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Executive Summary

The Montgomery County Department of Housing and Community Affairs (DHCA) retained Economics Research Associates in March 2002 to analyze conditions in the commercial district along Flower Avenue and Piney Branch Road in Long Branch. Our scope of work is designed to produce a market analysis that serves to confirm various opinions about the study area's problems and opportunities, provide factual data about current business conditions, and identify the depth of buying power from nearby residents (and possibly other potential market segments).

The core of our study outlines a series of targeted public and private initiatives and strategies designed to strengthen and diversify the commercial district, address issues of physical decline and, based on ERA's findings, to ensure its longer-term viability as a pedestrian-scale, neighborhood retail center supported by the buying power of nearby residential neighborhoods and subdivisions.

Core Tasks

As the basis for this work, ERA completed the following tasks:

- Prepared a profile of the demographic and economic characteristics that define the area known as Long Branch to identify fundamental drivers of retail demand. We note that this profile examined eight census tracts and 22 block groups that roughly correspond to the geographic boundaries of the Long Branch Neighborhood Initiative;
- Conducted a series of stakeholder interviews and three focus groups to gather information from a cross-section of residents, property owners, retailers, businesses and others to gather a range of market and physical information and to ensure that our recommendations have the broadest possible public and institutional support;
- Created a detailed inventory of commercial space in the study area and evaluated physical conditions, retail tenant mix, rental and vacancy rates, opportunities and constraints and other factors that affect the overall marketability of the study area for retail and commercial use;
- Evaluated potential market support for various retail categories by identifying relevant market segments (e.g., residents, nearby employees, inflow from other potential markets and the like); analyzing the sales potential for prospective retail categories based on local spending patterns and expected tenant sales performance/productivity; and estimating the amount of new supportable retail space in Long Branch based on viable capture rates of expenditures from these market segments; and
- Identified on a preliminary basis a set of both short- and long-term leasing and marketing strategies and public actions designed to strengthen and diversify the commercial district, address issues of physical decline and to ensure its longer-term viability as a neighborhood retail center supported by the buying power of nearby residential neighborhoods and subdivisions.

This report details our key findings and recommendations, as well as the findings of our commercial inventory, demographic profile and market analysis. Supporting tables are in the Appendix to this report. The report is organized into four sections—Executive Summary, Demographic & Economic Profile, Commercial Inventory, Retail Market Potentials, and Public Support.

Our analysis and subsequent recommendations reveal that this is an incremental strategy; several of the “building blocks”—such as streetscape and circulation improvements—are already being addressed by Montgomery County. Thus, our strategies and other recommendations are designed as a sequential set of steps of modest investment that build upon one another. Over time, and with focused public and private investment, they should succeed in re-establishing the Long Branch retail district as a viable neighborhood retail center. Key recommendations of our leasing and marketing strategy and other findings are summarized below.

Our study revealed that several key pieces of information are necessary in order to market the Long Branch retail district effectively. Preparation of a comprehensive database is necessary before a leasing/marketing strategy can be created and before a tenant recruitment campaign can be undertaken. These include:

- Specific information from property owners on their short- and long-term re-investment, redevelopment or holding strategies
- Specific leasehold information (e.g., lease expiration dates, renewal options, etc.);
- Current sales levels by tenant/merchandise category

Key Recommendations

Strategy 1: Conduct Consumer Intercept Surveys

Timeframe: Short-term (1 Year)

ERA recommends that a statistically valid consumer survey (both mail-in and pedestrian/consumer intercept) be completed as the basis for a carefully crafted leasing and marketing strategy to validate likes/dislikes and to de-bunk myths about problems and constraints in Long Branch. (We note that intercept surveys were not part of this assignment). Moreover, such a survey should seek to confirm the depth of potential market support that exists from the buying power of nearby residential neighborhoods as well as the types of retailers and merchandise categories that could help to inform a subsequent leasing strategy.

This should include a minimum of 400 to 500 surveys to be statistically reliable using a carefully crafted survey instrument and conducted—ideally—over multiple time periods/seasons to understand peak shopping times, seasonality and the like. ERA can recommend survey research firms to Montgomery County as appropriate.

Strategy 2: Prepare Property Database

Timeframe: Short-term (1 Year)

The second key element of a database for Long Branch includes the preparation of a detailed property database as outlined above to identify ownership, property size, zoning, lease terms (rollover), assessed valuation, potential liens, and a description of the property. This database should be prepared to understand potential uses, site and building information, and lease expiration among other characteristics for potential tenants, users or investors. These would be property description sheets for each property and could be used to inform site and/or district strategies, re-use or redevelopment opportunities and as context for other strategic decisions.

The lack of data on current tenant/retailer productivity (i.e., sales per square foot) and sales tax receipts generated by businesses in Long Branch is also critical in understanding district retail trends. As a result, ERA used current rental rates (as reported by property owners) in our analysis as a surrogate for missing sales data. Ideally, the property database would also collect reliable information on the performance levels of all retail tenants in the district as a means of gauging the overall health of the district.

Until this information can be obtained, the leasing and marketing strategy outlined below should be considered preliminary.

Strategy 3: Address Urban Design Issues

Timeframe: Ongoing & Long-term (3 to 5 Years)

While this study is focused on a market analysis of Long Branch and is not a physical design strategy, there are several key issues related to urban/physical design that are likely to affect the district's overall marketability and should be addressed to meet a key objective—to reinforce the district as a pedestrian-scale, neighborhood retail center.

First, there appear to be several “sub-zones” where smaller sections or blocks of the district can serve different markets. (As noted in greater detail below, for example, this may include an “arts and dining play” along Flower Avenue oriented to higher-income households on the north and west sides of the trade area).

However, this will require attention to a range of treatment for urban and physical design. For example, there are too many “fragmented” edges. This includes retail orientation and storefront setbacks—particularly along Piney Branch Road—that are suburban formats. This is illustrated in too many curb cuts, front-end surface parking, difficult pedestrian environment and the like. Moreover, current floorplate sizes in many retail centers located in Long Branch are too inefficient to meet the display, merchandising and servicing needs of many national retailers today.

As a result, ERA recommends that Montgomery County address these urban design issues with short- and longer-term efforts. In the short-term, we recommend the continuation of County efforts in judicious streetscape improvements. Over the longer-term, as market opportunities arise, strategies designed to address storefront setbacks, parking requirements

(including on-street), zoning amendments and permitting, the location of auto-oriented businesses, floorplate sizes and other physical factors should be examined closely. These objectives may be met among existing County initiatives such as the Commercial Revitalization Overlay Zone and/or new initiatives, such as an Urban Design Overlay Zone. An overlay zone could also be designed to identify special urban design requirements for future development to reinforce Long Branch as a pedestrian district.

For example, the owners of the Flower Theater retail center have proposed a new retail center of approximately 28,000 sq. ft. located on Flower Avenue to the north of the center on a site currently used as surface parking. ERA notes that, while store depths in this proposal appear sufficient (60 to 80 feet), consideration should be given to pulling the footprint to the street, clustering the parking to the side, etc. ERA recommends that Montgomery County consider this proposed project as a potential model for future, larger-scale redevelopment opportunities that may occur over the longer-term (e.g., Bestway site) to address the issues identified above. For the Bestway site, any new building footprint could be pulled closer to Piney Branch Road. As a result, tenants could also share the service alley behind the Flower Theater retail center. This is a means of addressing the “fragmented edges” noted above.

Another physical design issue includes the substantial linear orientation of the Long Branch retail district. At an estimated length of more than 2,000 feet from Flower Avenue to University Boulevard, Piney Branch Road is too long to serve as a walkable, pedestrian-scale retail street. As a result, there are two “disconnected” retail clusters. Based on our inventory and market analysis, ERA is not convinced that the two “nodes” belong together. In fact, they reflect different characteristics in terms of retail mix and market orientation. For example, many of the businesses located around the intersection of Piney Branch Road and University Boulevard are highway-oriented retailers that rely heavily on the substantial daily traffic along University Boulevard. Conversely, ERA believes that the intersection of Piney Branch Road and Flower Avenue, with its more compact physical layout, should be the primary location to build upon the objective of a pedestrian-scale neighborhood retail center.

Strategy 4: Initiate Centralized Marketing & Management

Timeframe: Long-term (3 to 5+ Years)

Based on our inventory and market analysis, ERA notes that the retail mix in Long Branch today is oriented primarily to independent (i.e., “mom & pop”) proprietors. There are telltale signs that suggest the performance of several retailers is weak: low sales volumes, reportedly undercapitalized retailers, reported high turnover, a loss of “stable” retailers, low rents, a lack of percentage rents and the like. In addition, there is ongoing physical decline and obsolescence in spite of County investment over time in infrastructure and streetscape improvements.

