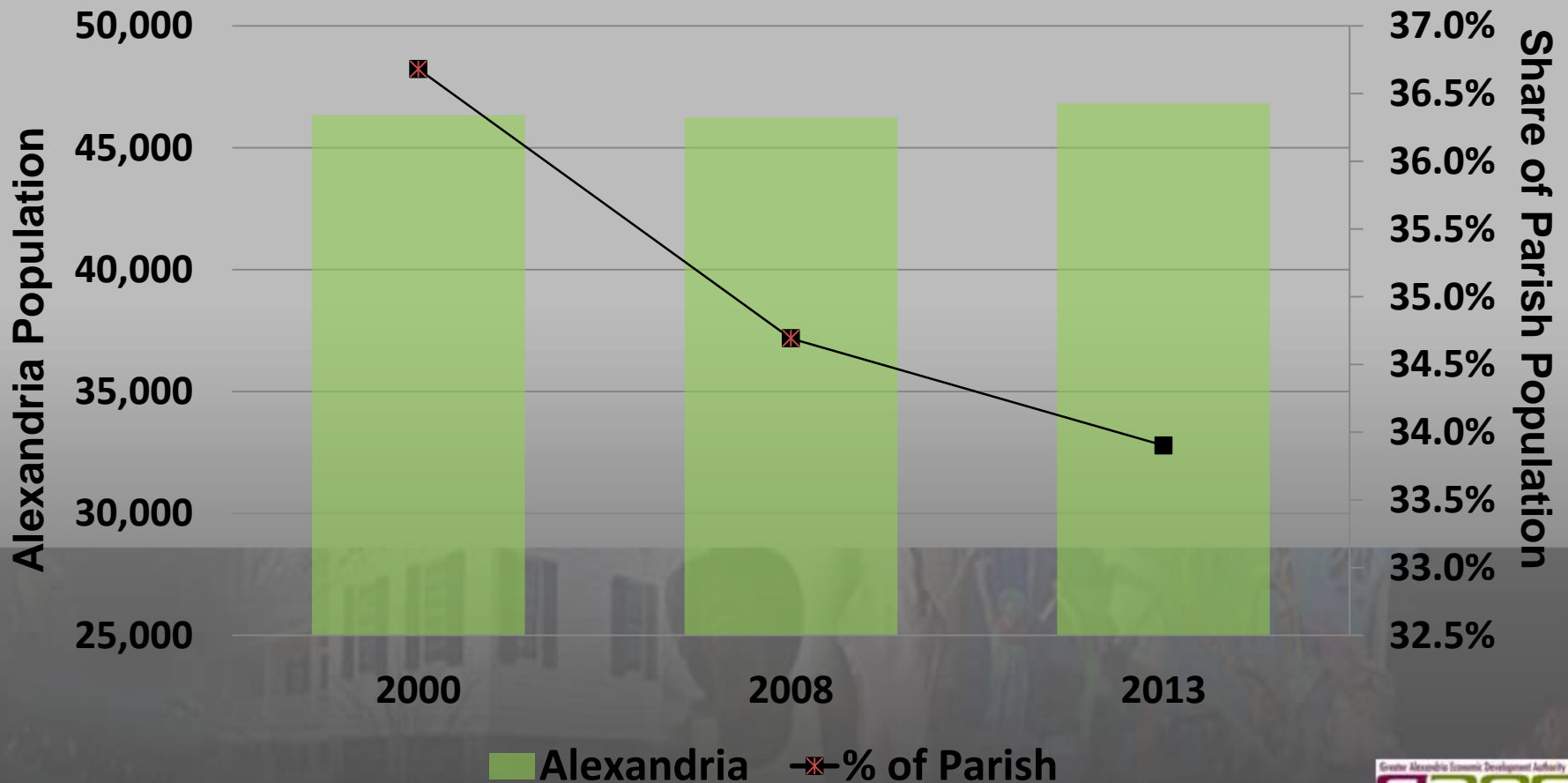
- **Firm Specializes in Urban Redevelopment, Mostly in Lower Income Communities**
- **Analyze Local Real Estate Markets Quickly and Thoroughly and Offer Independent Market Assessment (Outside Local Politics)**
- **Understand Real Estate Development and Work with Private Development and Local Government Clients. (Sometimes at the Same Time!)**
- **Take a “Strategic Fiscal Planning” Approach that Directs Public Investment to Areas of Greatest Return**
- **Combine Solid Market Fundamentals with Long-Term Vision. Adds Credibility to Local Efforts**

