



Retail market analysis and retail development strategy for Riverdale Park's town center

Prepared for:
The Town of Riverdale Park

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Introduction

Riverdale Park's town center has advantages of which most communities would be envious. It borders a thriving metropolitan area, with several million potential customers within reach. Several major traffic arteries skirt the edges of the district, bringing tens of thousands of people nearby every day. It is home to one of the best preserved, most architecturally significant historic homes in the Washington metropolitan area. Its citizens are highly engaged, with civic leaders who have worked diligently to protect the community's friendly environment and good quality of life.

Riverdale Parks' town center suffers from some of the same problems that plague older and historic town centers throughout the United States (and, to a growing degree, outside the US). For example, like those in many older town centers, the businesses in Riverdale Park's town center once catered primarily to community residents, but longer commutes, greater mobility, and many more shopping options have gradually fragmented the district's core market. And, like most town centers, it suffers from the challenges of coordinating the interests of multiple property and business owners, of managing revitalization activities with limited staff time, and of generating enough revenue from the district to support the district's infrastructure, management and marketing needs.

Riverdale Park's town center also suffers from several relatively unique problems. For instance, the area around Riverdale Park is growing at a dizzying speed, with an enormous amount of new development taking place and being planned within the region, particularly along the Rt. 1 corridor, at the University of Maryland, and along Kenilworth Avenue. While many of the new and planned projects will bring even more people to the Riverdale Park area, many of these projects also include retail development components that are likely to dilute demand for certain types of retail businesses and product lines in Riverdale Park's town center.

One of the primary challenges of downtown economic development is therefore to actively guide retail market development, both by determining an optimum retail market direction and also by aligning existing tools and creating new ones to guide market direction. In 2006 the Town of Riverdale Park contracted with the Community Land Use and Economics Group to

provide the Town with an objective assessment of the district's retail performance, and, in 2007, to provide information about the district's retail development opportunities and constraints and a suggested strategy for guiding retail market development in the next few years. This report summarizes our research and primary recommendations.

Project components

Our work involved several major components:

- We conducted an initial assessment of the district to become familiar with the district's current economic condition and with the major challenges it faces.
- We reviewed over a dozen plans and reports prepared for the Town of Riverdale Park or for other interested entities over the past decade.
- With the help of Town of Riverdale Park staff, we conducted a consumer survey. Town staff distributed copies of the survey on MARC trains and at the farmers' market and distributed the website address of an online copy of the survey.
- We interviewed ten business owners, property owners, area residents, and representatives of government and nonprofit entities to learn their perceptions of downtown Riverdale Park's development opportunities and constraints.
- We conducted a sales void analysis, identifying retail categories in which it appears that the retail 'buying power' of Riverdale Park residents exceeds the volume of retail sales the community's businesses are capturing.
- We analyzed the mix of businesses operating within one-third mile of the town center
- We examined demographic and retail sales trends within the region.

Based on our research, we identified and tested nine possible retail clusters that we believe have sufficient market demand and that, with a strong marketing program, could potentially

succeed in Riverdale Park's town center. We reviewed these clusters with members of the Town's economic development committee and, based on the committee's feedback, outlined a business development and marketing strategy. This report summarizes our research.

For the purposes of this report, we have defined Riverdale Park's town center as roughly the area bounded on the south by Riverdale Road, on the west by Rt. 1, on the north by East-West Highway, and on the east by Lafayette Avenue¹. While our focus is on retail development in this area, most of our findings with regard to retail development are relevant to the community as a whole and could be useful in supporting retail development outside the town center proper.

¹ Although Riverdale Park residents seem to perceive Queensbury to be the town center's 'main street' and the cluster of buildings near the MARC Station to be the heart of the town center, the broader public perceives Riverdale Park's town center to be the strip of commercial buildings along Rt. 1 between Queensbury and East-West Highway, with Calvert House being its anchor business. The MARC Station square is almost invisible to them.

Retail market overview

We began by examining some general indicators of economic activity in Riverdale Park and nearby communities – population and household demographic characteristics, retail sales estimates, and estimates of retail buying power and retail sales voids, in particular.

Householder age and household size: Riverdale Park has a higher percentage of households headed by people under 45 years of age than Prince George’s County, or neighboring communities Hyattsville and College Park. It also has a higher percentage of both small households (one or two people) and of households with five or more people than the County, Hyattsville, or College Park (Table 1).

	Riverdale Park	PG County	Hyattsville	College Park
Age of householder				
Under 25	7%	5%	6%	19%
25-34	25%	20%	19%	17%
35-44	30%	26%	26%	19%
45-54	19%	23%	22%	16%
55-64	10%	14%	11%	10%
65-74	5%	8%	7%	9%
75 and over	4%	5%	9%	10%
Household size				
1 person	24%	24%	31%	26%
2 people	24%	29%	28%	31%
3 people	17%	19%	17%	18%
4 people	16%	15%	13%	13%
5 or more people	18%	13%	12%	13%

Table 1: Age of householder and household size for Riverdale Park, Prince George’s County, and reference communities (sources: 2000 Census of Population, U.S. Bureau of the Census; CLUE Group)

Both of these characteristics have potential implications for retail development, suggesting (for example) more demand for “starter home” furnishings and more demand for children’s clothing than in nearby communities.

Per capita and household income: Riverdale Park and Hyattsville have a higher percentage of households with household incomes in 2000 of \$50,000 or under than Prince George’s County or College Park. The County and College Park also have a higher percentage of households with household incomes over \$150,000 than either Riverdale Park or Hyattsville (Table 2).

	Riverdale Park	PG County	Hyattsville	College Park
Per capita income				
Per capita income	\$19,293	\$23,360	\$20,152	\$16,026
Household income				
Under \$20,000	13%	10%	14%	19%
\$20,000 - \$50,000	37%	29%	36%	26%
\$50,000 - \$100,000	41%	45%	43%	42%
\$100,000 - \$150,000	7%	11%	5%	9%
\$150,000 and over	2%	4%	1%	4%

Table 2: Per capita and household income for Riverdale Park, Prince George’s County, and reference communities (sources: 2000 Census of Population, U.S. Bureau of the Census; CLUE Group)

Place of employment: Approximately 7 percent of Riverdale Park’s residents worked in Riverdale Park at the time of the 2000 Census of Population, roughly consistent with patterns in nearby communities except College Park, which has an unusually high percentage of residents who work in College Park (and almost certainly reflecting the presence of the University of Maryland). The fact that relatively few Riverdale Park residents work in Riverdale Park amplifies the opportunities for Riverdale Park residents to shop outside the community for a wide range of products and services (the same is true of County residents as a whole and of residents of nearby communities, although to a lesser extent for College Park) (Table 3).

Place	Worked in place of residence	Worked outside place of residence
Riverdale Park	7%	93%
Prince George's County	8%	92%
Berwyn Heights	5%	95%
Bladensburg	6%	94%
Brentwood	7%	93%
College Park	36%	64%
Colmar Manor	2%	98%
Cottage City	5%	95%
East Riverdale	3%	97%
Edmondston	10%	90%
Hyattsville	7%	93%
Mt. Rainier	3%	97%
North Brentwood	10%	90%
University Park	9%	91%

Table 3: Percentages of Riverdale Park and area residents who work in or outside their places of residence (sources: 2000 *Census of Population*, U.S. Bureau of the Census; CLUE Group)

Sources of household income: Riverdale Park has a higher percentage of households with self-employment income than Prince George's County as a whole or than Hyattsville or College Park. It has a lower percentage of households with retirement income, reflecting the community's higher percentage of households headed by people under 45 years of age (Table 4).

Household language: Riverdale Park has the lowest percentage of households speaking primarily English at home within the area and the highest percentage of households speaking primarily Spanish at home, as well as one of the highest percentages of households speaking primarily a language other than English or Spanish (17 percent, versus 11 percent for the County overall) (Table 5).

	Riverdale Park	PG County	Hyattsville	College Park
Wage or salary income	90%	88%	85%	83%
Self-employment income	15%	9%	9%	11%
Interest, dividends or rental income	29%	29%	29%	46%
Social Security income	12%	16%	18%	20%
Supplemental Security income	2%	3%	3%	2%
Public assistance income	2%	2%	2%	1%
Retirement income	12%	19%	15%	17%
Other sources of income	10%	13%	10%	12%

Table 4: Percentages of households with income from various sources in Riverdale Park, Prince George’s County, and reference communities (*sources: 2000 Census of Population, U.S. Bureau of the Census; CLUE Group*)

	English	Spanish	Other Indo-European	Asian + Pacific Island	Other
Riverdale Park	62%	21%	7%	3%	7%
Prince George’s County	82%	8%	5%	3%	3%
Berwyn Heights	76%	7%	7%	7%	3%
Bladensburg	76%	10%	6%	3%	5%
Brentwood	75%	17%	3%	2%	4%
College Park	75%	7%	8%	7%	2%
Colmar Manor	68%	18%	3%	8%	3%
Cottage City	78%	9%	7%	3%	3%
East Riverdale	67%	19%	6%	2%	6%
Edmondston	76%	15%	6%	3%	0%
Hyattsville	75%	13%	6%	3%	3%
Mt. Rainier	72%	15%	6%	2%	5%
North Brentwood	88%	4%	3%	2%	4%
University Park	81%	7%	7%	4%	0%

Table 5: Percentages of households, by primary language spoken at home, in Riverdale Park, Prince George’s County, and reference communities (*sources: 2000 Census of Population, U.S. Bureau of the Census; CLUE Group*)

Housing tenure: Riverdale Park has one of the lowest percentages of households living in owner-occupied housing in the vicinity (fewer than half of households in Riverdale Park, Bladensburg, and Mt. Rainier live in owner-occupied housing) (Table 6).

Place	Owner occupied	Renter occupied
Riverdale Park	43%	57%
Prince George’s County	62%	38%
Berwyn Heights	86%	14%
Bladensburg	27%	73%
Brentwood	58%	42%
College Park	57%	43%
Colmar Manor	85%	15%
Cottage City	64%	36%
East Riverdale	53%	47%
Edmondston	89%	11%
Hyattsville	51%	49%
Mt. Rainier	27%	73%
North Brentwood	84%	16%
University Park	92%	8%

Table 6: Percentages of households in Riverdale Park and vicinity who live in owner-occupied and renter-occupied housing (sources: 2000 Census of Population, U.S. Bureau of the Census; CLUE Group)

Business mix: Riverdale Park’s town center currently has only a handful of active businesses. Only 10 of the 90 businesses within one-quarter mile of the town center are retail businesses; these include a doll store, optician, pet shop, drug store, and several convenience stores. In addition to these retail businesses there are also two family restaurants, four quick-service restaurants, and a catering business. But we identified more than 400 businesses, with approximately 3,300 employees, within ¾ mile of the intersection of Baltimore Avenue and Queensbury Road – a significant number of people who work within walking, biking or easy driving distance of the town center every week day (Table 7).