Potential retail strategies should be designed to meet not only the primary objective of reinforcing Long Branch as a neighborhood retail center but the following objectives as well:

- Diversify the business mix not only to reinforce neighborhood convenience shopping but by adding selected retailers/merchandise categories that could serve to selectively draw from a larger trade area (e.g., destination restaurants);
- Support entrepreneurial growth and investment to preserve and enhance the success of independent proprietors—including businesses oriented to the area’s substantial ethnic populations;
- Improve the physical environment and pedestrian safety by continuing Montgomery County’s ongoing efforts in streetscape and circulation improvements (e.g., sidewalks along Piney Branch Road); and
- Identify opportunities for new in-fill commercial development (e.g., underutilized parking lot on Flower Avenue).

As a means of supporting the County’s current menu of incentives, such as façade easements and storefront improvement grants, and providing other revitalization services and programs on an ongoing basis, ERA recommends the creation of a centralized marketing and management program in the Long Branch retail district that could help market the businesses and services in the district to the marketplace. In many ways, this key recommendation reflects the approach taken by the National Main Street Program.

One of the key findings of this study is that retailers and businesses (along Piney Branch Road particularly) have difficulty believing their location is unified/cohesive due to the long, linear nature of the street. Marketing initiatives undertaken as part of a centralized marketing and management program (or entity) could address this important issue.

As detailed in Section 4 of this report, ERA understands that previous revitalization efforts in Long Branch undertaken by Montgomery County between 1978 and 1990 included, among many other successful efforts, the establishment of a non-profit economic development corporation that:

- Made Community Development Block Grant (CDBG)-funded loans and coordinated SBA 503 loans for the area;
- Conducted joint advertising and promotions; and
- Coordinated business and building improvement efforts.

ERA urges that Montgomery County consider reinstating this critical program because of the need for focused, sustained, coordinated and inclusive support to replace disjointed, uncoordinated and sometimes “frantic” actions. In so doing, this will serve to:

- Support the objective of enhancing the success of local businesses and/or entrepreneurial growth by minimizing financial risks associated with small or undercapitalized businesses.

- Provide a structure to ensure ongoing maintenance and upkeep of the district, including streetscape and other physical refurbishments completed by Montgomery County.
- Over time, a successful centralized marketing and management effort typically entices national tenants—capable of paying higher rents because of higher sales volumes—to consider locations where such efforts are underway as success increases pressure on rental rates and owner expectations. This may increase pressure on Long Branch retailers and may necessitate consideration of financial incentives for selected retailers to maintain the mix of local businesses in the commercial district. A centralized marketing effort could administer such a program.
- A centralized marketing/management entity (sometimes filled by local government staff) represents the interests of retailers and property owners by lobbying for public funds, coordinating design efforts for façade improvements and building rehabilitation projects and overseeing other programs as identified above.

The County’s primary role in a centralized marketing and management program includes:

- Providing initial funding for the first few (say three to five) years of operation, or until such time as the program generates sufficient revenue on its own from either a special assessment, annual fundraising events, or other contributions as noted above;
- Undertaking coordinated parallel efforts, such as streetscape improvements, technical assistance for design and business management; and
- Ensuring that County participation/intervention in specific projects is consistent with those identified by property owners.

A centralized marketing and management program provides the structure necessary to anticipate the evolution and cycles inherent in retailing economics and to respond with critical tools and incentives. This program frequently serves as an intermediate step leading to a more institutionalized structure such as a business improvement district.

Strategy 5: Create a “Restaurant Row”

Timeframe: Long-term (3+ Years)

Based on ERA’s market demand analysis, there appears to be an opportunity to create a “Restaurant Row” along Flower Avenue. This can only be achieved with sufficient critical mass, that is, the addition of four to six (or more) creditworthy restaurateurs that would address a perceived void in the upscale market. High-quality ethnic restaurants (e.g., Samantha’s) in a cluster will serve as a magnet for both low- and higher-end customers (physically, this strategy could be used to reinforce Long Branch’s orientation to both low and higher-end markets) as evidenced by the demographic profile illustrated in Section 2 of this report.

As part of this key strategy, ERA recommends the following:

- Retain El Gavilan as a key (i.e., beyond-neighborhood-serving) anchor. This may require participation from Montgomery County in a creative land deal such as a land-

swap or long-term lease agreement if consideration is given to relocating the County liquor store located at the corner of Flower Avenue and Piney Branch Road.

- Crafting a tenant recruitment strategy that identifies potential restaurants currently located in Clarendon, Columbia Pike and/or Adams-Morgan that are ahead of Long Branch in the economic cycle (i.e., increasing rental rates may force these restaurants to relocate from these areas).

Strategy 6: Identify Other Releasing & Redevelopment Opportunities

Timeframe: Long-term (3 to 5+ Years)

To enhance Long Branch’s identity and market orientation as a pedestrian-scale, neighborhood retail center, it is critical that redevelopment opportunities be identified. New construction will require significantly higher base rents that, in turn, will require national or strong regional tenants capable of paying higher rents. Otherwise, releasing opportunities are limited and, it will be very difficult to attract national tenants—particularly higher-end—without new construction, since the majority of space is located in older buildings at low rent thresholds.

In order to diversify/increase the retail mix, it is critical to have three key elements: property ownership/control, incentives to induce owners/tenants to initiate changes and/or a creditworthy tenant(s) to force change (otherwise, it is voluntary). Currently, ERA believes that the retail mix in Long Branch is too down-market. While it is well served on the lower end, there is an insufficient number/mix of higher-end tenants.

In terms of other tenant categories, ERA believes that it will be difficult to attract traditional apparel retailers to Long Branch; there are too many viable, competing alternatives in the marketplace. There may be opportunities, however, to focus on the following releasing opportunities based on ERA’s preliminary market analysis (see Section 3) and experience in commercial district revitalization:

- Create a niche in home furnishings for price-sensitive tenants. This might include, for example, moderately priced used furniture/antiques (e.g., Rough & Ready in Washington, D.C.) or a “paint-it-yourself” pottery store. The “Baby Boom demographic” in the surrounding trade area—either newly formed households or empty nesters with disposable income that may be considering home renovations—should be considered the primary market. As re-leasing opportunities become available over the long-term, several 3,000 to 5,000 sq. ft. footprints should be marketed for this tenant niche.
- Identify opportunities for leisure & entertainment to complement/reinforce the restaurant row concept. This might include a health club (in secondary space), music/nightclub venues and/or a cinema/draft house like the one formerly located in Bethesda. A cinema/draft house will require a full liquor license since liquor (and food) sales and not the movie venue itself generate the majority of revenues.
- Address the “100% corner” currently occupied by the County liquor store. ERA notes that this could include relocation (i.e., as part of a land-swap or “anchor” tenant deal in

a new retail project located to the north of the Flower Theater retail center on Flower Avenue). Alternatively, Montgomery County may wish to focus on façade improvements to open/soften the blank façade facing Piney Branch Road by creating display windows as part of a beautification strategy designed to complement/upgrade what has been completed previously along Flower Avenue in the district.

- ERA also studied the preponderance of food/grocery stores in Long Branch. Our research notes that Giant Food succeeds in drawing from beyond the immediate trade area. Reportedly, its annual sales levels are higher than the national average for large grocery stores. We further note that Bestway, Americana Grocery and Oriental Supermarket have all created a special market niche in both Latin and Asian grocery items. The remaining grocery and convenience food retailers appear marginal. ERA submits that this merchandise category is over-supplied; however, there is no information available on sales productivity and proportion of sales attributable to food and liquor (if the establishment holds a liquor license). As property values and rental rates increase over time, ERA believes that some portion of these marginal grocers will vacate, thus freeing up space to diversify the tenant mix.
- It is highly unlikely that a department store (as suggested by several stakeholders) will locate in Long Branch. Reasons include ongoing industry consolidation, inefficient and small floorplates, Long Branch's secondary retail location, limited vehicular traffic and other market factors.

Retail Market Potentials

In this task, ERA completed the following tasks:

- Identified relevant market segments (e.g., residents, nearby employees, inflow from other potential markets and the like);
- Analyzed the sales potential for prospective retail categories based on local spending patterns and expected tenant sales performance/productivity; and
- Identified the amount of supportable space in Long Branch as a ratio of the total supportable retail space generated by household consumer spending patterns in the surrounding neighborhoods.

