

**Anacostia Commercial Market Analysis
Washington, D.C.
March 2011**



Final Report



Executive Summary

Green Door Advisors (GDA) was retained by the National Community Reinvestment Coalition (NCRC) to conduct a retail and commercial office market analysis for the Anacostia neighborhood of Washington, D.C. This analysis was conducted as part of a larger planning effort for the Anacostia neighborhood through the second round of the U.S. Department of Housing and Urban Development's (HUD) National Stabilization Program (NSP2). NCRC has partnered with the District Department of Housing and Community Development (DHCD) to engage in a planning process for the Anacostia neighborhood, in order to provide DHCD with strategic recommendations on where and how to invest in housing and community revitalization within the neighborhood. This planning process will also advise DHCD on how to leverage the NSP2 funds to catalyze commercial and civic revitalization.

GDA's retail and commercial office market analysis identifies existing market trends, quantifies the demand for additional retail and office development, identifies catalytic redevelopment sites, and provides strategic parcel-level recommendations for implementation. This analysis determined that by 2015 there will be total demand for an additional 70,000 square feet of retail space in Anacostia, above what currently exists today. The supportable retail store types include a small grocery store, pharmacy, full-service restaurants, clothing stores, and other miscellaneous retailers. The office demand analysis determined that by 2015 there will be demand for approximately 120,000-130,000 square feet of new office space. The tenant types generating this demand are associations and non-profit organizations and professional services including law and accounting services, management consulting, and architecture and engineering. Finally, our analysis examines the potential impact of the placement of the Department of Homeland Security (DHS) at the St Elizabeths campus nearby; we believe that there will likely be long term impact of this development on the office market, and to a lesser degree the retail market; however generally these impacts will not be felt within the 2011 – 2015 timeframe.

GDA recommends capturing this future retail and office by concentrating new development in the catalytic redevelopment sites identified in this analysis. These sites are located along the southern edge of Martin Luther King Jr. Ave SE near the metro station, at the intersection of Martin Luther King Jr. Ave SE and Good Hope Road SE, and along Good Hope Road. The high-priority redevelopment sites include the Big K Liquor store and adjacent historic homes on Martin Luther King Jr. Ave SE currently owned by DHCD. Based upon the commercial market findings, GDA recommends a mixed-use development with office above ground floor retail, ideally a small grocery or pharmacy at the Big K site. GDA recommends a similar program of office development over ground floor retail for the vacant American Furniture store also along Martin Luther King Jr. Ave SE. This analysis also identifies the parcels along the western edge of the Martin Luther King Jr. Ave SE & Good Hope Road SE intersection as a strategic development site for signature restaurants and retail with office space above. The specific recommendations for these and other potential redevelopment sites are detailed in this report and in the exhibit appendix.



Neighborhood Analysis

Anacostia is located in the southeast quadrant of Washington, D.C. and is accessible to Downtown, D.C. by car, bus, and metro rail. Anacostia is rich in historic character but many of the neighborhood's historic resources have been neglected and are now in disrepair. Many buildings along the commercial corridors of Anacostia are small and/or under multiple ownerships making land assemblage and larger scale redevelopment challenging. The presence of vacant and abandoned buildings have contributed to neighborhood blight and limited the potential for new private investment. Similarly, the real and perceived safety concerns have limited the neighborhood's growth and the ability to attract new residents. Despite these challenges to revitalization, Anacostia is situated close to major employment centers and is transit accessible, presenting opportunities for future growth and revitalization.

Anacostia is served by a wide array of civic and institutional uses. These organizations include churches, civic and political organizations, community and supportive services, charter and other public schools, workforce development organizations, and arts and recreational resources. These organizations have been instrumental in serving the existing neighborhood population and many have had a role in the revitalization of Anacostia thus far. These local players will continue to be an important part of Anacostia's revitalization and will be key stakeholders to future commercial and mixed-use development. A full list of the civic and institutional uses in Anacostia is included in Exhibits 15 and 16.

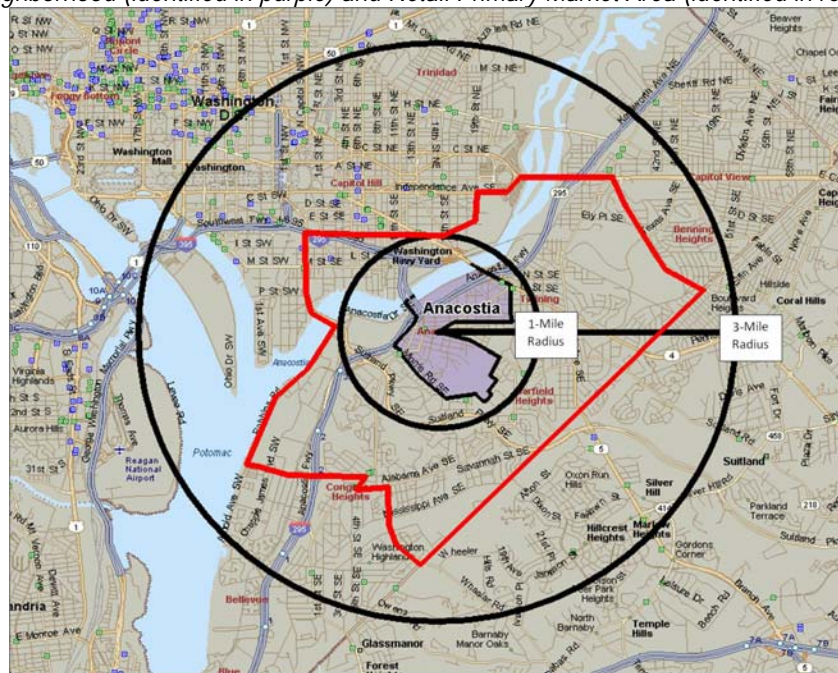
There have been a number of plans and initiatives conducted for the Anacostia neighborhood in the past, contributing a wealth of information about the neighborhood and other planned redevelopment projects. The Barry Farms neighborhood just south of historic Anacostia is part of the New Communities Initiative, which is a public-private partnership, designed to redevelop existing public housing into a mixed-use and mixed-income community. Through this process the Barry Farm/Park Chester/Wade Road Community Revitalization Plan was completed in 2006. Martin Luther King Jr. Ave SE is also part of the Great Streets Initiative, a partnership between multiple agencies to transform the corridor into a thriving commercial center. Another major initiative impacting Anacostia is the proposed streetcar line that is proposed to run along Martin Luther King Jr. Ave SE and Minnesota Ave SE. The District is currently undergoing a study that evaluates the economic benefits of this and other streetcar lines proposed as part of the District of Columbia Streetcar System. This plan will be valuable in providing additional background for economic development and redevelopment projects in Anacostia.

The last major planning and redevelopment initiative centers on the St. Elizabeths campus just south of Anacostia in the Congress Heights neighborhood. The U.S. Department of Homeland Security (DHS) plans to relocate its headquarters and several other departments to the historic St. Elizabeths west campus on the west side of Martin Luther King Jr. Ave SE, and the Federal Emergency Management Agency (FEMA) plans to locate on the East Campus just across Martin Luther King Jr. Ave SE. Overall this relocation will bring approximately 14,000 workers to the campus, in addition to the market-driven mixed-use development that the District is planning for the remainder of the East Campus. A master plan has been created for the campus, and GDA completed a retail and office market analysis for the potential redevelopment of the East Campus. These plans have provided background for this study to understand the broader planning and economic development context.

Demographic Analysis

The demographic analysis was conducted for the Anacostia neighborhood, defined as census tracts 75.03, 75.04, and 76.0, as well as the retail primary market area (PMA) as shown in the map below and in Exhibits 2 and 3. We defined a retail PMA that extends beyond the census tracts identified for the Anacostia neighborhood by the NSP2 guidelines. The PMA takes into account the likely trade area from which retail located within the Anacostia neighborhood would be primarily drawn. The likely trade area was determined by factoring in commuting trends, transportation and accessibility, natural and other physical barriers, neighborhood perception, and local retail market trends. The demographic analysis serves as a backdrop for the retail and commercial market analysis, informing the current and future demand for additional commercial development as well as an insight to the current challenges and opportunities facing redevelopment in Anacostia.

Anacostia Neighborhood (identified in purple) and Retail Primary Market Area (identified in red) Boundaries



Anacostia Neighborhood¹

In 2010, there are an estimated 3,533 households and 9,185 people living in the Anacostia neighborhood census tracts. Since 2000, Anacostia has experienced a decline in population and households by 0.2% and 0.3% annually. This trend is projected to continue through 2015, as population is projected to decline by 0.4% annually and households are projected to decline by 0.3% annually. While only a slight decline, this trend reflects the overall lack of new investment in the Anacostia neighborhood. The tenure of Anacostia is 50% rental, 34% owner, and 16% of the housing stock is vacant. These demographic trends are shown in more detail in the following table and on Exhibit 4.

¹ The 2010 Census data at the census tract level as well as demographic projections based upon the 2010 Census were not available at the writing of this report. An opportunity to revisit the demographic data upon this availability is recommended.

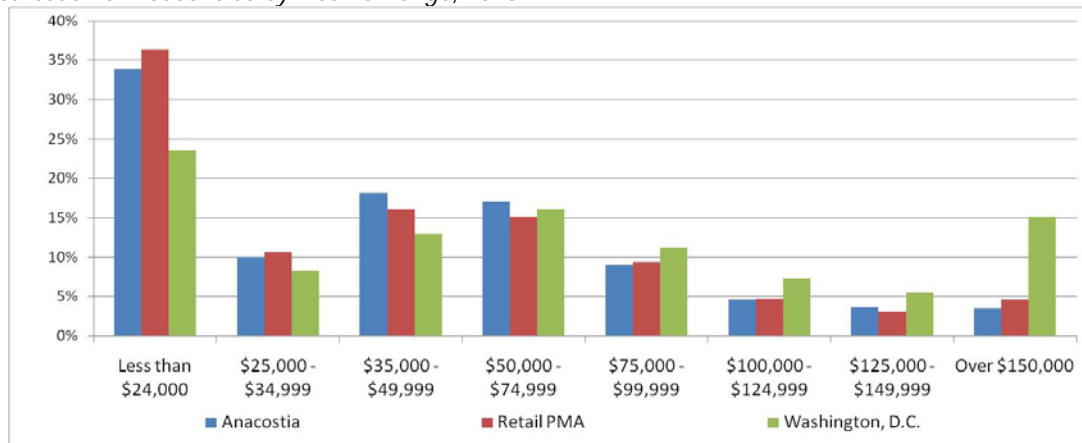


Anacostia Neighborhood Demographic Trends, 2000-2015

	2000 Census	2010 Estimate	2015 Projection	2010-2015	
				Avg. Annual Change	Annual Growth Rate
Anacostia Neighborhood					
Population	9,445	9,185	9,022	-33	-0.4%
Households	3,604	3,533	3,487	-9	-0.3%
Housing Units	4,304	4,185	4,125	-12	-0.3%
% Owner Occupied	30%	34%	34%	N/A	N/A
% Renter Occupied	54%	50%	50%	N/A	N/A
% Vacant Housing Units	16%	16%	15%	N/A	N/A
Median Household Income	\$28,693	\$40,062	\$43,891	\$766	1.8%

The neighborhood had a median household income of \$40,062 in 2010 and the distribution of Anacostia households by income is heavily weighted towards lower income brackets, as shown in the chart below. In Anacostia, 44% of households earn less than \$35,000 annually, compared to 32% of households in the District overall. Additionally, 13% of Anacostia households earn over \$100,000 annually, compared to 28% of households in the District.

Distribution of Households by Income Range, 2010



The majority of households in Anacostia are headed by females. In 2010, 57% of households in the Anacostia neighborhood are headed by only a female. Approximately 45% of these female-headed households have children, indicating a significant number of single mothers living in the neighborhood. The median age in Anacostia is 48 years old, and 61% of the population is of working age, between 18 and 64 years old.

Anacostia's population has a relatively low education rate as compared with the District as a whole. In 2010, 64% of the population over 25 years old have a high school diploma or less, and only 12% of the population has a bachelor's degree or higher. However, there has been a shift towards higher education rates since 2000, when 71% of the population had a high school degree or less and only 7% had a bachelor's degree or higher. Therefore the trends indicate an improvement over the past 10 years. The education rates are detailed in the following table and in Exhibit 6.



Distribution of Anacostia Neighborhood Population by Education, 2000-2010

	2000 Census		2010 Estimate	
	#	%	#	%
Education: Population Over 25 Years				
Less than 9th Grade	473	8%	353	6%
Some High School, No Diploma	1,353	24%	859	15%
High School Graduate	2,168	39%	2,332	42%
Some College, No Degree	1,053	19%	1,113	20%
Associate Degree	160	3%	207	4%
Bachelor's Degree	214	4%	340	6%
Master's Degree	148	3%	258	5%
Professional School Degree	42	1%	71	1%
Doctorate Degree	7	0%	11	0%
Total	5,618	100%	5,544	100%

Retail Primary Market Area

There are 77,173 people and 29,312 households living in the retail PMA in 2010. Contrary to the Anacostia neighborhood, the broader retail PMA has seen slight household and population growth since 2000. This growth is projected to continue through 2015 at an annual rate of 0.1% for population and 0.2% for households. The tenure in the PMA is 60% rental, 28% owner, and 12% of the housing stock is estimated to be vacant. These demographic trends are shown in more detail in the table below and on Exhibit 4.

Anacostia Retail Primary Market Area Demographic Trends, 2000-2015

	2000	2010	2015	2010-2015	
	Census	Estimate	Projection	Avg. Annual Change	Annual Growth Rate
Anacostia Retail Primary Market Area					
Population	75,544	77,173	77,627	91	0.1%
Households	28,457	29,312	29,598	57	0.2%
Housing Units	32,473	33,238	33,562	65	0.2%
% Owner Occupied	26%	29%	29%	N/A	N/A
% Renter Occupied	62%	60%	60%	N/A	N/A
% Vacant Housing Units	12%	12%	12%	N/A	N/A
Median Household Income	\$27,614	\$37,766	\$41,588	\$764	1.9%

As shown in the *Distribution of Households by Income Range* table on the previous page, the retail PMA has a similar distribution of households by income range as the Anacostia neighborhood, with a greater concentration of households in lower income brackets compared to the distribution for the District as a whole. The 2010 median household income in the retail PMA is \$37,766, and 47% of households earn less than \$35,000 annually compared to 32% in the District. Similar to the trend in just the Anacostia neighborhood, 13% of households earn over \$100,000 annually, compared to 28% in the District.

The retail PMA has similar trends in household type and education as the neighborhood, but overall fares better in these indicators. Approximately 59% of the households in the retail PMA are headed by only a female, and 45% of these female-headed households have children in the home, indicating a significant number of single mothers living not just in Anacostia, but in the surrounding neighborhoods as well. The retail PMA has seen similar increases in education rates education trends as the Anacostia neighborhood



since 2000, but has a higher overall rate of education. In 2000, 60% of the population has a high school diploma or less and 18% have at least a bachelor's degree, as shown in the following table.

Distribution of Anacostia Retail PMA Population by Education, 2000-2010

	2000 Census		2010 Estimate	
	#	%	#	%
Education: Population Over 25 Years				
Less than 9th Grade	3,408	8%	2,649	6%
Some High School, No Diploma	10,565	24%	7,410	16%
High School Graduate	15,533	35%	17,694	38%
Some College, No Degree	8,156	18%	8,710	19%
Associate Degree	1,169	3%	1,556	3%
Bachelor's Degree	3,303	7%	4,799	10%
Master's Degree	1,622	4%	2,413	5%
Professional School Degree	367	1%	581	1%
Doctorate Degree	185	0%	300	1%
Total	44,308	100%	46,112	100%

Retail Market Analysis

Competitive Supply Analysis

GDA conducted a retail market analysis to understand the current market trends and dynamics in Anacostia and the surrounding PMA, as well as to identify future opportunities for additional retail development. The neighborhood is comprised primarily of lower-density retail space along Martin Luther King Jr. Ave SE (MLK) and Good Hope Road SE, with some small retailers (corner store/carry-outs) along Minnesota Avenue SE and on interior streets. Most of the retail space is occupied by smaller independent retailers, including fast food, personal services, and convenience stores. There are a number of vacant retail storefronts along both of the key commercial corridors, many in dilapidated condition. While historic Anacostia benefits from a metro stop that provides direct access to downtown, the area immediately surrounding the metro stop on Howard Road near MLK is dominated by community and civic uses. This is in contrast to the trend towards private higher-density development near metro stops, typically with a mix of uses including ground floor retail.

Within the broader retail PMA, the competitive supply of retail space includes several older shopping centers, some of which have been recently renovated, and a few newer centers. Most of the centers are anchored by a grocery store and contain in-line stores that include personal care, health and beauty stores, and fast food restaurants. The lease rates for these retail centers range from \$18 to \$35 per square foot. The most proximate and relevant shopping center in the competitive supply is Good Hope Marketplace. The center was built in 1997 and has almost 100,000 square feet of retail space, anchored by a Safeway. Other inline tenants include Payless Shoes, Ashley Stewart, Chevy Chase Bank, the U.S. Postal Service, Radio Shack, and Dollar Discount. Good Hope Marketplace has remained almost fully occupied and commands lease rates at the top of the market, between \$25 and \$35 per square foot, NNN. The competitive supply analysis can be found in Exhibits 11 and 12. These grocery anchored centers tend to perform well and maintain strong lease and occupancy rates. In-line retailers located along Martin Luther King Avenue and Good Hope Rd SE tend to either pay lower lease rates, or have creative lease structures (including percentage rents, rent abatements for a period of time and the like). Once stabilized these rents range from \$15 - \$22 per square foot.



GDA also conducted an opportunity gap analysis for the retail PMA, comparing the total consumer expenditures and retail sales in the PMA by store type. This analysis, summarized in the following table, reveals whether there is a balance between consumer spending and retail sales within the PMA. When consumer expenditures exceed retail sales for a particular store type

category, then those household spending dollars were “leaked” to surrounding areas as households spent their disposable income outside of the PMA. Leakage can occur when there is not enough of, or not the right type of retailers within an area to meet consumer needs. This analysis revealed that in 2010 the consumer expenditures exceeded retail sales in the PMA in almost every store type category. The only store type categories not experiencing this leakage are beer, wine, and liquor stores, and limited service eating places. This indicates significant retail spending dollars within the retail PMA that are not currently being met by the existing retail supply.