NAICS code	Description	Businesses	Employees
21	Agriculture + mining	2	20
23	Construction	44	442
31-33	Manufacturing	13	116
42	Wholesale trade	18	94
44-45	Retail trade	91	607
48-49	Transportation + warehousing	11	36
51	Information	9	52
52	Finance + insurance	14	56
53	Real estate + rental + leasing	16	147
54	Professional, scientific + technical services	103	473
56	Admin. + support + waste mgmt + remediation service	10	145
61	Educational services	9	323
62	Health care + social assistance	36	380
72	Accommodation + food services	18	242
81	Other services (except public administration)	19	173

Table 7: Estimated numbers of businesses and employees within three-quarters of a mile of the intersection of Baltimore Avenue and Queensbury Road (*sources:* 2002 Economic Census, U.S. Bureau of the Census; ESRI; CLUE Group)

Retail demand: We estimated the amount of retail buying power² of Riverdale Park and of residents of neighboring communities (Hyattsville, Edmondston, and University Park), the County, and the DC metropolitan area for a range of products and services, based on area demographics from the 2000 *Census of Population* (Table 8).

² “Buying power” is the amount of money that households in a given area are likely to spend on various retail goods and services, based on their demographic characteristics.

We found that retail demand is predictably strong, even without taking into consideration population and household income growth in the area since the 2000 *Census of Population* was conducted. But it is likely that many, if not most, Riverdale Park residents buy daily staples elsewhere in the region and that much of the remaining demand for most retail categories is already being absorbed by area businesses – and, with new retail space coming online in Hyattsville, Mt. Rainier, the University of Maryland, and other locations (including, eventually, at the Cafritz Property), sales voids are becoming slimmer.

ESRI estimates that, within a three-quarter-mile radius of the intersection of Baltimore Avenue and Queensbury Road, retail and restaurant sales actually *exceed* retail demand by 2.8 percent, with sales surpluses particularly significant in motor vehicles/parts; health/personal care products; and clothing/accessories (Table 9). ESRI identifies modest sales voids in several categories (furniture/home furnishings; building materials; sporting goods/hobbies/books/music) – “modest” meaning perhaps enough of a void to support several new product lines in additional businesses, but probably not significant enough to support a new, freestanding business. ESRI does, however, identify a significant sales void in food and beverage stores, suggesting that, *if properly managed and marketed*, there might be opportunities to develop new restaurants in Riverdale Park’s town center.

Category	Riverdale Park	Hyattsville, Edmondston, University Park	Prince George’s County	DC-VA-MD urbanized area
Food + beverages				
Groceries	7,656,000	25,137,000	1,140,574,000	5,674,866,000
Dining out	5,893,000	19,893,000	921,170,000	4,829,453,000
Alcoholic beverages (consumed at home)	560,000	1,861,000	86,699,000	463,284,000
Alcoholic beverages (consumed in restaurants)	501,000	1,703,000	78,856,000	432,785,000
Housekeeping supplies				
Laundry and cleaning supplies	16,000	55,000	2,491,000	14,273,000
Other household products	717,000	2,396,000	110,242,000	581,049,000
Stationery, gift wrap	184,000	619,000	29,074,000	152,855,000

Postage	153,000	506,000	23,566,000	122,502,000
Delivery services	7,000	23,000	1,050,000	5,698,000
Furniture and furnishings				
Household textiles	340,000	1,163,000	53,687,000	275,884,000
Furniture	958,000	3,260,000	154,449,000	901,780,000
Floor coverings	92,000	317,000	14,993,000	94,948,000
Major appliances	517,000	1,737,000	82,079,000	449,950,000
Small appliances, misc. housewares	252,000	849,000	39,787,000	213,295,000
Window coverings	50,000	169,000	8,242,000	55,737,000
Infants' equipment	38,000	119,000	5,377,000	27,950,000
Laundry + cleaning equipment	34,000	113,000	5,221,000	25,359,000
Outdoor equipment	55,000	185,000	9,128,000	59,426,000
Clocks	8,000	31,000	1,423,000	6,426,000
Lamps + lighting fixtures	35,000	121,000	5,586,000	32,153,000
Household decorative items	289,000	972,000	45,828,000	257,893,000
Telephones + accessories	73,000	239,000	11,092,000	56,703,000
Lawn + garden equipment	109,000	374,000	17,349,000	93,459,000
Hand and power tools	69,000	237,000	10,943,000	57,257,000
Hardware	145,000	490,000	22,620,000	118,265,000
Office furniture for home use	19,000	71,000	3,372,000	18,184,000
Indoor plants + fresh flowers	97,000	324,000	15,331,000	87,071,000
Closet and storage items	40,000	135,000	6,296,000	31,838,000
Furniture rental	7,000	19,000	772,000	4,152,000
Luggage	15,000	51,000	2,530,000	15,871,000
Computers/hardware (non-business use)	311,000	1,062,000	50,224,000	265,301,000
Computer software/accessories (non-business use)	47,000	159,000	7,522,000	41,035,000
Telephone answering devices	2,000	5,000	244,000	1,182,000
Business equipment for home use	5,000	17,000	803,000	5,039,000
Apparel and footwear				
Men's clothes	769,000	2,625,000	122,106,000	638,915,000
Boys' clothes	202,000	668,000	30,945,000	161,497,000
Women's clothes	1,346,000	4,540,000	207,743,000	1,129,941,000
Girls' clothes	261,000	885,000	41,551,000	223,736,000

Clothes for children under 2	213,000	716,000	32,327,000	161,150,000
Footwear	664,000	2,243,000	101,288,000	524,444,000
Watches, jewelry + repair	303,000	1,062,000	50,825,000	302,250,000
Shoe repair	3,000	9,000	457,000	2,726,000
Tailoring, alterations, repair	12,000	42,000	1,952,000	11,390,000
Laundry + dry cleaning	208,000	679,000	31,484,000	180,566,000
Other apparel items + services	48,000	172,000	7,809,000	36,313,000
Automotive				
Vehicle purchase	7,464,000	25,251,000	1,177,447,000	6,449,232,000
Gasoline and motor oil	5,142,000	17,125,000	778,616,000	3,843,018,000
Vehicle maintenance and repairs	1,545,000	5,197,000	238,282,000	1,223,366,000
Medical				
Nonprescription drugs	182,000	611,000	27,806,000	133,310,000
Nonprescription vitamins	89,000	298,000	13,640,000	69,607,000
Prescription drugs	924,000	2,947,000	130,671,000	621,587,000
Eyeglasses and contact lenses	119,000	395,000	18,419,000	97,168,000
Hearing aids	41,000	123,000	5,322,000	25,175,000
Medical supplies	72,000	242,000	11,012,000	55,406,000
Medical equipment (rental + sales)	25,000	84,000	3,934,000	28,595,000
Entertainment				
Movie, theatre, opera, ballet tickets	239,000	811,000	38,279,000	213,243,000
All other fees and admissions	976,000	3,339,000	162,921,000	1,007,839,000
Musical instruments	33,000	119,000	5,611,000	29,875,000
TVs, stereos, radios, recorded movies + music	2,006,000	6,645,000	302,955,000	1,537,449,000
Pets, pet supplies, pet care	693,000	2,335,000	108,522,000	569,280,000
Toys, games, arts, crafts, tricycles	195,000	659,000	30,445,000	153,815,000
Stamp and coin collecting	14,000	43,000	1,803,000	8,552,000
Playground equipment	9,000	33,000	1,581,000	9,429,000
Athletic gear, game tables, exercise equipment	126,000	425,000	20,201,000	107,425,000
Bicycles	29,000	100,000	4,583,000	24,009,000
Camping gear	21,000	80,000	3,845,000	20,321,000
Hunting + fishing equipment	65,000	240,000	11,114,000	50,180,000

Winter sports equipment	10,000	36,000	1,791,000	11,806,000
Water sports equipment	11,000	36,000	1,749,000	11,832,000
Other sports, recreation and exercise equipment	17,000	58,000	2,723,000	14,457,000
Photographic equipment, supplies, services	172,000	590,000	28,306,000	159,128,000
Personal care				
Hair care products	124,000	414,000	18,997,000	98,633,000
Wigs + hairpieces	140,000	467,000	21,404,000	111,266,000
Shaving needs	37,000	131,000	6,093,000	30,245,000
Cosmetics, perfume, bath preparations	342,000	1,146,000	52,636,000	264,884,000
Other personal care products	171,000	563,000	25,624,000	128,544,000
Personal care services	599,000	1,998,000	92,815,000	497,085,000
Reading				
Newspapers + magazines	141,000	465,000	21,374,000	110,545,000
Newsletters	-	1,000	74,000	465,000
Books	113,000	383,000	18,043,000	101,645,000
Tobacco products/smoking supplies				
Tobacco products/smoking supplies	786,000	2,532,000	109,621,000	488,221,000

Table 8: Retail market demand generated by residents of Riverdale Park; three neighboring communities (Hyattsville, Edmondston, and University Park); Prince George’s County; and the Washington, DC metropolitan area (*sources: 2000 Census of Population, U.S. Bureau of the Census; 2006 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; CLUE Group*)

Category	Supply	Demand	Leakage/ surplus
Total retail trade + food/drink	\$104,914,000	\$99,253,000	-2.8%
Total retail trade	96,002,000	83,603,000	-6.9%
Motor vehicle + parts dealers	53,700,000	22,279,000	-41.4%
Furniture + home furnishings stores	2,370,000	3,061,000	12.7%
Electronics + appliance stores	2,655,000	3,035,000	6.7%
Bldg materials, garden equip + supply stores	2,778,000	4,891,000	27.5%
Food + beverage stores	3,866,000	16,254,000	59.6%
Health + personal care stores	4,789,000	3,456,000	-16.2%
Gasoline stations	6,791,000	10,311,000	20.6%
Clothing + clothing accessory stores	12,375,000	4,674,000	-45.2%
Sporting goods, hobby, book + music stores	767,000	1,822,000	40.8%
Total food/drink	8,912,000	15,560,000	27.2%

Table 9: Retail sales voids (leakages and surpluses) within a three-quarter-mile radius of the intersection of Baltimore Avenue and Queensbury Road (*sources:* ESRI, CLUE Group)

Consumer survey

“I would like to shop on Rt. 1 and at the town center more often, but there is not much there. The shops that are there are rarely open.”