Typically, a retail demand analysis compares the sales potential in a market area to current tenant sales either by intercept survey or sales tax receipts. We note that retail sales tax receipts in Maryland are collected at the Zip Code to which the tax bill is sent. As a result, there is no way to identify the sales performance of retailers in Long Branch.

Instead, ERA used current rental rates (as reported by property owners) in our analysis as a surrogate for missing sales data. (Ideally, the property database would also collect reliable information on the performance levels of all retail tenants in the district as a means of gauging the overall health of the district).

Demographic and Economic Profile

Trade Area

ERA has defined a trade area for the Long Branch commercial corridor that consists of 22 Census block groups within one to two miles of the study area center (the intersection of Flower Avenue and Garland Avenue). These trade area definitions consider the Corridor's locational characteristics, including access and visibility; geographical and behavioral boundaries (e.g. Sligo Creek); and market competition.

As noted, the area corresponds roughly to the Long Branch Initiative boundaries and is generally bounded by the Capital Beltway on the north, Sligo Creek on the west, Carroll Avenue and the Prince George's County line on the south, and the Northwest Branch on the east. Two block groups west of Sligo Creek (Tract 7024.01, Block Groups 1 and 2) were added at the specific request of residents at the Interim Presentation. The study area and its constituent block groups are shown below.



Demographic characteristics of the study area were examined at the block group level in order to capture an accurate snapshot of demographics and distinctions across geographic areas. Broad aggregation of data and/ or use of ring analysis to define market segments can result in an oversimplified or inaccurate demographic profile. Demographic characteristics of all block groups appear in Table 1.

Block groups were also grouped by income levels (block groups with median household income of less than \$45,000, between \$45,000 and \$70,000, and more than \$70,000) because the wide variance of income levels across the study area was of particular interest to stakeholders. Data by block group, aggregated by income category appear in Tables 2, 3, and 4.

It should be noted that all data reflect 2002 estimates for 2000 Census geographies, based on projections from the 2000 Census data, *including income figures*. For this reason, figures vary from those presented at the Interim Presentation, at which time this data was not available. Key findings regarding population and households and income and expenditures follow.

- The population of the study area as a whole increased by 8.5 percent between the 1990 Census and the 2000 Census, keeping pace with other parts of the metropolitan area (Prince George's County, Maryland, 9.9 percent; City of Falls Church, Virginia, 8.3 percent) but below the overall growth rates of Montgomery County (15.4%), the Maryland suburbs of DC (as defined by the Metropolitan Washington Council of Governments, 14.3%), and all of Metropolitan Washington (also as defined by MWCOG, 14.6%).
- Households with income between \$45,000 and \$70,000 represent the majority (57%) of households in the study area. Households with income over \$70,000 account for 29 percent of total area households and are concentrated north of the Piney Branch commercial corridor. Households with income less than \$45,000 account for 15 percent of total households and are located in closest proximity to the commercial corridor.
- Retail spending represents between 28 and 48 percent of average household incomes. Retail spending categories include groceries, food and beverage away from home, apparel and accessories, home furnishings, and leisure and entertainment.

Commercial Inventory

ERA completed a comprehensive commercial inventory of properties within the study area. Sources included individual property owners, Storetrax, The National Research Bureau Shopping Center Directory, and Key findings from the commercial inventory are highlighted below:

- The study area contains **292,000 sq. ft.** of retail space in six small retail centers and in scattered locations along Flower Avenue and Piney Branch Road. In addition, other

uses include professional office space (32,000 sq. ft.) and social service/religious (17,000 sq. ft.).

- Piney Branch Road contains the lion's share of commercial space—126,000 sq. ft. Another 85,000 sq. ft. are located on Flower Avenue.
- The study area contains almost 126,000 sq. ft. of grocery stores and convenience food stores—or 43% of the total commercial inventory. This includes the Giant, Bestway, and Americana grocery stores. Notably, this amount of space would suggest that, relative to the current merchandise mix in Long Branch, **grocery stores are over-represented in the study area.**
- Other major retail categories include restaurants/carry-out (45,000 sq. ft.) and automotive (38,000 sq. ft.). Long Branch is under-represented in apparel and accessories and there is a high concentration of discount/dollar stores, check-cashing outlets, and pawnshops.
- There are **18 restaurants** containing between 1,000 and 4,000 sq. ft. of space. This is sufficiently large to be considered a *critical mass* of food and beverage; however, because of the scattered locations of restaurants throughout the study area as well as a lack of street visibility and frontage for many of them, it suggests the need for a carefully crafted marketing strategy.
- Notably, the current vacancy rate in the commercial district is *quite low*. We caution, however, that Long Branch contains a number of undercapitalized retailers at very low rents.
- Based on our inventory and survey of property owners, rental rates in Long Branch range from approximately **\$7 to \$23 per sq. ft.** This would suggest that annual sales performance (using industry standard ratios of approximately 10% of rent to sales) is in the range of \$70 to \$230 per sq. ft.—on the *lower* end of productivity for a commercial district the size of Long Branch.
- The lack of high concentrations of nearby employment reinforces resident-based expenditures as the predominant source of market support for retail uses in Long Branch.

Retail Market Potentials

Using the information gathered in these initial tasks, the next step in our analysis included an evaluation of potential market support for various retail categories in Long Branch. In this task, ERA completed the following tasks:

- Identified relevant market segments (e.g., residents, nearby employees, inflow from other potential markets and the like);
- Analyzed the sales potential for prospective retail categories based on local spending patterns and expected tenant sales performance/productivity; and

- Estimated the amount of new supportable retail space in Long Branch based on viable capture rates of expenditures from the market segments identified above.

Typically, a retail demand analysis compares the sales potential in a market area to current tenant sales either by intercept survey or sales tax receipts. We note that retail sales tax receipts in Maryland are collected at the zip code to which the tax bill is sent. As a result, there is no reliable way to identify the sales performance of retailers in Long Branch. However, a secondary method of estimating sales performance is to compare tenant rent levels to industry standards of the ratio of rent to sales (by tenant category).

Using imputed sales based on a limited number of reported rents, ERA estimated the impact of incremental capture rate increases above today's levels, assuming a better mix of retail, food and beverage and atypical retail uses. Tables 8 and 9 illustrate our preliminary analysis.

Supportable Space, Existing Conditions (Table 8)

The first column in Table 8 lists the existing square footage of Long Branch's retail supply (broken out according to major retail category) based on the Long Branch Retail Inventory; according to the inventory, the district includes approximately 191,000 square feet of retail space. About two thirds of the total existing square footage is included in the grocery category, which characterizes the district as a 'neighborhood serving' retail mix, as opposed to a dining or destination specialty shopping district. The second column illustrates the total supportable square footage of retail space from the Long Branch trade area; it is important to note that this figure represents capture of 100% of all available expenditures. As part of a further analysis, ERA would adjust the assumed rate of capture to determine the actual impact of a portion of total potential sales within the market area on the existing mix.

The shortfall column illustrates the difference between existing retail supply and the total supportable (in all locations, not just Long Branch). The final column illustrates the percentage of total supportable space (assuming 100% capture of all available sales) represented by current supply. Of all the retail categories, only groceries could be considered to be within a reasonable range of rational capture of total potential sales.

Supportable Space, Assuming Higher Productivity and Improvements (Table 9)

Table 9 follows the same format, with two additions. The fifth and sixth columns illustrate how many more square feet of space could be supported with incremental increases of sales of 2.5% and 5.0%, respectively. Columns seven and eight represent the percentage of the total supportable space (at 100% capture) that the incremental growth and square footage would include as a relative percentage of increased square footage.

