

RETAIL MARKET STRATEGIC ACTION PLAN UPDATE

Presented to Prince George's County Council
Planning, Housing and Economic Development Committee
February 6, 2020



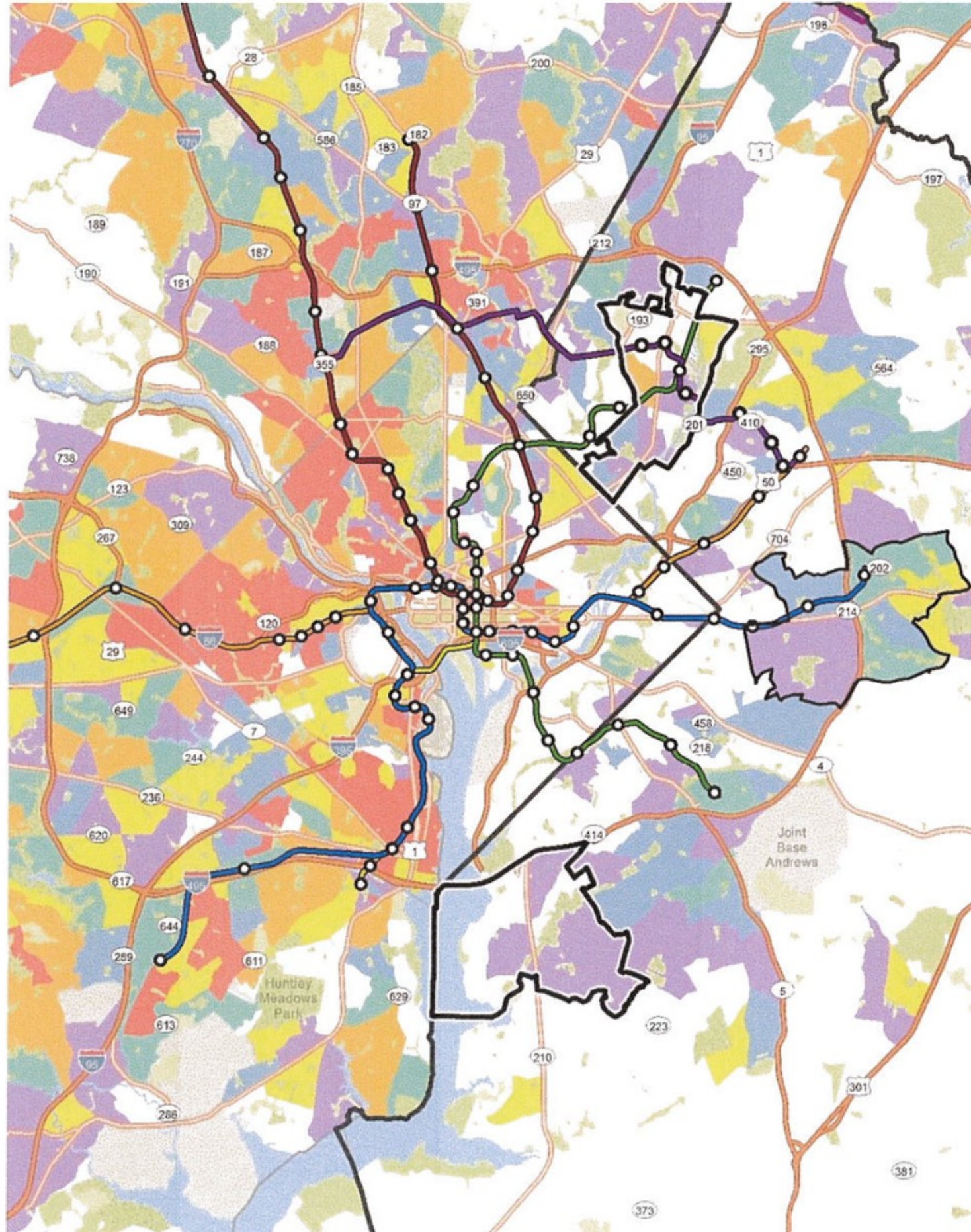
County Retail Issue

A CRITICAL CHALLENGE FOR THE COUNTY IS SHAPING AND TARGETING FUTURE GROWTH TO AREAS THAT WILL ATTRACT THE TYPES OF HIGH-QUALITY RETAILERS AND DEVELOPMENT TO MEET UNDERSERVED CONSUMER DEMAND, WHILE IMPROVING THE QUALITY OF EXISTING RETAIL CENTERS.



