WARD 5
BUSINESS NEEDS ASSESSMENT 2012

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This document presents the findings and recommendations resulting from analysis and synthesis of existing market data, surveying, commercial corridor assessment, stakeholder interviews and review of supporting documents. The results of the study and consultations provide the basis to develop recommendations and strategies designed to further strengthen Ward 5 by retaining existing businesses and providing broader concepts for commercial corridors. Comments are included to provide some context to findings but we encourage readers to review the multiple documents provided by government agencies and their affiliates.

With financial support from the D.C. Department of Small and Local Business Development (DSLBD), GWHCCF developed a Needs Assessment that will guide the delivery of assistance to small businesses in Ward 5 of Washington, D.C. In tandem with other economic development activities, GWHCCF sought to identify the needs of locally owned and operated businesses as part of a first phase; the second phase will provide those services needed by local businesses. The existing materials, data, surveys, analysis and recommendations presented takes into account the environment of sub-districts within Ward 5. The recommendations are based on feedback from interviewed stakeholders and an assessment of the physical environment.

A review of existing secondary sources was also conducted. Much of this research was coordinated by D.C. government agencies and directed to support the development pipeline. Geographically, Ward 5 is one of the largest areas in the District and while it does not have the density many businesses desire, it does have opportunities for large real estate development. Most of the existing materials reflect large plans, focused on Brookland, Fort Lincoln and McMillan reservoir.

A few major developments occur within the boundaries of the ten sub-districts identified as priority areas. The largest developments are where there is much larger, assembled property and greater opportunity for large-tract housing and big-box development. Of these large projects, some are still in concept stage and a few have broken ground. Rhode Island Row, located at the Rhode Island Avenue Metro station, is the only completed project. Surveys revealed that local businesses are either: unaware of the developments; aware of these projects but unable to respond; will not be significantly impacted by the outcomes; or ambivalent to the changes.

The survey response was above average due to a concentrated effort of distribution in-person, online, and by mail; this was also made successful by an update of the existing inventory of Ward 5 businesses. While each completed survey offers specific insights into the local business environment, many of the activities that are needed should address a coordinated effort across the ward. There are certainly individual businesses that are successful by almost any measure; however, large-scale issues are typically at the detriment of the overall level of
business activity. For those who are well-versed in the communities’ strengths and weaknesses, some of the following comments may seem familiar; however, this analysis serves all readers who wish to assist.

MUCH OF WARD 5 NEEDS TO DO THREE THINGS:

1. **Prepare** for business opportunities and possible competition that may come with completion of large, planned-unit real estate development projects.

2. **Develop** coordinated economic growth strategies for the greater area.

3. **Encourage** the development of boutique manufacturing and professional services in post-industrial, warehouse areas and buildings.

It is hoped that Ward 5 will become a more sought-after development and business investment destination in the District’s renaissance. However, as a prerequisite, the exterior environment needs to be developed. Without addressing streetscape conditions and the physical setting, the built environment offers little incentive for new businesses to locate in the Ward. This is partly the reason for existing DC government initiatives to focus on those property owners that can manage their own property; i.e. big box and housing. These recommendations are also more likely to succeed if strong community-based organizations are involved to help champion the cause. We would like to believe that a community should offer more than inexpensive land and lower rents.

In spring 2011, GWHCCF responded to a Request for
Proposals (RFP) issued through the D.C. Department of Small and Local Business Development (DSLBD) to undertake a Needs Assessment within Ward 5. It would appear that, in spite of a decade of economic progress, this area of the District had not experienced significant commercial revitalization and an inquiry was in order. GWHCCF, upon being awarded, assembled a team of staff members, local consultants and volunteers with the necessary skills and capacity for the project.

A major concern is that Ward 5 has not experienced incremental change. There is a perception that many current businesses have not adjusted to a changing marketplace: to quote one survey assistant, “It’s like black-and-white television—the area is stuck in the 1970s.” With some areas only providing convenience stores and take-out food, the concern is that entire sections of the ward might be intimidated by the giant leap forward that is required in order to make Ward 5 competitive.