Leasing & Marketing Strategies

Key Issue: Market Analysis (Tables 1-4 and 6)

The market analysis indicates that the predominant source of retail expenditures in Long Branch will be generated by the surrounding neighborhoods (approximately 2 or so mile radius)

- The trade area is effectively a small city with a population of 32,000 in 11,000 households:
 - 3,205 households with annual HH incomes over \$70,000
 - 6,495 households with annual HH incomes between \$45,000-\$70,000
 - 1,649 households with annual HH incomes less than \$45,000
- In order to accurately estimate expenditure potentials in “GAFO” categories (defined as General Merchandise, Apparel, Furniture/Home Furnishings and Other), the study area’s existing retail inventory of 292,000 sq. ft. should exclude several categories
- These categories include automotive (38,000 sq. ft.), social service/religious (17,000 sq. ft.), discount stores/check cashing/pawnshops, etc. (28,000 sq. ft.), cleaners/beauty salons, etc. (24,000 sq. ft.). As the basis of comparison to GAFO categories, this effectively reduces Long Branch’s gross commercial inventory by 130,000 sq. ft.—fully one-third

Key Issue: Limited/Missing Information & Initial Next Steps

- Several key pieces of information are missing:
 - Specific information from property owners on their short- and long-term re-investment, redevelopment or holding strategies
 - Specific leasehold information (e.g., lease expiration dates, renewal options, etc.)
 - Current sales levels by tenant/merchandise category
- ERA recommends that a statistically valid consumer survey (both mail-in and pedestrian/consumer intercept) be completed as the basis for a carefully crafted leasing and marketing strategy to validate likes/dislikes and to de-bunk myths about problems and constraints in Long Branch
- This survey should also include preparation of a detailed database of leasehold information as outlined above to identify which stores are marginal
- A comprehensive database is necessary before a leasing/marketing brochure can be created and before a retail/tenant recruitment strategy can be undertaken
- Until this information is obtained, the leasing and marketing strategy outlined below should be considered preliminary

Key Issue: Physical Issues & Urban Design

- There appear to be several “sub-zones” where small pockets can serve different markets (e.g., an arts and dining play along Flower Avenue oriented to higher-income households on the north & west sides of the trade area)
- This is as much an urban design strategy as it is a marketing strategy: the “fragmented” edges will need to be addressed with an urban design district overlay
- There are two “disconnected” retail clusters—they don’t necessarily belong together
- The retail orientation and storefront setbacks—particularly along Piney Branch Road—are suburban formats. This is also exemplified in too many curb cuts.
- ERA recommends that Montgomery County address the urban design issues with an Urban Design Overlay Zone that dovetails the County’s existing Commercial Revitalization Overlay Zones. This would include physical issues such as storefront setbacks, parking requirements (including on-street), zoning amendments and permitting, location of auto-oriented businesses, floorplate size, etc.).
- Current floorplate sizes in many retail centers located in Long Branch are too inefficient to meet the display/merchandise/servicing needs of many national retailers
- The proposal by Greg Fernebach is “more of the same”. ERA recommends that Montgomery County consider this proposed project as a potential model for future, larger-scale redevelopment opportunities that may occur over the longer-term (e.g., Bestway site) to address the issues identified above
- While store depths in the Fernebach proposal appear sufficient (60 to 80 feet), consideration should be given to pulling the footprint to the street, clustering the parking to the side, etc.
- An Urban Design Overlay Zone should also identify special urban design requirements for future development to reinforce Long Branch as a pedestrian district

Strategies

Food & Beverage/Restaurants

- There appears to be an opportunity to target a “Restaurant Row” along Flower Avenue with 4 to 6 creditworthy restaurateurs
- This would address a perceived void in the upscale market
- Retain El Gavilan and Samantha’s as key (beyond-neighborhood-serving) anchors
- This may require participation from Montgomery County in a creative land deal such as a land-swap or long-term lease agreement if consideration is given to relocating the County liquor store

- High-quality ethnic restaurants in a cluster will serve as a magnet for both low- and higher-end customers (physically, this strategy could be used to “reinforce” Long Branch’s orientation to both low and higher-end markets)
- A tenant recruitment strategy should identify potential restaurants currently located in Clarendon, Columbia Pike and/or Adams-Morgan that are ahead of Long Branch in the economic cycle (i.e., increasing rental rates may force relocation from these areas)
- Long Branch is over-supplied in convenience food today; absent a recruitment strategy, re-leasing opportunities may emerge over time

Grocery & Convenience Food Stores

- Giant Food is a strong draw beyond the immediate trade area; its sales are higher than national average (\$600 to \$700 per sq. ft.)
- Bestway, Americana Grocery and Oriental Supermarket have a special market niche in both Latin and Asian grocery items
- The remaining grocery and convenience food retailers appear marginal, and therefore over-supplied (note: no information was available on sales productivity and proportion of sales attributable to food and liquor if liquor license is held)
- As property values and rental rates increase, ERA believes that some portion of these marginal grocers will vacate, thus freeing up space to diversify tenant mix
- Over the longer-term, the horizontal pad occupied by Bestway would be an appropriate redevelopment opportunity (e.g., pull new construction footprint closer to Piney Branch Road and share the service alley behind the Flower Theater retail center). This would address the “fragmented edges” issue

General/Other

- To enhance Long Branch’s identity and market orientation as a neighborhood-shopping district, it is critical that redevelopment opportunities be identified. New construction will require significantly higher base rents which, in turn, will require national or strong regional tenants capable of
- Otherwise, releasing opportunities are limited and, it will be very difficult to attract national tenants—particularly higher-end—without new construction, since the majority of space is located in older buildings at low rent thresholds
- In order to diversify/increase the retail mix, it is critical to have three key elements: property ownership/control, incentives to induce owners/tenants to initiate changes and/or a creditworthy tenant(s) to force change (otherwise, it is voluntary)
- Currently, ERA believes that the retail mix in Long Branch is too down-market. While it is well-served on the lower end, there is an insufficient number/mix of higher-end tenants

- In terms of other tenant categories, ERA believes that it will be difficult to attract traditional apparel retailers to Long Branch; there are too many viable, competing alternatives in the marketplace.
- There may be opportunities, however, to carve out a niche in home furnishings for price-sensitive tenants. This might include, for example, moderately-priced used furniture/antiques (e.g., Rough & Ready) or a “paint-it-yourself” pottery store.
- The retail recruitment strategy should be designed to tap the “Baby Boom demographic” in the surrounding trade area—either newly formed households or empty nesters with disposable income that may be considering home renovations. As re-leasing opportunities become available over the long-term, several 3,000 to 5,000 sq. ft. footprints should be marketed for this tenant niche.
- Consideration should also be given to identifying opportunities for leisure & entertainment to complement/reinforce the restaurant district concept. This might include a health club (in secondary space); music/nightclub venues and/or a cinema/draft house like the one formerly located in Bethesda. A cinema/draft house will require a full liquor license since liquor (and food) sales and not the movie venue itself generate the majority of revenues.
- It is very unlikely that a department store (as suggested by several stakeholders) will locate in Long Branch; reasons include current industry consolidation, inefficient floorplates, secondary retail location, limited traffic, etc.
- A tactical play to address the “100% corner” now occupied by the County liquor store (as noted above) could include relocation (as part of a land-swap or “anchor” tenant deal in a new Fernebach retail project). Alternatively, focus on façade improvements to open the blank façade facing Piney Branch with display windows as part of a judicious streetscape/beautification strategy designed to complement/upgrade what has been completed previously along Flower Avenue

Public Support

The core of our study outlines a series of targeted public and private initiatives and strategies designed to strengthen and diversify the commercial district, address issues of physical decline and, based on ERA’s findings, to ensure its longer-term viability as a pedestrian-scale, neighborhood retail center supported by the buying power of nearby residential neighborhoods and subdivisions.

As noted in the Executive Summary, our analysis and subsequent recommendations suggest an incremental strategy; several of the “building blocks”—such as streetscape and circulation improvements—are already being addressed by Montgomery County. Thus, our strategies and other recommendations are designed as a sequential set of steps of modest investment that build upon one another. Over time, and with focused public and private investment, they should succeed in re-establishing the Long Branch retail district as a viable neighborhood retail center.

Introduction & Overview

As background to inform our recommendations, ERA examined a range of successful commercial district incentives that are most commonly used today. Several of these retail strategies and tools have been examined in light of the objectives identified by Montgomery County at the outset of the study as well as their applicability to Long Branch and the recommended strategies. In addition, these incentives consider the array of programs currently offered in Montgomery County.

We examined the applicability of each strategy to Long Branch and have highlighted the potential roles and responsibilities of the public sector. We also have organized this section of the report according to the most promising incentives, those incentives that Montgomery County should consider but may not currently “fit,” followed by the least promising.

While these strategies focus on those tools that are most likely to achieve identified public objectives, we note that strategies and incentives designed to encourage retail and support and strengthen a community’s overall retail vitality can be quite broad. Generally, these incentives are grouped into two categories—financial and regulatory. The first, financial, is typically designed to reduce:

- Capital costs (e.g., land write-downs, buildout subsidies, site assembly);
- Financing costs (e.g., tax credits, low-interest loan pools);
- Operating costs (e.g., rent subsidies, utility cost incentives, tax abatements); and
- Developer risk (e.g., streamlining approvals, tenant incentives such as bail out clause).