# Project Observations

- **City's Infrastructure Program Should Attract Developer Interest if Properly Executed**
- **City will Enjoy a Competitive Advantage but Investment Does Not Ensure Success**
- **May Need to "Create" Markets Where None Currently Exist (e.g., public infrastructure, business incentives, gap financing, etc.)**
- **Must Capitalize on City's Status as Regional HUB**
- **Mixed Uses, Economic Diversity, and Quality Amenities Must Reverse CRA Decline**

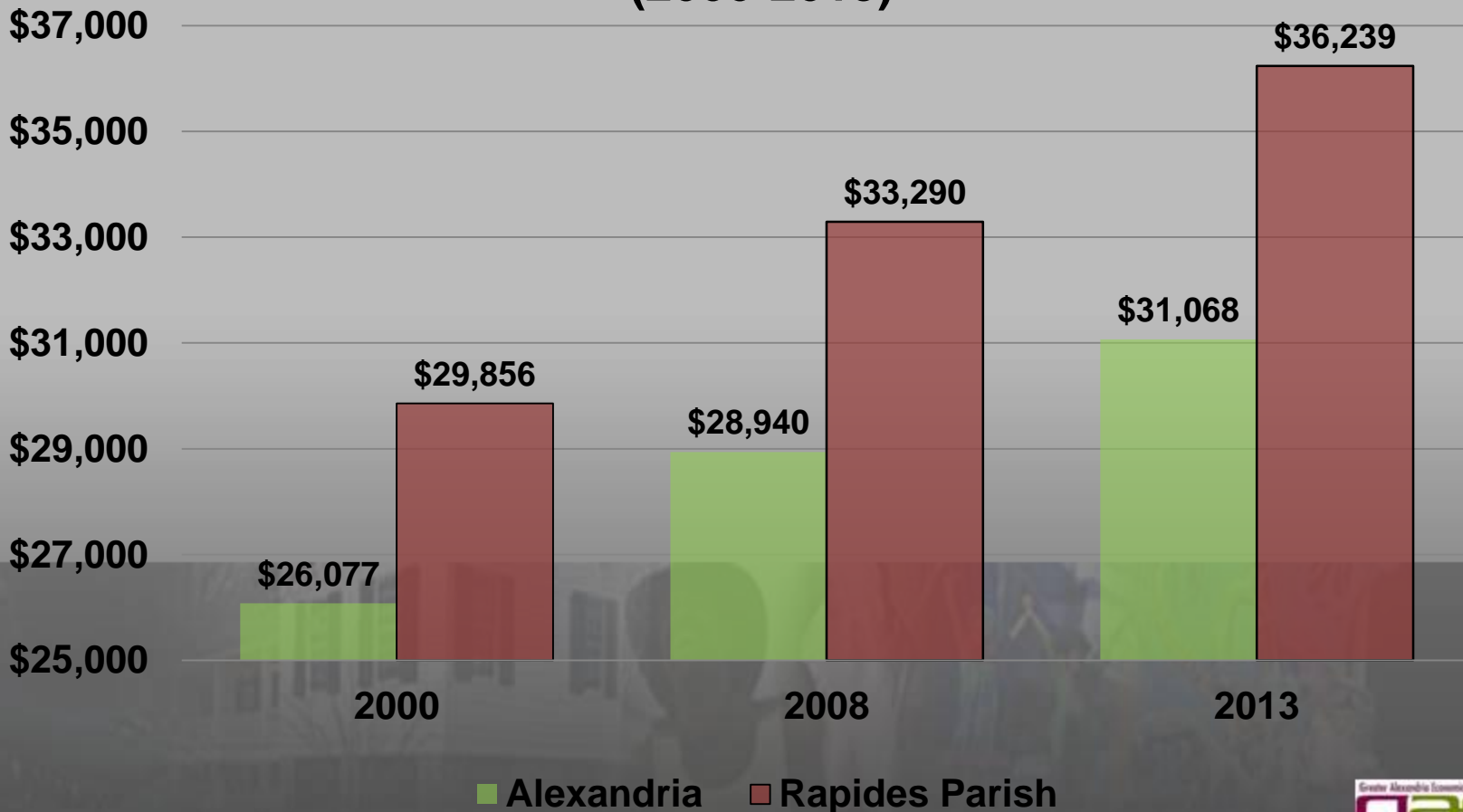
# The City's Population is Growing Slightly but is Losing Market Share to the Parish