**WARD 5 DESCRIPTION**

According to the website of the DC Office of Planning, “Ward 5 is extremely diverse in character and history, ranging from quiet residential neighborhoods and local shopping streets, to new high-rise development and industrial uses. The Brookland neighborhood sits in the middle of the ward in the northeast quadrant. Developed as a commuter rail village in the late 19th century, it is full of charming Victorian homes and a number of Catholic institutions such as Catholic University of America and the Franciscan Monastery. Brookland gives way to early 20th century bungalow neighborhoods such as Michigan Park to the north and Woodridge to the east. To the west, neighborhoods such as Eckington and Bloomingdale, on either side of North Capitol Street, are more typical of the townhouse neighborhoods of central Washington, DC. To the south, Trinidad and Carver Langston are dominated by 20th century porch-front townhouses. To the east, Fort Lincoln is a modern “new town” development, with a mix of townhouses and apartments from the 1960s and 1970s. Ward 5 has a great deal of both industrial land and open space. Florida Avenue Market is the city’s wholesale center, with other industrial spaces in Eckington and Fort Totten, and along the railroad tracks, New York Avenue and Bladensburg Road. The Ward is also home to the National Arboretum and the U.S. Soldiers’ and Airmen’s Home. The northern portion of the NoMA neighborhood sits within Ward 5, and a number of mixed-use, high-rise developments are finished or in the works, bringing a bit of the hustle and bustle of downtown to the ward.”

Like many community-based economic development
initiatives, the overarching goal is to increase sales for local businesses by developing a quality environment where residents have a variety of goods and services; enjoy the visual and social qualities of the built environment; and celebrate the identity of the community and its people. Specific to this Needs Assessment, goals include:

A. Securing completed surveys from 25% of the businesses in these RFP designated service delivery areas:
   
i. Bladensburg Road, NE
   ii. New York Avenue, NE
   iii. Montana Avenue, NE
   iv. West Virginia Avenue, NE
   v. Benning Road, NE
   vi. Brentwood Road, NE
   vii. Florida Avenue east of North Capitol Street
   viii. Michigan Avenue, NE
   ix. Rhode Island Avenue, NE east of North Capitol Street
   x. South Dakota Avenue, NE

B. Obtain 50% of the Ward 5 Business Needs Assessments data from businesses that meet the following criteria:
   
i. Small and local businesses from broad range of locations;
   ii. CBE registered businesses; and
   iii. Construction; automobile service and retail; food retailers and restaurants businesses.

When conducting the research, GWHCC discovered that less than 50 businesses located in Ward 5 meet all three criteria. Anticipating this issue and after receiving approval from DSLBD, a survey approach was undertaken that focused on meeting as many of the scope of work criteria that could be achieved given the constraints. The initiation of all survey approaches (online, direct mail and walk-in) concentrated on securing one criterion from each subject and reaching out to the other two. Through this approach, the survey research was able to meet as many of the criteria as possible.

While this Report is part of a comprehensive...
approach, the following is a brief description of the Scope of Work specific to this Report. Specific tasks included:

- Review existing market information published by the DC Government and its partners.
- Collect and analyze data from Ward 5 business through the distribution of surveys in-person, online, or by mail.
- Recommend business services and the types of businesses that would most benefit.

This approach was approved by GWHCCF management in the fall of 2011. Research and services include:

1. Formulation of project goals.
2. An assessment of the general Ward 5 marketplace through a review and evaluation of secondary sources of market data: published reports and past surveys.
3. An analysis of Ward 5’s strengths and weaknesses in relation to competing trade areas.
4. Completion of surveys focused on locally-owned and operated CBES within designated geographic areas.
5. An assessment of the Ward’s current performance including estimates of buying power and a gap analysis.
6. Provide research findings and recommendations for action.
7. Prepare final document for DSLBD.

One important note is that the survey findings do not
reflect Ward 5 as a whole. DSLBD and GWHCCF were focused on identifying the needs of locally-owned and operated businesses; therefore, established chains and franchises were bypassed in order to efficiently manage the data collection process and secure as many relevant surveys as possible.

Some individual surveys were collected that were slightly outside of the research project’s domain. A small number of surveys were completed by banks, fast food chains, business that were occupying buildings illegally, and businesses with dual purposes (e.g. for-profit daycare with a barber shop). This shows the breadth and depth of how a community develops an informal economy in relation to its local population. These surveys were well managed; 15% of total surveys are within one standard deviation. This is considered an acceptable amount.

A second consideration is that surveyors were directed to prioritize sub-districts of Ward 5 and use selective criteria as a preliminary screening. The survey therefore provides a wide geographic sample but specifically avoided many high-concentration commercial areas. It is possible (if not likely) that surveys represented the “second-best” businesses within a ward that is already lagging in competitiveness. Anecdotally, since location is a major factor in any retail business’s performance, a mediocre auto repair shop in Columbia Heights is still higher-performing than a mediocre auto repair shop on Bladensburg Road. This does not invalidate the surveys, but this methodological concern is difficult to capture without a bird’s-eye view.