The second mechanism includes regulatory relief, such as in code requirements. Other mechanisms sometimes include the provision of “soft” initiatives (e.g., marketing brochures, providing market research, etc.). These tools are oftentimes used to supplement the financial incentives. In ERA’s experience, incentive-oriented programs are substantially more effective than regulatory approaches. In formulating such incentives, the perspectives of multiple players (e.g., County departments, developers, retailers/tenants, neighborhood residents and others) should be considered.

Montgomery County Programs

Montgomery County’s Commercial Revitalization Program was created in 1978 and is intended to encourage renewal and modernization of older shopping areas throughout Montgomery County. The policies, administered by the Division of Community Development in the Department of Housing and Community Affairs (DHCA), are focused on improving functional layout, increase physical appeal, and foster economic stability. To help increase reinvestment in the County’s aging commercial districts, the County has developed a “Four Points Incentive Program” as the centerpiece of its Commercial Revitalization Program.

The Four Points Incentive Program is a nationally recognized commercial revitalization model that has also been used in other cities. Notably, the Flower/Piney Branch area was the first to benefit from the program, which offers:

- Technical assistance—in market analysis, parking and circulation studies, site and building evaluations and building façade design recommendations
- Financing—to fund storefront canopy grants, business loans and façade easements
- Architectural and design services—on a property-specific basis
- Streetscape improvements—to complement private reinvestment

In the Flower/Piney Branch commercial district, Montgomery County's efforts between 1978 and 1990 resulted in the following accomplishments:

- \$1.2 million to complete 4,300 linear feet of new streetscape improvements
- Reconfiguration of on-street parking, private parking lots and a re-built County mini-park
- 8 façade easements totaling \$165,000
- 2 State of Maryland rehabilitation loans
- 30 merchant loans for more than \$300,000
- \$1.5 million in private reinvestment
- Re-opening of a closed movie theatre (subsequently closed and re-opened again as a church)
- Re-opening of a closed grocery store

In addition, Montgomery County also established a non-profit economic development corporation that:

- Made Community Development Block Grant (CDBG)-funded loans and coordinated SBA 503 loans for the area;
- Conducted joint advertising and promotions; and
- Coordinated business and building improvement efforts.

ERA understands that Montgomery County has been awarded a Community Legacy grant of approximately \$100,000 for façade improvements in Long Branch and sidewalk improvements on Greenwood Avenue from among the \$10 million in Community Legacy program grants awarded by Governor Glendening this year.

The programs and incentives used elsewhere, such as the National Main Street Program, may be used to supplement or reinforce existing County programs. In other cases, such as business improvement districts, these tools and incentives are in use in specific locations of

Montgomery County (e.g., the Silver Spring and Bethesda Urban Districts) offering characteristics appropriate for the program (e.g., high-density office space) and relying on the private sector for their creation and sustainability. We have identified elements of these programs that are not appropriate for Long Branch.

Based on our inventory and market analysis, ERA notes that the retail mix in Long Branch today is oriented primarily to independent (i.e., “mom & pop”) proprietors. There are telltale signs that suggest the performance of several retailers is weak: low sales volumes, reportedly undercapitalized retailers, reported high turnover, a loss of “stable” retailers, low rents, a lack of percentage rents and the like. In addition, there is ongoing physical decline and obsolescence in spite of County investment over time in infrastructure and streetscape improvements.

Potential retail strategies should be designed to meet not only the primary objective of reinforcing Long Branch as a neighborhood retail center but the following objectives as well:

- Diversify the business mix not only to reinforce neighborhood convenience shopping but by adding selected retailers/merchandise categories that could serve to selectively draw from a larger trade area (e.g., destination restaurants);
- Support entrepreneurial growth and investment to preserve and enhance the success of independent proprietors—including businesses oriented to the area’s substantial ethnic populations;
- Improve the physical environment and pedestrian safety by continuing Montgomery County’s ongoing efforts in streetscape and circulation improvements (e.g., sidewalks along Piney Branch Road); and
- Identify opportunities for new in-fill commercial development (e.g., underutilized parking lot on Flower Avenue).

Key Strategy: Initiate Centralized Marketing & Management

Timeframe: Long-term (3 to 5+ Years)

“Best Practice”: National Main Street Program

As noted in the Executive Summary, to support the County’s current menu of incentives, such as façade easements and storefront improvement grants, and provide other revitalization services and programs on an ongoing basis, ERA recommends the creation of a centralized marketing and management program in the Long Branch retail district that could help market the businesses and services in the district to the marketplace. In many ways, this key recommendation reflects the approach taken by the National Main Street Program.

The Main Street Program is a comprehensive, incremental, low-cost, cooperative self-help program designed to revitalize neighborhood commercial or downtown districts “by the bootstraps.” It is a way to institutionalize local responsibility and accountability. It lends

itself quite well to districts—like Long Branch—that have a high concentration of independent proprietorships (i.e., “mom & pop” retailers).

Founded in 1974 by the National Trust for Historic Preservation, the Main Street Program is in use in 1,300 districts in 42 states. Its origins are in smaller communities. More recently, the Trust created its “Urban Main Street” program designed for larger cities of more than 50,000 population. Since its creation, the Main Street Program has produced \$8.6 billion in private and public re-investment among 43,000 existing and new businesses. It has created 161,000 jobs. Thus, the potential exists for high impacts at minimal cost.

Similar in concept to Montgomery County’s Four Point Incentive Program, its success relies on its “four point” approach, which encompasses simultaneous work in organization, promotion, design and economic restructuring. The biggest difference between the County’s four point approach and Main Street is Main Street’s focus on centralized marketing and management for areas like Long Branch that have multiple property owners. This is designed to create a sense of unity in fragmented areas. The program works most effectively in the first three approaches—organization, promotion and design—over a five- to six-year period. The fourth approach, economic restructuring, focuses on better understanding of retail market dynamics and economics.

Funding for a Main Street program depends on who sponsors it. For the first three years, funding is typically provided by a local government agency. Alternative funding sources include special seed money provided by a state or regional agency (e.g., regional planning commission), or through a private or non-profit organization such as a downtown business organization, Chamber of Commerce or local foundation. If it is public funding, it is typically funded for three years on a declining basis to shift the burden to the private sector (i.e., property owners and retailers) to ensure the program becomes self-sustaining. In other cases, funding is provided on a matching dollar-for-dollar basis.

Main Street programs share a common structure that relies on significant volunteerism through an appointed board of directors or an elected body such as a City Council or Economic Development Commission. Main Street programs also typically have one or more active committees, which focus on special projects, marketing efforts, etc. Paid staff includes a full-time director or manager and, depending on the size of the program, part- or full-time program assistants. Like Montgomery County’s commercial revitalization programs, Main Street’s services focus on providing technical assistance and financial grants to retailers and businesses, including:

- Low-interest loan pools for building rehabilitation;
- Grants or design assistance for façade improvements;
- Education and assistance on issues affecting Main Street merchants, such as promotions and marketing; and
- Promoting community events.

Applicability for Long Branch

The Main Street Program has proven successful at strengthening both neighborhood commercial and downtown retail districts nationwide.

Clearly, Montgomery County's current toolkit of commercial revitalization incentives mirror many of the elements of the Main Street program. As noted above, these include previous streetscape improvements in Long Branch as well as façade easements and storefront canopy improvement grants to property owners and businesses.

For Long Branch, specific elements of the Main Street Program provide a way to institutionalize local responsibility and accountability through a more formalized structure with full-time staff that provides an opportunity to:

- Support the County's current menu of incentives, such as façade easements and storefront improvement grants, by providing other services and programs on an ongoing basis. Specifically, creating a centralized marketing and management program for the Long Branch retail district could help market the businesses and services along the street to the marketplace. For example, one of the key findings of this study is that retailers and businesses (along Piney Branch Road particularly) have difficulty believing their location is unified/cohesive due to the long, linear nature of the street. Marketing initiatives under a Main Street program could address this important issue.
- The Main Street manager (sometimes a local government employee) represents the interests of retailers and property owners by lobbying for public funds, coordinating design efforts for façade improvements and building rehabilitation projects and overseeing other programs as identified above.
- As a non-profit entity, a Main Street Program in Long Branch would provide an opportunity to tap corporate sponsorships among larger County businesses (this could be designed similarly to Boston's "Corporate Buddy" initiatives that fund ongoing operating expenses associated with the program).
- A Main Street program would allow matching grants from the locality's annual stream of Community Development Block Grant (CDBG) funding. CDBG funds could provide a dedicated funding stream for various programs such as financial assistance or technical assistance to CDBG-qualifying projects, such as micro-enterprise businesses (five or fewer employees). (ERA has not researched CDBG eligibility in Montgomery County).