“One thing I really like about Riverdale Park is that it’s a quiet, small town. I work in the District and I like coming home to less density and more open space. I would like to see development in the town center that is modest and progressive ... we’re so close to the University of Maryland and the new M Square.”

“Our town center looks like the bleak, dead little towns of the Midwest. We are in the middle of a metro area and yet by appearance, we look like we are victims of the dustbowl.”

“Anchor the vision of the town center in quality, while being open to the many possibilities of development.”

“We should leverage the success of the existing Farmer’s Market in whatever way we can.”

With help from the Town of Riverdale Park staff, we conducted an informal online survey in July – August 2006 to gauge community attitudes about and impressions of Riverdale Park’s town center. The survey was open to all interested Riverdale Park residents and visitors and was intended to gather input, rather than to represent a random sample of all Riverdale Park residents or visitors, and its results are therefore not statistically representative of the perceptions of the overall population of residents and visitors. The Town of Riverdale Park publicized the survey’s availability through newsletters (*The Town Crier*, church bulletins, etc.) and distributed print versions of the survey sample at the farmers’ market and on the MARC train.

Almost 300 people participated in the survey, an impressive response for a voluntary survey in a relatively small town, reflecting strong public interest in and concern for the future of Riverdale Park's town center. Forty-five percent of survey respondents live in Riverdale Park, but nearly all respondents who do *not* live in Riverdale Park live in neighboring communities.

Survey demographics: In general, survey respondents are more middle-aged and more affluent than the overall populations of Riverdale Park or Prince George's County, and they are more likely to be female and white (Table 10).

Frequency of visits: Almost half of all survey respondents (45 percent) report that they visit Riverdale Park's town center "almost every day" or "often", with another 42 percent saying they visit "occasionally" and only 12 percent saying they "rarely or never" visit. Given that the survey was voluntary, rather than a random sample of area residents and visitors, and that survey respondents were motivated to participate in the survey, it is not surprising that the percentage of respondents who say that they visit often is relatively high. The demographic characteristics of frequent and infrequent visitors, however, provide some important insights into the types of people who completed the survey (and whom one might presume are therefore at least somewhat interested in the district's condition). For example, survey respondents with household incomes above \$150,000 are significantly more likely to visit the town center daily or frequently than those with lower household incomes; survey respondents between 25-34 years of age are more likely to visit daily or frequently than those of other age groups; and Hispanics/Latinos are more likely to visit daily or frequently than members of any other ethnic group or race (Table 11).

Key findings: Among the survey's more significant findings:

- People under 25 years of age were almost completely absent from the survey, as were people with household incomes of \$40,000 or less. Assuming that this reflects the demographics of those who are most interested in the town center's condition and future, it

is somewhat concerning that these two significant demographic segments did not participate in the survey.

- A overwhelming number of survey respondents expressed frustration that the properties near the MARC Station square owned by developer Douglas Jamal remain vacant.
- Survey respondents feel most positive about the district's convenience, the physical appearance of the MARC Station square area ("quaint", "cute", "cozy"), and the farmers' market.
- Respondents feel most negative about the high vacancy rate, the lack of interesting retail businesses, the appearance of the Route 1 streetscape, and how difficult it is to find the town center if one is not already aware of its existence.
- There is strong sentiment for development of additional restaurants and/or coffee shops; for a more permanent presence for the farmers' market; for locally owned businesses; for arts-related businesses; for a bakery; for a bookstore; and for wifi.
- Survey respondents offered many suggestions for the district's improvement. A common theme running through their suggestions is the need for gathering places and events that bring people together in the town center.

Characteristic	Survey	2000 <i>Census of Population</i>
Age		
Under 18	1%	27%
18-24	3%	10%
25-34	20%	16%
35-44	27%	18%
45-54	28%	14%
55-64	17%	8%
65-74	4%	5%
75 and over	-	3%
Gender		
Female	68%	52%
Male	32%	48%
Household income		
Under \$10,000	2%	5%
\$10,000 - \$25,000	2%	10%
\$25,000 - \$40,000	7%	15%
\$40,000 - \$70,000	22%	37%
\$70,000 - \$100,000	27%	18%
\$100,000 - \$150,000	21%	11%
\$150,000 or over	9%	4%
"I'd prefer not to answer"	9%	-
Ethnicity/race		
African/Black	12%	62%
Asian	2%	4%
Hispanic/Latino	7%	7%
Native American/Pacific Islander	-	-
White	76%	24%
Other	3%	3%

Table 10: Demographic characteristics of survey participants, compared with demographic characteristics of Prince George's County residents as of the 2000 *Census of Population* (sources: 2000 *Census of Population*, CLUE Group)

	Almost every day	Often	Occasionally	Rarely/never
All survey respondents	12%	33%	42%	12%
Age				
Under 18	33%	33%	33%	-
18-24	10%	50%	20%	20%
25-34	16%	35%	40%	9%
35-44	12%	27%	43%	18%
45-54	9%	38%	47%	5%
55-64	11%	30%	39%	20%
65-74	18%	36%	36%	9%
75 or over	-	-	100%	-
Gender				
Female	8%	37%	43%	12%
Male	18%	26%	40%	15%
Household income				
Under \$10,000	33%	17%	33%	17%
\$10,000 - \$25,000	33%	33%	-	33%
\$25,000 - \$40,000	6%	28%	50%	17%
\$40,000 - \$70,000	11%	41%	41%	7%
\$70,000 - \$100,000	11%	30%	43%	16%
\$100,000 - \$150,000	10%	31%	45%	14%
\$150,000 or over	19%	42%	23%	15%
"I'd prefer not to answer"	8%	31%	58%	4%
Ethnicity/race				
African/Black	19%	16%	48%	16%
Asian	-	33%	67%	-
Hispanic/Latino	37%	11%	47%	5%
Native American/Pacific Islander	-	100%	-	-
White	9%	36%	33%	14%
Other	22%	44%	41%	-

Table 11: "How often do you visit Riverdale Park's town center"? (source: CLUE Group). Grey indicates small/negligible response rates.

Key findings and observations

- 1. Riverdale Park's town center's location within a major, growing metropolitan area, with ample disposable income, makes many retail development options theoretically feasible – but the site's constraints make some of these options less viable than others.**

With several million residents within half an hour's drive, it is theoretically feasible for the relatively few buildings in the town center to support any of a number of potential concentrations of retail and service businesses. But the portion of the town center clustered around the MARC station is slightly too far away from the district's two major arterial roads (US Rt. 1 and East-West Highway) to benefit from the traffic these two arterials generate³, making it unlikely that businesses that rely primarily on street exposure and vehicular or pedestrian traffic volume would succeed there. Other site constraints limit the range of uses likely to be economically viable, as well. For example, although the existing parking lot is generally adequate to support the needs of MARC train commuters and the town center's existing businesses, the town center's parking supply is not currently adequate for a cluster of high-traffic destination businesses (a cluster of restaurants, for example).

- 2. The amount of current and planned retail space makes it imperative that Riverdale Park's retail mix be relatively unique within the region.**

The amount of current, planned and proposed retail and mixed-use space within two miles of Riverdale Park's town center is staggering, with new and planned retail space in Hyattsville, Mt. Rainier, College Park and many other nearby places augmenting over two million square feet of existing retail space in neighborhood shopping centers, downtowns, malls, and shopping centers within a two-mile diameter of the intersection of Baltimore Avenue and East-West Highway. Also, retail growth in certain categories within the region

³ Baltimore Avenue has a two-way average daily traffic count of 29,850 vehicles, and East-West Highway's average daily count is 46,825.

makes some categories less feasible than others. For instance, although there appears to be moderate desire for arts-related products and services in Riverdale Park, the area appears to be reaching a point of saturation with arts-related businesses, making it less likely that a similar business concentration in Riverdale Park's town center would succeed.

3. Little market demand exists to support a cluster of 'comparison' goods and services.

Generally speaking, retail products and services can be classified in one of three ways:

- Convenience: Products and services that people usually buy from the closest, most convenient businesses (like groceries and gasoline)
- Comparison: Products for which people like to visit several stores and to compare different styles, brands and prices before making a purchase (like clothes, shoes and apparel accessories and, to a lesser extent, home furnishings)
- Destination: Unique products and services for which people will travel significant distances, pay high prices, and/or develop loyalty to a particular business.

Shopping malls specialize in comparison products and services – particularly apparel and apparel-related products – and, in almost all regions of the country, malls have saturated this retail category. Stores that sell comparison products usually do best when clustered near a group of similar businesses, because shoppers perceive that they have a variety of options from which to choose. This means that, to support a cluster of businesses selling comparison goods, the market must usually be able to support three or four similar businesses, not just one – and it is very rare for a small or mid-sized community in a metropolitan area to have enough unmet market demand to support a cluster of this size.

For Riverdale Park's town center, this makes the possibility of creating a cluster of apparel-related businesses, for example, very difficult. The problem is exacerbated by the fact that

the town center is small, with only a few commercial buildings available and with too little space to support a strong cluster of traditional ‘comparison’ goods and services, even if all the district’s buildings were used for this purpose. Only if such businesses were also able to function as destination businesses might they be likely to succeed.

4. Sufficient market demand exists to support some new community-serving businesses and product lines.

Our sales void analysis suggests that there is sufficient unmet market demand to support one or more new restaurants. There also appears to be sufficient market demand to support certain new *product lines*, although not necessarily in businesses specializing only in these products. These product lines include furniture, building materials, gardening supplies, automotive supplies, and specialty foods.

5. For better or worse, the rent levels of the vacant town center properties set the bar for anticipated retail sales performance in the town center.