Retail PMA Opportunity Gap Analysis, 2010

Retail Opportunity Gap Analysis by Store Type	2010 Demand Consumer Expenditures	2010 Supply Retail Sales	Opportunity Gap Surplus/ Shortage
Furniture and Home Furnishings	\$16,389,076	\$6,832,949	\$9,556,127
Electronics and Appliances Stores	\$14,236,271	\$1,368,105	\$12,868,166
Building Material and Garden Eqmnt	\$68,844,560	\$4,907,716	\$63,936,844
Grocery Stores	\$105,248,621	\$92,459,030	\$12,789,591
Specialty Food Stores	\$3,617,342	\$864,511	\$2,752,831
Beer, Wine and Liquor Stores	\$6,015,317	\$14,040,964	(\$8,025,647)
Health and Personal Care Stores	\$54,490,553	\$36,233,740	\$18,256,813
Sporting Goods, Hobby, Book, Music	\$15,121,967	\$2,408,498	\$12,713,469
General Merchandise Stores	\$121,700,965	\$5,072,568	\$116,628,397
Miscellaneous Store Retailers	\$19,527,751	\$2,328,956	\$17,198,795
Full-Service Restaurants	\$38,818,737	\$19,360,436	\$19,458,301
Limited Service Eating Places	\$36,717,981	\$37,758,476	(\$1,040,495)
Drinking Places Alcoholic Beverages	\$3,827,440	\$702,348	\$3,125,092
Total Retail Stores	\$550,287,185	\$240,410,403	\$309,876,782

Demand Analysis

GDA conducted a statistical demand analysis to determine the current and future demand for retail space in Anacostia by store type category. The demand analysis is based on the number of households living in the retail PMA and their household spending patterns. The annual average household spending by store type is used to determine the total potential retail demand within the PMA by store type. A capture rate is then applied to the total potential spending to derive the potential retail spending in the Anacostia neighborhood. The capture rates are derived for each retail store type based on existing and planned competitive supply, household spending and commuting patterns, and the typical orientation of a store type as either a destination or neighborhood-serving establishment. The analysis indicates that there is a total potential of \$75.7 million of household spending that can be captured by Anacostia, including household spending at existing retail establishments.

Retail Demand Analysis, 2010

	Anacostia Sales Potential	Average Sales/ SF	Existing Supply	Pot. New Space SF
Furniture & Home Furnishing Stores	\$1,870,106	\$250	0	7,480
Electronics & Appliance Stores	\$2,598,509	\$350	0	7,424
Bldg Materials, Garden Eqmnt & Supply	\$2,251,162	\$450	2,400	2,603
Grocery Stores	\$25,032,448	\$500	19,200	30,865
Convenience Stores	\$1,553,536	\$450	1,600	1,852
Health and Personal Care Stores	\$10,517,146	\$450	2,700	20,671
Clothing and Clothing Accessories	\$6,322,598	\$350	4,000	14,065
Sporting Goods, Hobby, Book, & Music	\$2,396,256	\$350	3,500	3,346
Miscellaneous Store Retailers	\$976,090	\$225	16,700	0
Food Services & Drinking Places	\$4,748,544	\$417	33,300	3,271
General Merchandise	\$17,433,312	\$450	4,700	34,041
Total in 2010:	\$75,699,706	\$369	88,100	125,619



This spending potential is converted into square footage of retail space by applying the achievable sales per square foot to the potential spending for each store type. For example, according to our analysis there is potential spending of \$12.5 million for a grocery store in Anacostia in 2010. Grocery stores in this area typically achieve or require an average of \$500 in sales per square foot of retail space. This \$12.5 million in grocery spending can therefore support a 25,000 square foot grocery store in the Anacostia neighborhood. The existing supply of retail establishments, just over 88,000 square feet, by store type was subtracted from this potential demand to determine the net new retail demand that can be supported in the neighborhood. The average sales per square foot for each store type was derived based on the actual performance of shopping centers in the local area and around the region, as well as GDA's extensive experience working with retail brokers as they convey the standard requirements and sales targets when retailers make location decisions.

The demand analysis indicates that the Anacostia neighborhood can support a total of 125,000 retail square feet in 2010. However, many of the store type categories can support only a minimal amount of square footage and not the full amount needed to successfully operate that type of store. For example, the demand analysis indicates spending that can support 8,837 square feet of furniture and home furnishings store space, but these stores typically require larger formats and likely wouldn't occupy smaller retail spaces. The average store size for each store type was determined using assumptions from local retail brokers, in conjunction with national standards from the Urban Land Institute's "Dollars and Cents of Shopping Centers" and GDA's experience within Anacostia and other similar neighborhoods in the District. These average store sizes rely on multiple inputs and data sources in order to reflect the reasonable average size that each store type would occupy.

Therefore actual supportable net new retail space in 2010 is 63,500 square feet. The supportable store types include a small grocery store, a convenience store, health and personal care stores, clothing and shoes stores, both full restaurants and limited service eating places, and other miscellaneous store retailers. The supportable 20,000 square feet of grocery is in addition to the existing Anacostia Warehouse Supermarket, which is planned for renovations and repositioning with a new operator.

Retail Demand Analysis Total Supportable Stores, 2010-2015

	Avg. Store Size	2010			2015		
		Estimated Demand (SF)	Total Stores Supported	Net New Supportable SF	Estimated Demand (SF)	Total Stores Supported	Net New Supportable SF
Furniture & Home Furnishing Stores	N/A	7,480	0	0	8,666	0	0
Electronics & Appliance Stores	N/A	7,424	1	2,500	10,731	2	5,000
Bldg Materials, Garden Eqmpt & Supply	2,500	2,603	1	2,500	3,214	1	2,500
Grocery Stores ¹	20,000	30,865	1	20,000	33,982	1	20,000
Convenience Stores	1,500	1,852	1	1,500	2,116	1	1,500
Health and Personal Care Stores	10,000	20,671	2	20,000	22,912	2	20,000
Clothing and Clothing Accessories	N/A	14,065	3	12,000	16,668	3	12,000
Sporting Goods, Hobby, Book, & Music	N/A	3,346	0	0	5,176	1	2,500
Miscellaneous Store Retailers	N/A	0	2	3,000	0	3	4,500
Full-Service Restaurants	2,000	2,700	1	2,000	3,354	1	2,000
Limited-Service Eating Places	2,000	0	0	0	0	0	0
Drinking Places (Alcoholic Beverages)	1,500	572	0	0	610	0	0
General Merchandise	60,000	34,041	0	0	39,352	0	0
TOTAL:		125,619	12	63,500	146,782	15	70,000

GDA conducted an analysis of the projected retail demand in 2015 based on the straight-line household growth projections and assuming no government intervention. This analysis takes into account the projected growth in household incomes and the impact on household spending patterns. The Anacostia



retail PMA can support an estimated \$84.6 million in household retail spending (including what is currently spent at existing retail establishments). After subtracting out the existing retail establishments, this equates to demand for 146,800 net new square feet of retail space. After taking into account typical retail store sizes, the projected supportable retail is 70,000 square feet.

GDA also analyzed the projected retail demand in 2015 based on the growth projected in Anacostia through the implementation of the NSP2 program. This growth was based on the residential market analysis conducted by Zimmerman/Volk Associates, Inc. for the NSP2 project. Zimmerman/Volk projected growth of 536 households in the Anacostia neighborhood by 2015, of which 314 are multi-family rental, 201 are for-sale condominiums and townhomes, and 21 are single-family detached units. GDA used the Zimmerman/Volk growth projections for the Anacostia neighborhood and the baseline projected growth for the remainder of the PMA to determine the total projected households in 2015 with government intervention. This projected household growth generates an additional \$1.7 million of potential retail spending within Anacostia over the baseline 2015 analysis. Despite this increase in number of households and available spending power, the growth is not sufficient to change the number or types of stores supportable by the PMA in 2015. The retail demand analysis is summarized in Exhibit 18 and is included in detail on Exhibits 19-21.

Office Market Analysis

Employment Analysis

GDA conducted an analysis of the breakdown of employment by industry type for the Anacostia neighborhood and for the office PMA (identified in blue), which is shown in the adjacent map. The office PMA was determined based on local and regional commuting patterns, transportation and accessibility, natural and other physical barriers, and existing office market dynamics. Understanding employment trends in conjunction with the office market is an important backdrop in assessing future opportunities and the land use implications of any projected employment growth. In 2010 there were 3,087 employees in the Anacostia neighborhood and 48,260 employees in the office PMA. Anacostia represents just 6% of the office PMA's employment, which extends to include all of Ward 8, some of Ward 7, the Baseball District, and close-in Prince George's County, Maryland.



In 2010 the top employment categories in the Anacostia neighborhood are public administration (19% of employment); health care and social assistance (14% of employment); administration, support, and waste management (13% of employment); and retail trade (10% of employment). There has been little change in the overall breakdown of employment by type since 2000, and little change is predicted through 2015.



Breakdown of Employment by Industry in 2010

Employment by Industry in 2010	Anacostia Neighborhood		Anacostia PMA		District of Columbia	
	#	%	#	%	#	%
Public Administration	582	19%	9,082	19%	200,099	29%
Health Care/Social Assistance	444	14%	6,791	14%	64,995	9%
Admin/Support/Waste Mgt	394	13%	3,851	8%	42,216	6%
Retail Trade	305	10%	3,691	8%	18,574	3%
Other Services, Not Public Admin	185	6%	3,034	6%	62,655	9%
Professional, Scientific, Technical Services	184	6%	3,645	8%	105,057	15%
Accommodation/Food Services	152	5%	2,794	6%	54,644	8%
Construction	164	5%	2,325	5%	10,702	2%
Educational Services	151	5%	3,409	7%	37,574	5%
Finance/Insurance/Real Estate	146	5%	2,640	5%	27,605	4%
Transportation/ Warehouse/Utilities	146	5%	3,062	6%	35,942	5%
Entertainment/ Recreation Services	93	3%	1,307	3%	13,754	2%
Manufacturing	76	2%	827	2%	5,077	1%
Information	46	1%	1,340	3%	22,439	3%
Total	3,087	100%	48,260	100%	701,333	100%

As shown in the table above, the employment trends in the office PMA are similar to those in the Anacostia neighborhood, with the same industries representing the greatest share of employment and a similar continuation of the employment breakdown that existed in 2000. In the office PMA, public administration is 19% of employment, health care and social assistance is 14% of employment, administration, support, and waste management is 8% of employment, and retail trade is 8% of employment. The office PMA also has 8% of employment in professional and technical services, compared to 6% in Anacostia, and both areas have 5% of employment in finance, insurance, and real estate.

The employment categories present in Anacostia are reflected in the types of office tenants that are currently occupying space in the neighborhood. Beyond medical office space, there is limited employment in private sectors that generate demand for office space. While not a dominant part of Anacostia's employment base, professional and technical services and finance, insurance, and real estate combined account for 330 jobs or 11% of employment, which equates to approximately 82,000 square feet of office space.

Competitive Supply Analysis

The existing supply of office space in Anacostia and in the office PMA consists primarily of smaller buildings that are less than 100,000 square feet and typically have a single user. There is little in the way of new office development within the neighborhood, to the extent that there is substantial office development it is primarily local government or other social service, as opposed to private industry. Anacostia Gateway, a 63,000 square foot office building located at the intersection of MLK and Good Hope, was built in 2007 and is occupied by DHCD. The Anacostia professional building located at 2041 MLK is a 100,000 square foot office building occupied by medical and counseling offices, the DC Taxicab Commission, various non-profits, and law offices. The building continues to remain almost all or fully occupied, and commands lease rates of \$32 to \$35 per square foot. Elsewhere, the lease rates for the neighborhood as a whole range from \$10 to \$25 per square foot.



The lack of office market and employment growth in Anacostia has been influenced by a number of factors. Conversations with local developers and landholders reveal that one contributing factor is the lack of adequate supply, quickly forcing potential tenants to consider other locations outside of Anacostia. The redevelopment of the St. Elizabeths campus, with the Department of Homeland Security (DHS) taking all of the west campus and a portion of the east campus will add several million square feet of federal office space to the office PMA. The immediate impact of this new office space on demand for private office users is expected to be minimal, but there may be long-term benefits for Anacostia. There has been speculation and consideration in the market that contractors working with DHS may require office space near the campus. These tenants would likely be looking for new high-quality office space in a metro accessible location, and would typically require smaller spaces, around 10,000 square feet, for the length of their contract with DHS. While the Baseball District will be the natural location for many contractors and spin-off office demand from St Elizabeths, Anacostia's proximity and competitive lease rates to a downtown location may create a strategic opportunity to capture a share of the demand in the future, if the supply exists.

Demand Analysis

GDA conducted a statistical demand analysis to determine the existing and future potential new office demand in Anacostia, over and above what currently exists in the market. As noted above, there may be an opportunity for larger-scale office demand as a result of DHS's move to St. Elizabeths. However, outside of that potential spin-off effect, we looked at the demand for more traditional office space driven by the market dynamics of the neighborhood.

The office demand is based on the ratio of employees to population for select industries in Washington, D.C. These ratios are then applied to the population in the office PMA to determine the potential employment in the office PMA by industry. This employment is then converted to square footage of office space based on assumptions of the average square feet occupied per employee. In 2010 there was a total of 7.8 million square feet of office space demand in the PMA, which equates to over 31,000 employees. A capture rate is applied for each industry and type of office user to derive the demand for office space in the Anacostia neighborhood. The capture rate is based on existing and planned competitive supply and competitive landscape of employment centers within the region, transportation and accessibility needs of various tenant types, and desired proximity to anchor institutions, resident populations, or other employers. The breakdown of existing office supply by industry or tenant type is then subtracted from this potential Anacostia office demand to determine the total new demand for office space. In 2010 there is demand for approximately 145,750 square feet of office space. When considering the size of office space that these tenants typically occupy, the resulting demand for new office space is approximately 127,500 square feet in 2010. This majority of this demand is for office space for nonprofits/associations with additional demand for law offices, accounting services, architecture and engineering firms, management consulting, and business support services.

The projected new office demand for 2015 shows a decline in supportable new office space because the office PMA is projected to experience a slight decline in population, as it is based on the straight-line household growth projections and assumes no government intervention in the market. As a result, the creation of additional office demand in Anacostia beyond the 127,500 square feet of current demand will require outside drivers like spin-off effects of the St. Elizabeths redevelopment, new residential development within Anacostia, or the establishment of Anacostia as a viable office submarket.



Office Demand Analysis, 2010-2015

Selected Industries	Avg. Tenant Size	2010 Current Supportable SF	2015 Supportable SF with Straightline Projection	2015 Supportable SF with NSP2 Intervention
Commercial Banking & Credit Union	5,000	0	0	0
Mortgage Brokers	2,500	0	0	0
Securities, Banking, etc	5,000	0	0	0
Insurance Agencies	2,500	0	0	0
Real Estate Agencies/Prop Mngmt	2,500	0	0	0
Law Services	5,000	5,000	5,000	5,000
Accounting Services	2,500	7,500	7,500	7,500
Arch./Eng/ Services	5,000	10,000	10,000	10,000
Interior & Graphic Design Services	2,500	0	0	0
Mgmt Consulting	5,000	10,000	10,000	10,000
Advertising & Media Agencies	5,000	0	0	0
Photographic Services	1,500	0	0	0
Veterinary Services	2,500	0	0	0
Business Support Services	5,000	5,000	5,000	5,000
Travel Agencies	1,500	0	0	0
Landscaping	2,500	0	0	0
Physicians	2,500	0	0	0
Dentists	1,500	0	0	0
Chiropractors	1,500	0	0	0
Optometrists	2,500	0	0	0
Outpatient Care Centers	5,000	0	0	0
Child Day Care Services	5,000	0	0	0
Personal Care Services	2,000	0	0	0
Dry Cleaner	1,500	0	0	0
Associations and Non-Profit Orgs 4	2,000	90,000	88,000	90,000
		127,500	125,500	127,500

Similar to the retail demand analysis, GDA also conducted an alternative analysis of the new office demand in 2015 assuming there is some government intervention in the market. This portion of the analysis takes into account the household growth from the implementation of the NSP2 program funds and is based on the household growth projections from Zimmerman/Volk Associates Inc.'s residential demand analysis. Zimmerman/Volk projected growth of 536 households within the Anacostia neighborhood by 2015. Using the average household size within Anacostia, GDA derived the population growth within the Anacostia neighborhood as a result of the NSP2 program. Similar to the retail demand analysis, this projected growth in the Anacostia neighborhood was added to the straight-line projection for the remainder of the office PMA to determine the total 2015 household growth. This household growth creates demand for an additional 2,000 square feet of office space oriented towards associations and community-serving non-profits compared to the 2015 straight-line demand, but does not have an effect on the office demand for any other tenant types. The association and community-serving non-profit tenant types are the only ones affected by this population growth because they are directly influenced by population influences. Therefore, the alternative office demand in 2015, taking into account of the NSP2 program implementation, is identical to the 2010 demand at 127,500 square feet. The office demand analysis is shown in more detail on Exhibits 29-31.



Planned and Proposed Development

The pipeline of planned and proposed projects within the retail and office PMAs includes several large-scale mixed-use redevelopment projects, including Poplar Point, Barry Farm, Skyland Town Center and St. Elizabeths. The timing for initiation and completion of Poplar Point, Skyland Town Center, St. Elizabeths East Campus and Barry Farms, are unknown, but will likely take several years until ground breaking given market and legal challenges to these developments. Many of these larger projects plan to introduce large format retailers, which when completed, will have a substantial impact of the market dynamics of the neighborhood, but until that time comes, retail and commercial activity remains stalled. One project that is moving forward is the planned Curtis Properties/Four Points project on Martin Luther King Jr. Ave SE is planned for over 1.5 million square feet of development, including office, retail, residential units, and a movie theater. This development will have a significant impact on catalyzing future development in Anacostia and generating demand for additional retail and office uses. The first phase will bring 75,000 square feet of office geared to nonprofits, social service agencies and government contractors by 2014, in many ways this project will be the first to test the desirability of Historic Anacostia as an office location and the impact, if any, of DHS on the office market. However, the uncertainty of the timing and ability to finance the other large scale projects around Anacostia presents ongoing challenges to attracting new private investment within Anacostia.