More than 275 businesses were contacted for this exercise. The populations that responded to the online and in-person surveys did vary. Less than 25% were online and more than 75% were in person. The GWHCCF-administered online survey (with regular mail follow-up) targeted businesses that had pre-existing relationships with government agencies and were therefore more likely to respond to the questions. The historical attributes of the online respondents were significantly different than the walk-in respondents. The differences are itemized in the findings.

Lastly, the willingness of the respondent mattered; all properties were contacted at least twice within selected sub-districts unless they forcibly refused or declined on the initial visit.
A. EXISTING CUSTOMER AND BUSINESS SURVEYS

In 2008-09, GWHCCF assisted local organizations with determining Ward 5 community needs. Three hundred online survey responses were received; and interviews were conducted with another fifty businesses and fifty residents. Interviews included: former Ward 5 Councilmember Thomas, his staff and ANCs. This local input created a comprehensive overview of the issues that concern Ward 5 constituents. The following small business technical assistance needs were identified by that process:

• Marketing and strategy assistance
  Forty-one area businesses requested some form of technical assistance and thirty additional businesses were referred by residents as needing assistance. Businesses acknowledged they need marketing and strategy guidance to succeed in their current setting.

• Loss of large neighborhood defining businesses
  Two restaurants that served as cornerstones of the community closed and more recently a supermarket was lost.

• Lack of a coordinated retail strategy
  Existing NIF Investment Plans state there is sufficient income to support additional neighborhood-serving retail. There is no strategy in place to fill the gap.

• New commercial developments present challenges to existing businesses
  Large developments have been proposed nearby. Small businesses requested assistance to respond to the challenges and opportunities they present.

• Small scale commercial districts
  The average number of businesses per corridor is 30. Small “clusters” of commercial activity make single revitalization strategies more difficult.

• Lack of a solid brand identity
  Less than 20% of respondents have an opinion of the commercial areas. There is no brand identity or value proposition that gives shoppers a reason to visit. High vacancy - Numerous vacant commercial spaces dispersed throughout target areas (e.g. lower 12th Street NE, Woodridge); communities have developed a response.

As part of the group that completed those surveys three years ago and through ongoing work in Ward 5, GWHCCF believes these concerns still require a targeted response.

B. WARD 5 INVENTORY LIST

GWHCCF completed an Inventory List for all registered businesses within Ward 5 and have successfully coordinated the completion and distribution of a Ward 5 Business Directory.
C. RETAIL ACTION STRATEGY

The Retail Action Strategy (the Strategy) examines ways to strengthen the District’s retail base at both the District-wide and local scale. Briefly, the purpose of the Strategy is to:

- Promote vibrant, attractive and walk-able commercial districts with a broad range of retail businesses and street-enlivening uses.
- Expand opportunities for small and local retailers.
- Match retail opportunities with neighborhood needs and demand.
- Help guide private investment.
- Recapture spending leaking to other jurisdictions.

The Strategy focuses on understanding the unique characteristics of individual retail submarkets to create a path for neighborhood-specific strategies. The study particularly focused on commercial areas that are not meeting the full range of needs of nearby residents as well as they could, and that have been unsuccessful in sustaining or attracting viable retail concentrations due to real or perceived market weakness.

For this report a brief summary has been completed from various sections of material provided by the DC Office of Planning and the Washington, DC Economic Partnership. For more information, please visit dc.gov. The Strategy analyzes the retail needs and conditions of the entire city, as well as for a number of local neighborhood retail centers. Brookland, North Capitol Street and New York Avenue/Bladensburg Road are the three Ward 5 areas of the twenty submarkets/neighborhood commercial districts analyzed in the report. While Brookland and North Capitol Street are not considered priority areas for this Report, the following is a summary of findings for all three areas:

i. New York Avenue/Bladensburg Road

**Strategic Advantages:** Two large development projects expected to add 10,000 new residents. The National Arboretum attracts tens of thousands of visitors annually. Recently developed offices and several hotels augment resident retail market demand.

**Key Retail Development Opportunities:** 1) Large-scale retail (targeted specifically for the historic Hecht Co. art deco warehouse); and 2) Restaurants (both quick-service and sit-down).

ii. Brookland

**Strategic Advantages:** High percentage of small, independently owned businesses and historic commercial buildings; the Yes! Organic grocery store on 12th Street; Monroe Street’s large blocks, strong visibility, and close proximity to the Brookland-CUA Metro station make it ideal for high density, transit-oriented mixed-use development; Several large parcels near the Metro station are already slated for redevelopment and will include approximately 80,000 square feet of new retail space.