Given that the owner of most of the district’s vacant properties appears to be unflinching in leasing space for less than an amount per square foot that is significantly above that of comparable properties in the town center and more typical of a national retailer than of an independently owned business, we believe the most expedient course is to use this rent level to determine minimum sales performance required and to build the business plans for new and expanding businesses around these revenue goals⁴.

⁴ Retail businesses typically budget between 4-10 percent of gross sales for rent. So, for example, a business generating \$300/square foot in gross sales and renting 1,000 square feet of commercial space (\$300,000 in annual gross sales) might therefore budget between \$12,000-\$30,000 for rent annually (\$12-30 per square foot).

In our interviews and consumer surveys, a clear message emerged that the community would prefer the town center to consist primarily of independently owned businesses rather than of national retailers. It is likely that some new, independently owned businesses in the town center will need assistance in structuring and implementing business plans sufficiently aggressive to support paying rent levels equivalent to those of national retailers.

6. The district's proximity to the MARC Station is a key strategic advantage.

Approximately 4,800 people pass through Riverdale Park's MARC Station on an average day, making MARC train riders one of the town center's most significant potential market segments. Their limited time in the district –primarily during weekday morning and evening rush hours – makes it critical that businesses that cater to MARC commuters use additional distribution channels.

7. The district is relatively close to the M-Square research park, making it accessible to 6,500 research scientists, students, and staff.

While M-Square will include its own retail offerings (particularly as part of the East Campus mixed-use development), its presence offers a concentration of potential customers, particularly for specialized, "destination" products and services for which environmental and security scientists might have some affinity.

8. Riverdale Park's farmers' market is highly regarded within the region.

In our casual discussions about Riverdale Park with people in the Washington, DC metropolitan area over the past year, Riverdale Park's farmers' market was mentioned more often than any other business, activity, or feature of the community.

9. The negative appearance of the Rt. 1 streetscape discourages retail development in Riverdale Park's town center.

The Rt. 1 streetscape has deteriorated in recent years. Some of the traditional commercial buildings that once helped create a sense of shared pedestrian/vehicular space and a well-defined street edge have been demolished and replaced with suburban-style chain retail buildings. This has been particularly damaging to the visual character of the intersection of Rt. 1 and Queensbury Avenue, which serves as the primary gateway connecting the Rt. 1 corridor to the town center proper. A proposed project at the corner of East-West Highway and Rt. 1 might further erode the visual character of this key block of Rt. 1. In addition, the section of Queensbury between Rt. 1 and the town center is visually disjointed, providing an uninviting pathway to the commercial core.

10. Staff capacity is limited.

The process of cultivating businesses, managing infrastructure, and marketing a commercial district is time-consuming, and the Town of Riverdale Park's staff is small, with a long list of other responsibilities. It will be imperative that revitalization and retail development activities be shared by a broad range of public- and private-sector partners working in tandem with the Town, rather than the full burden of responsibility for the district's economic improvement falling on the shoulders of Town staff.

11. The County offers a range of financing tools and incentives for business and property development, but additional stimulus may be needed.

Prince George's County offers an impressive range of financing tools and incentives to stimulate development, including low-interest loans, venture investments, and property tax credits. But many of these tools are better suited for expanding businesses and for manufacturers than for start-up businesses and for retailers. We believe it is likely that

additional tools – particularly technical assistance and equity – will be needed to support development of new clusters businesses in the town center.

Recommendations

We have based our recommendations on our analysis of Riverdale Park's economic opportunities and of its economic, regulatory, physical and programmatic constraints.

1. Create a cluster of "green" businesses.

We evaluated nine potential business clusters which, either alone or in tandem with a second, compatible business cluster, appear to have sufficient unmet retail market demand to occupy all or most of the district's commercial space (or could have sufficient market demand, with aggressive marketing through multiple distribution channels):

- "Green" products
- Green grocers
- Pet care
- Dining
- Toys and games
- Custom and unique clothing
- Artisan and handcrafted housewares
- Healthcare and medical supplies
- Books

We then evaluated each cluster according to the following criteria (Table 12):

- Uniqueness within the region
- Market growth potential
- Parking/transit requirements
- Likelihood that the business cluster might stimulate development of related businesses elsewhere in Riverdale Park
- Potential synergy with existing area industries
- Ability to use a significant percentage of the town center's available buildings

We reviewed these nine clusters with the Town of Riverdale Park's economic development committee, which selected the green products cluster as the cluster to target.

We believe this cluster is a very good fit for Riverdale Park's town center, for many reasons:

- It is unique in the DC metropolitan area, with little competition.
- Aggregating green businesses in a compact location is, in and of itself, an environmentally-positive action. While there are a growing number of businesses providing green products and services in the DC area, they are not concentrated in a single location – so, ironically, a homeowner, builder, or other consumer interested in seeing a range of green products would have to travel extensively throughout the region.
- It has enormous market growth potential, with both industry and consumer demand for environmentally-friendly products and services projected to increase almost exponentially over the coming decade.
- It does not rely on street traffic and will therefore likely not place an excessive burden on parking and transit.
- It could fully occupy the district's available buildings.
- It offers the strong possibility of tandem development of green industries in other parts of Riverdale Park – for example, supporting development of industries that shred rubber tires or plastic bottles, recycle sheetrock or concrete, or re-weave fabric fiber, with the businesses in the town center serving as showrooms for the community's and region's green industries.
- It has a synergistic relationship with research activities at M-Square.

- It offers other retail connections for Riverdale Park’s town center, such as restaurant featuring locally grown produce, a year-round farmers’ market, green home furnishings, green artwork, etc., and can be bolstered by value-added services for area residents (such as the availability of Zipcars or Flexcars and municipal sponsorship of ride-sharing services like GoLoco).

	“Green” products	Green grocers	Pet care	Dining	Toys + games	Custom + unique clothing	Artisan + handcrafted housewares	Healthcare + medical supplies	Books
Uniqueness within the region	■	■	□	□	□	□	□	□	□
Market growth potential	■	■	□	□	□	□	■	■	□
Parking/transit requirements	□	□	□	□	□	□	□	□	□
Supportive of other RP business development	■	□	□	□	□	■	■	■	□
Synergy with existing area industries	■	■	□	□	□	□	□	□	□
Significant use of town center buildings	■	□	□	□	□	□	□	□	□

Table 12: Evaluation of business cluster options: ■ = Positive; □ = Neutral; □ = Negative

Nationally, consumer market demand for green building supplies and home furnishings is expected to grow almost exponentially and to continue to grow as the market matures. A 2006 study by Management Information Systems⁵ found that, in 2005, the green industry in

⁵ “Jobs Creation in the Environmental Industry in the U.S. and Nine States”, Management Information Systems, Inc., April 2006, available online at www.misi-net.com/publications/9-state-synthesis-0406.pdf.

the US already was already generating more than \$341 billion in sales and employing more than five million people. Venture capital investments in the solar energy industry alone exceeded \$1 billion in 2007, up from just \$150 million two years earlier, building a solid capital foundation for industry expansion, and venture capital is being pumped into other

Consumer market potential in the Washington metropolitan area is just beginning to be uncapped, supported in part by local government incentives and mandates. Montgomery County has recently approved legislation that will require new single-family homes and townhouses to meet federal energy-efficiency standards, saving 15-30 percent of typical home energy costs. In December 2006, DC's City Council passed a bill that will require new commercial buildings over 50,000 square feet, and all buildings receiving more than 20 percent of its financing from public sources, to meet LEED guidelines within two years. The US Green Building Council, which awards LEED certification to building construction and rehabilitation projects that meet environmental benchmarks, reports that the number of LEED-certified projects in Maryland increased from 36 in 2006 to 149 in 2007.

While our report has focused mostly on private-sector consumer demand, we believe that public-sector demand for green building materials and services has also only recently begun to solidify – and, again the Washington, DC metropolitan area seems to be quickly ramping up to scale. For example, Maryland Governor Martin O'Malley has proposed requiring all public schools and state government buildings over 7,500 square feet to attain LEED silver certification. Washington, DC enacted a green building law in 2006 that will require all public buildings larger than 10,000 square feet that are built after 2008, and all private buildings over 50,000 square feet, to meet LEED standards.

We recommend two sub-strategies for developing businesses as part of this cluster:

- 1.1 Construction and design-related products and services: We recommend that the primary cluster of businesses focus on products related to building construction and rehabilitation, augmented by other green businesses and product lines that might cater to similar customers and/or use materials (or byproducts) produced by the core cluster of businesses. This core cluster might include businesses that offer energy-generation

products and services, building materials, home furnishings, as well as related consulting and professional services. Potential businesses and product lines might include:

- Energy generation products, such as:
 - Solar panels
 - Rooftop wind turbines
 - Geothermal pumps
 - Energy storage devices
 - Grid panel interfaces

- Recycling equipment and supplies

- Lighting supplies, such as:
 - Compact fluorescent and LED lightbulbs
 - Solar lighting fixtures

- Building materials made from recycled and natural/low-impact products, such as:
 - Rubber sidewalks and paving blocks made from recycled tires
 - Kitchen and bath tile made from recycled glass
 - Cabinets and flooring made from recycled wood
 - Wallpaper made from recycled fabric, cork, plastic and paper
 - Carpet made from plastic bottles
 - Recycled brick, stone and concrete for landscaping and construction
 - Bamboo flooring

- Green roof materials, including:
 - roofing systems and membranes
 - sedum and other plants
 - design and installation services

- Green gardening supplies and services, such as:

- Native plants
 - Heirloom plants and seeds
 - Organic, toxin-free fertilizer, plant food
 - Refurbished/recycled gardening tools (sales + rentals)
 - Rain barrels and rain barrel kits
 - Composting bins and supplies
 - Beneficial insects and plants that attract beneficial insects
- Architectural salvage

1.2 Community- and region-serving green products and services: We recommend developing a secondary, complementary cluster of non-building-related green products and services, particularly in the home furnishings and food categories, that would be “browsable” and that would serve community and regional shopping needs in addition to reinforcing the overall green products/services focus of the town center. This sub-cluster could also provide bridges to other interests in the community – a year-round fresh farm produce market to complement the farmers’ market, for example, or arts-related businesses with a green focus. Some possibilities:

- A restaurant that features local produce and uses furnishings made from recycled materials, such as Java Green (www.javagreen.net), which is looking for expansion opportunities in the Washington, DC metropolitan area, and Great Sage (www.great-sage.com) in Clarksville, Maryland
- Groceries and year-round fresh, locally-grown produce store, such as Roots Market in Clarksville and Olney, Maryland (www.rootsmkt.com)
- Housewares made from recycled and natural/low-impact materials, such as:
 - Pillows, throws, and quilts made from recycled clothing (see, for example, <http://www.crispina.com>)