County Retail Issue Cont.

- COUNTY NOT SIGNIFICANTLY OVER-RETAILED RELATIVE TO THE NATIONAL OR REGIONAL AVERAGE.
- AVERAGE PRODUCTIVITY (SALES PER SQUARE FOOT) IS LESS THAN IN COMPARABLE COUNTIES IN THE WASHINGTON-BALTIMORE REGION.
- COUNTY OVER-SUPPLIED WITH RETAIL BUSINESSES OFFERING PRODUCTS AND SERVICES AT PRICE POINTS FOR WHICH MARKET DEMAND IS THIN, AND UNDER-SUPPLIED WITH THOSE FOR WHICH UNMET RETAIL DEMAND EXISTS.



- Median Income
- Household Density
- Education Levels

- Metro Stations
- PurpleLine
- Metro Blue Line
- Metro Green Line
- Metro Orange Line
- Metro Red Line
- Metro Yellow Line

Criteria

Qualification	Median Income	Density	Education %
Most Favorable Conditions	\$100,000	5,000	60%
Favorable, Lower Density	\$100,000	2,000	60%
Average Conditions	\$75,000	2,000	40%
Average, Lower Density	\$75,000	1,500	30%
Average, Lowest Density	\$75,000	1,000	30%

Below Average Conditions	\$60,000	400	30%
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The Future of Retail

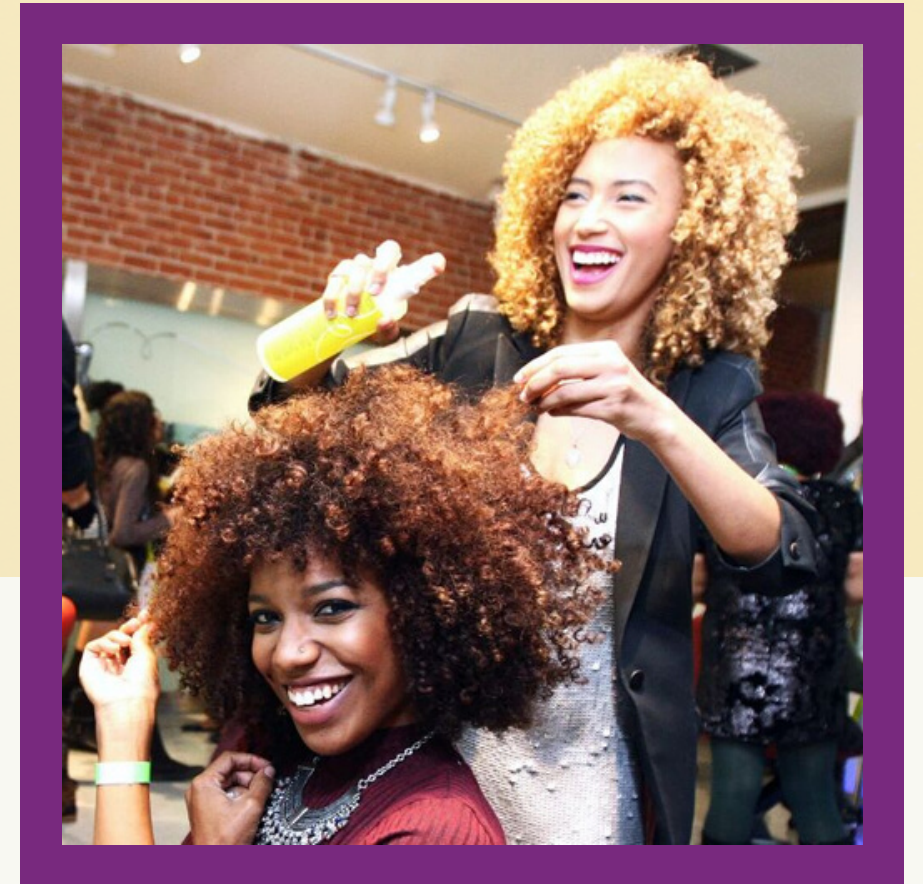
WHAT MAKES YOU:



FAT



SWEAT



PRETTY

*Experience and Personalization
*BOPIS - Buy Online, Pick Up In Store

Over 1,700 Stores Are Already Slated To Close In 2020

After 2019 set a new record for store closures among national retailers, 2020 is off to a similar start.