Recommendations

Strategic Development Sites

The continued revitalization and economic growth in Anacostia requires targeting commercial investment and development along the major commercial corridors of Martin Luther King Jr. Ave SE and Good Hope Road SE. GDA identified several key development sites along these two corridors that present opportunities for new job-creating development, preservation of neighborhood and historic character, and the removal of blight. These site recommendations include sites that DHCD owns or has plans to purchase, and lower-density or vacant buildings that can be redeveloped into active, higher-density uses. We have tied our site recommendations to the demonstrated demand for retail and office space.

Map of Potential Anacostia Redevelopment Sites





The specific redevelopment opportunities outlined in our analysis do not allocate all of the potential retail and office demand to potential development sites. We have allocated 66,000 square feet of retail (excluding arts or community uses) out of the total potential 2015 retail demand of 70,000 square feet. Similarly, the analysis allocates 112,000-125,000 office square feet out of the total possible 125,500-127,500 in 2015. This allocation of potential retail and office space is primarily dependent on the availability of land with proximity to the metro, and the limitations that small lot sizes and historic district designation place on potential redevelopment. The new streetcar line planned for Anacostia may have an impact in creating additional long-term opportunities. Larger redevelopment sites with limited current potential because of distance from the metro may become future catalytic opportunities if they are located on the streetcar line. The parcel-level development recommendations are detailed in the table below and can also be found in Exhibits 33-34.

Recommendations for Strategic Redevelopment Sites

Site	Retail SF	Target Retail Tenants	Office SF	Target Office Tenants	Approx Residential Units
1 Redevelopment Site 1 2228, 2234, 2238, 2252 Martin Luther King Jr. Ave SE	20,000	Small Grocer	45,000	Association Non-Profits Professional	N/A
2 Redevelopment Site 2 2004-2010 Martin Luther King Jr Ave SE	11,000	Health/Personal	22,000	Association Non-Profits Professional	N/A
3 Redevelopment Site 3 1111-1117 Good Hope Rd, 1110 U St. SE 1901-1907 MLK Jr Ave SE	10,000	Restaurants	45,000	Association Non-Profits	N/A
4 Redevelopment Site 4 1603-1647 Good Hope Rd SE	20,000	Health/Personal	N/A	N/A	40-55
5 Redevelopment Site 5 1243 Good Hope Rd SE	8,900	Arts/Community	N/A	N/A	N/A
6 Redevelopment Site 6 1201-1215 Good Hope Rd SE	5,000	N/A	35,000	Association Non-Profits	0
	74,900	N/A	112,000	N/A	40-55
	74,900	N/A	125,000	N/A	40-55

Redevelopment Site 1 – 2228, 2234, 2238, 2252 Martin Luther King Jr. Ave SE

One of the higher-priority redevelopment opportunities is the Big K Liquor store and adjacent historic homes that were recently purchased by DHCD. This site's proximity to the metro makes it an ideal site for mixed-use development with a small grocery or pharmacy anchor on the ground floor and office space above. While the site's combined lot area is over 30,000 square feet, the area of the Big K Liquor store is just under 11,000 square feet and the remaining lot area is occupied by the adjacent historic homes. As a baseline recommendation, office development above a grocery or pharmacy anchor presets the highest and best economic use for the site. This recommended development program will meet market demand for metro-proximate office, create additional demand for residential and retail uses, and act as a catalyst for future revitalization along the corridor. Office space oriented towards associations and non-profits, particularly community-serving organizations, as well as professional services tenants like medical or legal professionals are strong users for this site.



The presence of the historic houses may limit the site's development potential, to the extent that they may have to be restored and retained on-site. The recommended best-case development scenario would require a footprint of 15,000-20,000 square feet, particularly for a small grocery store on the ground floor. The site analysis conducted by Torti Gallas Urban indicates that the "Big K" site on its own could support up to 45,000 square feet of development if the parcel is combined with adjacent lots through the subdivision process to increase the site's overall FAR. Because the "Big K" site is only 11,000 square feet, either the adjacent lots with the historic homes, or the lot at the corner of Morris Rd SE and Mt View Place SE would need to be available for development. The lot area and development envelope of the "Big K" site combined with both of these adjacent parcels would be ideal from however, access to one of the sites may prove sufficient to achieve the recommended highest and best use development program. Without the ability to develop on these adjacent parcels, there will be limited opportunity for commercial development and other lower density uses may present more viable redevelopment options.

Redevelopment Site 2 – 2004-2010 Martin Luther King Jr. Ave SE

This site is currently home to the vacant American Furniture store and is privately owned. The site's location along Martin Luther King Jr. Ave SE and proximity to the metro present the opportunity for a mixed-use development similar to the Big K Liquor site but with lower-density and on a smaller scale. There is the opportunity for a health and personal care store or pharmacy to anchor the development as a single-user ground floor tenant with two floors of office space above, for a total of approximately 33,000 developed square feet. While this can be a priority development site because of its location and metro accessibility, there is not enough projected office demand to support office development at each of the sites identified in this analysis. DHCD must therefore be strategic in approaching redevelopment opportunities and choosing sites for acquisition and positioning for new office development. Pursuing the redevelopment of redevelopment site 6 (1205-1215 Good Hope Road SE), which DHCD may already be considering purchasing, would preclude development of office on this site. Finally the costs of increasing density at this site may not be supported by the current market. A strong anchor tenant within the current space may present the best interim to midterm use of the site.

Redevelopment Site 3 – West Corner of Good Hope Road SE & Martin Luther King Jr. Ave SE Intersection

The parcels comprising this site have several different owners and offer one of the larger potential development opportunities. The intersection offers access and visibility off I-295 as well as proximity to an existing daytime office population, making it an ideal site for signature restaurant or other ground floor retail space that will act as a destination within the neighborhood. The site's development envelope allows for 2,000 square feet of full-service signature retail space along with 8,000 square feet of miscellaneous retailers, such as an office supply, or clothing store. GDA recommends a mixed-use development with commercial office or multi-family residential above the retail and restaurant space.

Redevelopment Site 4 – 1603-1647 Good Hope Road SE

This potential redevelopment site is currently home to a low-density laundromat and vacant adjacent parcels, and is underutilized. There is the opportunity to redevelop this combined site into a mixed-use development with ground floor retail and rental apartments above. Possible tenants for the ground-floor retail include health and personal care, a convenience store, and other small miscellaneous retailers. The site's current zoning of C-2-A allows for a FAR of 2.5, which limits number of residential units possible on the site and therefore the project's overall financial feasibility. The site may benefit from a density bonus under inclusionary zoning to increase the potential development envelope and improve the project's



financial feasibility. Increasing the allowable FAR from 2.5 to 4.0, as found on most other sites along the corridor, would increase the site's yield from approximately 40-55 rental apartments to up to 75-100².

Redevelopment Site 5 – 1243 Good Hope Road SE

This site presents an opportunity for the potential expansion of cultural uses along the corridor. Honfleur Gallery, located directly adjacent to this vacant building, or an opportunity to co-locate another cultural or community use is appropriate. The size of the lot, presence in the historic district, and allowable development envelope of under 9,000 square feet limits other redevelopment opportunities. Providing the expansion space for Honfleur Gallery or other cultural uses would create an opportunity for DHCD to promote arts and culture, maintain historic character, and fill in neighborhood fabric while removing blight.

Redevelopment Site 6 – 1205-1215 Good Hope Road SE

This site is a currently vacant building on Good Hope Road SE close to the intersection of Martin Luther King Jr. Ave SE, with a relatively small lot area and location in a historic district. This site was identified as a redevelopment opportunity because it is currently contributing to neighborhood blight and vacancy along the commercial corridors, and because DHCD may be looking into the possibility of purchasing this property. As previously discussed for the redevelopment options for site 2, limited demand for office space requires that DHCD strategically choose which parcels to pursue for redevelopment. The opportunities for this site include maximum build out of 35,000 square feet of office space, which would preclude the opportunity for development of office space at redevelopment site 2 (2004-2010 Martin Luther King Jr. Ave SE), as well as 5,000 square feet of ground-floor retail. While we have identified redevelopment site 2 as a higher priority opportunity for catalytic office development, if DHCD plans to purchase Site 6, we recommend concentrating efforts and financial resources to pursue the development of this site into office space. Other options for this site include redeveloping into arts, culture, or other community-oriented uses that are less dependent on market demand, or leaving as-is and focusing redevelopment efforts on other key parcels.

Although beyond the scope of GDA's analysis it should be noted that all recommended sites are likely to experience challenges related to feasible parking solutions, a central parking option may be the one option to addressing parking capacity as the Anacostia submarket develops.

Additional Retail Recommendations

Concentrating retail development in mixed-use projects or proximate to new residential and office development is important in generating market demand and creating key destination locations within Historic Anacostia. However, attracting new retailers to the Anacostia market may require incentives or other creative leasing arrangements. Possible incentives include delaying rent for the first year while tenants complete build-out and other specific improvements; financial assistance for tenant build-out; and a percentage rent that match performance with lease payments. Developers and brokers active in this market have relied on these incentives in the past to secure desired retail tenants. These incentives may be particularly necessary while nearby demand-generating residential and office developments are under development and while the market gains traction. For landlords, opportunities for tax abatements and/or credits may have the effect of jumpstarting activity and creating an environment where additional risks are taken.

As large-scale projects like St. Elizabeths, Barry Farms New Community and Poplar Point create significant additional residential development opportunities for Anacostia, additional retail development opportunities

² Residential unit yield for the development is based on the average gross square feet of 900 for rental apartments provided in Zimmerman/Volk, Inc.'s NSP2 residential analysis.



may be created. Until these large-scale projects are stabilized and office workers and residents are moved in, the neighborhood may struggle in attracting risk-adverse retail tenants. This risk-adversity is emphasized by the fact that many of the available development parcels are not proximate to the metro. Plans for developing a streetcar line through Anacostia may open up additional development opportunities farther from the metro station. Activities currently supported through public and private funds like EatShopLive Anacostia are important tools for branding and marketing the neighborhood to support retailers once they have invested in the neighborhood.

Additional Office Recommendations

The primary source of demand for new office space in Anacostia, has been and will continue to be non-profit tenants and service providers, particularly those with a neighborhood service focus on the Anacostia and surrounding neighborhoods or those with ties to Capitol Hill. Over the last two to three years this tenant base has been able to locate in more traditional office submarkets; however, as Washington DC office occupancy levels continue to rise, we anticipate this source of demand will be reinvigorated. As the office market downtown stabilizes, non-profit tenants will be priced-out into alternative close-in locations such as Anacostia.

Development costs for Class A office space range across the city based upon construction type, parking and land costs. General development cost assumptions for mid-rise office development are roughly \$185-\$200 per square foot for hard costs, \$40-\$75 per square foot for tenant improvements, \$50-\$70 per square foot for below grade parking, plus 20-25% for related soft costs. These costs do not include the cost of land. The construction costs for ground-floor retail as part of a new office development will mirror the costs of the office space. Based on these assumptions, Class A office space development cost range between \$280 (without parking) - \$330 (with parking) per square foot on the low end of the cost scale. Depending on land costs, rents of \$35-\$50 per square foot NNN would be required to support development, higher expectations may be required to meet institutional and other equity requirements. The rental rates necessary to support new office development, however, may not be feasible for non-profit tenants, or others looking for a price alternative to downtown. Development subsidies may be required to enable developers to attract anchor non-profit office tenants to the key locations identified in this analysis. This will allow for new office development that continues to build traction in the market and generates demand for surrounding retail and residential uses. These subsidies can include discounted land acquisition costs, assistance with site acquisition, tax abatements, and increases to allowable density.

As mentioned previously, there may be additional future opportunities to provide new Class A office space for contractors doing business with the Department of Homeland Security (DHS) located at St. Elizabeths. These tenants would likely want space 10,000-30,000 SF in size and for the duration of their contracting with DHS. Metro-accessible locations will be a high priority for these contractors; in general, office users have been resistant to locations outside of a 3-5 minute walk from the Metro station. The Anacostia Metro adjacent sites should be considered for the most intense commercial uses. Concentrating efforts to bring office to Metro proximate sites will have a positive impact on establishing Historic Anacostia as an office submarket, and will better connect office users to the activity at St Elizabeths campus. The planned streetcar line may create additional development opportunities for commercial office space farther along the Martin Luther King Jr. Ave SE or Good Hope Road SE corridors. Finally, several large landowners in the neighborhood and vicinity are actively marketing to federal government tenants, given proximity to the Department of Homeland Security, should these efforts be successful there may be additional spinoff effects from those tenants as well.



General Limiting Conditions

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by Green Door Advisors (GDA) from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and GDA has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by Green Door Advisors that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "GDA" or "Green Door Advisors" in any manner without first obtaining the prior written consent of GDA. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of GDA. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of GDA. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from GDA.

Exhibit 1

**SWOT ANALYSIS
ANACOSTIA NEIGHBORHOOD
FEBURARY 2011**

STRENGTHS

- ◆ Proximity to downtown D.C by metro, I-295, S. Capitol Street, and Pennsylvania Avenue.
- ◆ Historic character and structures prevalent throughout the neighborhood
- ◆ Proximity to major employment centers, including the Navy Yard, Bolling Air Force Base, Suitland Federal Center, Capitol Hill, and St. Elizabeths East and West Campuses
- ◆ Presence of civic and community organizations focused on economic development and job training and workforce development

WEAKNESSES

- ◆ Real and Perceived safety concerns for residents and visitors
- ◆ Abandoned and vacant properties contribute to neighborhood blight and can limit the potential for private investment
- ◆ Low median household incomes and lower educational attainment limit spending power and the ability to attract national retailers to the neighborhood
- ◆ Lack of supply of high quality office space that meets today's makret requirements

OPPORTUNITIES

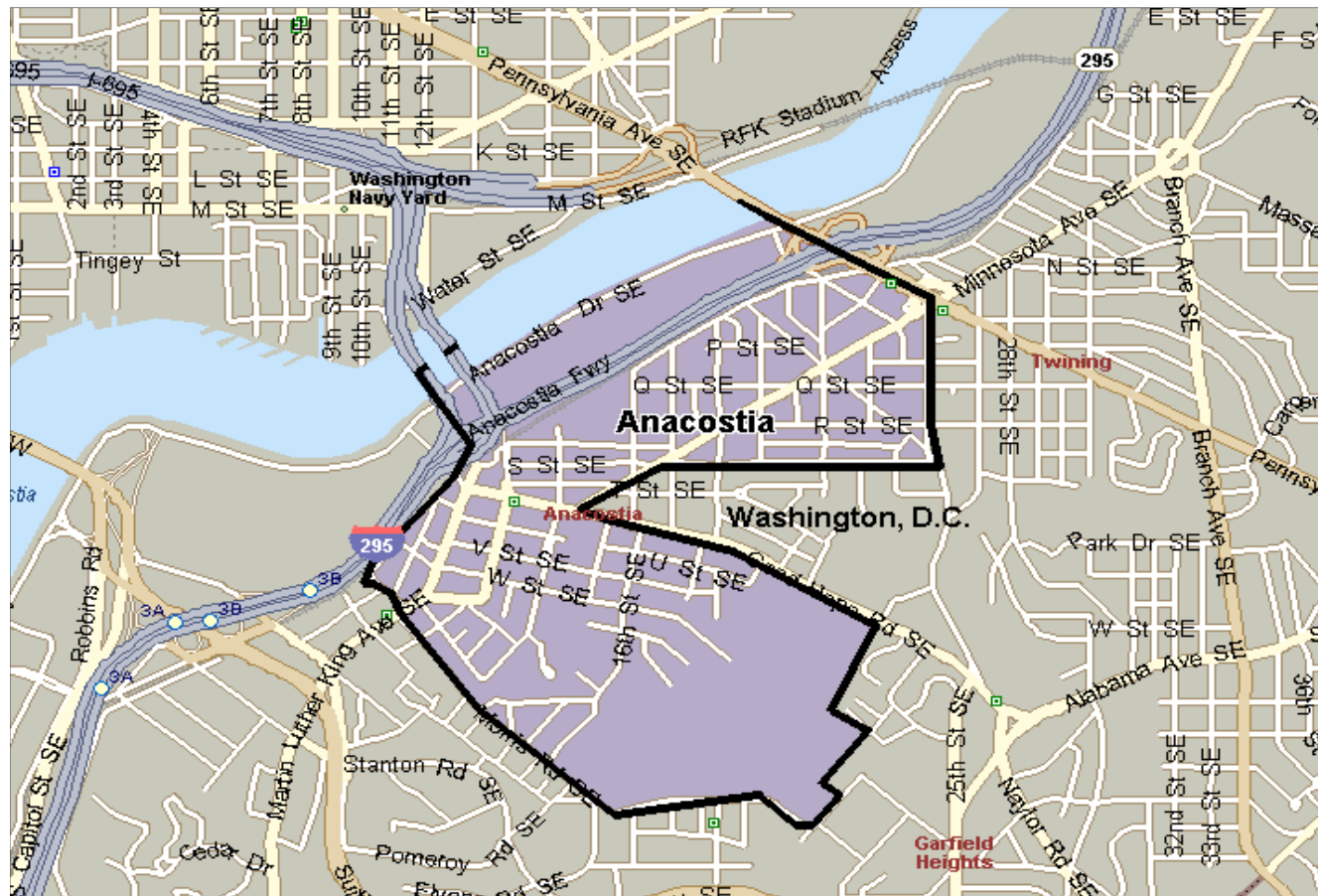
- ◆ Proximate to the emerging employment center at St. Elizabeths. Additional commercial and residential development in and around St. Elizabeths over the long run may create opportunities for additional commercial investment in Anacostia.
- ◆ Investment in revitalizing the housing stock and increasing the mixed-income housing opportunities in Anacostia will provide an additional base of demand for retail and neighborhood office uses
- ◆ The cost of living increases seen in other parts of the District and region will leave many households searching for more cost-effective neighborhoods that provide easy access to major employment cores

THREATS

- ◆ Other established and emerging submarkets, such as Navy Yard, NOMA, and Congress Heights may be better positioned to capture spin-off investment from the growth of St. Elizabeths
- ◆ The education rates among the Anacostia population may limit the ability for additional commercial investment to result in a significant increase in employment among existing residents
- ◆ Reliance on large-scale projects to meet retail and commercial office demand may discourage investment in small developments that are more able to come to market in a timely fashion to meet residents needs.