- Drinking glasses made from recycled wine bottles (see, for example, www.bluemoonglass.com)
- Recyclable gift wrap and gift bags

- Furniture and home furnishings made from recycled and repurposed materials, such as the recycled plastic furniture offered by Green Home (www.greenhome.com/products/furniture/recycled_plastic_furniture/) and the home furnishings and artwork made by artists and sold via Repurposed 4 You (www.repurposed4you.com/shop/)

- General home furnishings, such as those offered by Eco-Green Living (www.eco-greenliving.com) and NEST (www.nestnaturalhome.com) in Washington

- Apparel made from recycled and natural/low-impact materials. Some examples:
 - Yarn made from locally grown and locally spun wool (see, for example, www.etsy.com/shop.php?user_id=5324132) and from unraveled used sweaters, and products made from locally produced wool

 - Clothes and fabric made from hemp, corn fiber, chitin and other renewable sources (www.soy silk.com)

 - Fabric made from recycled magnetic cassette tape (www.sonicfabric.com)

 - Jewelry made from recycled phone wire

 - Simple Shoes (www.simpleshoes.com)

 - Clothes made from recycled fabric and pre-manufacture fabric scraps (www.clothesmadefromscrap.com)

- Green art, complementing established and new art galleries in Mt. Rainier, Hyattsville, and other nearby communities (see, for example, DC-based online store Eco-Artware: www.eco-artware.com)
- Products and services for green weddings (see, for example, www.portovert.com)
- An environmentally friendly dry cleaner, such as OXXO (www.oxxousa.com), which uses environmentally safe cleansers and offers a 24-hour ATM-style automated pickup window (and that could also offer commercial ‘green’ cleaning to Washington, DC-area hotels, restaurants and other institutions)

There are countless other possibilities, as well, for both the green building cluster⁶ and also the community-serving green business cluster⁷. The key factors we recommend considering when evaluating a business prospect for the town center are:

- A clearly identified green focus: The prospective business should sell environmentally friendly products or services or should be able to market its business in a way that overtly conveys a strong green message (e.g., a custom jeweler whose services include recycling old jewelry to make new jewelry; a restaurant that features fresh produce from the farmers’ market).
- A solid business plan: Prospective businesses should have realistic, solid business plans that demonstrate adequate capitalization, substantial business expertise, and an aggressive marketing strategy.

⁶ For more examples of green building materials, see the American Institute of Architects’ new publication *50to50*, a guide to 50 sustainable building practices, from active solar systems to waste heat recovery. The publication is available online at http://www.aia.org/SiteObjects/files/50to50_2007.12.12.pdf.

⁷ For more examples of community-serving green products and services, see www.greenhome.huddle.com.

- A marketing plan that actively uses multiple distribution channels: We believe that multiple distribution channels will be essential for almost all green businesses in Riverdale Park's town center to thrive, with businesses augmenting walk-in sales with local and regional deliveries, online sales, wholesale sales to other retail businesses, "shop in shop" leases inside other retail stores, contract sales to government agencies and other large entities, and other distribution channels.
- Synergy with local/regional businesses: Although not essential, it would be helpful if green businesses that locate in the town center might also have synergistic relationships with other businesses in the community and region – a connection to other industries in the area, for example, or to academic research interests.
- Ability to synchronize with available industrial and quasi-industrial property in the region: Similarly, although not essential, it would be advantageous if green businesses in the town center might also be able to use industrial and quasi-industrial property in the community and region for manufacture, assembly, shipping, back-office functions or other business activities.

Market research firm Mintel classifies 12 percent of Americans, or 35 million people, as "True Greens" and another 68 percent as "Light Greens", with "True Greens" routinely seeking out environmentally friendly products and services and "Light Greens" occasionally seeking out green goods and services⁸. According to Mintel's research, 49 percent of shoppers don't buy green products and services more often because they can't find them. Mintel's research also found that the green products people purchase most frequently are (in descending order) household paper products, food, energy-efficient appliances, household cleaners, beverages, laundry detergents, bathroom/kitchen cleaners, dishwashing liquid, paints and varnishes, flooring, and cabinetry.

⁸ Reported in *Advertising Age*, "A World Gone Green", June 8, 2007. Available online at www.greenmarketing.com/articles/Advertising%20Age061807.pdf

Using our estimates of the retail buying power of Riverdale Park residents and of residents of neighboring communities as a starting point, we have explored the potential retail buying power for the subsection of expenditures that might reasonably be diverted to green goods and services. We have used what we believe are very conservative estimates of the percentages of current purchases that might be spent on green goods and services, if they were available in Riverdale Park's town center. For example, we have assumed that no more than one percent (low estimate) and two percent (moderate estimate) of the money Riverdale Park residents currently spend on groceries might be spent on groceries from a farm market selling local produce in the town center, and that no more than one one-hundredths of one percent of the money that people who live in the DC metropolitan area currently spend on furniture and home furnishings might be spent on environmentally-friendly home furnishings offered by town center businesses.

	Groceries		Dining out		Housekeeping supplies		Furniture, home furnishings, appliances		Apparel, footwear, apparel accessories		Reading material	
	Low	Mod	Low	Mod	Low	Mod	Low	Mod	Low	Mod	Low	Mod
Riverdale Park	77,000	153,000	62,000	157,000	16,000	40,000	9,000	16,000	19,000	22,000	-	-
Neighboring communities	251,000	503,000	208,000	309,000	55,000	70,000	33,000	45,000	65,000	75,000	1,000	1,000
Prince George's County	2,851,000	2,851,000	960,000	4,803,000	624,000	975,000	769,000	1,250,000	1,418,000	1,497,000	-	18,000
DC metropolitan area	-	567,000	-	505,000	382,000	3,287,000	176,000	193,000	301,000	320,000	-	-
DC-Baltimore CMSA	-	-	-	-	-	132,000	-	336,000	-	32,000	-	-
US (online/other channels)	-	-	-	-	-	402,000	-	572,000	-	-	-	51,000
Total:	3,179,000	4,074,000	1,230,000	5,774,000	1,077,000	4,906,000	987,000	2,412,000	1,803,000	1,946,000	1,000	70,000

Table 13: Low and moderate estimates of consumer buying power for six categories of green retail goods and services in Riverdale Park, adjacent communities, Prince George's County, the DC metropolitan area, and the Washington-Baltimore CMSA, as well as a small fraction of US internet-based sales and sales from other distribution channels

We have summarized our projections, by major retail category and market segment, in Table 13. We have also provided detailed tables in a Microsoft EXCEL workbook to the

Town of Riverdale Park to make it possible to test different assumptions about market potential for various green goods and services.

2. Build the organizational and financial infrastructure to stimulate and support development of the green business cluster.

Creating a new cluster of businesses in a commercial district (regardless of whether it is new or established) involves the careful coordination of a number of public- and private-sector entities and the strategic deployment of a broad range of resource.

The district as a whole must have:

- An innovative, ongoing marketing program
- Adequate and well-maintained public infrastructure
- Physical visibility
- An organizing entity to coordinate activities, cultivate partnerships, and advance the overall business development program

We recognize that the Town of Riverdale Park has a small staff and, with current resources, does not have the capacity to provide permanent staff guidance and support for this initiative. It will therefore be important to rely on strong partnerships with a broad range of public- and private-sector entities to help advance the town center's business development strategy, with the Town serving as coordinator and conduit. Riverdale Park has a highly engaged citizenry, and we believe it will also be possible to enlist volunteers to help guide this initiative.

We recommend these key activities to build the support structure needed to develop the new business clusters in Riverdale Park's town center:

2.1 Establish contact and build ongoing communication with organizations and agencies with affinity interests in environmentally-friendly business in the Washington area that

can help identify prospective green businesses, drive business activity towards Riverdale Park's new business cluster, and identify potential sources of funding for the district's administration. These entities include:

- Smart Growth America
www.smartgrowthamerica.org
- The 1%
www.theonepercent.org/
- US Green Building Council
www.usgbc.org
- Maryland Recyclers Coalition
www.marylandrecyclers.org/
- National Recycling Coalition
www.nrc-recycle.org/
- American Institute of Architects / Sustainability program
www.aia.org/susn_rc_default
- CarbonFund
www.carbonfund.org
- Maryland Department of the Environment
www.mde.state.md.us/index.asp
- Businesses for the Bay
www.acb-online.org/b4b/index.cfm

- Institute of Scrap Recycling Industries
www.isri.org
- Appliance Recycling Information Centre
202 434 7492
- Asphalt Recycling + Reclaiming Association
www.arra.org
- Glass Packaging Institute
www.gpi.org
- Association of Post-Consumer Packaging Recyclers
202 371 5336
- Council for Textile Recycling
301 718 0671
- US Environmental Protection Agency / Smart Growth Program
www.epa.gov/smartgrowth
- 1000 Friends of Maryland
www.friendsofmd.org/

We recommend scheduling briefings with these entities during the summer of 2008 to discuss the town center business development strategy and to ask for their help in identifying prospective businesses and green business development financing sources.

2.2 Establish contact and build ongoing communication with local and regional organizations and agencies that can provide business financing and technical assistance to prospective town center businesses. These include:

- Neighborhood BusinessWorks, a Maryland DHCD program that provides gap financing for qualified small businesses.
- The Maryland Small Business Development Financing Authority, which provides loans and loan guarantees and makes equity investments in small businesses that do not qualify for loans or equity investments from traditional lenders and investors.
- The Maryland Economic Development Assistance Authority and Fund, which offers five grant and loan programs for high-priority businesses in targeted areas. Financial assistance ranges between \$250,000 - \$10 million, cannot exceed 70 percent of total project costs, and requires 10 percent participation by the local jurisdiction in the form of a loan, grant, or loan guarantee (in Prince George's County, the County's Incentive Leverage Fund provides this 10 percent match).
- The Prince George's County Investment Finance Group. According to its literature, the Investment Finance Group "... targets venture capital investments in emerging high-technology businesses in the early-stage of capital needs through the Maryland Venture Fund."