## Alexandria Population Trends (2000-2013)



# The CRA Strategy Must Tap into Higher Regional Household Income Levels, Which are Growing Faster than the City

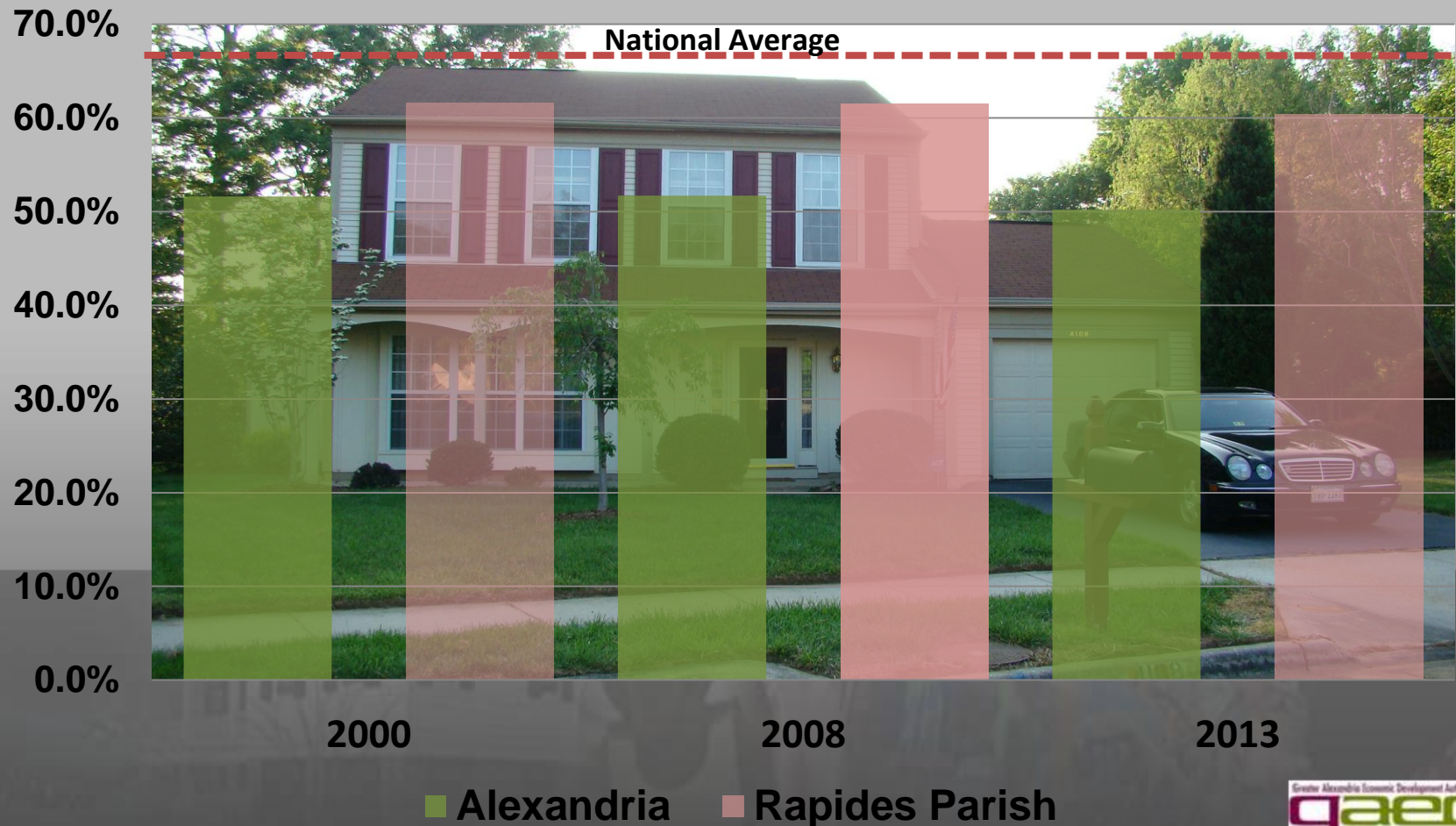
## Median Household Income Trends (2000-2013)





# Increasing Homeownership Rates will Stabilize CRA Neighborhoods and Increase Business Opportunities

## Homeownership Rate (2000 to 2013)



# Consumer Household Demand

Industry Summary	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Demand - Supply)
Total Retail Trade & Food & Drink	\$322,503,898	\$877,976,232	<b>-\$555,472,334</b>
Total Retail Trade	\$279,887,139	\$797,372,246	<b>-\$517,485,107</b>
Total Food & Drink	\$42,616,759	\$80,603,986	<b>-\$37,987,227</b>