- Over 1,700 closures will take place this year, Business Insider reports.
- More than 9,300 stores shut their doors in 2019, breaking 2017's record by over 1,000.
- Cushman & Wakefield estimates that 2020 could see 12,000 closures.

Some of the 1,700 planned closures had been previously announced, such as Forever 21 outposts that are currently in post-bankruptcy restructuring. Others may take until 2021 to complete.

Source:

<https://www.bisnow.com/national/news/retail/over-1700-stores-already-closing-2020-national-retailers-102536>





COUNTY RETAIL ACTION PLAN SOLUTION

The Prince George's County Competitive Retail Market Strategic Action Plan is an implementation strategy designed to proactively address the economic and real estate challenges that are negatively impacting the County's retail environment, build on key strengths and tools that can be leveraged, and articulate a strategic toolkit of actions and approaches.

County Retail Strategic Goals

ALIGN RETAIL DEVELOPMENT PLANNING, POLICY, AND INVESTMENTS WITH MARKETABILITY

Create places that support the location and demographic factors to enhance County marketability over the long term.

TARGET RETAIL DEVELOPMENT BASED ON UNIQUE COUNTY ATTRIBUTES:

Focus on Baltimore Avenue, Greater Largo, and National Harbor; having the strongest marketability to attract the upscale retailers that the County desires and its residents and employees demand.

PRIORITIZE INVESTMENTS TO OPTIMIZE HIGH-END RETAIL ATTRACTION:

Create long lasting, high value places to support high-end retail over the long-term by prioritizing the investments and physical improvements that will enhance existing strong retail destinations.

REPURPOSE OR REDEVELOP WEAKER RETAIL CENTERS

Many shopping centers are no longer viable for retail uses and the County should evaluate and incentivize owners to convert these properties to other uses with stronger market potential

INCREASE SPENDING POWER IN SURROUNDING TARGETED RETAIL CENTERS

Support healthy retail centers by strengthening the surrounding market with other uses, such as housing and office employment, that will increase the spending power of the retail trade area.

Strategic Actions taken by EDC

- Develop an interactive economic development toolbox that will be a resource for retail decision makers
- Work with various software programs, marketing partners and other support agencies to create a comprehensive summary of development programs and incentives that are available by location on EDC website
- Develop a strong retail properties knowledge database of high-, medium-, and low-quality centers located within strategic areas for higher-quality tenants

Strategic Actions taken by EDC

Coordinating development policies, planning, and investments to enhance County marketability for high quality TOD and mixed-use developments

- On-going meetings and work with MNCPPC on Zoning rewrite project
- Work with DPIE's newly appointed Business Development Officers
- Work with Alcohol Outlet Density Zones Work-group
- Work with the Redevelopment Authority
- Meet with and develop partnerships with key property owners, managers, developers, tenants, and brokers

Strategic Actions taken by EDC

Focusing on areas with existing strong marketability to support mixed-use, TOD, and high-end development

- Designate specific target areas for high-quality retail attraction
- Target presentations to developers, brokers and retailers to promote areas as high-end development opportunities

Strategic Actions taken by EDC

Enhancing existing strong retail destination

- Develop plan for re-purpose of distressed or failing retail centers to non retail or mixed-use
- Strengthen targeted trade areas with other uses such as housing and office employment
- Stimulate local business development to build tenant base



ICSC 2019 Wins Update

ICSC RECon is the world's largest global gathering of retail real estate professionals. Leading developers, owners, brokers and retailers come together to conduct a year's worth of business under one roof, in record time.