2.3 Maintain a list of available properties in the town center and elsewhere in the community and update it monthly. As of January 2008, there were approximately 187,000 square feet of Class A and Class B office space and mixed-use office/retail space available within two miles of Riverdale Park's town center, plus another 220,000 square feet recently constructed or under construction in College Park, according to a list compiled and maintained by the Prince George's County Economic Development Corporation. For some businesses, storefront space in Riverdale Park's town center might be "showroom" space, with products stored, manufactured and/or assembled in less expensive space elsewhere in the community or in an adjacent community, so

having a current list of available commercial and industrial space *outside* the town center will be essential.

2.4 Develop specialized business plan assistance. The Prince George's County Small Business Development Center helps small businesses develop, review and revise business plans.

2.5 Create a *pro bono* business assistance team. A small and growing number of downtown management organizations have created business assistance teams – teams of people with professional skills and expertise valuable to independent downtown business owners who volunteer their time to visit the district's businesses and provide assistance, as requested. In almost all instances, these teams have been invaluable in boosting the success rate of downtown businesses. The advice they provide is usually fairly basic – how to set up an accounting system, perhaps, or how to use the store's space more effectively. Teams typically include a small business attorney, an accountant, someone with good visual merchandising skills, and someone with good marketing skills, plus others who might have valuable experiences of benefit to business owners (a retired successful retailer, for example). The business assistance team would visit each town center business at least twice a year, getting to know the owner, describing the types of assistance the team can provide, and, if the business owner requests it, providing pro bono assistance. Business assistance teams are also invaluable in detecting signs of businesses that might be in trouble or whose owner might be considering selling the business or retiring. The team's intervention can often help a struggling business fix problems before they become too serious or help find a buyer or business successor, thus retaining a valuable business for the district.

It is imperative that team members treat all information confidentially and that business owners are aware that the assistance they request and receive is confidential, and we recommend that the Town ask team members to sign statements promising that they will treat all information confidentially.

The Service Corps of Retired Executives (SCORE) is an excellent source of *pro bono* business assistance for many businesses. The closest chapter to Riverdale Park is in downtown Washington⁹; there are also offices in Annapolis¹⁰ and Baltimore¹¹.

- 2.6 Raise an initial \$150,000 to fund key program costs. We recommend raising an initial \$150,000 to fund key town center business development initiative costs, such as subventing a *pro rata* share of staff administrative expenses, producing marketing materials, underwriting some of the costs of marketing activities, and providing rent subsidies (in the form of performance bonuses) to targeted businesses (see 2.6, below). Because of the green focus of the business cluster, the universe of potential foundation and government (and perhaps corporate) funders for the district's program-related expenses is larger than it might ordinarily be, with a growing number of private- and public-sector funders supporting programs that advance community economic, environmental and social/cultural sustainability.

There are two primary fund raising options the Town might pursue:

1. Raising funds from government sources and administering the program through the Town government, or
2. Raising money from private-sector sources, or from a combination of private- and public-sector sources, and administering the program through a nonprofit (501c3) organization (either a new organization or an existing, partner organization).

Private foundations *usually* give grants to nonprofit organizations, rather than to local governments, and government funders *usually* give grants to other government entities – thus the two options above. However, there are some private foundations that

⁹ Washington, DC SCORE: www.scoredc.org

¹⁰ Southern Maryland SCORE: www.score390.org

¹¹ Greater Baltimore SCORE: www.scorebaltimore.org

support local government activities and some government funders that support nonprofit organizations. Most downtown revitalization initiatives benefit from both funding paths (foundations contributing to nonprofits, government entities contributing to government programs), with a number of different entities seek funding for the revitalization program's projects, depending on each entity's specific areas of expertise and influence. A merchants' association might raise money from businesses and suppliers to help cover the costs of district promotional activities, for example, while a municipal public works department might find funding to upgrade the district's streetlights.

In most instances, a new nonprofit revitalization organization whose board represents a broad coalition of interested groups, agencies and informal constituencies would coordinate the overall work plan for the revitalization initiative, working with each member of the coalition to help dovetail its activities to implement the relevant portions of the work plan, including seeking and securing funding.

We believe that Riverdale Park's town center is probably too small, with too few businesses, to support a new nonprofit revitalization/management organization *at this point*, although we believe it is likely that as the town center becomes economically stronger it will eventually be able to support a revitalization/management organization. In the meantime, we recommend that the Town's Economic Development Committee, augmented by the work of short-term task forces, carry out the town center's business development and marketing agendas and serve the role of raising initial funding to support its work.

In brief, the process of raising money for an initiative like this generally involves these steps:

- a. Appoint a task force and chairperson. Raising a substantial sum for a new initiative like this requires experienced leadership and careful planning. We recommend that the Economic Development Committee create a specialized

task force to raise this initial \$150,000. The task force chaired by someone in the community who has been successful in raising money for other charitable organizations and causes. Task force members should have solid, successful fund raising experience, with good connections to local and regional foundations; county, state and federal government funding agencies; and corporations and civic associations that might be helpful in raising money and in making connections to potential funders.

- b. Outline a strategy. Decide what the specific projects are for which you will raise money, develop a cost estimate for each project, conduct research on potential major contributors, develop a timeline, and assign responsibilities.
- c. Draft and finalize campaign materials. Materials should include detailed plans, budgets and collateral materials for prospective donors and salient talking points for fund raising volunteers.
- d. Identify key prospects and develop contribution targets. We think it might be possible to obtain four \$25,000 commitments and five \$10,000 commitments from foundations and county, state and federal government funding sources. While it is *conceivable* that a single donor might contribute the entire amount, raising smaller amounts will probably be quicker – and, by engaging more contributors, is likely to garner broader programmatic support for the town center business development initiative.
- e. Secure early commitments. Try to get several major commitments lined up, covering the first \$50,000-\$75,000, before seeking smaller commitments. It is generally easier to raise smaller contributions after several larger ones have been secured or pledged.
- f. Secure the remaining contributions. Try to secure remaining contributions within one month of securing the early contributions.

- g. Thank all donors. Be sure all contributors receive prompt thanks and frequent recognition for their contributions; keep them informed of the initiative's progress; and invite them to participate in key events (ribbon-cuttings for new businesses, marketing events, town center open houses, etc.).

We recommend approaching the following potential funders, in particular:

- The Kresge Foundation's Green Building Initiative
www.kresge.org/content/displaycontent.aspx?CID=59
- The Surdna Foundation
www.surdna.org
- Prince Charitable Trusts
www.princetrusts.org
- The Henry M. Jackson Foundation
www.hmjackson.org
- Curtis and Edith Munson Foundation
www.munsonfdn.org
- The Johnson Foundation
www.johnsonfdn.org
- The Morris and Gwendolyn Cafritz Foundation
www.cafritzfoundation.org
- Charles Stewart Mott Foundation
www.mott.org

- Eugene and Agnes E. Meyer Foundation
www.meyerfoundation.org
- The Smart Growth program of the US Environmental Protection Agency
www.epa.gov/smartgrowth
- The Annie E. Casey Foundation
www.aecf.org
- The Home Depot Foundation
www.homedepotfoundation.org
- The Mazda Foundation
www.mazdafoundation.org
- Pepco
www.pepco.com/welcome/community/programs/charity/
- The Alcoa Foundation
www.alcoa.com/global/en/community/foundation/overview.asp
- The Ewing Marion Kauffman Foundation
www.kauffman.org/grants.cfm
- Robert Wood Johnson Foundation
www.rwjf.org
- Mitsubishi International Corporation Foundation
www.mcfamericas.org

- 2.7 Create a rent subsidy program for targeted businesses. We recommend creating a short-term rent subsidy program to subvent the rents of targeted businesses, making it possible for them to rent higher-priced property in the town center while ramping up sales. The program's primary goals would be to relieve start-up operating expenses for targeted businesses and to provide town center property owners with market-rate rents. Qualified businesses would need to meet quarterly sales performance goals in order to receive rent subsidies.

A rent subsidy program capitalized with \$2.5 million of program-related investment capital could spin off \$100,000 in interest annually to be used for rent subsidies (assuming an eight percent rate of return, of which four percent of the interest earned would be made available for rent subsidies, 1.5 percent would be used for program administration and technical assistance, and 2.5 percent returned to the corpus to keep pace with inflation). The rent subsidy program could be operated for five years, after which the original \$2.5 million investment, plus the 2.5 percent returned annually to the corpus, would be returned to the investor (or investors). Program-related investment could come from a foundation, financial institutions, Community Development Block Grants, or other sources, or from a combination of sources.

- 2.8 Work towards an economically sustainable district management program. Riverdale Park's town center is too small to support a Business Improvement District – or, rather, it is too small for a Business Improvement District to generate enough revenue to realistically support the total costs of the district's ongoing management (business development and marketing activities, in particular). But, given the likely linkages between town center retail locations and inventory storage and product manufacturing or assembly locations outside the town center, we recommend that the Town consider generating revenue from town center properties/businesses *and* from linked properties, either by imposing an assessment on commercial property outside the town center that is used by town center businesses or by designating industrial and quasi-industrial parcels within Riverdale Park and commercial property within the town center as a non-

contiguous redevelopment district and using redevelopment funds to support the town center's marketing and management¹².

2.9 Consider creating a special incentive zone overlay for the town center and linked industrial parcels. The zone could provide property tax abatement, dedicated loans and equity investments to qualified businesses, state income tax credits for job creation, and other incentives to businesses offering green products and services and that locate within the town center, including linked industrial parcels used by these businesses. This would be a slight variation on the concept of Recycling Market Development Zones that are being adopted by communities throughout the country. For example, California has over 40 Recycling Market Development zones (RMDZs), providing incentives to companies that use recycled materials and that are willing to relocate to a designated Zone or to expand within a designated Zone. The Cities of Berkeley and Oakland, California operate a revolving loan fund providing a dedicated source of capital and low interest loans to qualifying businesses. It has also attracted some grants to support its operations and activities.

2.10 Encourage the State of Maryland to create a market development program to encourage and facilitate recycling and the use of recycled material in manufacturing. A growing number of states now offer market development programs to encourage and facilitate the use of recycled material in manufacturing. Each state offers different services, but most include technical assistance for recycled product manufacturers, "buy recycled" promotional programs", clearinghouse activities to help match recycled material producers with product manufacturers, and some sort of financial assistance (grants or loans, but not equity).