Exhibit 2

ANACOSTIA NEIGHBORHOOD BOUNDARIES ¹
WASHINGTON, DC
FEBRUARY 2011



¹ Anacostia neighborhood boundaries include the following census tracts: 75.03, 75.04, 76.01
Source: National Community Reinvestment Coalition

Exhibit 3

ANACOSTIA RETAIL PRIMARY MARKET AREA
WASHINGTON, DC
FEBRUARY 2011

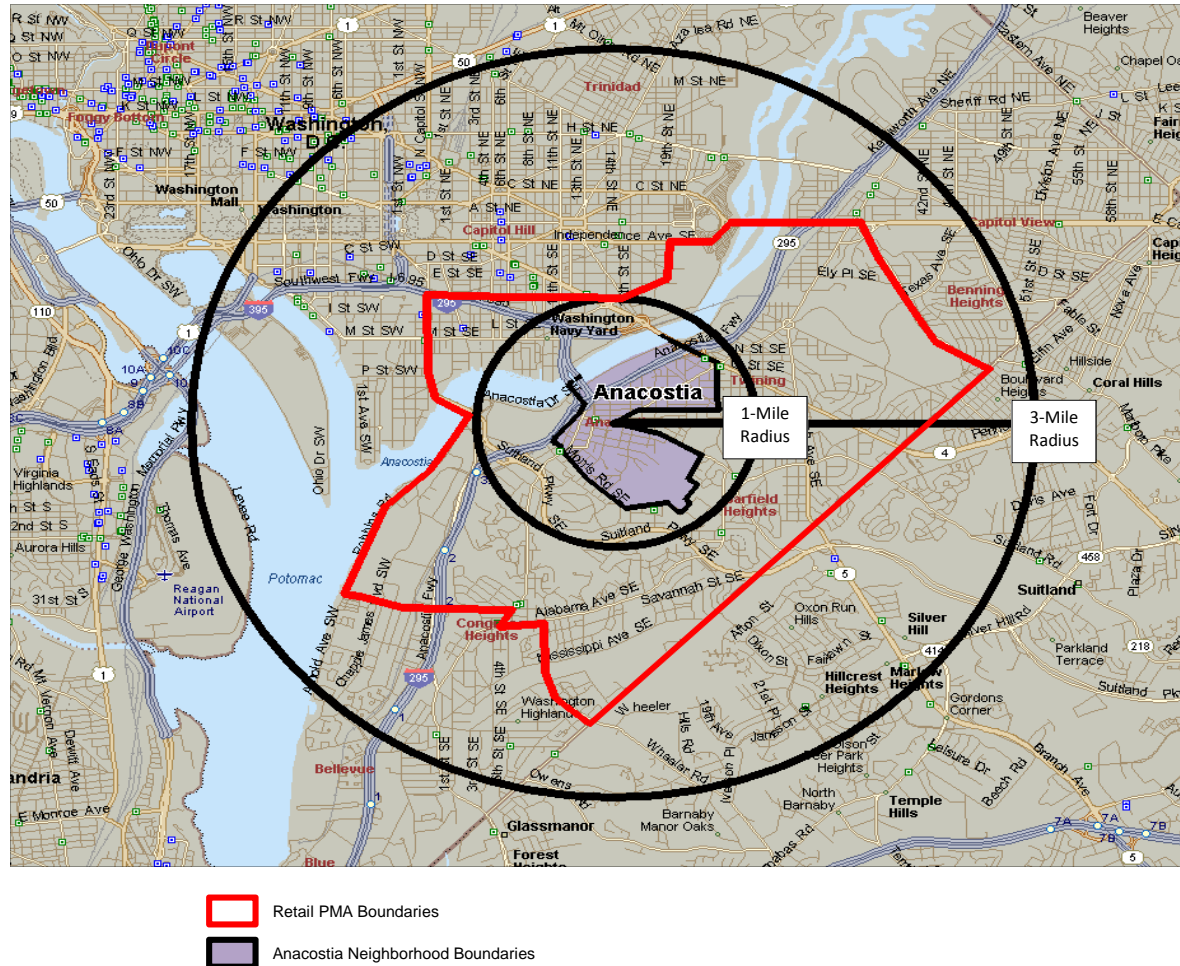


Exhibit 4

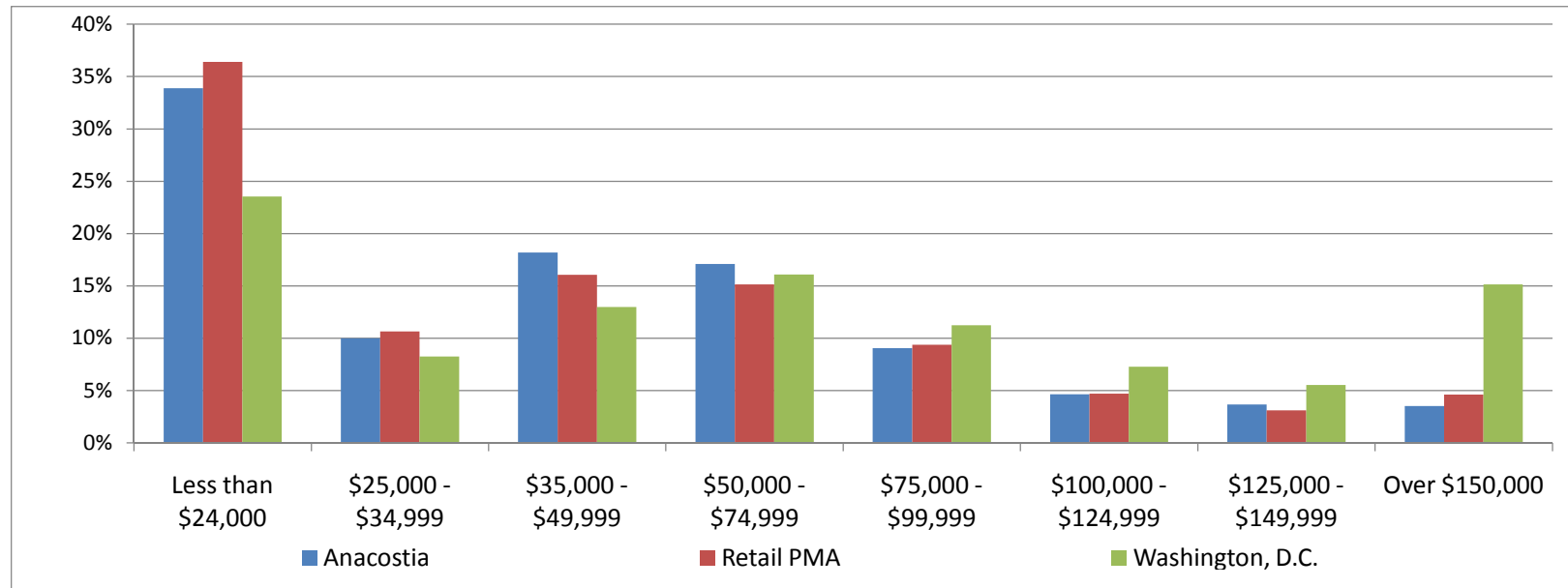
**POPULATION & HOUSEHOLD TRENDS
ANACOSTIA NEIGHBORHOOD AND RETAIL PRIMARY MARKET AREA/
2000-2015**

	2000 Census	2010 Estimate	2000-2010		2015 Projection	2010-2015	
			Avg. Annual Change	Annual Growth Rate		Avg. Annual Change	Annual Growth Rate
Anacostia Neighborhood ¹							
Population	9,445	9,185	-26	-0.3%	9,022	-33	-0.4%
Households	3,604	3,533	-7	-0.2%	3,487	-9	-0.3%
Housing Units	4,304	4,185	-12	-0.3%	4,125	-12	-0.3%
% Owner Occupied	30%	34%	N/A	N/A	34%	N/A	N/A
% Renter Occupied	54%	50%	N/A	N/A	50%	N/A	N/A
% Vacant Housing Units	16%	16%	N/A	N/A	15%	N/A	N/A
Median Household Income	\$28,693	\$40,062	\$1,137	3.4%	\$43,891	\$766	1.8%
Anacostia Retail Primary Market Area							
Population	75,544	77,173	163	0.2%	77,627	91	0.1%
Households	28,457	29,312	86	0.3%	29,598	57	0.2%
Housing Units	32,473	33,238	77	0.2%	33,562	65	0.2%
% Owner Occupied	26%	29%	N/A	N/A	29%	N/A	N/A
% Renter Occupied	62%	60%	N/A	N/A	60%	N/A	N/A
% Vacant Housing Units	12%	12%	N/A	N/A	12%	N/A	N/A
Median Household Income	\$27,614	\$37,766	\$1,015	3.2%	\$41,588	\$764	1.9%

¹ Anacostia neighborhood boundaries include the following census tracts: 75.03, 75.04, 76.01
SOURCE: U.S. Census Bureau; Claritas, Inc.

Exhibit 5

**DISTRIBUTION OF HOUSEHOLDS BY INCOME RANGE
ANACOSTIA AND WASHINGTON, D.C.
2010**



	Anacostia Neighborhood	Anacostia Retail PMA	Washington, D.C.
Less than \$24,000	34%	36%	24%
\$25,000 - \$34,999	10%	11%	8%
\$35,000 - \$49,999	18%	16%	13%
\$50,000 - \$74,999	17%	15%	16%
\$75,000 - \$99,999	9%	9%	11%
\$100,000 - \$124,999	5%	5%	7%
\$125,000 - \$149,999	4%	3%	6%
Over \$150,000	4%	5%	15%
Total	100%	100%	100%

Source: Claritas, Green Door Advisors

Exhibit 6

**TRENDS IN EDUCATION AND RACE
ANACOSTIA NEIGHBORHOOD¹
2000-2010**

	2000 Census		2010 Estimate	
	#	%	#	%
Education: Population Over 25 Years				
Less than 9th Grade	473	8%	353	6%
Some High School, No Diploma	1,353	24%	859	15%
High School Graduate	2,168	39%	2,332	42%
Some College, No Degree	1,053	19%	1,113	20%
Associate Degree	160	3%	207	4%
Bachelor's Degree	214	4%	340	6%
Master's Degree	148	3%	258	5%
Professional School Degree	42	1%	71	1%
Doctorate Degree	7	0%	11	0%
Total	5,618	100%	5,544	100%
Household by Race				
White	N/A	N/A	83	2%
Black/African American	N/A	N/A	3,370	95%
2+ Races	N/A	N/A	51	1%
Other	N/A	N/A	32	1%
Total	N/A	N/A	3,536	100%
Median Household Age	47	N/A	48	N/A
Average Household Size	2.59	N/A	2.57	N/A

¹ Anacostia neighborhood boundaries include the following census tracts: 75.03, 75.04, 76.01
SOURCE: U.S. Census Bureau; Claritas, Inc.

Exhibit 7

**TRENDS IN EDUCATION AND RACE
ANACOSTIA RETAIL PMA
2000-2010**

	2000 Census		2010 Estimate	
	#	%	#	%
Education: Population Over 25 Years				
Less than 9th Grade	3,408	8%	2,649	6%
Some High School, No Diploma	10,565	24%	7,410	16%
High School Graduate	15,533	35%	17,694	38%
Some College, No Degree	8,156	18%	8,710	19%
Associate Degree	1,169	3%	1,556	3%
Bachelor's Degree	3,303	7%	4,799	10%
Master's Degree	1,622	4%	2,413	5%
Professional School Degree	367	1%	581	1%
Doctorate Degree	185	0%	300	1%
Total	44,308	100%	46,112	100%
Household by Race				
White	N/A	N/A	1,705	6%
Black/African American	N/A	N/A	26,750	92%
2+ Races	N/A	N/A	531	2%
Total	N/A	N/A	28,989	100%
Median Household Age	46	N/A	47	N/A
Average Household Size	2.52	N/A	2.50	N/A

SOURCE: U.S. Census Bureau; Claritas, Inc.

Exhibit 8

**HOUSEHOLD AGE AND FAMILY STRUCTURE
ANACOSTIA NEIGHBORHOOD¹
2010**

Anacostia Neighborhood Population by Age	2010	
	#	%
Male		
Less than 18 Years	1,375	33%
18-64 Years	2,413	58%
65 Years and Over	376	9%
Total	4,164	100%
Female		
Less than 18 Years	1,232	25%
18-64 Years	3,197	64%
65 Years and Over	592	12%
Total	5,021	100%
Total Population		
Less than 18 Years	2,607	28%
18-64 Years	5,610	61%
65 Years and Over	968	11%
Total	9,185	100%

Anacostia Neighborhood Breakdown of Family Type	2010	
	#	%
Married-Couple Family, with Children	285	8%
Married-Couple Family, no Children	363	10%
Male Householder, with Children	127	4%
Male Householder, no Children	738	21%
Female Householder, with Children	886	25%
Female Householder, no Children	1134	32%
Total	3,533	100%

¹ Anacostia neighborhood boundaries include the following census tracts: 75.03, 75.04, 76.01

SOURCE: U.S. Census Bureau

Exhibit 9

**HOUSEHOLD AGE AND FAMILY STRUCTURE
ANACOSTIA RETAIL PMA
2010**

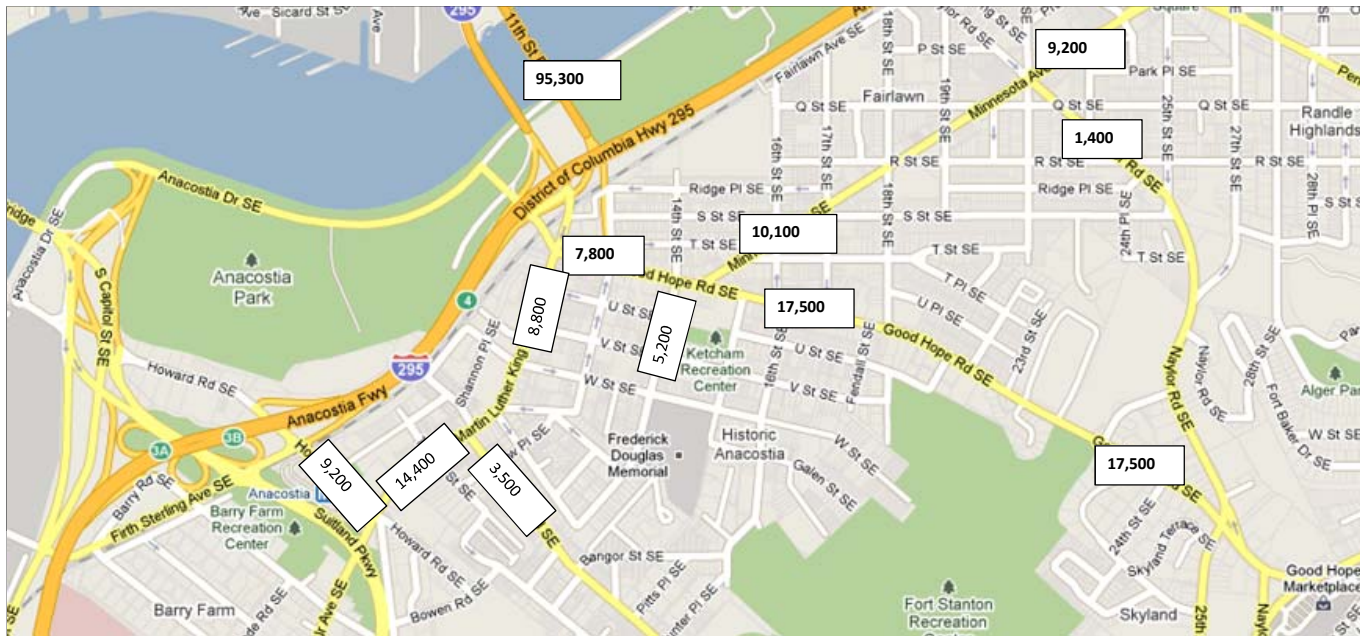
Anacostia Retail PMA Population by Age	2010	
	#	%
Male		
Less than 18 Years	11,313	32%
18-64 Years	21,644	61%
65 Years and Over	2,778	8%
Total	35,735	100%
Female		
Less than 18 Years	10,497	25%
18-64 Years	26,241	63%
65 Years and Over	4,700	11%
Total	41,438	100%
Total Population		
Less than 18 Years	21,810	28%
18-64 Years	47,885	62%
65 Years and Over	7,478	10%
Total	77,173	100%

Anacostia Retail PMA Breakdown of Family Type	2010	
	#	%
Married-Couple Family, with Children	2,199	8%
Married-Couple Family, no Children	3,041	10%
Male Householder, with Children	954	3%
Male Householder, no Children	5,831	20%
Female Householder, with Children	7,815	27%
Female Householder, no Children	9,472	32%
Total	29,312	100%

SOURCE: U.S. Census Bureau

Exhibit 10

TRAFFIC COUNTS
ANACOSTIA, WASHINGTON, D.C.
2008



Source: Washington, D.C. District Department of Transportation

Exhibit 12

**SUMMARY OF SELECTED RETAIL PROJECTS
SOUTHEAST WASHINGTON, D.C.
FEBRUARY 2011**

MAP KEY	NAME OF CENTER LOCATION	YEAR BUILT	GLA	VACANT SQ. FT.	OCC. RATE	LEASE RATES	CAM FEES OR NNN	TENANT TYPES	COMMENTS
1	Good Hope Marketplace 2845 Alabama Ave. SE Kodiak Properties	1997	97,113	3,320	97%	\$25 \$35	NNN	Safeway anchored, Payless Shoes, Ashley Stewart, Chevy Chase Bank, U.S. Post Office, Athlete's Foot, Radio Shack, Dollar Discount	
2	Benco Shopping Center 4528 Benning Rd. NE H & R Retail	1958	19,767	0	100%	\$18 - \$27	\$5-\$6	Foot Locker, Subway, Cleaners, Liquor Store, Subway, Beauty Store, Chinese Carryout, Barber Shop	9 Stores, Strip Center 39 surface parking spaces
3	Shops at Park Village (used to be Camp Simms) Alabama Avenue & Stanton Road, SE W.C. Smith East of the River CDC	2007	114,000	1,128	99%	\$28 - \$36	NNN	Full-service Giant (63,000 sf) 5K sf IHOP 2 banks	452 surface parking spaces utilized NMTC and other public funding
4	Senator Square 3932-3962 Minnesota Ave NE H & R Retail		62,000	9,005	87%	\$20 - \$25	NNN	PHP Health Care Center Anchor, Foot Locker, Murray's Foods, Athletic Warehouse, One Price Clothing, Liquor store	12 Stores, Strip Center 340 surface parking spaces
5	Marlow Heights Shopping Center 3899-4277 Branch Avenue Temple Hills, MD Gelman Companies	1957 Renov. 2001	454,725	11,960	97%	\$22	NNN	Giant Food, Macy's	Regional Mall