Prince George's County Welcomes:

Starbucks - Capital Plaza

Quickway Hibachi - Capital Plaza

Hobby Lobby - Ritchie Station

LIDL - Allentown Andrews Gateway Center

Hook & Reel Restaurant - Iverson Mall

CAVA - Woodmore Towne Centre

Silver Diner - Woodmore Towne Centre



Inner Beltway Shopping Center Update



Center Name	Economic Development Status and Opportunity
La Union Mall	Near Purple Line. Currently has Langley Park Multi-service center. Potential to redevelop as mixed-use development with underground parking
University Place Center	Near Purple Line. Site needs new parking lot lights, signage, re-pave parking lot and facade improvements
Adelphi Plaza	Near Purple Line. Site needs new parking lot lights, signage, re-pave parking lot and facade improvements
University Plaza	Near Purple Line. Site needs new signage, re-pave parking lot and facade improvements
Riggs Plaza	Near Purple Line. Site needs new parking lot lights, signage, re-pave parking lot and facade improvements
2031 University Blvd	Site needs new parking lot lights, signage, re-pave parking lot and facade improvements
Green Meadows Shopping Center	In poor condition. Need to re-pave parking lot, exterior make-over and tenant upgrade
Metzerott Plaza	Vacant Walgreen
Wildecroft Shopping Center	In very poor condition. Need to re-pave parking lot, exterior make-over and tenant upgrade

Inner Beltway Shopping Center Update



Center Name	Economic Development Status and Opportunity
6300 Kenilworth Ave	Site in very poor condition. Needs new parking lot lights, signage, and facade improvements. 2-story commercial office building is good location for a business Latino incubator
Sargent Road Shopping Center	Needs new sign for Center
Riverdale Plaza Shopping Center	Near Purple Line. Scheduled to be sold by end of 1st quarter 2020. New owners will develop a three phase, mixed-use project with a total of 1,000 units and 80,000 SF of retail.
Kaywood Shopping Center	The center has a empty movie theater
Park Way Shopping Center	Center has a very low site line from road. Good potential site for high rise multi-family mixed-use project withj first floor retail
Capital Corner Shopping Center	Site needs new signage, re-pave parking lot and facade improvements
Jemals Bladensburg Shopping Center	Very limited parking in front of site. Most parking in rear. Good location for restaurant hub
Dodge Plaza	In the middle of an exterior remodel
Stadium Station	In very poor condition. Need to repave parking lot, exterior make-over and tenant upgrade. Good location for home improvement hub

Inner Beltway Shopping Center Update



Center Name	Economic Development Status and Opportunity
Kent Village	In poor condition. Need to re-pave parking lot, exterior make-over and tenant upgrade. Close to Metro. Good location for multi-family mixed-use redevelopment with retail
Mini Plaza	Need to re-pave parking lot, exterior make-over and tenant upgrade. Close to Metro. Good location for multi-family mixed-use redevelopment with retail
Coral Hills Shopping Center	Need to re-pave parking lot, exterior make-over and tenant upgrade. 4 to 5 miles from Metro. Fair location for multi-family mixed-use redevelopment with retail
Great Eastern Plaza	Need to re-pave parking lot, exterior make-over and tenant upgrade. 4 to 5 miles from Metro. Fair location for multi-family mixed-use redevelopment with retail
Walters Lane Plaza	Need to re-pave parking lot, exterior make-over and tenant upgrade.
Suitland Road Plaza	Need to re-pave parking lot, exterior make-over and tenant upgrade. 1-2 miles from metro. Good location for multi-family mixed-use redevelopment with retail
Silver Hill Shopping Center	Redevelopment Authority project
St. Barnabas Plaza	Need to re-pave parking lot and tenant upgrade
St. Barnabas Square	Need to re-pave parking lot and tenant upgrade

Inner Beltway Shopping Center Update



Center Name	Economic Development Status and Opportunity
Iverson Mall	Need to re-pave parking lot. They are conducting \$30 million exterior make-over and tenant upgrade. 1-2 miles from Metro. This is a commercial office mixed-use redevelopment with enclosed retail mall
Landover Crossing	Need to re-pave parking lot, exterior make-over and tenant upgrade. Will have new ownership by March 2020. New ownership will add redevelop site and add multi-family mixed-use redevelopment with retail and hotel
Beltway Plaza	Need to re-pave parking lot, exterior make-over and tenant upgrade. Current ownership planning to add townhomes, multi-family mixed-use redevelopment with retail

Food Desert Update

A food desert is a geographic area where residents have restricted access to affordable groceries and healthy food options (especially fresh produce like fruits and vegetables).