Most of the states fund their programs with general revenues. Several, including Kansas and Missouri, fund their programs with solid waste revenues (Missouri sets aside 10 percent of the state's solid waste management program; Kansas charges an add-on solid

¹² See, for example, San Jose, California's downtown redevelopment program, supported by tax increment revenues from development in designated parcels north of the downtown district.

waste landfill tipping fee of \$1.00 per ton). Ohio funds its program through a corporate franchise tax. New York funds its Environmental Protection Fund through real estate transfer taxes and several fees, and its market development program is in turn funded by the Environmental Protection Fund.

3. Recruit businesses – and entrepreneurs.

Developing new independent businesses that meet the objectives of a district's business development plan is always a challenging process. While it might be tempting to recruit *businesses* to the town center, it is often better to recruit *entrepreneurs* with solid retail experience and pair them with the retail business concepts that fit the town center's retail development strategy.

We recommend that Riverdale Park focus on recruiting entrepreneurs rather than, or in addition to, on recruiting businesses. Many of the most successful and innovative businesses in older and historic downtowns today are driven by owners with strong entrepreneurial skills and vision. Given the ability of the internet to augment local sales for downtown retail businesses, it is quite possible – and becoming more common – for districts to develop profiles of the sorts of specialized retail businesses they would like to see in their districts (both to meet some local needs and to help enhance the overall personality of the district). Successful entrepreneurs can then implement the businesses profiled. Rather than looking exclusively for businesses that already exist (somewhere) and encouraging them to relocate or to open an additional location in Riverdale Park, we recommend also looking for talented entrepreneurs (including existing area business owners) willing to craft unique businesses that fit the town center's business development agenda.

There are a growing number of established businesses in the Washington metropolitan area that we believe might be interested in relocating in Riverdale Park's town center green business cluster – some established in recent years specifically for the purpose of providing environmentally-friendly goods and services and others whose product lines include

environmentally-friendly items. It will almost certainly be possible to persuade some established businesses to relocate to Riverdale Park's town center or to open an additional outlet there – but it will be equally important to work with successful entrepreneurs to craft new businesses that advance the district's business development strategy.

3.1 Major components of the business recruitment and development initiative:

- Finalize the prospectus describing the town center's business development strategy and providing information on demographics, traffic flow and market demand (we are providing a draft prospectus to the Town's Economic Development Committee).

- Begin by contacting businesses in the Washington/Baltimore metropolitan area that already provide green products or services and talking with them about the possibility of relocating to or opening an additional unit in Riverdale Park's town center. Send each prospective business an initial letter of introduction, then follow up with a phone call to gauge interest. If the business owner is interested, schedule an appointment for a meeting. During the meeting, pay particular attention to the prospective business's needs – e.g., a smaller or larger storefront space, more assembly space, better access to major arterials, better access to public transit, proximity to compatible businesses, etc. After the meeting, follow up with detailed information on available space, financing, and other information that would be useful to the prospective business owner. Maintain contact with the prospective owner, sending or emailing new information and updates periodically and calling every month or two. Independent businesses often need months to adequately plan for and make the logistical arrangements to relocate or open an additional location, and maintaining ongoing contact is crucial for answering questions and providing encouragement.

- Familiarize a broad network of partners (property owners, realtors, bankers, County economic development staff, area chambers of commerce and business

associations, environmental organizations, area colleges and universities, civic clubs, foundations, etc.) with the town center retail development strategy, asking them to help identify prospective businesses, business models, and entrepreneurs. Maintain ongoing contact with this group of partners, providing at least quarterly updates on your progress, business opportunities, and areas with which you need assistance.

- Become fluent in all available financing tools and resources.
- Be sure that neighborhood-serving businesses offer a green feature. For example, a café might offer food grown locally, or a dry cleaner might use environmentally friendly dry cleaning techniques.

3.2 Stimulate development of an investment corporation to create a core of key businesses. In addition to attracting interested entrepreneurs, we recommend that the Town and its partners encourage local investors to pool funds to create an investment group to jump-start creation of one or both clusters of green businesses. The investment pool would own the businesses, hiring highly skilled management staff to operate each business and to meet or exceed quarterly performance benchmarks. The investment group could offer managers the option of buying out the group's investment after a period of years (either revolving the repaid investment into new businesses or returning the capital to investors) or it could maintain ownership of the businesses. Similar 'angel' investment corporations have been launched in a small but quickly growing number of downtowns throughout the country. For example, a group of investors in Bonaparte, Iowa formed Township Stores in the late 1980s, selling 50 shares of stock for \$2,000 each and using the capital to buy and rehabilitate several downtown buildings and to launch a small grocery store, which it has successfully operated for almost 20 years. In the early 2000s, a group of 15 investors in Effingham,

Illinois created an investment pool to launch several new downtown restaurants¹³. More than a dozen communities in the Mountains/Plains states have created local investment groups to launch and operate downtown discount department stores, offering viable alternatives to big-box retailers¹⁴.

Traditional venture capital, while unlikely to be attracted to a small initiative and more typically drawn to research and product development than to retail business development, is also a possibility, given the unique focus of the Riverdale Park town center business development strategy. New venture investments are reported daily on GreenVC (www.greenvc.org), a website devoted to green venture capital.

4. Develop a comprehensive marketing plan for the district.

The ultimate goals of all downtown marketing programs are to change shopper attitudes and, ultimately, to change their shopping habits. There are three broad categories of downtown marketing:

- Image development changes people's perceptions of a town center. Examples of image development include positive news stories, logos and tag lines, and branding advertisements for the district as a whole.
- Special events bring people into the town center to have a positive and memorable experience. Not all special events need be major festivals or blockbusters – small events aimed at a specific demographic can be very effective. And those who attend do not

¹³ See, for example, www.boomtowninstitute.com/News/news061206b.html. Also, economist Michael Shuman cites numerous examples of local ownership programs in his book *Going Local: Creating Self-Reliant Communities in a Global Age* (Routledge, 2000).

¹⁴ See, for example, "Community-Owned Stores Provide Alternatives to Chains" on the New Rules Project's website (www.newrules.org/retail/news_archive.php?browseby=slug&slugid=228).

necessarily come to spend money. By giving people a reason to come downtown, a special event raises customers' awareness so they come downtown at a future date to shop.

- Retail promotions aim to increase business sales by creating reasons for customers to spend money in individual businesses. Retail promotions can take the form of a special holiday shopping program (e.g., businesses might organize around kids shopping for Mothers Day, or coupon mailers or sale events.)

These categories are not mutually exclusive: A special event can help shape the district's image *and* ring cash registers simultaneously. The key is to always have in mind a *primary* purpose for each promotional activity and to give approximately equal emphasis to all three areas in the comprehensive work plan.

In Riverdale Park's town center, it is obviously important that marketing activities emphasize several key themes: the district's green business focus; its interactive video exhibits; its proximity to major arterials.

4.1 Image development:

- 4.1.1 Animate the district's storefront windows in order to minimize the visibility of district vacancies and to attract attention to the town center. Sidewalk and storefront animation are essential to economically and culturally vibrant town centers. But Riverdale Park's town center has a relatively high ground-floor vacancy rate, and the occupied buildings have quite diverse uses (some retail, some offices, some small industries) – and, as a result, there is almost no storefront activity to attract attention or entice visitors to explore the district.

We recommend that Riverdale Park create a program of interactive video exhibits in and on the district's storefronts – in the windows, on the buildings, perhaps even on the sidewalks. This would enliven storefronts and the

streetscape regardless of whether buildings are occupied or not; would offer 24/7 vibrancy; and would be visible to people on foot, driving through the district, and on the MARC train. We believe interactive video would tap into the region's growing interest and expertise in the arts, but would offer something different than art venues in Hyattsville, College Park and other nearby communities. We also believe the program would be likely to attract support from area arts- and urban development-focused grant makers and could generate considerable "buzz" for Riverdale Park. Some examples of interactive video art from other cities:

- The Liquid Time Series (www.camilleutterback.com/liquidtime.html)
- "Abundance", in San Jose (www.camilleutterback.com/abundance.html)
- "Harmonic Bridge", in North Adams, Massachusetts (www.massmoca.org/event_details.php?id=150)
- "Urban Cycles", in Sofia (www.idea.org.uk/urban/ucbg.html)
- De Pong (www.techblog.com/index.php/tech-gadget/video-de-pong-game)
- The mobile-phone-controlled interactive mannequin (www.gizmag.com/go/5649/)
- Big Smile (www.cityofboston.gov/bra/baw/windows1/pages/knep.html)
- fullbckUP (www.cityofboston.gov/bra/baw/windows1/pages/jackbackrack.html)

We recommend organizing the initial exhibit as a juried exhibit, with ten artists selected through a competitive juried process and with nominal stipends (\$1,000 or so each) given to cover the costs of materials for the selected artists,

and a website publicizing and documenting the exhibit. We recommend installing one or two of the exhibits at or near the intersection of US Rt. 1 and Queensbury (and perhaps on the billboard over the district), to help draw people into the town center, and concentrating them in the storefronts of buildings near the MARC station so that they are visible from the train. We suggest that the program initially run for three months, preceding or concurrent with the unveiling of Riverdale Park's retail development strategy and hopefully overlapping at least partially with the Farmers' Market, and could be continued indefinitely with new exhibits. As with the start-up costs for the green business cluster, we believe there are a number of foundations and corporations that might be interested in providing funding to support the interactive video exhibits.

4.1.2 Develop and circulate an ongoing series of press releases and feature stories about Riverdale Park's town center. Topics might include:

- The overall 'green' retail development plan
- A feature story about the interactive video exhibits
- Feature stories about individual 'green' businesses opening in the town center and, as each business matures, feature stories about unusual products or services they offer
- Green infrastructure upgrades in the town center
- A feature story about making older and historic commercial buildings more environmentally friendly
- A feature story about the town center's transformation over the past decade
- A feature story about 'Scraphouse' (see 4.2.1, below)
- Feature stories about green building workshops (see 4.2.2, below)

4.1.3 Link individual business websites to a dynamic, energetic site for the entire district. See, for example, several of the websites created by Joint Concepts using its "Main Street Vitality Engine" for historic commercial districts:

- Adams Morgan Now (www.adamsmorgannow.com)
- Experience Copper (www.experiencecopper.com)
- MidCity Live (www.midcitylive.com)

In each of these instances, businesses have their own web portals through which they can update information about events and sale specials in their shops, with overall information on the district provided by the local district management entity.