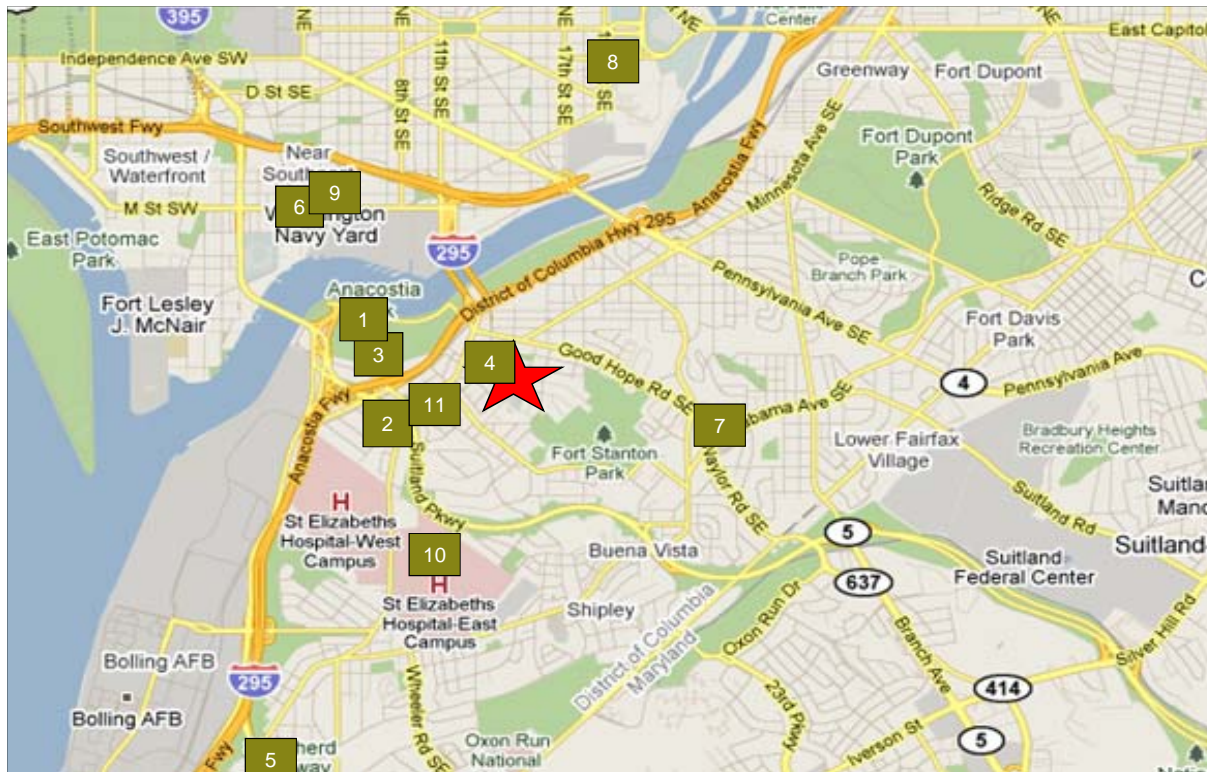
Exhibit 12

**SUMMARY OF SELECTED RETAIL PROJECTS
SOUTHEAST WASHINGTON, D.C.
FEBRUARY 2011**

MAP KEY	NAME OF CENTER LOCATION	YEAR BUILT	GLA	VACANT SQ. FT.	OCC. RATE	LEASE RATES	CAM FEES OR NNN	TENANT TYPES	COMMENTS
6	Hillcrest Heights Shopping Center 2346 Iverson Street Temple Hills, MD	1953 Renov. 2004	83,301	27,100	67%	\$18	\$3 NNN	Safeway, Family Dollar	
7	Retail Along Martin Luther King Jr. Ave SE.	Varies	N/A	38,600	N/A	\$14 \$26		King's Mini Mart, Jasmine's Hair Gallery, Family Fish Fry, Maple View Deli & Catering, Gold Spot, Animal Clinic of Anacostia,	Scattered Retail Sites Along Martin Luther King Jr. Ave SE Advertised rental rate at new Salvation Army is \$26 psf.

Exhibit 13

**MAP OF PLANNED AND PROPOSED PROJECTS
SOUTHEAST WASHINGTON, D.C.
FEBRUARY 2011**



Competitive Supply

- 1 Poplar Point
- 2 Barry Farm
- 3 Poplar Point Place Center
- 4 Curtis Properties
- 5 4001-4045 South Capitol Street SW
- 6 250 M Street
- 7 Skyland Town Center
- 8 Hill East Waterfront
- 9 The Yards Phase II
- 10 St. Elizabeths East Campus
- 11 Bethlehem Baptist Church Site

 **ANACOSTIA NEIGHBORHOOD**

Exhibit 14

**SUMMARY OF SELECTED PLANNED AND PROPOSED PROJECTS
SOUTHEAST WASHINGTON, D.C.
FEBRUARY 2011**

MAP KEY	NAME OF CENTER LOCATION	STATUS	TIMING	USES	TOTAL SF	COMMENTS
1	Poplar Point Developer: Forest City (master planner)	Proposed	Expected Delivery through 2026	Mixed Use; Residential, Office Retail, Open Space, Institutional	5,735,000 Total SF; 3,200 Units, 1.5 M SF Office, 405,000 SF Retail 224,000 SF Hotel	Institutional Uses will include a National Museum of the Environment and a 150,000 SF International Environment Center. 30% of residential units will be affordable. Estimated project cost of \$1.2B.
2	Barry Farm Martin L. King Jr. Avenue & Summer Road SE New Communities Project	Proposed	Expected Ground-breaking in 2014, Expected Delivery in 2019	Mixed-Income Housing, Community Recreation Center, Open Space, Retail, Pedestrian Bridge	1,557,730 Total SF; 1,100 Units, 83,600 SF Retail, 20,000 SF of Community Uses	Estimated Project Cost of \$550M
3	Poplar Point Place Center Suitland Parkway & Howard Road SE Urban City Ventures	Proposed	2014	Retail	230,000 SF Retail & Restaurants 600 Parking Spaces	Estimated project cost of \$48M
4	Curtis Properties MLK & W Street SE Developer: Four Points	Planned	Expected Delivery in 2013-2016	Office, Retail Residential, Movie Theater	1.5 M Total SF; 874,900 SF Office 308 Units, 166,200 SF Retail	Estimated project cost of \$190M Grocery Store Anchor
5	4001-4045 South Capitol Street SW Developer: City Interests, Gotham Development	Planned	Expected Delivery in 2013	Office, Residential, Retail	85,000 SF Office, 145 Units 50,000 SF Retail 450 Parking Spaces	Estimated project cost of \$108M

Exhibit 14

**SUMMARY OF SELECTED PLANNED AND PROPOSED PROJECTS
SOUTHEAST WASHINGTON, D.C.
FEBRUARY 2011**

MAP KEY	NAME OF CENTER LOCATION	STATUS	TIMING	USES	TOTAL SF	COMMENTS
6	250 M Street 2nd & M Streets SE Developer: William C. Smith & Co.	Planned	2013	Office, Retail, Conference Center with terrace	213,000 SF Office 12,000 SF Retail	LEED Gold
7	Skyland Town Center Alabama Ave & Good Hope Road SE Developer: Rappaport Companies, William C Smith, Harrison Malone, MHCDO, Washington East Foundation	Planned	TBD	Retail, Residential	325,000 SF Retail 468 Units	Town Center Mixed-Income Condos, Apartments, and Single-Family Homes
8	Hill East Waterfront 19th St & Independence Avenue SE	Proposed	Scheduled to deliver 2013-2020	Residential, Retail, Office, Parks	Site can hold up to 2M SF Office, 3,000 Units, 100,000 SF Retail	Estimated project costs of \$1.5B, for a total of up to 5 Million SF of development
9	The Yards Phase II New Jersey Avenue & M St SE Developer: forest City	Proposed	Scheduled to Deliver 2016 +	Office, Residential, Retail, Riverfront Park	1.4 M SF Office, 2,630 Units, 193,000 SF Retail	This project will combine adaptive reuse of existing structures with new construction.
10	St. Elizabeths East Campus Martin Luther King Jr. Ave SE & Alabama Ave SE	Planned	2014-2030	Residential, Retail, Office Institutional		Historic rehab and new development on the East Campus; mixed-use
11	Bethlehem Baptist Church & Adjacent Vacant Lot 2460 Martin Luther King Jr.. Ave SE	Planned	TBD	Residential Community Ctr & Church Office & Retail	180 Units 500,000 SF Office & Retail	Planned development could include the development of a new sanctuary and affordable housing.

Exhibit 15

**MAP OF CIVIC AND INSTITUTIONAL USES
SOUTHEAST WASHINGTON, D.C.
FEBRUARY 2011**

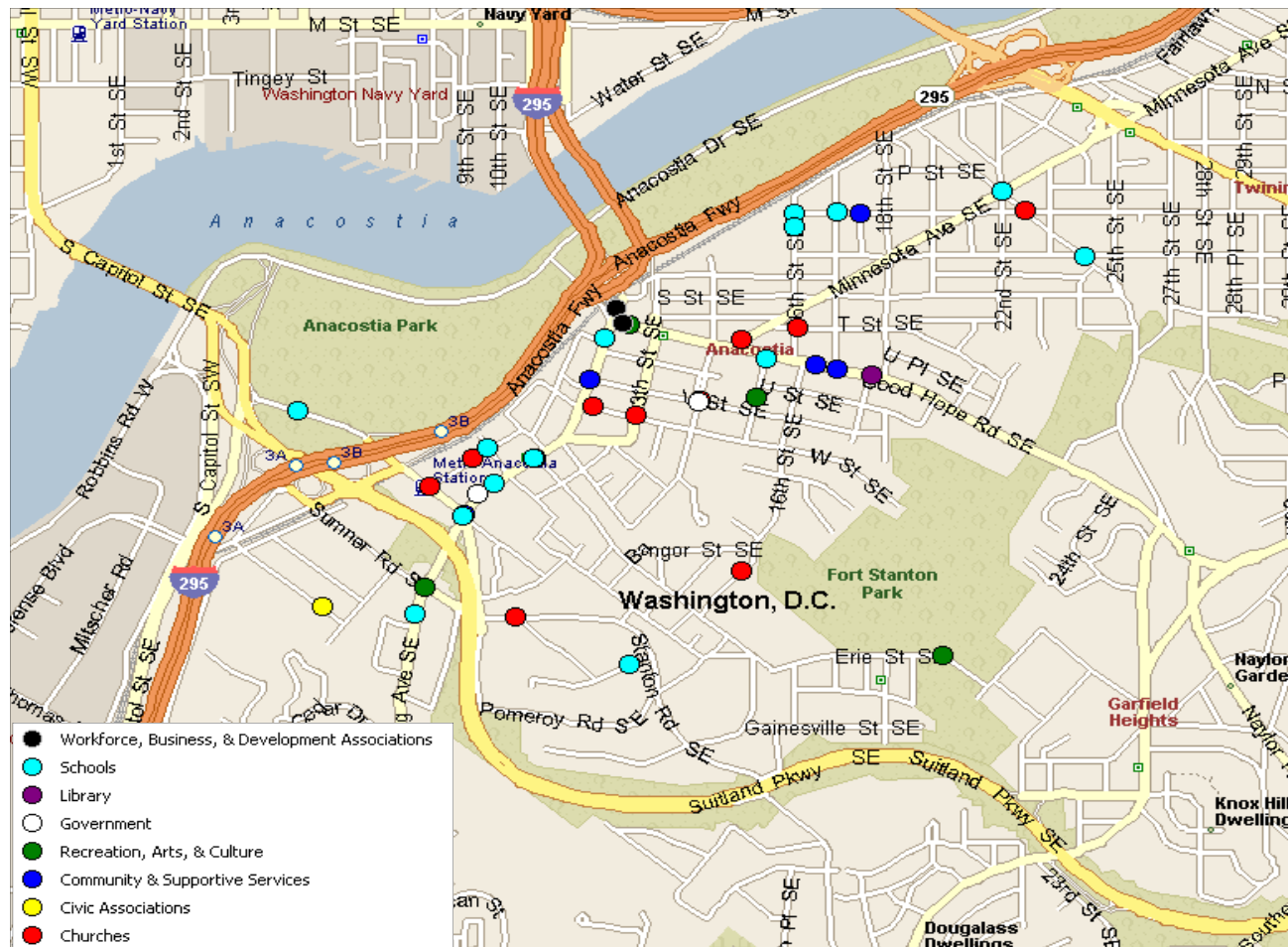


Exhibit 16

**SUMMARY OF CIVIC AND INSTITUTIONAL USES
SOUTHEAST WASHINGTON, D.C.
FEBRUARY 2011**

NAME	PRIMARY USE	ADDRESS	COMMENTS
ARTS, RECREATION, AND CULTURE			
American Heritage Dance Center	Arts	1320 Good Hope Road SE	
Anacostia Art Gallery & Boutique	Arts	1346 Bruce Place SE	
Anacostia Community Museum - Smithsonian	Museum	1901 Fort Place SE	
Barry Farm Recreation Center	Recreation	Suitland Pkwy & Martin Luther King Jr. Ave SE	
Blank Space	Art Gallery	1922 Martin Luther King Jr.. Ave SE	
Frederick Douglass National Historic Site	Historic	1411 W Street SE	
Honfleur Gallery	Art Gallery	1241 Good Hope Road SE	Sponsored by ARCH
Ketcham Recreation Center	Recreation	15th Street SE between V and U Streets SE	
Vivid Solutions	Art Gallery & Print Lab	2208 Martin Luther King Jr.. Ave SE	
WORKFORCE, BUSINESS, AND DEVELOPMENT ASSOCIATIONS			
Anacostia Economic Development Corporation	Business/Development Association	1800 Martin Luther King Jr. Ave SE	
ARCH Development Corporation & Training Center	Workforce Development	1227 Good Hope Road SE	Anacostia Business Center
Far Southeast/Southwest CDC	Business/Development Association	115 Atlantic Street SE	Monthly meetings at Washington Highlands Library
The Hive	Creative & Shared Workspace	2027 Martin Luther King Jr.. Ave SE	Organized by ARCH DC
Ward 8 Business Council	Business/Development Association	3029 Martin Luther King Jr. Ave SE	Monthly meeting place at East of the River CDC
CHURCHES			
Ambassador Baptist Church	Church	1412 Minnesota Avenue SE	Includes multipurpose community center
Anacostia Bible Church	Church	1610 T Street SE	
Bethel Christian Fellowship Church	Church	2220 Martin Luther King Jr.. Ave SE	
Bethel Temple Church of Christ Apostle Inc.	Church	2460 Martin Luther King Jr.. Ave SE	
Bethlehem Baptist Church	Church	2458 Martin Luther King Jr. Ave SE	
Church of the Lord Jesus Christ of the Apostolic Faith	Church	1524 Good Hope Road SE	
Little Rock Church - Deliverance	Church	2214 Naylor Road SE	
Macedonia Baptist Church	Church	2625 Stanton Road SE	
Matthews Memorial Baptist Church	Church	2616 Martin Luther King Jr. Ave SE	
New Covenant Baptist Church	Church	1301 W Street SE	
New United Baptist Church	Church	2233 Hunter Place SE	
Revival Temple Full Gospel Church	Church	2431 Shannon Place SE	
Shekinah Glory Church of the Apostolic Revival International	Church	1343 Good Hope Road SE	
St. Teresa of Avila Church	Church	1401 V Street SE	
Union Temple Baptist Church	Church	1225 W Street SE	
United House of Prayer for All People	Church	1123 Howard Road SE	

Exhibit 16

**SUMMARY OF CIVIC AND INSTITUTIONAL USES
SOUTHEAST WASHINGTON, D.C.
FEBRUARY 2011**

NAME	PRIMARY USE	ADDRESS	COMMENTS
CIVIC ORGANIZATIONS			
Advisory Neighborhood Council 8A	Civic/Neighborhood	1649 Good Hope Road SE	Meeting place first Tuesday on the month
Anacostia Coordinating Council	Civic	2401 Shannon Place SE	
Barry Farms Resident Council	Civic	1336 Stevens Road SE	Meeting place every 2nd Tuesday
Congress Heights Civic Association	Civic	2907 Martin Luther King Jr. Ave SE	Monthly Meeting at UPO Petey Greene Center
Fairlawn Citizens Association	Civic	1649 Good Hope Road SE	Meetings at UPO Anacostia Community Service Center
Frederick Douglass Community Improvement Council	Civic	1649 Good Hope Road SE	Meetings at UPO Anacostia Community Service Center
Historic Anacostia Block Association	Civic	1649 Good Hope Road SE	Monthly meetings at UPO Anacostia Community Service Center
River East Emerging Leaders (REEL)	Civic	3935 Benning Road NE	Meeting Place at Benning Library
COMMUNITY SERVICES			
Ambassador Baptist Church Food Distribution & Community Service Center	Community Services	1408 Minnesota Avenue SE	
Bread for the City	Community/Supportive Services	1640 Good Hope Road SE	
Far Southeast Family Strengthening Collaborative	Community/Supportive Services	2041 Martin Luther King Jr. Ave SE	Family and Community Support Services
Max Robinson Center William Walker Clinic	Community/Health Services	2301 Martin Luther King Jr.. Ave SE	
National Headquarters of National Social Workers Inc.	Community Services	2305 Martin Luther King Jr.. Ave SE	
Salvation Army	Community/Supportive Services	2300 Martin Luther King Jr. Ave SE	
The Gatepost Center	Community/Youth Services	1300 Good Hope Road SE	Partnership with Kids Konnection
The House-Southeast Christian Fellowship	Youth/Community Center	1606 17th Place SE	
United Black Fund	Community/Supportive Services	2500 Martin Luther King Jr. Ave SE	
United Planning Organization	Community/Supportive Services	1649 Good Hope Road SE	Training Center
GOVERNMENT			
D.C. Lottery and Charitable Games Control Board	Government	2101 Martin Luther King Jr. Ave SE	
DC Citywide Welfare Rights	Government	2458 Martin Luther King Jr. Ave SE	
DC Public Library - Anacostia Branch	Library	1800 Good Hope Road SE	
Department of Housing and Community Development	Government	1800 Martin Luther King Jr.. Ave SE	
Social Security Administration	Government	2041 Martin Luther King Jr.. Ave SE	
Ward 8 Constituent Office	Government	2100 Martin Luther King Jr.. Ave SE	
Washington, DC Fire Department	Government	2101 14th Street SE	