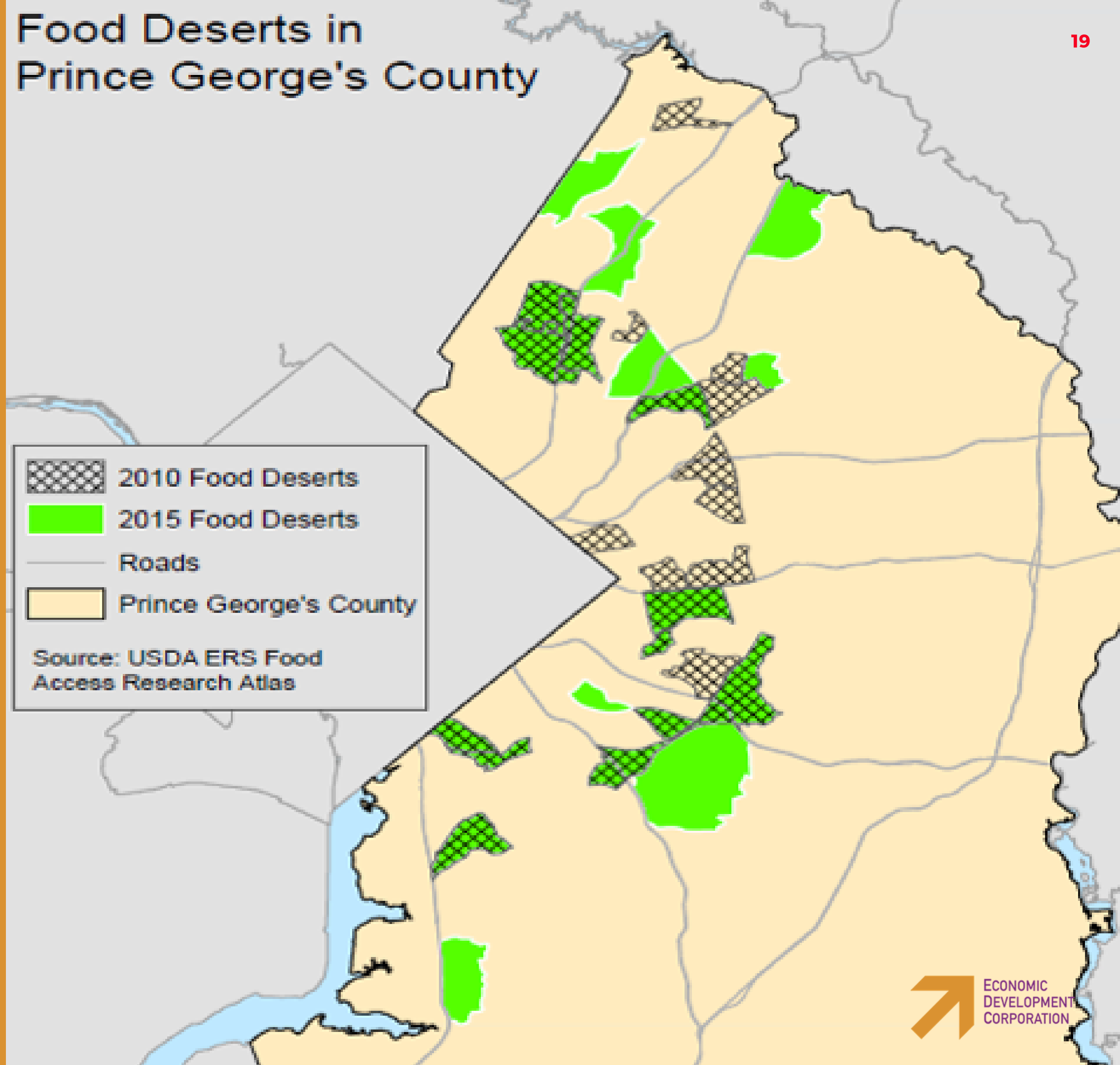
USDA no longer uses Food Desert designation. They currently focus on Low Income Low Access areas



Low Access: At least 33% of the census tract must reside more than 1 mile from supermarket, 10 miles for rural areas.

Low Income Areas: 20% poverty level and/or median family income is less than or equal to 80% of state median income

Food Desert Map



Per National Grocers Association, overall Grocery Industry revenues grew by 1.2% in in last 5 years.

Grocery Trends



Brands continue to consolidate.

Number of stores decreased slightly by 0.2%.