**Key Retail Development Opportunities:** Multi-neighborhood retail anchors on Monroe Street, west of the Brookland-CUA Metro station; small-scale, neighborhood- and University-serving retail along 12th Street, NE.
iii. North Capitol

Strategic Advantages: NoMa is expected to eventually contain more than 20 million square feet of retail, residential, office, and hotel space; the recently constructed New York-Florida Avenue-Gallaudet University Metro station is a catalyst for redevelopment and makes the commercial district accessible to pedestrians.

Key Retail Development Opportunities:
The neighborhood lends itself well to small, neighborhood serving retail development. Residents and daytime workers generate ample market demand for a new grocery store, multiple restaurants, and one or more entertainment/recreation stores, such as a fitness center.

D. SMALL AREA PLANS, NEIGHBORHOOD INVESTMENT FUND PLANS AND REVITALIZATION STRATEGIES

Government initiatives that provide for civic engagement were beneficial to the planning of this Report. These initiatives include processes that involved multiple meetings with attendance often approaching 100 stakeholders at each meeting.

i. The Comprehensive Plan includes implementation items for DC government agencies and a primary action item is Economic Development. Planned strategies for economic development include: business attraction and retention to maintain and grow the DC economy; creating a better environment for sustainable business initiatives; neighborhood commercial revitalization by supporting additional commercial districts besides existing Main Streets; and anti-displacement strategies for small, local businesses.

ii. Neighborhood Investment Fund: The District has provided various funding sources to improve the business environment. The Neighborhood Investment Fund (NIF) is an annual non-lapsing, revolving fund to finance economic development and neighborhood revitalization in 12 target neighborhoods. NIF provides a pool of resources to support investment and revitalization in emerging and distressed neighborhoods. The Council envisioned NIF as contributing to a
broader economic development tool kit to achieve a critical mass of investment needed to make a significant and visible impact in its target neighborhoods. Through NIF resources, public and private investments can be leveraged to enhance and encourage economic development. Specifically NIF funding can be used by eligible non-profits to assist businesses with physical improvements to storefronts and skill development in retail management and marketing. The District of Columbia Office of Planning in partnership with the NIF Program’s implementing agency, the Office of the Deputy Mayor for Planning and Economic Development, worked with community stakeholders in each target area to develop an investment plan. The target area investment plan is designed to identify community priorities for NIF investments and to set an investment agenda for NIF resources over a five year period.

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iii. The Northeast Gateway Revitalization Strategy and Implementation Plan: The revitalization strategy outlines strategies that will: protect and strengthen affordable housing to ensure existing residents will not be displaced by rapidly rising rents and property taxes and promote home ownership among the community’s renters; diversify and expand housing choices to attract residents of all income levels to the community and retain the community’s professional and middle-income population base; enhance the physical environment in the area’s commercial corridors and neighborhoods; and diversify the business base to meet the needs of residents and create retail amenities, take advantage of potential job creation and entrepreneurial opportunities and create opportunities for empowering residents, through vocational training, entrepreneurship, employment and ownership.

iv. The Brookland/CUA Metro Station Small Area Plan uses improved streetscape elements, additional housing units, and office space to bring more potential customers to the commercial district. With streetscape improvements and a bike trail, the area will serve as a greater connector to the shopping areas along 12th Street NE making it more economically profitable for small businesses to start and grow.
E. **SALES GAP/LEAKAGE**

Social Compact defines sales leakage at the neighborhood level as: "An estimate of the flow of dollars in and out of a particular neighborhood, derived through subtracting annual sales revenue from aggregated resident expenditures." The explanation continues: "A positive dollar amount means residents’ expenditures exceed business revenues and represents unmet demand for the given geography. A negative dollar amount does not necessarily imply that neighborhoods are sufficiently retailed, rather that business revenues exceed resident expenditures in the area. Negative leakage can often be explained by dollars that flow into a neighborhood as a result of visitor and worker spending due to the presence of destination shopping and flagship retailers."

Unfortunately, none of the 29 neighborhoods that were addressed in 2007 Drilldown are located in Ward 5. This fact implies that at that time Ward 5 had not begun to participate in the renaissance that has been experienced by surrounding wards. Leakage at this time is the same because very few projects have been completed in Ward 5 since 2007. Commercial leasing for Rhode Island Row is incomplete and McMillan Reservoir is still in pre-development. Ward 5 lags behind all wards west of the Anacostia River because it is a less attractive business environment.