Exhibit 16

**SUMMARY OF CIVIC AND INSTITUTIONAL USES
SOUTHEAST WASHINGTON, D.C.
FEBRUARY 2011**

NAME	PRIMARY USE	ADDRESS	COMMENTS
SCHOOL			
Anacostia Senior High School	School	1601 16th Street SE	DCPS
Birney Elementary	School	2501 Martin Luther King Jr. Ave SE	DCPS
Clara Mohammed School	School	2313 Martin Luther King Jr. Ave SE	Charter
Community Empowerment Training Academy	School	1920 Martin Luther King Jr. Ave SE	Charter
D C Kipp Aim Academy	School	2620 Douglas Road SE	Charter
Howard Road Academy Public Charter	School	701 Howard Road Southeast	Charter
Ketcham Elementary School	School	1919 15th Street SE	DCPS
Kramer Middle School	School	1700 Q Street SE	DCPS
Learning Academy	School	1634 16th Street SE	Charter
MMBC Child Development Center	School	2616 Martin Luther King Jr. Ave SE	Other
Naylor Road School	School	2403 Naylor Road SE	Charter
Orr Elementary School	School	2200 Minnesota Avenue SE	DCPS
Savoy Elementary	School	2400 Shannon Place SE	DCPS
Thurgood Marshall Academy Public Charter	School	2427 Martin Luther King Jr. Ave SE	Charter

Exhibit 17A

**EXISTING RETAIL SUPPLY
HISTORIC ANACOSTIA
2011**

Retail Store Type	Existing Supply (SF)	% of Existing Supply
Furniture & Home Furnishing Stores	0	0%
Electronics & Appliance Stores	0	0%
Bldg Materials, Garden Eqpmt & Supply	2,400	3%
Grocery Stores	19,200	22%
Convenience Stores	1,600	2%
Health and Personal Care Stores	2,700	3%
Clothing and Clothing Accessories	4,000	5%
Sporting Goods, Hobby, Book, & Music	3,500	4%
Miscellaneous Store Retailers	16,700	19%
Full-Service Restaurants	5,200	6%
Limited-Service Eating Places	28,100	32%
Drinking Places (Alcoholic Beverages)	0	0%
General Merchandise	4,700	5%
Total	88,100	100%

SOURCE: CoStar, Washington, D.C. Economic Partnership, Green Door Advisors

Exhibit 17B

**EXISTING RETAIL SHORTAGE AND SURPLUS
ANACOSTIA PRIMARY MARKET AREA**

Retail Market Power Opportunity Gap Report By Retail Store Types	Anacostia Retail Primary Market Area		
	2010 Demand Consumer Expenditures	2010 Supply Retail Sales	Opportunity Gap Surplus/ Shortage
Furniture and Home Furnishings Stores-442	\$16,389,076	\$6,832,949	\$9,556,127
Furniture Stores-4421	\$9,160,251	\$515,232	\$8,645,019
Home Furnishing Stores-4422	\$7,228,825	\$6,317,717	\$911,108
Electronics and Appliances Stores-443	\$14,236,271	\$1,368,105	\$12,868,166
Building Material and Garden Equipment Stores-444	\$68,844,560	\$4,907,716	\$63,936,844
Food and Beverage Stores-445	\$114,881,280	\$107,364,505	\$7,516,775
Grocery Stores-4451	\$105,248,621	\$92,459,030	\$12,789,591
Specialty Food Stores-4452	\$3,617,342	\$864,511	\$2,752,831
Beer, Wine and Liquor Stores-4453	\$6,015,317	\$14,040,964	(\$8,025,647)
Health and Personal Care Stores-446	\$54,490,553	\$36,233,740	\$18,256,813
Clothing & Clothing Accessories Stores-448	\$45,730,604	\$16,072,106	\$29,658,498
Clothing Stores-4481	\$32,930,743	\$9,815,593	\$23,115,150
Shoe Stores-4482	\$6,863,916	\$6,256,513	\$607,403
Jewelry, Luggage, Leather Goods Stores-4483	\$5,935,945	\$0	\$5,935,945
Sporting Goods, Hobby, Book, Music Stores-451	\$15,121,967	\$2,408,498	\$12,713,469
Sporting Goods, Hobby, Musical Instrument Stores-4511	\$10,711,193	\$1,309,394	\$9,401,799
Book, Periodical and Music Stores-4512	\$4,410,774	\$1,099,104	\$3,311,670
General Merchandise Stores	\$121,700,965	\$5,072,568	\$116,628,397
Department Stores excluding Leased Departments	\$60,873,208	\$384,401	\$60,488,807
Other General Merchandise Stores	\$60,827,757	\$4,688,167	\$56,139,590
Miscellaneous Store Retailers-453	\$19,527,751	\$2,328,956	\$17,198,795
Florists-4531	\$1,346,031	\$240,693	\$1,105,338
Office Supplies, Stationery, Gift Stores-4532	\$7,707,336	\$452,067	\$7,255,269
Other Miscellaneous Store Retailers-4539	\$10,474,384	\$1,636,196	\$8,838,188
Foodservice and Drinking Places-722	\$79,364,158	\$57,821,260	\$21,542,898
Full-Service Restaurants-7221	\$38,818,737	\$19,360,436	\$19,458,301
Limited Service Eating Places-7222	\$36,717,981	\$37,758,476	(\$1,040,495)
Drinking Places Alcoholic Beverages-7224	\$3,827,440	\$702,348	\$3,125,092
Total Retail Stores	\$550,287,185	\$240,410,403	\$309,876,782

SOURCE: Claritas

Exhibit 18

**SUMMARY OF ESTIMATED RETAIL DEMAND POTENTIAL
ANACOSTIA PRIMARY MARKET AREA
2010-2015**

	Avg. Store Size	2010			2015			2015 NSP2 Residential Study Scenario		
		Estimated Demand (SF)	Total Stores Supported	Net New Supportable SF	Estimated Demand (SF)	Total Stores Supported	Net New Supportable SF	Estimated Demand (SF)	Total Stores Supported	Net New Supportable SF
Furniture & Home Furnishing Stores	N/A	7,480	0	0	8,666	0	0	8,837	0	0
Electronics & Appliance Stores	N/A	7,424	1	2,500	10,731	2	5,000	10,942	2	5,000
Bldg Materials, Garden Eqpmt & Supply	2,500	2,603	1	2,500	3,214	1	2,500	3,324	1	2,500
Grocery Stores ¹	20,000	30,865	1	20,000	33,982	1	20,000	35,027	1	20,000
Convenience Stores	1,500	1,852	1	1,500	2,116	1	1,500	2,189	1	1,500
Health and Personal Care Stores	10,000	20,671	2	20,000	22,912	2	20,000	23,416	2	20,000
Clothing and Clothing Accessories	N/A	14,065	3	12,000	16,668	3	12,000	17,074	3	12,000
Sporting Goods, Hobby, Book, & Music	N/A	3,346	0	0	5,176	1	2,500	5,347	1	2,500
Miscellaneous Store Retailers	N/A	0	2	3,000	0	3	4,500	0	3	4,500
Full-Service Restaurants	2,000	2,700	1	2,000	3,354	1	2,000	3,522	1	2,000
Limited-Service Eating Places	2,000	0	0	0	0	0	0	0	0	0
Drinking Places (Alcoholic Beverages)	1,500	572	0	0	610	0	0	622	0	0
General Merchandise	60,000	34,041	0	0	39,352	0	0	40,218	0	0
TOTAL:		125,619	12	63,500	146,782	15	70,000	150,519	15	70,000

¹ Grocery store demand is in addition to the demand for the existing Anacostia Warehouse Supermarket, which is planned for repositioning with a new operator.

SOURCE: Claritas, Green Door Advisors

Exhibit 19

**ESTIMATED RETAIL DEMAND POTENTIAL
ANACOSTIA PRIMARY MARKET AREA
2010**

2010 Households	Total
Estimated Households	29,312
Estimated Spending per Household:	\$16,344

	Potential Retail Sales/ HH	Total Demand Potential	Anacostia Likely Capture	Anacostia Sales Potential	Average Sales/ SF ¹	Existing Supply ²	Pot. New Space SF
Furniture & Home Furnishing Stores	\$638	\$18,701,056	10%	\$1,870,106	\$250	0	7,480
Furniture Stores	\$392	\$11,490,304	10%	\$1,149,030	\$250	0	4,596
Home Furnishing Stores	\$246	\$7,210,752	10%	\$721,075	\$250	0	2,884
Electronics & Appliance Stores	\$591	\$17,323,392	15%	\$2,598,509	\$350	0	7,424
Household Appliance Stores	\$87	\$2,550,144	15%	\$382,522	\$350	0	1,093
Radio/TV/Other Electronics Stores	\$338	\$9,907,456	15%	\$1,486,118	\$350	0	4,246
Computer and Software Stores	\$140	\$4,103,680	15%	\$615,552	\$350	0	1,759
Camera/Photographic Supply Stores	\$26	\$762,112	15%	\$114,317	\$350	0	327
Bldg Materials, Garden Eqpm't & Supply	\$512	\$15,007,744	15%	\$2,251,162	\$450	2,400	2,603
Food & Beverage Stores	\$4,482	\$131,376,384	23%	\$26,585,984	\$475	20,800	32,717
Grocery Stores	\$4,270	\$125,162,240	20%	\$25,032,448	\$500	19,200	30,865
Convenience Stores	\$212	\$6,214,144	25%	\$1,553,536	\$450	1,600	1,852
Health and Personal Care Stores	\$1,794	\$52,585,728	20%	\$10,517,146	\$450	2,700	20,671
Clothing and Clothing Accessories	\$2,313	\$67,798,656	8%	\$6,322,598	\$350	4,000	14,065
Clothing Stores	\$1,736	\$50,885,632	10%	\$5,088,563	\$350	4,000	10,539
Shoe Stores	\$265	\$7,767,680	10%	\$776,768	\$350	0	2,219
Jewelry, Luggage, and Leather Goods Stores	\$312	\$9,145,344	5%	\$457,267	\$350	0	1,306
Sporting Goods, Hobby, Book, & Music	\$545	\$15,975,040	15%	\$2,396,256	\$350	3,500	3,346
Sporting Goods/Hobby/Musical Instruments	\$390	\$11,431,680	15%	\$1,714,752	\$350	3,500	1,399
Book Stores	\$155	\$4,543,360	15%	\$681,504	\$350	0	1,947
Miscellaneous Store Retailers	\$333	\$9,760,896	10%	\$976,090	\$225	16,700	0
Food Services & Drinking Places	\$1,171	\$34,324,352	14%	\$4,748,544	\$417	33,300	3,271
Full-Service Restaurants	\$539	\$15,799,168	20%	\$3,159,834	\$400	5,200	2,700
Limited-Service Eating Places	\$580	\$17,000,960	8%	\$1,360,077	\$450	28,100	0
Drinking Places (Alcoholic Beverages)	\$52	\$1,524,224	15%	\$228,634	\$400	0	572
General Merchandise	\$3,965	\$116,222,080	15%	\$17,433,312	\$450	4,700	34,041
Total in 2010:	\$16,344	\$479,075,328	16%	\$75,699,706	\$369	88,100	125,619

¹ Based on the performance of comparable retail centers in the PMA and other retail centers in the surrounding area.

² Based CoStar data and a survey of existing and vacant retailers in the study area. The existing grocery supply includes the Anacostia Warehouse Supermarket, which is planned for repositioning with a new operator.

SOURCE: Claritas, Green Door Advisors, CoStar, Washington D.C. Economic Partnership

Exhibit 20

**ESTIMATED RETAIL DEMAND POTENTIAL
ANACOSTIA RETAIL PRIMARY MARKET AREA
2015**

2015 Households	Total
Estimated Households	29,598
Estimated Spending per Household:	\$18,212

	Potential Retail Sales/ HH	Total Demand Potential	Anacostia Likely Capture	Anacostia Sales Potential	Average Sales/ SF ¹	Existing Supply ²	Pot. New Space SF
Furniture & Home Furnishing Stores	\$732	\$21,665,736	10%	\$2,166,574	\$250	0	8,666
Furniture Stores	\$451	\$13,348,698	10%	\$1,334,870	\$250	0	5,339
Home Furnishing Stores	\$281	\$8,317,038	10%	\$831,704	\$250	0	3,327
Electronics & Appliance Stores	\$846	\$25,039,908	15%	\$3,755,986	\$350	0	10,731
Household Appliance Stores	\$105	\$3,107,790	15%	\$466,169	\$350	0	1,332
Radio/TV/Other Electronics Stores	\$496	\$14,680,608	15%	\$2,202,091	\$350	0	6,292
Computer and Software Stores	\$208	\$6,156,384	15%	\$923,458	\$350	0	2,638
Camera/Photographic Supply Stores	\$37	\$1,095,126	15%	\$164,269	\$350	0	469
Bldg Materials, Garden Eqpmnt & Supply	\$569	\$16,841,262	15%	\$2,526,189	\$450	2,400	3,214
Food & Beverage Stores	\$4,718	\$139,643,364	23%	\$28,263,130	\$475	20,800	36,098
Grocery Stores	\$4,492	\$132,954,216	20%	\$26,590,843	\$500	19,200	33,982
Convenience Stores	\$226	\$6,689,148	25%	\$1,672,287	\$450	1,600	2,116
Health and Personal Care Stores	\$1,947	\$57,627,306	20%	\$11,525,461	\$450	2,700	22,912
Clothing and Clothing Accessories	\$2,623	\$77,635,554	8%	\$7,233,751	\$350	4,000	16,668
Clothing Stores	\$1,964	\$58,130,472	10%	\$5,813,047	\$350	4,000	12,609
Shoe Stores	\$301	\$8,908,998	10%	\$890,900	\$350	0	2,545
Jewelry, Luggage, and Leather Goods Stores	\$358	\$10,596,084	5%	\$529,804	\$350	0	1,514
Sporting Goods, Hobby, Book, & Music	\$684	\$20,245,032	15%	\$3,036,755	\$350	3,500	5,176
Sporting Goods/Hobby/Musical Instruments	\$509	\$15,065,382	15%	\$2,259,807	\$350	3,500	2,957
Book Stores	\$175	\$5,179,650	15%	\$776,948	\$350	0	2,220
Miscellaneous Store Retailers	\$385	\$11,395,230	10%	\$1,139,523	\$225	16,700	0
Food Services & Drinking Places	\$1,243	\$36,790,314	14%	\$5,110,095	\$417	33,300	3,964
Full-Service Restaurants	\$578	\$17,107,644	20%	\$3,421,529	\$400	5,200	3,354
Limited-Service Eating Places	\$610	\$18,054,780	8%	\$1,444,382	\$450	28,100	0
Drinking Places (Alcoholic Beverages)	\$55	\$1,627,890	15%	\$244,184	\$400	0	610
General Merchandise	\$4,465	\$132,155,070	15%	\$19,823,261	\$450	4,700	39,352
Total in 2015:	\$18,212	\$539,038,776	16%	\$84,580,725	\$369	88,100	146,782

¹ Based on the performance of comparable retail centers in the PMA and other retail centers in the surrounding area.

² Based CoStar data and a survey of existing and vacant retailers in the study area. The existing grocery supply includes the Anacostia Warehouse Supermarket, which is planned for repositioning with a new operator.