Largest Local Market Share:

- Giant
- Safeway
- CVS
- 80% Consumers still prefer to shop at local Grocer.

National Grocery Trends*

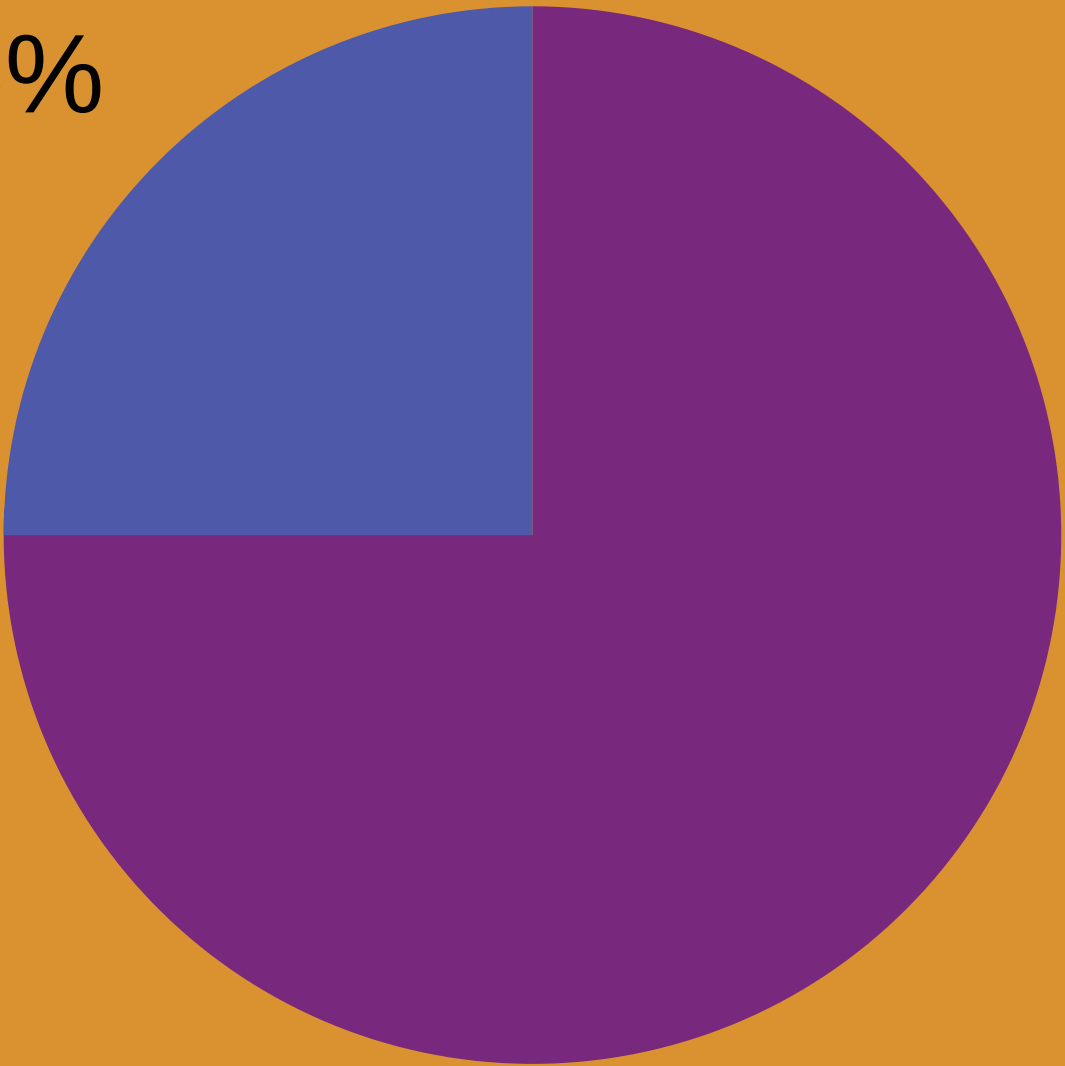
Estimated Increase in Online Shopping over the next 5 years.