The sales potential in Ward 5 has never been identified. However, the term sales leakage is hardly suitable because there are so few consumer good categories made available by local businesses. There are very few stores that carry anything beyond convenience-based items. Outside of a few discount stores, there are very few establishments that carry the following items: appliances, furniture, home accessories, and sporting goods. Clothing and apparel retailers target specific market such as plus sizes and urban street fashion. As an example, the corner of 4th and Rhode Island reveals six take-out restaurants (with zero seats); four liquor stores; three small convenience stores, and one bank. One block further is public storage, three churches and a McDonald’s.

There are many automotive-related businesses. However, auto-repair activities are primarily based on an informal economy that does not respond to technical assistance or marketing strategies and recent initiatives by D.C. agencies have discouraged the continuity of small auto dealerships. Due to product upgrades, car repairs are less frequently required; urban-based automobile rows are drying up across the nation. Interviews revealed that the proprietors know this; Bladensburg Avenue businesses understand that they are considered “suboptimal.” Business owners repeated time and again: if they had somewhere else to go, with a different set of skills, they would have moved by now.
F. OTHER MATERIAL

There is an enormous amount of support material that can be accessed from DC.Gov. Most of it regards large scale projects that are in the development pipeline. It is comprehensive and should be reviewed due to its own merit.

- Census Data
- Great Street Presentations: Rhode Island Avenue
- Maps by Census Tract
- Retail Action Strategy
- Small Area Plans
- Neighborhood Investment Plans for Bloomingdale/Eckington; Brookland.
- Retail Challenges in the District
- Comprehensive Plan for Ward 5
- Customer Surveys
- Business Surveys
- Washington, DC Drilldown

New Residential Building in Ward 5
During a three-month span, GWHCCF representatives conducted more than 20 site-visits in selected areas to collect survey data. Visits were on all days of the week, during morning, midday and evening, and under various weather conditions. In previous roles, team members have been active with GWHCCF staff in Ward 5, visiting the corridor over the past five years and are familiar with the area’s progress during that time.

Online surveys had a series of questions that did not lend to statistical analysis and were for the benefit of other GWHCCF initiatives; these questions included Questions 1 through 8 and 20 through 22. In addition, the walk-in survey had questions that called upon observations by the survey team and are referred to as Questions C3 and C5; D3 through D5. In these cases, any survey question that did not correlate to both approaches was marked as “Unsure/No Answer.”

Different Results: On average, online respondents represented larger, more established businesses than walk-in survey respondents. This is based on a comparison of responses to Questions 11 through 13, 19, 23 and 27, i.e., number of customers and employees; average sales transaction; size and quality of buildings, etc.

A. SURVEY FORMAT

The walk-in survey was comprised of four sections:
Section A - physical characteristics of the business setting.
Section B - business operations.
Section C - property and neighborhood conditions.
Section D - served as the fourth section, addressing sales, merchandising and perceptions of business environment.

Additional inquiries were made with regards to the perceived adequacy of business assistance currently provided.

The first page of the survey served to gather basic information if the surveyor was unable to directly interview a business representative. Questions A1, 2 and 4 are a consideration on land use and its perceived value. With the size of the District a modest 61 square miles (with 33% being federally controlled), it could be said that real estate is one of the most lucrative investments; how it is used (or not used) can reveal a great deal about local investment strategy.

For this report, 114 of the surveys collected were analyzed. However, all questions were optional. Therefore, while 114 surveys is the maximum amount of responses that any one question can have, some questions have a significant percentage with a response of Unsure/No Answer. In the following findings, both percentages and raw amounts will be used in order to best illustrate the responses.
B. SURVEY FINDINGS
This section describes the findings specific answers and statistics of qualitative interpretations of the individual survey results from each question.

A1. Building Height: Nearly two-thirds of respondents are located in a one-story building; none are over three stories. While Ward 5 has a few new projects in the development pipeline, the priority sub-areas are not the city’s premium real estate and this is reflected by the sub-optimal heights and density. This is a ward-wide situation; any recommendation on the proper location for the surveyed businesses is a decade away as commercial lease rates can be 3-4 times higher in other parts of the District, and qualified, small businesses will fill those areas first. Ward 5 still only attracts big-box retail with enormous ground-level parking demands. Larger projects and housing turnover need to settle in before small businesses change their footprint.