SOURCE: Claritas, Green Door Advisors, CoStar, Washington D.C. Economic Partnership

Exhibit 21

**ESTIMATED RETAIL DEMAND POTENTIAL
ANACOSTIA RETAIL PRIMARY MARKET AREA
2015 "BEST CASE" SCENARIO WITH ADDITIONAL NEIGHBORHOOD INVESTMENT**

	2015 Households	Total					
Estimated Baseline 2010 Households: Neighborhood		3,533					
Estimated Additional Household Growth: Neighborhood		536					
Total 2015 Households: Neighborhood		4,069					
Total 2015 Households: PMA Excluding the Neighborhood		26,111					
Total 2015 Households in the PMA		30,180					
Estimated Spending per Household:		\$18,212					

	Potential Retail Sales/ HH	Total Demand Potential	Anacostia Likely Capture	Anacostia Sales Potential	Average Sales/ SF ¹	Existing Supply ²	Pot. New Space SF
Furniture & Home Furnishing Stores	\$732	\$22,091,760	10%	\$2,209,176	\$250	0	8,837
Furniture Stores	\$451	\$13,611,180	10%	\$1,361,118	\$250	0	5,444
Home Furnishing Stores	\$281	\$8,480,580	10%	\$848,058	\$250	0	3,392
Electronics & Appliance Stores	\$846	\$25,532,280	15%	\$3,829,842	\$350	0	10,942
Household Appliance Stores	\$105	\$3,168,900	15%	\$475,335	\$350	0	1,358
Radio/TV/Other Electronics Stores	\$496	\$14,969,280	15%	\$2,245,392	\$350	0	6,415
Computer and Software Stores	\$208	\$6,277,440	15%	\$941,616	\$350	0	2,690
Camera/Photographic Supply Stores	\$37	\$1,116,660	15%	\$167,499	\$350	0	479
Bldg Materials, Garden Eqmpt & Supply	\$569	\$17,172,420	15%	\$2,575,863	\$450	2,400	3,324
Food & Beverage Stores	\$4,718	\$142,389,240	23%	\$28,818,882	\$475	20,800	37,217
Grocery Stores	\$4,492	\$135,568,560	20%	\$27,113,712	\$500	19,200	35,027
Convenience Stores	\$226	\$6,820,680	25%	\$1,705,170	\$450	1,600	2,189
Health and Personal Care Stores	\$1,947	\$58,760,460	20%	\$11,752,092	\$450	2,700	23,416
Clothing and Clothing Accessories	\$2,623	\$79,162,140	8%	\$7,375,992	\$350	4,000	17,074
Clothing Stores	\$1,964	\$59,273,520	10%	\$5,927,352	\$350	4,000	12,935
Shoe Stores	\$301	\$9,084,180	10%	\$908,418	\$350	0	2,595
Jewelry, Luggage, and Leather Goods Stores	\$358	\$10,804,440	5%	\$540,222	\$350	0	1,543
Sporting Goods, Hobby, Book, & Music	\$684	\$20,643,120	15%	\$3,096,468	\$350	3,500	5,347
Sporting Goods/Hobby/Musical Instruments	\$509	\$15,361,620	15%	\$2,304,243	\$350	3,500	3,084
Book Stores	\$175	\$5,281,500	15%	\$792,225	\$350	0	2,264
Miscellaneous Store Retailers	\$385	\$11,619,300	10%	\$1,161,930	\$225	16,700	0
Food Services & Drinking Places	\$1,243	\$37,513,740	14%	\$5,210,577	\$417	33,300	4,144
Full-Service Restaurants	\$578	\$17,444,040	20%	\$3,488,808	\$400	5,200	3,522
Limited-Service Eating Places	\$610	\$18,409,800	8%	\$1,472,784	\$450	28,100	0
Drinking Places (Alcoholic Beverages)	\$55	\$1,659,900	15%	\$248,985	\$400	0	622
General Merchandise	\$4,465	\$134,753,700	15%	\$20,213,055	\$450	4,700	40,218
Total in 2010:	\$18,212	\$549,638,160	16%	\$86,243,877	\$369	88,100	150,519

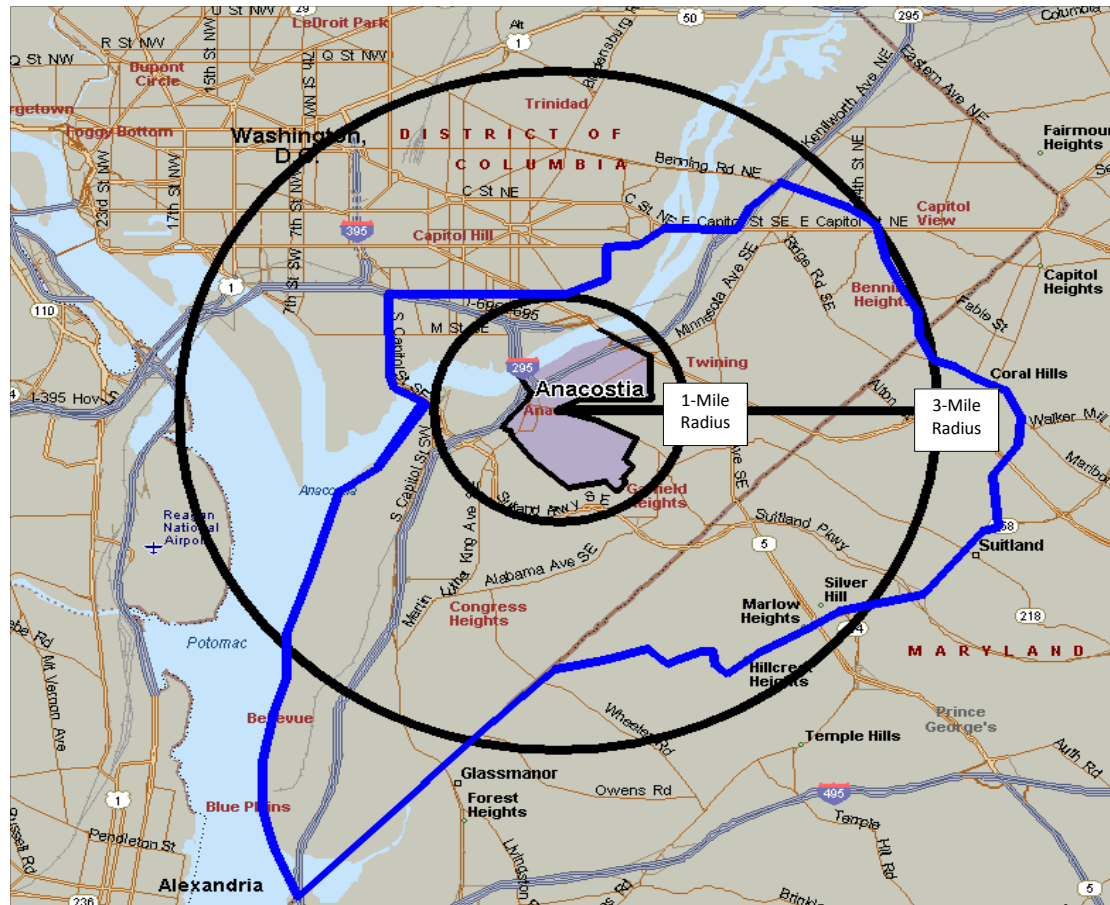
¹ Based on the performance of comparable retail centers in the PMA and other retail centers in the surrounding area.

² Based CoStar data and a survey of existing and vacant retailers in the study area. The existing grocery supply includes the Anacostia Warehouse Supermarket, which is planned for repositioning with a new operator.

SOURCE: Claritas, Green Door Advisors, CoStar, Washington D.C. Economic Partnership, Zimmerman/Volk Associates

Exhibit 22

**ANACOSTIA OFFICE PRIMARY MARKET AREA
WASHINGTON, DC
FEBRUARY 2011**



- Anacostia Office PMA Boundaries
- Anacostia Neighborhood Boundaries

Exhibit 23

**EMPLOYMENT BY INDUSTRY
ANACOSTIA NEIGHBORHOOD ¹
2000-2015**

Employment by Industry	2000		2010		2015		2010 D.C. Total ²	
	#	%	#	%	#	%	#	%
Public Administration	547	18%	582	19%	564	19%	200,099	29%
Health Care/Social Assistance	369	12%	444	14%	432	14%	64,995	9%
Admin/Support/Waste Mgt	368	12%	394	13%	383	13%	42,216	6%
Retail Trade	344	11%	305	10%	295	10%	18,574	3%
Other Services, Not Public Admin	212	7%	185	6%	178	6%	62,655	9%
Professional, Scientific, Technical Services	166	5%	184	6%	177	6%	105,057	15%
Accommodation/Food Services	157	5%	152	5%	146	5%	54,644	8%
Construction	195	6%	164	5%	158	5%	10,702	2%
Educational Services	147	5%	151	5%	149	5%	37,574	5%
Finance/Insurance/Real Estate	157	5%	146	5%	142	5%	27,605	4%
Transportation/ Warehouse/Utilities	159	5%	146	5%	143	5%	35,942	5%
Entertainment/ Recreation Services	81	3%	93	3%	90	3%	13,754	2%
Manufacturing	87	3%	76	2%	73	2%	5,077	1%
Information	70	2%	46	1%	43	1%	22,439	3%
Total	3,074	100%	3,087	100%	2,995	100%	701,333	100%

¹ Anacostia neighborhood boundaries include the following census tracts: 75.03, 75.04, 76.01

² Bureau of Labor Statistics Data from 2Q 2010

SOURCE: U.S. Census Bureau; Claritas, Inc.

Exhibit 24

**EMPLOYMENT BY INDUSTRY
ANACOSTIA OFFICE PMA
2000-2015**

Employment by Industry	2000		2010		2015		2010 D.C. Total ¹	
	#	%	#	%	#	%	#	%
Public Administration	8,744	18%	9,082	19%	8,864	19%	200,099	29%
Health Care/Social Assistance	5,641	12%	6,791	14%	6,693	14%	64,995	9%
Admin/Support/Waste Mgt	3,379	7%	3,851	8%	3,808	8%	42,216	6%
Retail Trade	4,131	9%	3,691	8%	3,618	8%	18,574	3%
Other Services, Not Public Admin	3,287	7%	3,034	6%	2,980	6%	62,655	9%
Professional, Scientific, Technical Services	3,181	7%	3,645	8%	3,533	7%	105,057	15%
Accommodation/Food Services	2,785	6%	2,794	6%	2,737	6%	54,644	8%
Construction	2,355	5%	2,325	5%	2,273	5%	10,702	2%
Educational Services	3,243	7%	3,409	7%	3,351	7%	37,574	5%
Finance/Insurance/Real Estate	2,761	6%	2,640	5%	2,589	5%	27,605	4%
Transportation/ Warehouse/Utilities	3,394	7%	3,062	6%	2,990	6%	35,942	5%
Entertainment/ Recreation Services	1,144	2%	1,307	3%	1,289	3%	13,754	2%
Manufacturing	963	2%	827	2%	800	2%	5,077	1%
Information	2,043	4%	1,340	3%	1,315	3%	22,439	3%
Total	47,581	100%	48,260	100%	47,296	100%	701,333	100%

¹ Bureau of Labor Statistics Data from 2Q 2010

SOURCE: U.S. Census Bureau; Claritas, Inc., Bureau of Labor Statistics

Exhibit 25

**COMMUTING TRENDS
ANACOSTIA NEIGHBORHOOD ¹
2000-2015**

Travel Time to Work	2000		2010		2015	
	#	%	#	%	#	%
Travel Time < 15 Min	270	9%	236	8%	225	8%
Travel Time 15-29 Min	891	30%	867	29%	831	29%
Travel Time 30-44 Min	915	31%	934	31%	909	31%
Travel Time 45-59 Min	424	14%	448	15%	436	15%
Travel Time More than 60 Min	471	16%	495	17%	489	17%
Total	2,971	100%	2,980	100%	2,890	100%

Mode of Transportation to Work	2000		2010		2015	
	#	%	#	%	#	%
Work at Home	28	1%	38	1%	37	1%
Walk	54	2%	56	2%	54	2%
Bicycle	0	0%	0	0%	0	0%
Carpool	467	16%	283	9%	274	9%
Drive Alone	1,169	39%	1,165	39%	1,130	39%
Public Transportation	1,247	42%	1,436	48%	1,394	48%
Other	34	1%	30	1%	29	1%
Total	2,999	100%	3,008	100%	2,918	100%

¹ Anacostia neighborhood boundaries include the following census tracts: 75.03, 75.04, 76.01
SOURCE: U.S. Census Bureau; Claritas, Inc.

Exhibit 26

**COMMUTING TRENDS
ANACOSTIA OFFICE PMA
2000-2015**

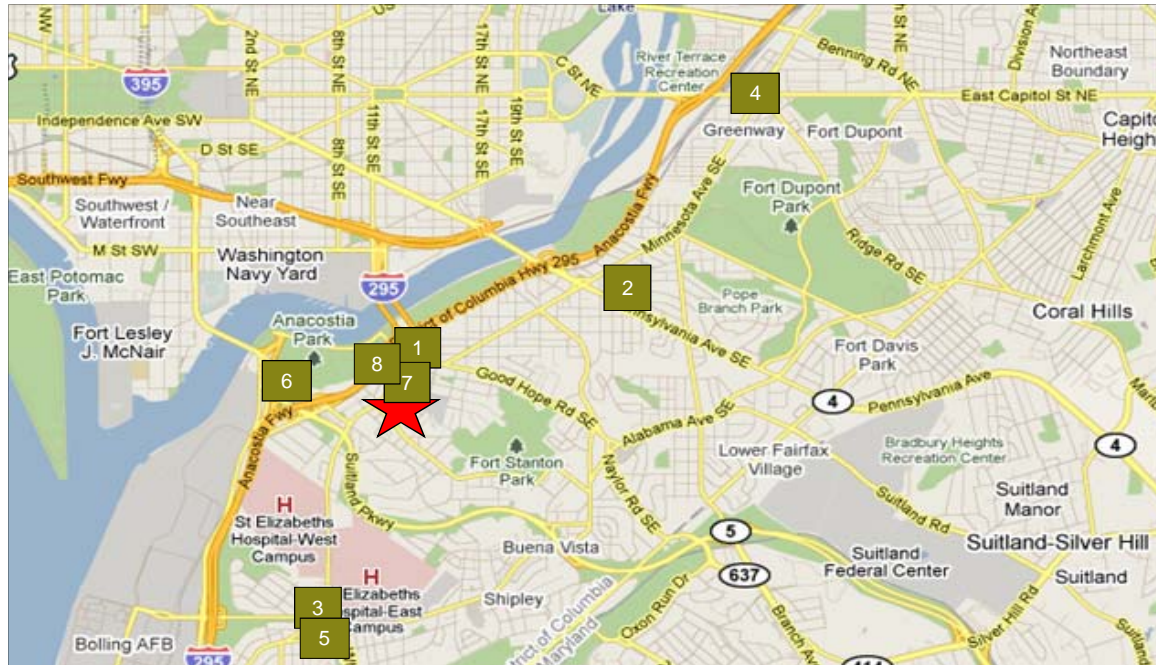
Travel Time to Work	2000		2010		2015	
	#	%	#	%	#	%
Travel Time < 15 Min	5,278	11%	4,802	10%	4,665	10%
Travel Time 15-29 Min	13,416	28%	13,231	28%	12,915	28%
Travel Time 30-44 Min	13,070	28%	13,567	28%	13,280	28%
Travel Time 45-59 Min	7,129	15%	7,406	15%	7,264	16%
Travel Time More than 60 Min	8,409	18%	8,779	18%	8,644	18%
Total	47,302	100%	47,785	100%	46,768	100%

Mode of Transportation to Work	2000		2010		2015	
	#	%	#	%	#	%
Work at Home	790	2%	1,033	2%	1,012	2%
Walk	1,747	4%	1,735	4%	1,664	3%
Bicycle	50	0%	103	0%	105	0%
Carpool	7,944	17%	5,210	11%	5,085	11%
Drive Alone	22,974	48%	22,700	47%	22,108	46%
Public Transportation	14,145	29%	17,422	36%	17,212	36%
Other	442	1%	385	1%	373	1%
Total	48,092	100%	48,588	100%	47,559	100%

SOURCE: U.S. Census Bureau; Claritas, Inc.

Exhibit 27

**MAP OF SELECTED OFFICE PROPERTIES
SOUTHEAST WASHINGTON, D.C.
FEBRUARY 2011**



Competitive Supply

- 1 Anacostia Gateway
- 2 Saint Francis Xavier Church Bldg
- 3 3029 Martin Luther King Jr Ave SE
- 4 4640 Minnesota Ave NE
- 5 3130 Martin Luther King Jr Ave SE
- 6 821 Howard Road Office Building
- 7 2100 Martin Luther King Jr Ave SE
- 8 Anacostia Professional Building

 **ANACOSTIA NEIGHBORHOOD**

Exhibit 28

**SUMMARY OF SELECTED OFFICE PROPERTIES
SOUTHEAST WASHINGTON, D.C.
FEBRUARY 2011**

MAP KEY	NAME OF CENTER LOCATION	YEAR BUILT	GLA	VACANT SQ. FT.	OCC. RATE	LEASE RATES NNN		COMMENTS
1	Anacostia Gateway, 1800 Martin L. King Jr. Ave SE	2007	63,000	0	100%			4,000 SF Retail, DHDC Tenant
2	Saint Francis Xavier Church Bldg -2815 O Street SE	1939	15,000	15,000	0%	\$20		Institutional/Organization
3	3029 Martin Luther King Jr Ave SE	2002	10,860	N/A	N/A	\$10 - \$13		Medical Office
4	4640 Minnesota Ave NE	1948	680	N/A	N/A	\$20 - \$25		Vacant
5	3130 Martin Luther King Jr Ave SE	1902	3,100	N/A	N/A	\$13 - \$16		Family Dentistry
6	821 Howard Road Office Building	2002	25,000	N/A	N/A			Class B, Medical Office
7	2100 Martin Luther King Jr Ave SE	1989	100,000	N/A	N/A			Peebles Corporation. DC Government tenants
8	Anacostia Professional Building, 2041 Martin Luther King Jr. Ave SE	1945, Renov. 1995	99,000	2,250	98%	\$32	\$35	Medical Doctors, Counseling offices, Taxicab Commission, Non- Profits. Law Offices