**Alexandria is a Regional Center for Retail Trade as Total Captured Sales Exceed Total Consumer Household Demand**





# Project Approach



# Project Understanding

- **Must Understand Revitalization Needs and Opportunities of Designated CRAs as well as Overall City Objectives**
- **Analyze Regional Market Segments and Identify CRA Redevelopment Opportunities**
- **Determine Best Methods for Leveraging Private Investment with \$96 million in Public Infrastructure**
- **Assess the Economic & Development Feasibility of Major Development Projects**
- **Position the City to Implement a Strategic Revitalization Program that will Attract Private Development Interests**

# RKG Project Approach

## **PHASE 1**      **Project Initiation and Data Collection**

- Task 1**      **Review Relevant Planning Documents and Background Materials**
- Task 2**      **Kick-off Meeting and Confirmation of Project Goals, Objectives and Schedule**
- Task 3**      **Key Person and Stakeholder Interviews**

# RKG Project Approach

## **PHASE 2 Economic and Market Analyses**

- Task 4 Economic Base Analysis - Demand Side**
- Task 5 Real Estate Market Analysis**
- Task 6 Retail Market Analysis**

**Identification of Preliminary Development Program and Catalyst Development Opportunities**

# RKG Project Approach

## **PHASE 3      Development Feasibility and Economic Benefit Analysis**

### **Task 7      Development Feasibility and Economic Benefit Analysis**

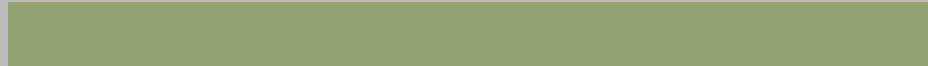
# Options to Consider

- **Developer Marketing Strategy, Solicitation and Negotiations**
- **Strategic Tax Base Analysis**
  - Analysis Determines Best Locations and Land Use/Development Strategies for Each CRA to Maximize Tax Base and Future Revenue Potential
  - Link Future Public Infrastructure Investments to Projected Private Revenue Potential. Provide Revenue Justification for Public Investments





# Project Examples



# Annapolis Commercial Districts



**OUTER WEST STREET**  
Upgrade Property Values



**WEST ANNAPOLIS**  
Professional Offices  
Niche Retail

**DOWNTOWN**  
Maintain Commercial  
Retail Core



**INNER WEST STREET**  
Major Redevelopment

**EASTPORT**  
Maintain Commercial Base



**FOREST DRIVE**  
Residential Growth Area



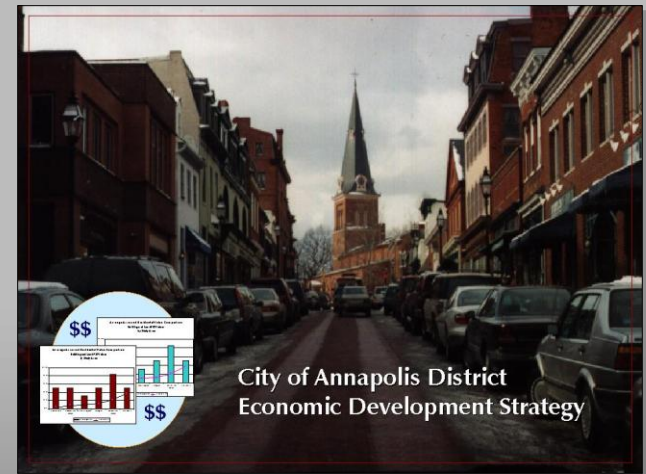
## Top Industries

- Tourism
- Eating & Drinking
- Maritime Industry
- Government
- Business Services
- Health Services
- Repair Services

# Annapolis Commercial District Strategic Development Plan

## Market Positioning Strategy and Economic/Fiscal Impacts Analysis for City's Commercial Districts

- Analyzed Regional Market to Determine Strategic Economic Role for Each Commercial District
- Projected Economic and Fiscal Impacts Associated with Each District Redevelopment Strategy (i.e., Job Creation, Tax Base Implications, Tax Revenue Gains, etc.)
- Positioned each District to Play Complementary Role in City's Comprehensive Economic Development Strategy