ERA urges that Montgomery County consider reinstating its program because of the need for focused, sustained, coordinated and inclusive support to replace disjointed, uncoordinated and sometimes "frantic" actions. In so doing, this will serve to:

- Support the objective of enhancing the success of local businesses and/or entrepreneurial growth by minimizing financial risks associated with small or undercapitalized businesses.

- Provide a structure to ensure ongoing maintenance and upkeep of the district, including streetscape and other physical refurbishments completed by Montgomery County.
- Over time, a successful centralized marketing and management effort typically entices national tenants—capable of paying higher rents because of higher sales volumes—to consider locations where such efforts are underway as success increases pressure on rental rates and owner expectations. This may increase pressure on Long Branch retailers and may necessitate consideration of financial incentives for selected retailers to maintain the mix of local businesses in the commercial district. A centralized marketing effort could administer such a program.
- A centralized marketing/management entity (sometimes filled by local government staff) represents the interests of retailers and property owners by lobbying for public funds, coordinating design efforts for façade improvements and building rehabilitation projects and overseeing other programs as identified above.

The County’s primary role in a centralized marketing and management program includes:

- Providing initial funding for the first few (say three to five) years of operation, or until such time until the program generates sufficient revenue on its own from either a special assessment, annual fundraising events, or other contributions as noted above;
- Undertaking coordinated parallel efforts, such as streetscape improvements, technical assistance for design and business management; and
- Ensuring that County participation/intervention in specific projects is consistent with those identified by property owners.

A centralized marketing and management program provides the structure necessary to anticipate the evolution and cycles inherent in retailing economics and to respond with critical tools and incentives. This program frequently serves as an intermediate step leading to a more institutionalized structure such as a business improvement district.

Business Improvement District (Urban District)

General Terms

A business improvement district (BID) is a mechanism designed to take responsibility for the “operations” of a downtown or neighborhood commercial district. Depending on state enabling legislation, these may be called special assessment districts, special services districts, urban districts or business improvement areas. They are created for a specific geographic area wherein landlord, property owners and real estate interests (which constitute the largest single group of participants) agree to a self-tax on property assessments to enhance or supplement basic municipal services, including security, cleaning/sanitation, social services and/or capital projects.

BIDs have several key elements in common:

- The initiative comes from business leaders who seek common services beyond those that local government can provide;

- Local government may determine boundaries, approve the annual budget and the financing strategy, and determine what services may be provided; and
- Business leaders shape the annual budget, hire staff, let contracts and generally oversee operations.

BID charges typically are included in the pass-through provisions of commercial leases—typically between \$0.10 and \$0.20 per sq. ft. of commercial space. Philadelphia’s Center City District, for example, collects \$0.13 per sq. ft. per year. Large property owners bear a major share of the costs, but they tend to support BIDs because such organizations offer the only conceivable way to ensure the maintenance of the district beyond their own properties. Moreover, it is easier to obtain developer buy-in if the BID enhances their achieved rent levels and overall tenant satisfaction. Only those who benefit, pay. Importantly, BIDs are popular with public officials because they bring private money into play as well as private sector thinking into decisions.

To afford latitude to businesses and to minimize potential political interference, the management entity of a BID generally is a quasi-governmental body or a designated non-profit corporation. In many cases, improvement districts are formed by an existing downtown organization, which may take the concept only to the planning/organization stage or it may actually combine its own and the district’s board of directors and operate under a single executive.

Behind every BID is a state law that, depending on the state, enforces various restrictive conditions. For example, New Jersey authorizes services but not capital programs. New Hampshire closely restricts assessment formulas. Connecticut restricts the size of eligible municipalities and Pennsylvania does not allow localities the option of confining the assessment to commercial properties. Local authority for BIDs is typically extended in five-year increments, providing a regular opportunity to evaluate operations.

BID revenues can be quite substantial in areas with significant commercial (office) densities—like Silver Spring or Bethesda. (Because of the lack of office density in Long Branch, it is unlikely that a BID would generate substantial revenues in Long Branch).

Other elements of a BID include the following:

- There is substantial flexibility in how BID funds are used. Small BIDs (i.e., those with annual budgets of \$50,000 to \$250,000) tend to focus on retail, offering services such as promotions, special events, joint advertising, and seasonal lighting and business attraction and retention programs. This may include marketing and sometimes, incentive financing.
- BIDs with large annual operating budgets (often \$1 million to as high as \$30 million) tend to concentrate their resources on these programs as well as on capital-intensive programs aimed at improving and maintaining the public environment, with major outlays for labor-intensive sidewalk cleaning and supplementary security. Board members tend to be hotel managers, office building owners, real estate brokers and

those who control significant amounts of commercial property. Philadelphia’s Center City District, for example, has an annual budget in excess of \$7 million.

Montgomery County

Montgomery County’s Urban Districts have been created (in Bethesda, Silver Spring and Wheaton) to provide an administrative and financial structure to accomplish specific objectives—such as maintaining streetscape, promoting programs and activities that benefit interest in the district, and providing additional services. As noted in the Silver Spring Urban District’s website

...“The Urban Districts allow for the provision of additional public services and facilities that are to the benefit of persons and properties within the district rather than the county as a whole”.

Funding for the Urban District programs is provided by an Urban District tax (special assessment); parking fees; and Optional Method Developer Fees. In Downtown Silver Spring, programs include enhanced landscaping (provided by the Silver Spring Urban Crew) and security (provided by the Silver Spring Service Corps), and coordinating programs and other special events such as First Night Montgomery, outdoor movies and a summer concert series.

Applicability for Long Branch

The creation of a separate (business improvement/urban) district does not appear to be a viable tool for commercial revitalization efforts in Long Branch. A high-density commercial tax base—like Silver Spring or Bethesda—is needed to ensure a readily available annual funding stream. The greater number of larger property owners (i.e., office buildings) in high-density locations such as Silver Spring are better able to distribute an additional tax assessment over a larger number of tenants, thereby reducing the overall burden on individual tenants. Long Branch has too many smaller property owners, businesses and retailers who are not necessarily capable of absorbing an additional tax assessment. Third, business improvement districts tend to be created in areas or locations that are well established and ready for the “next level” of intervention to enhance the public realm. Long Branch is not at this level today.

However, ERA believes that extending the programs and services currently provided by the Silver Spring Urban District to Long Branch could be an appropriate vehicle that should be explored further. Such a designation could offer the following benefits in Long Branch as part of our recommended strategies

- Wide latitude in the use of Urban District funds affords an opportunity to cover many different areas. For example, funds could be used to undertake bricks and mortar/physical projects (e.g., capital improvements or front-end tenant improvements) that the County might not otherwise have available in its annual Commercial Revitalization Section budget.
- Revenues could potentially be used for soft expenditures like tenant marketing, public events (such as those in Silver Spring), common area maintenance, or tenant

recruitment incentives. Such incentives might include technical assistance to retain or enhance management skills of specific businesses, including viable ethnic or minority-owned retailers. These incentives may also be used for undercapitalized/start-up businesses or to attract operators providing particular merchandise categories to diversify or strengthen the retail mix in Long Branch. As one example, these mechanisms could be used to increase the critical mass of specific retailers or restaurants in Long Branch, to market retailers along Flower Avenue and Piney Branch Road to strengthen/increase market draw, or to fund a series of public events on an ongoing basis throughout the year.

- Business improvement districts as a mechanism focusing on retail incentives provide an opportunity to fund cooperative ventures to supplement the County's ongoing storefront canopy grants (through the County's Storefront Canopy Grant Program) or business loans that use state funds through The Neighborhood Business Development Program (NBDP). These state funds are used to leverage private and non-state government monies to enhance the appearance and/or economic feasibility of specific projects.
- As noted, BIDs are oftentimes the next evolution beyond the Main Street Program discussed above, because they provide an ongoing source of funds to subsidize district management based on a "self-tax". Because BIDs are renewable by those properties affected in these special taxing districts, they offer a semi-permanent funding base that can be eliminated, should the property owners no longer find the services they provide to be useful. A BID may be an appropriate vehicle for higher-density locations such as Bethesda and Silver Spring where retail economics are improving incrementally. However, the lack of commercial densities in Long Branch will not be capable of generating sufficient funds in the near-term to warrant the political complexity of seeking approval for a special taxing district from property owners and tenants.
- The flexibility in the use of Urban District funds in Long Branch may offer an opportunity to provide incentives not currently offered by Montgomery County. As noted, these include technical assistance or other incentives to local businesses or to meet or enhance other objectives, such as funding ongoing public events, to enhance public space improvements and/or to recruit specialized or minority-owned businesses.