A2 and A4: A) The buildings’ sizes are too disparate to draw conclusions except that there are many sizes of footprints because land is less valued; thus, a mixture of office, retail, wholesale and industrial use are evenly distributed. B) Square Footage and Parking: 95% of off-street parking lots had available spaces at any given time of day. In addition, more than 50% have off-street ground-level parking. Parking is not a priority issue for business viability in Ward 5.
A3. **Proper Location:** 87% (or 99 of 109 responses), perceive their business is in the “right” location. Considering the negative perceptions of the area from previous surveys, these results were somewhat surprising. Proprietors could justify their location decisions in the following ways: the businesses are not dependent on location; walk-in customers are less significant or underappreciated, or they have not compared their location to other options. This could be applied to any business in the sub-districts.

![Proper Location](image)

The “B” questions are related to visible aspects of operations, the number of employees and customers, and customer satisfaction. Walk-in surveys are less likely to obtain discreet business information; however, in combination with Page 2 questions, an approximation of annual sales can be ascertained as well as an assessment of the level of business activity.

B1. **Operating Hours:** 55% of businesses did not have operating hours clearly marked. Further conversations reveal mixed meanings of this statistic: 1) many businesses are not dependent on foot-traffic; 2) proprietors wish to retain their autonomy by avoiding consistent hours; 3) and many Ward 5 businesses are inconsistent in their operations. The findings do not imply that designated hours will significantly impact sales performance. Ward 5 is not considered “walkable” for pedestrian traffic and is under competitive in D.C.’s modern marketplace. When it is further cross-analyzed with average sales transactions and standard lease rates, it seems likely that many buildings are debt-free and therefore do not require the business to be open as many hours to be as profitable as a rent-paying business. We do not condone this business behavior, but it is a choice by the owner.

![Operating Hours Marked](image)

B2. **Number of Workers:** 70% have 5 employees or less and 90% have ten or less. However, this does not represent all of Ward 5 as the survey team was encouraged to pursue small businesses. Priority areas were shopping-plaza based (Brentwood, mid-Rhode Island Avenue) or small neighborhood clusters (West Virginia, Montana Avenue) which tend to have small
businesses as tenants. It can be stated that Ward 5 does have a large percentage of small businesses and they are mostly convenience-based, which requires less staffing than comparison shopping. Other locations addressed on older industrial roads contain wholesale distributors which represent surveys responding with staff of 5 to 20.

**B3. Does business meet Customer Expectations:**
87 of 99 respondents said they met customer expectations; however, this seems paradoxical compared to customers surveyed in 2008 who believed there were many unmet needs. We are led to believe the difference lies between needs and expectations. Most likely, many customers’ demands go unmet. With the sales leakage so profound, it is not a leak but rather a flood. However, as far as expectations, customers have set them so low as to expect very little beyond the basics. Dominant categories of merchandise available include gasoline, tires, liquor and fast food. The recommendation is to support current initiatives that encourage big-box development and let smaller businesses develop around them with time. This is a few years away.

**B4. Estimated Daily Customer count:** 58 of 84 respondents have less than 20 customers per day (or average approximately two per hour). As this covers no less than ten sub-districts over approximately ten square miles, it is difficult to ascertain a direct statement on these averages. In addition, these areas included a mixture of convenience stores, wholesale distributors, auto sales and offsite construction services. Evenly distributed responses are indicative of the warehouse environment and low pedestrian activity. While this does not help us measure customer foot traffic patterns, it does reinforce that Ward 5 is a multi-use commercial area which is both good and bad.
The “C” questions were intended to consider whether the built environment was conducive or prohibitive to the shopping experience and whether the business was willing to invest in the business and its surrounding area. Anticipating the ward’s various and multiple uses, it was important to capture general conditions; thus, certain benefits could be spread across businesses.

**C1. Building Condition:** Less than one third of buildings were in Good Condition (and very few were Very Good). More than two-thirds are Okay or Need Work; these responses suggest the visual appearance of the buildings and/or properties is not an asset. In earlier customer surveys, there were a very limited number of businesses that draw customers from beyond a limited trade area. Appearance is not assisting in securing outside customers. For industrial businesses, it is not as significant, but to convenience and comparison shopping, it is more material.

**C2. Signage:** Signage and Building Condition are highly correlated. Similar to buildings, less than one third of signs were in Good Condition. Approximately two-thirds are Okay or Need Work and more than 10% have no signage at all. Again, these responses suggest the visual appearance of the building and/or property is not an asset.