**3 OUT OF 10
CONSUMERS SHOP ONLINE FOR GROCERIES**

Projected Percentage of Grocery Shopping ²¹

Online
25%



In Store
75%

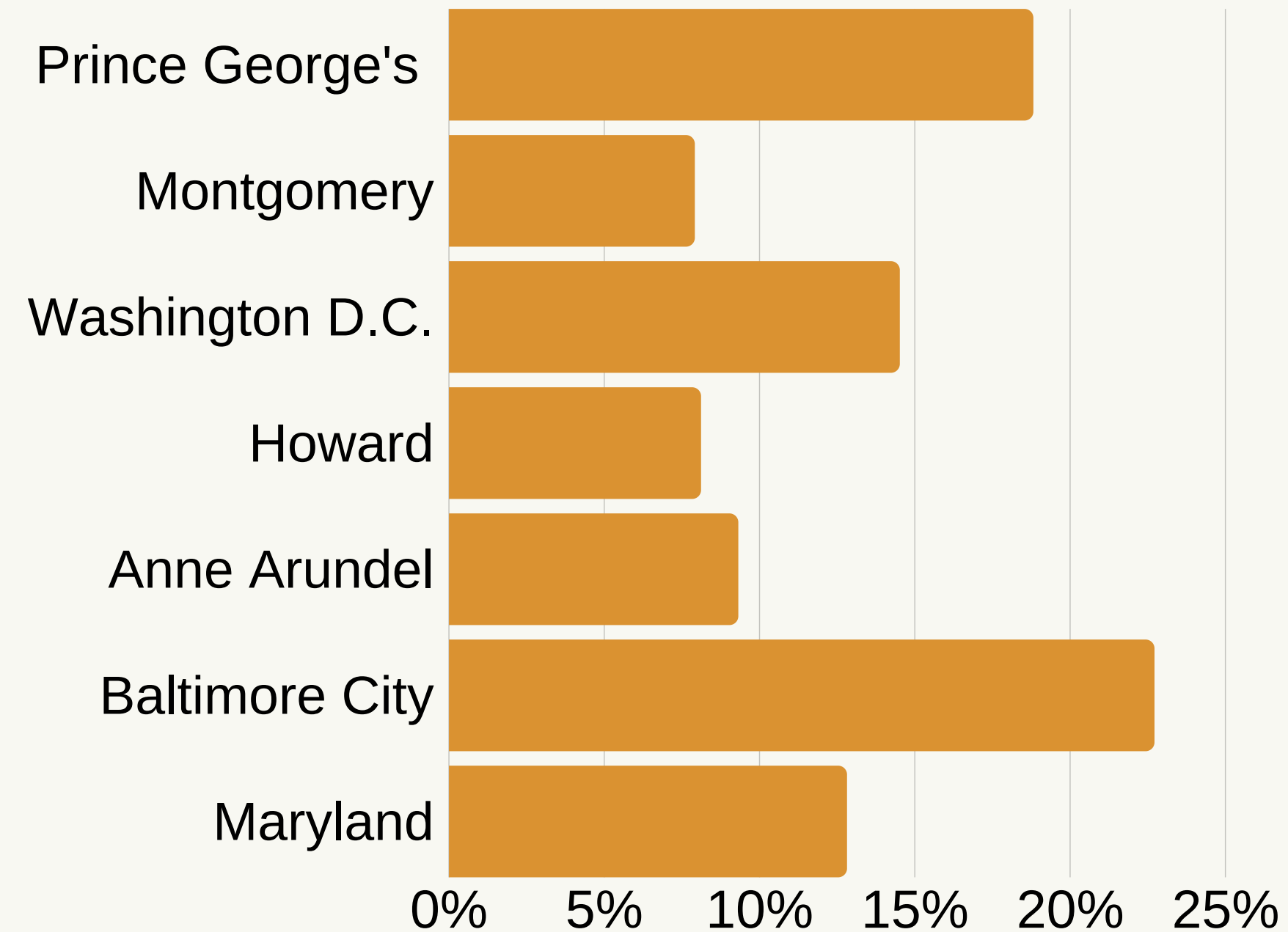
*National Grocers Association

Grocery Store Regional Statistics

Total Supermarket Stores



Food Insecurity Population



TARGETED FOOD DESERT LOCATIONS UPDATE



CENTRAL AVENUE

5,000 SF Good Foods Market open late 3rd quarter 2020



KINGDOM SQUARE

20,000 SF Market Fresh Gourmet open 4th quarter 2021



CHEVERLY/ FAIRMONT HEIGHTS

NO ACTIVITY



FORESTVILLE

25,000 SF LIDL open



MORNINGSIDE/ CAMPSPRINGS

25,000 SF LIDL open 4th quarter 2020



COLLEGE PARK/ GREENBELT

25,000 SF LIDL open



GLENARDEN

NO ACTIVITY



NEW CARROLLTON

Has Foodway and two Giant Foods



OXON HILL/ GLASSMANOR

NO ACTIVITY



WHEELER RD./ ST. BARNABAS RD

NO ACTIVITY



LAUREL

Has ALDI, Harris Teeter and Giant Foods



FOOD DESERT AREA SOLUTIONS

- Each area designated as LILA or LA (Low Access) should be addressed independently.
 - Solutions will be developed specific to area needs.
- County must work in conjunction with local resources including Capital Area Food Bank, PG Food Equity Council and other Government and Nonprofits entities working to address Food Insecurity Issues.



SUGGESTIONS FOR FOOD DESERT

- Consider increased housing density in targeted areas
- Allow each grocery store chain with four or more stores in the County to have additional locations which offer beer and wine
- Accelerate the permitting process for grocery stores that offer gas
- Increase partnerships with local farmers
- Allow mobile farmers markets
- Create Food Depots from older converted shopping centers
- Attract local independent and international chains from DMV area to County sites
- Continue to loosen Food Truck regulations allowing additional locations



Shoppers Update

****SHOPPERS LARGO TOWN CENTER, LARGO, MD**

- Wegmans located less than 2 miles away
- Giant Food located 1 mile away

SHOPPERS PORT TOWNS SHOPPING CENTER, COLMAR MANOR, MD

- Sold to Compare Foods
- Save-A-Lot located 1 ½ mile away