Downtown Church Square  
Annapolis, MD



# Algiers Neighborhood Commercial Revitalization Strategy

## Algiers, New Orleans



ORLEANS PARISH



ST BERNARD PARISH

Algiers Point

Opelousas Avenue

Newton Street

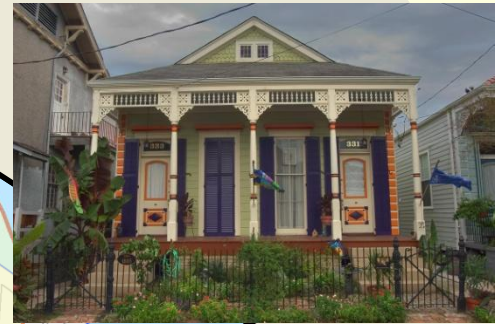
Newton Street

U.S. HIGHWAY 90

Federal City

General Meyer Avenue

Kabel Drive



General Meyer Avenue

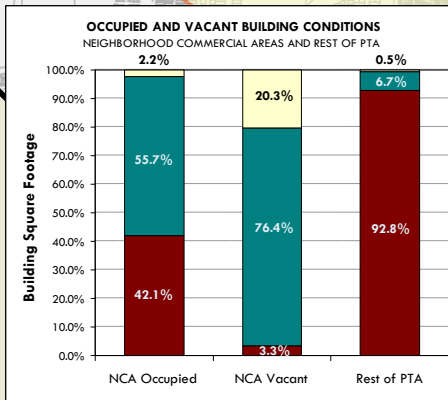
Patterson Drive

Cut-Off

Kabel Drive

General DeGaulle Drive

Woodland Drive



# Algiers Neighborhood Commercial Revitalization Strategy

## Commercial Positioning Strategy for Neighborhood Districts

- Examined Post-Katrina Commercial Development Potential of Algiers District
- Projected Future Demand Based on Impacts of Several Large Redevelopment Projects Throughout District
- Analyzed Potential to Create a Large Shopping Center
- Prepared Commercial Development Strategy for Major Corridors and Neighborhood Districts



Algiers Point Residential  
Algiers, New Orleans



# Worcester Downtown CitySquare Mixed-Use Redevelopment Worcester, MA





# Worcester City Square

**Redevelopment of Urban Outlet Center Mall  
Into Mixed-Use Urban Village  
Cost: \$563 million**

- 2.2 million square feet of urban mixed-use development transforming the heart of Worcester, MA
- 650 Upscale urban residences complemented by 400,000 SF of restaurants, world-class retail shops, clubs and entertainment venues
- 600,000 SF of professional, clinical and life science office space
- 1,100 space subsurface parking garage



CitySquare Development  
Worcester, MA



# Capitol Hill Towers Mixed-Use Development – TIF Feasibility Washington, DC



# Capitol Hill Towers

**Determined Market Feasibility and Project Suitability to Support \$11.5 million in Tax Increment Financing**  
**Total Cost: \$120 million**


- Analyzed DC market to confirm demand for 13-story residential tower, with 14-story Marriott Courtyard hotel, street-level retail, and 227-space parking garage.
- Analyzed the project's annual cash flow through stabilization and projected project's ability to meet TIF debt requirements
- Advised City's bond counsel who would be offering the TIF bonds to investment market
- Project is complete and was a key private initiative in the on-going revitalization of Southeast DC



Completed Capitol Hill Towers  
Washington, DC



**Selected Current and Upcoming Projects:**

 [Go to the Near Southeast Photo Archive](#)

**Office**

- A. 55 M
- B. 100 M
- C. 250 M
- D. 1111 New Jersey
- E. 1015 Half
- F. SC1100
- G. 88 K **NEW**

**Residential**

- 1. Capitol Quarter
  - 2. 23 I Street
  - 3. 70/100 I
  - 4. 909 New Jersey
  - 5. Onyx on First
  - 6. Monument Half & N
  - 7. Velocity Condos
- Yards Residentials**

**Retail/Hotel/Recreation**

- Nats Ballpark
- Canal Park
- a. Community Center
- b. Hotel

[Click Tabs for Full Project Directory](#)



**View Detailed Development Maps:**  
[Stadium Corridor](#)  
[M Street](#)  
[New Jersey Ave. / Copper/Carrollburg](#)

# Project Deliverables

- **CRA Assessment of Strengths, Weaknesses, Threats and Opportunities**
- **Real Estate Market Analysis (Office, Retail/Service, Restaurant, Hotel, Urban Entertainment, etc.)**
- **Retail Market Analysis (“Sales Leakage Analysis”)**
- **Development Feasibility and Economic Benefit Analysis of Major CRA Redevelopment**