Given the range of constituencies that exist in Long Branch, the single most important element that appears to be lacking is a central point of contact with comprehensive district revitalization responsibilities. These responsibilities include accountability for a range of needs in the commercial district. While Montgomery County offers a significant number of incentives primarily focused on public space and physical improvements, these incentives do not typically focus on day-to-day management and coordination of private-sector activities (e.g., tenant recruitment, anticipation of changing property occupancies, long-term events-management and the like).

A central management staff (of one or more persons) offers the additional benefit of having a single point of contact and continuity of staff over time. A central management point of contact has the advantage of creating/developing a contact base, cutting red tape, and of serving as an advocate for the retail district and as a liaison between public- and private-

sector interests. Whether administered through a BID/Urban District, a Main Street Program or some other form of commercial district management, centralizing responsibilities for retail district coordination and strategic management has proven to be a critical element in reaching beyond the provision of financial and regulatory incentives. In ERA's experience, it has frequently been the provision of central management that has allowed commercial districts to move beyond physical enhancements into strategic leasing and retail mix adjustments, establishment of public-private partnerships, and realization of larger visions for commercial district renewal.

The typical annual budget requirement to establish and fund commercial district management ranges from a minimum of \$65,000 (for staff salaries, benefits and operating expenses) to well over \$150,000 per year (for multiple positions, market-rate rental of office space, etc.).

ERA notes that we also examined other tools like Tax Increment Financing (TIF). However, the ability to undertake large-scale redevelopment for commercial uses—which generate the increment available to fund specific public initiatives such as infrastructure—is likely to be limited in the study area.

Table 1
DEMOGRAPHIC AND ECONOMIC INDICATORS BY BLOCK GROUP, 2002
Long Branch Market Study

	BLOCK GROUP/AREA										
	Between the Creeks					New Hampshire Estates Rolling Terrace			Franklin Knolls/ Clifton Park		
	7017.02 BG1	7017.02 BG2	7019 BG1	7019 BG2	7019 BG3	7020 BG1	7020 BG2	7020 BG3	7021.01 BG1	7021.01 BG2	7021.01 BG3
Demographic Profile											
Population	1,996	831	1,743	669	757	2,131	1,196	2,070	3,135	1,343	1,180
Households	902	211	540	343	404	543	362	573	1,048	401	327
Average HH Size	2.2	2.2	3.2	2.0	1.9	3.9	3.3	3.6	3.0	3.2	3.6
Median Age	32.4	21.6	27.8	33.9	37.2	27.9	32.5	30.1	29.7	39.4	38.2
Total Housing Units	936	225	553	353	419	555	387	583	1,082	404	328
Median Household Income	\$47,498	\$52,250	\$38,500	\$40,547	\$41,389	\$46,920	\$38,182	\$72,794	\$63,815	\$70,747	\$67,375
Average Household Income	\$60,842	\$62,453	\$43,657	\$50,452	\$52,423	\$55,210	\$46,272	\$83,304	\$60,228	\$82,244	\$86,915
Per Capita Income	\$26,613	\$22,309	\$13,525	\$25,867	\$29,746	\$13,260	\$14,005	\$21,105	\$20,134	\$23,478	\$19,293
Annual Household Spending											
Groceries	\$ 3,920	\$ 4,747	\$ 4,703	\$ 3,716	\$ 3,653	\$ 5,597	\$ 4,967	\$ 5,727	\$ 4,863	\$ 5,487	\$ 5,709
Food & Beverage (Away From Home)	\$ 4,297	\$ 6,477	\$ 3,789	\$ 4,443	\$ 4,420	\$ 4,100	\$ 3,834	\$ 5,526	\$ 4,696	\$ 5,156	\$ 5,173
Apparel & Accessories	\$ 3,858	\$ 7,557	\$ 3,452	\$ 3,938	\$ 3,735	\$ 4,302	\$ 3,696	\$ 6,209	\$ 4,872	\$ 4,997	\$ 5,462
Home Furnishings	\$ 2,113	\$ 3,652	\$ 1,306	\$ 2,441	\$ 2,328	\$ 1,908	\$ 1,801	\$ 3,640	\$ 2,661	\$ 3,252	\$ 3,601
Leisure & Entertainment	\$ 4,386	\$ 7,756	\$ 3,118	\$ 4,755	\$ 4,582	\$ 3,872	\$ 3,455	\$ 6,618	\$ 5,218	\$ 5,765	\$ 6,152
Total:	\$ 18,574	\$ 30,190	\$ 16,368	\$ 19,293	\$ 18,717	\$ 19,778	\$ 17,754	\$ 27,721	\$ 22,310	\$ 24,657	\$ 26,098
As % of Household Income	30.5%	48.3%	37.5%	38.2%	35.7%	35.8%	38.4%	33.3%	37.0%	30.0%	30.0%
	BLOCK GROUP/AREA										
	Indian Spring/ Sligo-Branview				Sligo-Branview/ Core		Parkside Plaza, Three Oaks, and NW to 495			West of Sligo Creek	
	7022 BG1	7022 BG2	7022 BG3	7022 BG4	7023.01 BG1	7023.01 BG2	7023.02 BG1	7023.02 BG2	7023.02 BG3	7024.01 BG1	7024.01 BG2
Demographic Profile											
Population	807	1,069	1,676	714	1,627	2,287	866	1,878	1,408	907	1,785
Households	287	394	569	276	486	954	351	816	552	354	656
Average HH Size	2.8	2.7	3.0	2.6	3.4	2.4	2.5	2.3	2.6	2.6	2.7
Median Age	37.5	39.3	35.0	40.8	30.0	32.8	42.4	36.0	32.1	N/A	N/A
Total Housing Units	292	407	588	282	489	988	357	844	574	360	675
Median Household Income	\$106,563	\$106,534	\$84,977	\$94,500	\$48,333	\$53,140	\$100,227	\$54,989	\$56,316	\$77,714	\$61,595
Average Household Income	\$107,821	\$115,615	\$89,681	\$91,765	\$61,685	\$62,114	\$104,245	\$64,009	\$69,800	\$91,856	\$88,700
Per Capita Income	\$38,345	\$40,434	\$30,447	\$35,472	\$18,426	\$25,910	\$42,252	\$27,859	\$27,365	\$35,851	\$32,598
Annual Household Spending											
Groceries	\$ 5,658	\$ 5,468	\$ 5,389	\$ 5,408	\$ 5,180	\$ 4,239	\$ 5,253	\$ 4,282	\$ 4,478	\$ 5,215	\$ 5,069
Food & Beverage (Away From Home)	\$ 6,956	\$ 6,851	\$ 6,003	\$ 6,570	\$ 4,665	\$ 4,350	\$ 6,599	\$ 4,454	\$ 4,758	\$ 5,866	\$ 5,329
Apparel & Accessories	\$ 7,993	\$ 7,603	\$ 6,530	\$ 6,991	\$ 4,914	\$ 3,887	\$ 7,130	\$ 3,991	\$ 4,648	\$ 5,859	\$ 5,478
Home Furnishings	\$ 5,801	\$ 5,511	\$ 4,395	\$ 5,129	\$ 2,612	\$ 2,233	\$ 5,300	\$ 2,538	\$ 2,807	\$ 3,358	\$ 2,889
Leisure & Entertainment	\$ 9,658	\$ 9,295	\$ 7,615	\$ 8,587	\$ 5,104	\$ 4,396	\$ 8,775	\$ 4,680	\$ 5,243	\$ 7,180	\$ 6,361
Total:	\$ 36,066	\$ 34,728	\$ 29,932	\$ 32,685	\$ 22,474	\$ 19,105	\$ 33,056	\$ 19,944	\$ 21,935	\$ 27,477	\$ 25,125
As % of Household Income	33.4%	30.0%	33.4%	35.6%	36.4%	30.8%	31.7%	31.2%	31.4%	29.9%	28.3%
Grand Totals											
Population	32,075										
Households	11,349										