- ALDI located 2 miles away
- Mega Mart located 2 miles away
- Price Rite located 2 miles away

****SHOPPERS VISTA GARDENS MARKETPLACE, BOWIE, MD**

- Grand Mart located 1 mile away
- Jigsaw Foods located 1 mile away
- ALDI located less than 2 miles away
- Giant Food located 2 miles away

SHOPPERS, NEW CARROLLTON, MD

- Foodway located less ¼ mile away
- Two Giant Food located 1 mile away

SHOPPERS, FORESTVILLE, MD

- LIDL is located less ¼ mile away
- Save-A-Lot is located ½ mile away
- Shoppers is located 1 ½ miles away
- Price Rite is located 1 ½ miles away
- Giant Food is located 2 miles away

SHOPPERS CENTRE AT LAUREL, LAUREL, MD

- ALDI is located ½ mile away
- Harris Teeter is located 1.2 miles away
- Giant Foods is located 1.8 miles away

****SHOPPERS, COLLEGE PARK, MD**

- Mom's Organic Market is located less than a mile away
- Two Giant Food locations 2.5 Miles Away

SHOPPERS CORAL HILLS SHOPPING CENTER, CAPITAL HEIGHTS, MD

- Sold to Compare Foods
- Another Shoppers is located 2.5 miles away
- Giant Food is located 2.5 miles away
- Price Rite is located 2.5 miles away

SHOPPERS PENN MAR SHOPPING CENTER, FORESTVILLE, MD

- Price Rite is located less than 1 mile away
- Giant Food is located less than 1 mile away
- Another Shoppers is located 1 ½ miles away
- LIDL is located 1 ½ miles away
- Save-A-Lot is located 2 miles away

SHOPPERS KING SHOPPING CENTER, LANDOVER, MD

- Sold to Compare Foods
- Good Foods is located 2.5 miles away
- Giant Food is located less than 3 miles away

SHOPPERS CHILLUM ROAD SHOPPING CENTER, AVONDALE, MD

- Sold to MegaMart Latino Supermarket
- Price Rite is located less than 1 mile away
- ALDI is located less than 1 mile away
- Giant Foods is located 1 ½ mile away

SHOPPERS OXON HILL PLAZA, OXON HILL, MD

- Sold to LIDL
- Save-A-Lot located less ¼ mile away
- ALDI located less than ¼ mile away
- Safeway located 1 mile away
- Giant Foods located 2 miles away

****SHOPPERS, CLINTON, MD**

- Giant Foods is located 2 miles away

****STRONG AVAILABLE PROSPECTS**

Thank You

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