**C3. Interior:** See above; very similar results to C1 and C2 with a high correlation.
C4. Perception of Area: Surveys were similar in responses to C1, 2 and 3 but even more centralized around Okay. Setting aside the Unsure/No Answer, 87 responses were received. Less than 10% saw their respective area as Good. While we may question the causes for businesses lacking decent signage or interiors, we can’t ignore the negative perception of entire sections of Ward 5; of the ten sub-district areas, none are considered above average or average. In brief, there is little justification for existing businesses to stay, new businesses to enter, or property owners to invest in these areas.

D1. Estimated average sales per customer transaction: These three questions were intended to ascertain business awareness of profitability as well as their customer purchase point. Numbers reflect a large amount of convenience store-level transactions and a decent amount of industrial business, but very little in the $50-$250 range of transactions. If a general pattern was sought, results were inconclusive due to the various business types.

D2a and 2b. Sales up or down: These three questions were intended to address their response to external factors. 67% of those who answered are down, mostly due to the economy. Approximately 22% were up due to existing customers; many surveyors (39 of 114) were reluctant, unsure or gave no answer as to a change in sales. It became obvious that questions D1 and D2 were just a guesstimate; very few monitored sales and even fewer articulated a response as to when the economy had negatively impacted sales.

D3-5. Inventory, overall appearance and ease to shop: These three questions were intended to address the shopping experience. More than half were well-stocked in that they can get you what you want. Stores were “clean enough” and fairly convenient. This reverts to the analysis...
in B3 regarding needs versus expectations; it is our view that the customers: a) are not asking for specific products; b) have already established shopping patterns in other locations and c) many respondents work within light industries so there is less expectation for a business to carry machine equipment; they order it for a customer.

D7. Nearly half of businesses surveyed responded they were aware of business resources provided; however, this was skewed by the online respondents. 16 of the 33 who claimed to be aware of the resources were from online surveys. Casting aside online responses, this means that program awareness is below one-third (17 of 53) of respondents, not including 45 responses of Unsure/No Answer.

D8. Sales per Month: 70 answers were provided. 13 had sales of less than $5,000 per month; 17 have sales of $5-10,000 per month; 16 have sales of $10-25,000 per month; and 24 have sales more than $25,000 per month. 44 were unsure or did not provide an answer. Projecting, this suggests that 30 of 70 businesses have gross sales less than $120,000 per annum. That is barely sufficient to keep one active employee—namely, the proprietor. If the proprietor was to close shop that business activity would cease as it is doubtful a new owner would consider it a profitable venture.

D9. 25 of 70 respondents stated Financial Management was a concern. Similar to D7, the responses were skewed towards online respondents; 12 of the 20 online stated Yes. Regarding D10, Regulatory issue, this question was in proportion between walk-in and online; less than 25% of responses had regulatory concerns to address.
D11. Most Pressing Issues: Respondents were allowed to choose more than one issue. There were responses in all seven areas of need, ranging from 3-23% of actual responses. 10% expressed no need and 36, or roughly one-third of surveys did not provide an answer. The largest concern was Government Contracting with 28 responses (once again, nearly half the responses came from online—signifying they may be larger organizations chasing larger sales). Second and third, respectively, were Business Strategy and Marketing.

D12 and 13: Request for assistance or attend training workshop: These questions were highly correlated. Two-thirds would attend training or benefit from a consultant; however, nearly all online responses were positive which suggests that the online respondents are already an attentive audience “tuned into” their relationship with GWHCCF. Ultimately, this does no harm to the mission of the survey— to identify and offer assistance to those who are in need and/or request it— but it is worth mention that it is less accurate a number if it is to be extrapolated to the greater Ward.

C. SURVEY ANALYSIS AND SYNTHESIS

This section highlights key, resounding themes that have been extrapolated from the survey data.

Business not dependent on location – Many of the popular business types in Ward 5, like automotive and construction, do not depend on their physical location to make sales. They make sales from all over the city and region. The fact that location is not an important factor in most Ward 5 business’s location is apparent when one considers that the Ward still primarily attracts big-box retail with enormous ground-level parking demands. The presence of large parking lots shows that the trade area that these businesses serve is very large and that it is the cheap land that is most valuable to them, not a location in Ward 5. Paradoxically, many businesses responded that they perceive their business to be located in the “right” location. These results were somewhat surprising considering the negative perceptions of the area from previous surveys.