Exhibit 29

SERVICE-ORIENTED NEIGHBORHOOD OFFICE DEMAND
ANACOSTIA OFFICE MARKET ANALYSIS
2010

District of Columbia
2010 Population 595,933
2010 Employees¹ 135,416

Industry Code	Selected Industries	2010 Number of Employees ²	Distribution of Employees	Emp to Pop Ratio	Selected Industries	Estimated Office PMA Employees	Office PMA Demand Potential (SF)	Anacostia Capture Rate	Anacostia Demand Potential	Percent Distribution of Office Space Types	Existing Anacostia Office Space ³	New Office Space Demand Potential	Typical Tenant Size	2010 Anacostia Supportable SF
	District of Columbia	135,416	100%	22.72%	Office Primary Market Area	31,214	7,803,500			100%	350,000			
52211	Commercial Banking & Credit Union	4,003	3%	0.67%	Commercial Banking & Credit Union	923	230,750	8.0%	18,460	5.0%	17,500	960	5,000	0
52231	Mortgage Brokers	35	0%	0.01%	Mortgage Brokers	8	2,000	3.0%	60	1.0%	3,500	0	2,500	0
523	Securities, I-banking, etc	6,735	5%	1.13%	Securities, I-banking, etc	1552	388,000	2.0%	7,760	1.0%	3,500	4,260	5,000	0
5242	Insurance Agencies	3,096	2%	0.52%	Insurance Agencies	714	178,500	5.0%	8,930	4.0%	14,000	0	2,500	0
5312	Real Estate Agencies/Prop Mngmt	6,196	5%	1.04%	Real Estate Agencies/Prop Mngmt	1428	357,000	6.0%	21,420	6.0%	21,000	420	2,500	0
5411	Law Services	34,888	26%	5.86%	Law Services	8044	2,011,000	2.0%	40,220	10.0%	35,000	5,220	5,000	5,000
5412	Accounting Services	5,220	4%	0.88%	Accounting Services	1203	300,750	5.0%	15,040	2.0%	7,000	8,040	2,500	7,500
5413	Arch./Eng/ Services	6,389	5%	1.07%	Arch./Eng/ Services	1473	368,250	8.0%	29,460	5.0%	17,500	11,960	5,000	10,000
54141	Interior & Graphic Design Services	1,074	1%	0.18%	Interior & Graphic Design Services	248	62,000	5.0%	3,100	2.0%	7,000	0	2,500	0
5416	Mgmt Consulting	12,147	9%	2.04%	Mgmt Consulting	2800	700,000	3.0%	21,000	2.0%	7,000	14,000	5,000	10,000
5418	Advertising & Media Agencies	7,546	6%	1.27%	Advertising & Media Agencies	1739	434,750	2.0%	8,700	2.0%	7,000	1,700	5,000	0
54192	Photographic Services	70	0%	0.01%	Photographic Services	16	4,000	3.0%	120	1.0%	3,500	0	1,500	0
54194	Veterinary Services	314	0%	0.05%	Veterinary Services	72	18,000	8.0%	1,440	2.0%	7,000	0	2,500	0
5614	Business Support Services	2,989	2%	0.50%	Business Support Services	689	172,250	10.0%	17,230	3.0%	10,500	6,730	5,000	5,000
56151	Travel Agencies	1,531	1%	0.26%	Travel Agencies	353	88,250	2.0%	1,770	1.0%	3,500	0	1,500	0
56173	Landscaping	46	0%	0.01%	Landscaping	11	2,750	2.0%	60	1.0%	3,500	0	2,500	0
6211	Physicians	5,178	4%	0.87%	Physicians	1194	298,500	8.0%	23,880	15.0%	52,500	0	2,500	0
6212	Dentists	1,581	1%	0.27%	Dentists	364	91,000	8.0%	7,280	4.0%	14,000	0	1,500	0
62131	Chiropractors	45	0%	0.01%	Chiropractors	10	2,500	8.0%	200	2.0%	7,000	0	1,500	0
62132	Optometrists	155	0%	0.03%	Optometrists	36	9,000	8.0%	720	2.0%	7,000	0	2,500	0
6214	Outpatient Care Centers	1,458	1%	0.24%	Outpatient Care Centers	336	84,000	5.0%	4,200	8.0%	28,000	0	5,000	0
6244	Child Day Care Services	3,214	2%	0.54%	Child Day Care Services	741	185,250	5.0%	9,260	2.0%	7,000	2,260	5,000	0
8121	Personal Care Services	1,988	1%	0.33%	Personal Care Services	458	114,500	8.0%	9,160	5.0%	17,500	0	2,000	0
8123	Dry Cleaner	834	1%	0.14%	Dry Cleaner	192	48,000	3.0%	1,440	2.0%	7,000	0	1,500	0
813	Associations and Non-Profit Orgs ⁴	28,674	21%	4.81%	Associations and Non-Profit Orgs ⁴	6610	1,652,500	8.0%	132,200	12.0%	42,000	90,200	2,000	90,000
Total							7,803,500	4.9%	383,110		350,000	145,750		127,500

Total Office PMA Demand Potentia	
Office PMA Pop (2010)	137,367
Office Space per Employee (SF)	250

¹ Bureau of Labor Statistics for the first quarter 2010
² Based on 2007 County Business Patterns for District of Columbia
³ Estimates based on competitive supply analysis
⁴ Excludes professional associations
SOURCE: GDA,MWCOG and the US Census,

Exhibit 30

SERVICE-ORIENTED NEIGHBORHOOD OFFICE DEMAND
ANACOSTIA OFFICE MARKET ANALYSIS
2015

District of Columbia	
2015 Population	604,219
2015 Employees ¹	138,255

Industry Code	Selected Industries	2015 Number of Employees ²	Distribution of Employees	Emp to Pop Ratio	Selected Industries	Estimated Office PMA Employees	Office PMA Demand Potential (SF)	Anacostia Capture Rate	Anacostia Demand Potential	Percent Distribution of Office Space Types	Existing Anacostia Office Space ³	New Office Space Demand Potential	Typical Tenant Size	2015 Anacostia Supportable SF
	District of Columbia	138,255	100%	22.88%	Office Primary Market Area	31,140	7,785,000			100%	350,000			
52211	Commercial Banking & Credit Union	4,087	3%	0.68%	Commercial Banking & Credit Union	921	230,250	8.0%	18,420	5.0%	17,500	920	5,000	0
52231	Mortgage Brokers	36	0%	0.01%	Mortgage Brokers	8	2,000	3.0%	60	1.0%	3,500	0	2,500	0
523	Securities, I-banking, etc	6,876	5%	1.14%	Securities, I-banking, etc	1549	387,250	2.0%	7,750	1.0%	3,500	4,250	5,000	0
5242	Insurance Agencies	3,160	2%	0.52%	Insurance Agencies	712	178,000	5.0%	8,900	4.0%	14,000	0	2,500	0
5312	Real Estate Agencies/Prop Mngmt	6,326	5%	1.05%	Real Estate Agencies/Prop Mngmt	1425	356,250	6.0%	21,380	6.0%	21,000	380	2,500	0
5411	Law Services	35,630	26%	5.90%	Law Services	8025	2,006,250	2.0%	40,130	10.0%	35,000	5,130	5,000	5,000
5412	Accounting Services	5,330	4%	0.88%	Accounting Services	1200	300,000	5.0%	15,000	2.0%	7,000	8,000	2,500	7,500
5413	Arch./Eng/ Services	6,523	5%	1.08%	Arch./Eng/ Services	1469	367,250	8.0%	29,380	5.0%	17,500	11,880	5,000	10,000
54141	Interior & Graphic Design Services	1,096	1%	0.18%	Interior & Graphic Design Services	247	61,750	5.0%	3,090	2.0%	7,000	0	2,500	0
5416	Mgmt Consulting	12,402	9%	2.05%	Mgmt Consulting	2793	698,250	3.0%	20,950	2.0%	7,000	13,950	5,000	10,000
5418	Advertising & Media Agencies	7,705	6%	1.28%	Advertising & Media Agencies	1735	433,750	2.0%	8,680	2.0%	7,000	1,680	5,000	0
54192	Photographic Services	71	0%	0.01%	Photographic Services	16	4,000	3.0%	120	1.0%	3,500	0	1,500	0
54194	Veterinary Services	320	0%	0.05%	Veterinary Services	72	18,000	8.0%	1,440	2.0%	7,000	0	2,500	0
5614	Business Support Services	3,051	2%	0.51%	Business Support Services	687	171,750	10.0%	17,180	3.0%	10,500	6,680	5,000	5,000
56151	Travel Agencies	1,563	1%	0.26%	Travel Agencies	352	88,000	2.0%	1,760	1.0%	3,500	0	1,500	0
56173	Landscaping	47	0%	0.01%	Landscaping	11	2,750	2.0%	60	1.0%	3,500	0	2,500	0
6211	Physicians	5,286	4%	0.87%	Physicians	1191	297,750	8.0%	23,820	15.0%	52,500	0	2,500	0
6212	Dentists	1,614	1%	0.27%	Dentists	364	91,000	8.0%	7,280	4.0%	14,000	0	1,500	0
62131	Chiropractors	46	0%	0.01%	Chiropractors	10	2,500	8.0%	200	2.0%	7,000	0	1,500	0
62132	Optometrists	159	0%	0.03%	Optometrists	36	9,000	8.0%	720	2.0%	7,000	0	2,500	0
6214	Outpatient Care Centers	1,489	1%	0.25%	Outpatient Care Centers	335	83,750	5.0%	4,190	8.0%	28,000	0	5,000	0
6244	Child Day Care Services	3,281	2%	0.54%	Child Day Care Services	739	184,750	5.0%	9,240	2.0%	7,000	2,240	5,000	0
8121	Personal Care Services	2,030	1%	0.34%	Personal Care Services	457	114,250	8.0%	9,140	5.0%	17,500	0	2,000	0
8123	Dry Cleaner	851	1%	0.14%	Dry Cleaner	192	48,000	3.0%	1,440	2.0%	7,000	0	1,500	0
813	Associations and Non-Profit Orgs ⁴	29,275	21%	4.85%	Associations and Non-Profit Orgs ⁴	6594	1,648,500	8.0%	131,880	12.0%	42,000	89,880	2,000	88,000
Total							7,785,000	4.9%	382,210		350,000	144,990		125,500

Total Office PMA Demand Potentia	
Office PMA Pop (2015)	136,095
Office Space per Employee (SF)	250

¹ Bureau of Labor Statistics for the first quarter 2010
² Based on 2007 County Business Patterns for District of Columbia
³ Estimates based on competitive supply analysis
⁴ Excludes professional associations
SOURCE: GDA,MWCOG and the US Census,

Exhibit 31

**SERVICE-ORIENTED NEIGHBORHOOD OFFICE DEMAND
ANACOSTIA OFFICE MARKET ANALYSIS
2015 SCENARIO BASED ON NSP2 RESIDENTIAL DEMAND ANALYSIS**

District of Columbia
2015 Population 604,219
2015 Employees¹ 138,255

Industry Code	Selected Industries	2015 Number of Employees ²	Distribution of Employees	Emp to Pop Ratio	Selected Industries	Estimated Office PMA Employees	Office PMA Demand Potential (SF)	Anacostia Capture Rate	Anacostia Demand Potential	Percent Distribution of Office Space Types	Existing Anacostia Office Space ³	New Office Space Demand Potential	Typical Tenant Size	2015 Anacostia Supportable SF
	District of Columbia	138,255	100%	22.88%	Office Primary Market Area	31,493	7,873,250			100%	350,000			
52211	Commercial Banking & Credit Union	4,087	3%	0.68%	Commercial Banking & Credit Union	931	232,750	8.0%	18,620	5.0%	17,500	1,120	5,000	0
52231	Mortgage Brokers	36	0%	0.01%	Mortgage Brokers	8	2,000	3.0%	60	1.0%	3,500	0	2,500	0
523	Securities, I-banking, etc	6,876	5%	1.14%	Securities, I-banking, etc	1566	391,500	2.0%	7,830	1.0%	3,500	4,330	5,000	0
5242	Insurance Agencies	3,160	2%	0.52%	Insurance Agencies	720	180,000	5.0%	9,000	4.0%	14,000	0	2,500	0
5312	Real Estate Agencies/Prop Mngmt	6,326	5%	1.05%	Real Estate Agencies/Prop Mngmt	1441	360,250	6.0%	21,620	6.0%	21,000	620	2,500	0
5411	Law Services	35,630	26%	5.90%	Law Services	8116	2,029,000	2.0%	40,580	10.0%	35,000	5,580	5,000	5,000
5412	Accounting Services	5,330	4%	0.88%	Accounting Services	1214	303,500	5.0%	15,180	2.0%	7,000	8,180	2,500	7,500
5413	Arch./Eng/ Services	6,523	5%	1.08%	Arch./Eng/ Services	1486	371,500	8.0%	29,720	5.0%	17,500	12,220	5,000	10,000
54141	Interior & Graphic Design Services	1,096	1%	0.18%	Interior & Graphic Design Services	250	62,500	5.0%	3,130	2.0%	7,000	0	2,500	0
5416	Mgmt Consulting	12,402	9%	2.05%	Mgmt Consulting	2825	706,250	3.0%	21,190	2.0%	7,000	14,190	5,000	10,000
5418	Advertising & Media Agencies	7,705	6%	1.28%	Advertising & Media Agencies	1755	438,750	2.0%	8,780	2.0%	7,000	1,780	5,000	0
54192	Photographic Services	71	0%	0.01%	Photographic Services	16	4,000	3.0%	120	1.0%	3,500	0	1,500	0
54194	Veterinary Services	320	0%	0.05%	Veterinary Services	73	18,250	8.0%	1,460	2.0%	7,000	0	2,500	0
5614	Business Support Services	3,051	2%	0.51%	Business Support Services	695	173,750	10.0%	17,380	3.0%	10,500	6,880	5,000	5,000
56151	Travel Agencies	1,563	1%	0.26%	Travel Agencies	356	89,000	2.0%	1,780	1.0%	3,500	0	1,500	0
56173	Landscaping	47	0%	0.01%	Landscaping	11	2,750	2.0%	60	1.0%	3,500	0	2,500	0
6211	Physicians	5,286	4%	0.87%	Physicians	1204	301,000	8.0%	24,080	15.0%	52,500	0	2,500	0
6212	Dentists	1,614	1%	0.27%	Dentists	368	92,000	8.0%	7,360	4.0%	14,000	0	1,500	0
62131	Chiropractors	46	0%	0.01%	Chiropractors	11	2,750	8.0%	220	2.0%	7,000	0	1,500	0
62132	Optometrists	159	0%	0.03%	Optometrists	36	9,000	8.0%	720	2.0%	7,000	0	2,500	0
6214	Outpatient Care Centers	1,489	1%	0.25%	Outpatient Care Centers	339	84,750	5.0%	4,240	8.0%	28,000	0	5,000	0
6244	Child Day Care Services	3,281	2%	0.54%	Child Day Care Services	747	186,750	5.0%	9,340	2.0%	7,000	2,340	5,000	0
8121	Personal Care Services	2,030	1%	0.34%	Personal Care Services	462	115,500	8.0%	9,240	5.0%	17,500	0	2,000	0
8123	Dry Cleaner	851	1%	0.14%	Dry Cleaner	194	48,500	3.0%	1,460	2.0%	7,000	0	1,500	0
813	Associations and Non-Profit Orgs ⁴	29,275	21%	4.85%	Associations and Non-Profit Orgs ⁴	6669	1,667,250	8.0%	133,380	12.0%	42,000	91,380	2,000	90,000
Total							7,873,250	4.9%	386,550		350,000	148,620		127,500
		Total Office PMA Demand Potentia Office PMA Pop (2015 - with NSP2) 137,636 Office Space per Employee (SF) 250												

¹ Bureau of Labor Statistics for the first quarter 2010
² Based on 2007 County Business Patterns for District of Columbia
³ Estimates based on competitive supply analysis
⁴ Excludes professional associations
SOURCE: GDA, MWCOG and the US Census,

Exhibit 32

**STRATEGIC COMMERCIAL DEVELOPMENT PARCELS
HISTORIC ANACOSTIA, WASHINGTON, D.C.
FEBURARY 2011**



Exhibit 33

**STRATEGIC COMMERCIAL DEVELOPMENT PARCELS
HISTORIC ANACOSTIA, WASHINGTON, D.C.
FEBRUARY 2011**

	Address	Description	Ownership	Zone	Lot Area	FAR	Allowable Dev't SF	Historic District	Comments
1	2228, 2234, 2238, 2252 Martin Luther King Jr Ave SE	Big K Liquors and Adjacent Historic Properties - Purchased by DHCD	DHCD	C-3-A	32,895	2.50	82,238	Yes	Big K is not in historic district; adjacent lots and existing house are.
2	2004-2010 Martin Luther King Jr Ave SE	Vacant American Furniture Store	Aegina Investments LLC	C-3-A	11,318	4.00	45,272	Yes	
3	1111-1117 Good Hope Rd SE 1110 U Street SE 1901-1907 Martin Luther King Jr Ave SE	Parcels along west side of Good Hope & MLK Intersection	Tomorrow's Hope LLC (1111 Good Hope); WHS Plumbing and Heating LLC (1113 Good Hope); Pargo Corporation (1115 Good Hope); MLK Commercial Development LLC (1901-1907 MLK)	C-3-A, C-M-1	20,304	4.00	81,216	Yes	
4	1603-1647 Good Hope Rd SE	Laundromat and Adjacent Vacant Parcels (between 16th and United Planning Org bldg at 1649)	Hope Sound Corporation	C-2-A	27,816	2.50	69,540	No	Great site; maximum build-out require underground parking or 120' depth could include 60' parking bay and 60' retail depth on ground floor. (+/- 50 cars)
5	1243 Good Hope Rd SE	Rowhouse next to Honfleur Gallery	1243 Good Hope Road, LLC	C-3-A	2,230	4.00	8,920	Yes	Existing structure 1.0 FAR; historic designation likely enforce renovation or similar massing
6	1201-1215 Good Hope Rd SE	Vacant, Portion For Sale	B&B Security Consultants Inc., DHCD	C-3-A	13,365	4.00	53,460	Yes	DHCD owns 1201 & 1203 Good Hope Road; historic designation require sensitive massing; require underground parking for maximum build-out

Source: Torti Gallas Urban, NCRC, GDA

Exhibit 34

STRATEGIC COMMERCIAL AND MIXED-USE DEVELOPMENT RECOMMENDATIONS HISTORIC ANACOSTIA, WASHINGTON, D.C. FEBURARY 2011



Address	Development Recommendations	Retail SF	Target Retail Tenants	Office SF	Target Office Tenants	Approx Residential Units
1 2228, 2234, 2238, 2252 Martin Luther King Jr. Ave SE	Potential opportunity for realignment of historic properties on or off site to increase on-site assemblage of maximum development square feet. Opportunity for small grocery anchor and office space above oriented towards associations, non-profits, and professional services (legal, medical, etc.). Also potential to partner with neighboring landowner to combine lots for redevelopment.	20,000	Small Grocer	45,000	Association Non-Profits Professional	N/A
2 2004-2010 Martin Luther King Jr Ave SE	Mixed-use development opportunity with single-use ground-floor retail, potentially a health and personal care store or a convenience store, and office space above.	11,000	Health/Personal	22,000	Association Non-Profits Professional	N/A
3 1111-1117 Good Hope Rd, 1110 U St. SE 1901-1907 MLK Jr Ave SE	Opportunity for signature full-service restaurant anchor with other small scale retailers, with office space above.	10,000	Restaurants Misc. Retail	45,000	Association Non-Profits	N/A
4 1603-1647 Good Hope Rd SE	Opportunity for mixed-use development with rental apartments above ground floor retail. Site would benefit from bonus density under inclusionary zoning to make development more financially feasible.	20,000	Health/Personal Misc. Retail	N/A	N/A	40-55
5 1243 Good Hope Rd SE	Possible expansion opportunity for Honfleur Gallery or other cultural or community uses.	8,900	Arts/Community	N/A	N/A	N/A
6 1201-1215 Good Hope Rd SE	Potential opportunities include office space with maximum build out, arts/culture/community uses, or ground floor small retailers. Developing office on this site would replace potential opportunity at other sites.	5,000	N/A	35,000	Association Non-Profits	
TOTAL WITH SITE 2:		74,900	N/A	112,000	N/A	40-55
TOTAL WITH SITE 6:		74,900	N/A	125,000	N/A	40-55