4.2 Special events:

4.2.1 Replicate the experience of ScrapHouse (www.scraphouse.org), a house built completely from scrap parts and salvaged building materials in three days several years ago in San Francisco. ScrapHouse was created by Public Architecture, a nonprofit organization that finds innovative solutions to public design challenges (www.publicarchitecture.org). We recommend working with Public Architecture and area architecture schools (University of Maryland and Catholic University, in particular) to create a new ScrapHouse in Riverdale Park's town center, with significant media coverage of the event.

4.2.2 Offer an ongoing series of specialized green building workshops and classes geared towards residents, homeowners, and business owners. Videotape the workshops and offer them on local access TV and on YouTube.

4.3 Retail promotions: Until at least a handful of retail businesses are in place, it is impossible to suggest specific retail promotional events that might be effective. However, in general, we encourage development of an email-based collective marketing program (using a service like Constant Contact – www.constantcontact.com) for the district's green retail businesses, periodic open houses featuring new merchandise, and retail events scheduled in conjunction with Earth Day and major holidays.

5. Reinforce “green” by implementing green practices in core downtown area.

We recommend that, to reinforce the green business cluster, the Town adopt a green infrastructure policy for the town center, upgrading sidewalks, lighting, landscaping and other components as funding permits. Among the components becoming more common in US towns and cities:

- LED street lights¹⁵
- Street lights whose illumination levels automatically adjust to complement the amount of ambient moonlight available¹⁶
- Rubber sidewalks¹⁷
- Asphalt road heat extraction systems, providing heat for district buildings
- Rain gardens
- Green roofs

6. Improve the physical appearance and integrity of the Rt. 1 streetscape. Rt. 1 serves as the primary gateway to Riverdale Park’s town center, but it has been eroded over the years as pedestrian-oriented buildings have been demolished and replaced by auto-oriented buildings and as storefront maintenance has been deferred and buildings have fallen into disrepair. It is critical that the section of Rt. 1 between Oliver Street and East-West Highway be strengthened, with zero-setback development, façade repairs, and a dynamic gateway at

¹⁵ Ann Arbor, Michigan recently became the first US community to replace its traditional downtown street lights with LED lights, resulting in an energy savings of 80 percent. See www.primenewswire.com/newsroom/news.html?d=128810 for an overview of Ann Arbor’s program. For information on LED streetlighting technology, see “Strategies in Light ... The Leading Event for the Global LED Industry,” available online at www.downtowndevelopment.com/pdf/SiL%20Presentation.pdf.

¹⁶ See the Civil Twilight Design Collective’s lunar-resonant streetlights (www.civiltwilight.com/lunar1.htm).

¹⁷ See Rubbersidewalks.com (www.rubbersidewalks.com).

Queensbury (certainly alluding to the green focus of the town center, and possibly also to the town center's interactive video arts program).

Sources of information

We consulted a number of sources during the course of our research.

We obtained information on demographics primarily from the 2000 *Census of Population*; 2004 and 2005 *Census* updates from the US Bureau of the Census; various publications and reports by the Maryland-National Capital Planning Commission, Prince George's County Government, and the State of Maryland; and ESRI (a private data provider).

We compiled data on current retail, wholesale, and service-sector sales from the 2002 Economic Census (published in about a dozen separate reports, including the *Census of Retail Trade*, *Census of Wholesale Trade*, *Census of Accommodation and Food Services*, *Census of Information*, and *Census of Health Care and Social Assistance*) and from ESRI.

We compiled an inventory of businesses within 0.75 miles of the town center using a9.com and Polk City Directories, then verified most businesses in the inventory through on-site inspection. We conducted research on the district's business history by examining Sanborn Fire Insurance Company maps and obtained information on average daily vehicular traffic counts from ESRI.

We conducted interviews with eight business owners, property owners, representatives of civic organizations, and private citizens.

We prepared estimates of consumer buying power with population data and with data from the 2004 *Consumer Expenditure Survey*, published by the US Bureau of Labor Statistics. We used the *Dollars and Cents of Shopping Centers* and our proprietary databases of independent businesses for information on sales-per-square-foot benchmarks.

We reviewed over a dozen reports, including the *Mixed Use Town Center Plan* (January 2004), *Prince George's County Approved General Plan* (October 2002), *Report of the Riverdale Park Town Center Redevelopment Committee* (April 2, 2001), *Approved Master Plan and Sectional Map Amendment for Planning Area 68* (May 1994), *Approved Master Plan and Sectional Map Amendment for Planning Area 69* (May 1994), "Vision of the Future for the Town of Riverdale"

(October 6, 1997), and “Achieving the Vision: Options for the College Park US Route 1 Corridor” (2006). We also read *The Riverdale Story: Mansion to Municipality* (1996, Town of Riverdale).

Limitations and disclaimers

Retail market analyses, their components (such as retail sales gap analyses) and derivative business development plans provide important guidance on how a commercial center should, theoretically, be able to perform and on the sales levels businesses should be able to achieve. However, a number of factors affect the actual performance of retail businesses and commercial centers, including the skills of the business operator, level of business capitalization, the quality of the physical environment, changes in overall economic conditions, the effectiveness of business and district marketing programs, and many other factors. The information in this report is intended to provide a foundation of information for making retail recruitment decisions in Riverdale Park's town center, but it does not and cannot ensure retail success.

As is true of all demographic, economic and market studies, our analysis's reliability is limited to the reliability and quality of the data available. Our research assumes that all data made available by federal, state, county, and city sources is accurate and reliable. For Riverdale Park's town center, there are several specific limitations worth mentioning:

First, because our analysis has been conducted in the middle of the decade, between the 2000 and 2010 US Censuses, population data is not quite as current as it would be if this analysis were conducted early in the decade, when population data is new. We have relied on mid-Census projections by the State of Maryland, DC Office of Planning, Maryland-National Capitol Parks and Planning Commission, ESRI, and our own estimates of population and retail sales changes in the areas included in this analysis.

Second, the retail market catchment areas of neighborhood shopping districts are not confined to the boundaries of political jurisdictions or Census tracts. We have therefore had to make estimates based on reasonable assumptions about the market catchment area of Riverdale Park and its town center.

Third, because market conditions change rapidly and sometimes without warning, the opinions expressed here cannot be relied upon to estimate retail market demand as of any other date.

Given these limitations, our report reflects what we believe are reasonable estimates of historic trends, current conditions, and future possibilities.

About the CLUE Group

The Community Land Use and Economics (CLUE) Group is a consulting firm that helps communities create vibrant, dynamic downtowns and neighborhoods.

We help local and state governments, developers, and nonprofits design innovative downtown economic development strategies, cultivate independent businesses, recycle historic buildings, attract young talent, strengthen downtown management programs, and craft planning and land use tools that mitigate sprawl and stimulate town center development.

We specialize in downtowns. CLUE Group principal Kennedy Smith directed the National Trust for Historic Preservation's National Main Street Center for 13 years and is considered one of the world's leading experts on downtowns, downtown economics, independent business development, and the economic impact of sprawl, with a career in downtown revitalization spanning 25 years. She created the retail market analysis methodology now used by most historic downtowns in the United States. Josh Bloom, our second principal, spent ten years as a program officer at the National Trust's Main Street Center, focusing on the economic and organizational dynamics of commercial district revitalization, particularly in urban neighborhoods. Both Kennedy and Josh served as the managers of local downtown development organizations before joining the staff of the National Main Street Center.

www.cluegroup.com

Appendix: Average daily traffic counts¹⁸

Intersection of US Rt. 1 and Queensbury – Riverdale Park, Maryland (3-mile radius)

Distance:	Street:	Closest Cross-street:	Year:	Count:
0.13	Baltimore Ave	Sheridan St (0.03 miles N)	2003	25,925
0.15	E West Hwy	44th Pl (0.04 miles SE)	2000	46,425
0.20	Baltimore Ave	Oliver St (0.05 miles N)	2000	29,850
0.44	E West Hwy	41st Pl (0.01 miles E)	2003	46,825
0.46	Queens Chapel Rd	42nd Ave (0.03 miles SW)	2003	650
0.57	Jefferson St	44th Ave (0.02 miles W)	2003	3,450
0.57	Adelphi Rd	Tennyson Rd (0.05 miles N)	1992	19,250
0.59	Queens Chapel Rd	Quintana St (0.02 miles NE)	2003	20,750
0.59	Baltimore Ave	Pineway (0.08 miles N)	2000	32,500
0.63	Baltimore Ave	Hamilton St (0.02 miles S)	2003	25,525
0.69	E West Hwy	Belcrest Rd (0.13 miles W)	2003	25,725
0.71	Baltimore Ave	Beechwood Rd (0.01 miles N)	2003	27,025
0.80	Baltimore Ave	Rhode Island Ave (0.08 miles NW)	2003	13,825
0.82	Baltimore Ave	Carleton Ter (0.04 miles S)	1997	30,300
0.86	River Rd	River Tech Ct (0.24 miles NW)	2003	7,750
0.92	E West Hwy	Kenilworth Ave (0.14 miles E)	2003	42,925
0.94	40th Pl	Gallatin St (0.06 miles NW)	2003	4,050
0.97	E West Hwy	Editors Park Dr (0.1 miles W)	1998	28,000
1.04	Kenilworth Ave	Spring Ln (0.05 miles SW)	1998	35,000
1.07	Kenilworth Ave	Nicholson St (0.02 miles NE)	2003	39,575

¹⁸ The Traffic Profile displays up to 25 of the closest available traffic counts within the largest radius around the specified site. Traffic counts are identified by the street on which they were recorded, along with the distance and direction to the closest cross-street. Distances displayed as 0.00 miles (due to rounding), are closest to the site. A traffic count is defined as the two-way Average Daily Traffic (ADT) that passes that location. SOURCE: 2006 MPSI Systems Inc. d.b.a. DataMetrix®.

1.08	Kenilworth Ave	Quintana St (0.02 miles SW)	2003	35,675
1.09	Baltimore Ave	Buchanan St (0.02 miles N)	1997	15,075
1.09	Guilford Dr	Rowalt Dr (0.08 miles W)	1998	12,000
1.10	Decatur St	51st Pl (0 miles W)	1998	5,000
1.15	E West Hwy	57th Ave (0.02 miles NW)	2003	40,925