Low business activity due to sub-optimal building heights, low residential density, and a warehouse environment – Fifty-eight of eighty-
four respondents have less than 20 customers per day. This is evidence that the ward’s density is not supplying businesses with a large number of customers. For industrial businesses, it is not as significant, but for convenience and comparison shopping it is more material. Very few businesses monitored sales and even fewer articulated a response as to when the economy had negatively impacted sales. Thirty of seventy businesses have gross sales of less than $120,000 per annum. That is barely sufficient to keep one active employee—namely, the proprietor. If the proprietor was to close shop that business activity would cease as it is doubtful a prospective owner would consider it a profitable venture.

**Current businesses do not meet customer expectations** – Eighty-seven of ninety-nine respondents said they met customer expectations; however, this seems paradoxical compared to customers surveyed in 2008 who believed there were many unmet needs. Ward 5 Sales leakage is so profound that it is not a few leaks but rather an estuary system that flows into its surroundings. It seems that customer expectations are so low that they expect very little beyond the basics. Dominant categories of merchandise available in the Ward include gasoline, tires, liquor and fast food. It is our view that customers: a) are not asking for specific products; b) have already established shopping patterns in other locations and c) many respondents work within light industries so there is less expectation for a business to carry specific products; instead they order it for a customer.

**The shopping environment is convenience based** – Seventy percent have five employees or less and 90% have ten or less. It can be stated that Ward 5 has a large percentage of small businesses and they are mostly convenience-based, which requires less staff than comparison shopping, tradable services or destination experiences. Wholesale distributors that completed surveys responded that they have a staff of five to twenty.

**Visual building and storefront appearance is not an asset** - Less than one third of buildings were in Good Condition. Since a very limited number of businesses that draw customers from beyond a limited trade area appearance is not assisting in securing outside customers. Since less than 10% saw their respective area as Good, there is little justification for existing businesses to stay, new businesses to enter, or property owners to invest in these areas.

**Low pedestrian activity** – Fifty five percent of businesses did not have operating hours clearly marked. This means that there is not a verifiable marketplace present in most of the sub-districts surveyed, therefore not requiring businesses to be open to access customers.

**Technical assistance is only requested from businesses already “clued in” to services** - Nearly all of the online responses were positive with regards to assistance services being beneficial to their businesses. This suggests that the online respondents are already an attentive audience “tuned into” their relationship with GWHCCF.
Two-thirds would attend training or thought that they would benefit from a visit from a consultant. The largest concern was Government Contracting with 28 responses (once again, nearly half the responses came from online- signifying they may be larger organizations chasing larger sales). Second and third, respectively, were Business Strategy and Marketing.

Most construction companies are not site-specific. For example, Sunbelt Rentals along 7th Street NE delivers forklifts and other construction equipment to the site. Those along Bladensburg Road are lumber yards, cement mixer stations or salt yards; they deliver product to projects, they are not showrooms. The same can be said for the cabinet makers along Brentwood Parkway.

On paper, there are many construction-based businesses along New York Avenue; there are dozens of construction-based companies at 1818 New York Avenue. In reality, a majority of the offices are “mop rooms with a mailbox;” that is, businesses who desire to have a DC address in order
Many businesses will fade away along stretches of Bladensburg Road. With its proximity to Route 50, the Arboretum and Capitol Hill, it is difficult to avoid anticipating that area becoming anything other than brand new multi-family housing. Larger projects and housing turnover need to settle in before small businesses change their footprint and parking is not a priority issue for business viability in Ward 5.

If a broader strategy to revitalize underperforming areas were to be implemented, Woodridge would be the best initial target area. Along Bladensburg Road, the clusters are already situated: there is a 10-bay garage that serves as an example; each bay provides a different auto-related service.

There is something to be said for creating “triumvirates of trade,” where 3 skilled individuals combine forces in order to develop a more sustainable strategy.

to have preferred vendor status. They have met their goal (DC address, low rent) and have no interest in relocating or receiving assistance; they too, are below the radar.

Ward 5 has industrial sites that straddle the railroad tracks, however, DC has never had a significant industrial economy and those buildings will likely see more office use in the coming generation. Some are currently used for charter schools; others are used for dance studios; group housing, public storage, etc. They are used for the size of the footprint, not for the machinery inside. In other words, the buildings are clustered, not the businesses inside them. This could change with the right approach; DC does have a deficit of small, innovative firms when compared to metropolitan areas of a similar size. If the District wants to grab market share in software firms from Virginia or film production from Maryland, Ward 5 would be the place.
APPENDIX

I. Survey Questionnaire
II. Screen Shot of Survey Monkey Page
III. Sample Correspondence