Table 2

DEMOGRAPHIC AND ECONOMIC INDICATORS BY INCOME CATEGORY, 2002

Block Groups with Median Household Income Under \$45,000

Long Branch Market Study

	7019 BG1	7019 BG2	7019 BG3	7020 BG2	Total
<i>Demographic Profile</i>					
Population	1,743	669	757	1,196	4,365
Households	540	343	404	362	1,649
Average HH Size	3.2	2.0	1.9	3.3	N/A
Median Age	27.8	33.9	37.2	32.5	N/A
Total Housing Units	553	353	419	387	1,712
Median Household Income	\$ 38,500	\$ 40,547	\$ 41,389	\$ 38,182	N/A
Average Household Income	\$ 43,657	\$ 50,452	\$ 52,423	\$ 46,272	\$ 48,201
Per Capita Income	\$ 13,525	\$ 25,867	\$ 29,746	\$ 14,005	N/A
<i>Annual Household Spending</i>					
Groceries	\$ 4,703	\$ 3,716	\$ 3,653	\$ 4,967	24%
Food & Beverage (Away From Home)	3,789	4,443	4,420	3,834	23%
Apparel & Accessories	3,452	3,938	3,735	3,696	21%
Home Furnishings	1,306	2,441	2,328	1,801	11%
Leisure & Entertainment	3,118	4,755	4,582	3,455	22%
Total:	\$ 16,368	\$ 19,293	\$ 18,717	\$ 17,754	100%

Source: Claritas, Economics Research Associates, July 2002.

Table 3

DEMOGRAPHIC AND ECONOMIC INDICATORS BY INCOME CATEGORY, 2002

Block Groups with Median Household Income Between \$45,000 and \$70,000

Long Branch Market Study

	7017.02 BG1	7017.02 BG2	7020 BG1	7021.01 BG1	7021.01 BG3	7023.01 BG1	7023.01 BG2	7023.02 BG2	7023.02 BG3	7024.01 BG2	Total
Demographic Profile											
Population	1,996	831	2,131	3,135	1,180	1,627	2,287	1,878	1,408	1,785	18,258
Households	902	211	543	1,048	327	486	954	816	552	656	6,495
Average HH Size	2.2	2.2	3.9	3.0	3.6	3.4	2.4	2.3	2.6	2.7	28
Median Age	32.4	21.6	27.9	29.7	38.2	30.0	32.8	36.0	32.1	N/A	
Total Housing Units	936	225	555	1,082	328	489	988	844	574	675	5,760
Median Household Income	\$ 47,498	\$ 52,250	\$ 46,920	\$ 63,815	\$ 67,375	\$ 48,333	\$ 53,140	\$ 54,989	\$ 56,316	\$ 61,595	
Average Household Income	60,842	62,453	55,210	60,228	86,915	61,685	62,114	64,009	69,800	88,700	\$ 67,902
Per Capita Income	26,613	22,309	13,260	20,134	19,293	18,426	25,910	27,859	27,365	32,598	
Annual Household Spending											
Groceries	\$ 3,920	\$ 4,747	\$ 5,597	\$ 4,863	\$ 5,709	\$ 5,180	\$ 4,239	\$ 4,282	\$ 4,478	\$ 5,069	22%
Food & Beverage (Away From Home)	4,297	6,477	4,100	4,696	5,173	4,665	4,350	4,454	4,758	5,329	21%
Apparel & Accessories	3,858	7,557	4,302	4,872	5,462	4,914	3,887	3,991	4,648	5,478	22%
Home Furnishings	2,113	3,652	1,908	2,661	3,601	2,612	2,233	2,538	2,807	2,889	12%
Leisure & Entertainment	4,386	7,756	3,872	5,218	6,152	5,104	4,396	4,680	5,243	6,361	23%
Total:	\$ 18,574	\$ 30,190	\$ 19,778	\$ 22,310	\$ 26,098	\$ 22,474	\$ 19,105	\$ 19,944	\$ 21,935	\$ 25,125	100%

Source: Claritas, Economics Research Associates, July 2002.

Table 4

DEMOGRAPHIC AND ECONOMIC INDICATORS BY INCOME CATEGORY, 2002

Block Groups with Median Household Income Over \$70,000

Long Branch Market Study

	7020 BG3	7021.01 BG2	7022 BG1	7022 BG2	7022 BG3	7022 BG4	7023.02 BG1	7024.01 BG1	Total
Demographic Profile									
Population	2,070	1,343	807	1,069	1,676	714	866	907	9,452
Households	573	401	287	394	569	276	351	354	3,205
Average HH Size	3.6	3.2	2.8	2.7	3.0	2.6	2.5	2.6	
Median Age	30.1	39.4	37.5	39.3	35.0	40.8	42.4	N/A	
Total Housing Units	583	404	292	407	588	282	357	360	3,273
Median Household Income	\$ 72,794	\$ 70,747	\$ 106,563	\$ 106,534	\$ 84,977	\$ 94,500	\$ 100,227	\$ 77,714	
Average Household Income	83,304	82,244	107,821	115,615	89,681	91,765	104,245	91,856	\$ 95,816
Per Capita Income	21,105	23,478	38,345	40,434	30,447	35,472	42,252	35,851	
Average Annual Household Spending									
Groceries	\$ 5,727	\$ 5,487	\$ 5,658	\$ 5,468	\$ 5,389	\$ 5,408	\$ 5,253	\$ 5,215	18%
Food & Beverage (Away From Home)	5,526	5,156	6,956	6,851	6,003	6,570	6,599	5,866	20%
Apparel & Accessories	6,209	4,997	7,993	7,603	6,530	6,991	7,130	5,859	22%
Home Furnishings	3,640	3,252	5,801	5,511	4,395	5,129	5,300	3,358	15%
Leisure & Entertainment	6,618	5,765	9,658	9,295	7,615	8,587	8,775	7,180	26%
Total:	\$ 27,721	\$ 24,657	\$ 36,066	\$ 34,728	\$ 29,932	\$ 32,685	\$ 33,056	\$ 27,477	100%

Source: Claritas, Economics Research Associates, July 2002.

Table 5
Survey of Retail Centers
Flower/Piney Branch Market Study

Center Name	Total Sq. Ft.	Anchors	Anchor (Sq. Ft.)	In-lines (Sq. Ft.)	Vacancy		Sales Per Sq. Ft.
					(Sq. Ft.)	%	
STUDY AREA RETAIL							
Piney Branch Shopping Center Flower Avenue and Piney Branch Road, SE Corner	27,121	TESS Center	2,400	24,721	-	0.0%	
Arliss Shopping Center Piney Branch and Arliss Street	51,173	Giant, Chevy Chase Hair Academy	45,635	5,538	-	0.0%	
Central Square Piney Branch and Greenwood	33,959	Americana Grocery	14,842	19,117	650	1.9%	
Flower Avenue Shopping Center Flower Avenue and Piney Branch Road, NE Corner	50,798	Iglesia de Restauracion (Formerly Flower Theater)	11,000	39,798	-	0.0%	
The Flower Center Flower Avenue and Piney Branch Road, NW Corner	22,240	Domino's, Payless ShoeSource	6,000	16,240	-	0.0%	
Bestway Center	24,540	Bestway Supermarket	17,540	7,000	-	0.0%	
Other Retail	134,995						
Subtotal - Community:	344,826		97,417	112,414	650	0.2%	N/A
COMPETITIVE COMMUNITY RETAIL CENTERS							
Woodmoor Shopping Center (Four Corners) Colesville Road and University Boulevard, Silver Spring	50,860	CVS, House of Linens	15,776	35,084	8,218	16.2%	
Langley Park Shopping Center University Boulevard and New Hampshire Avenue	102,000	Rite-Aid	12,000	90,000	2,000	2.0%	
Hampshire Langley Shopping Center University Boulevard and New Hampshire Avenue	134,425	Safeway, McCrory	58,564	75,861	1,800	1.3%	\$ 210
Takoma Langley Crossroads Center University Boulevard and New Hampshire Avenue	124,151	Aldi Supermarket	17,778	106,373	2,483	2.0%	
Subtotal - Competitive Retail Centers	411,436		367,681	163,335	12,762	3.1%	
ADDITIONAL COMPETITIVE RETAIL							
White Oak Shopping Center Route 29 and New Hampshire Avenue	480,156	Giant, Blockbuster, Sears, Rite-Aid, White Oak Bowling Alley	351,905	128,251	4,544	0.9%	\$ 300
Downtown Silver Spring Colesville Road and Georgia Avenue	450,000	Strosniders Hardware, Fresh Fields					
Westfield Shoppingtown Wheaton University Boulevard and Veirs Mill Road	1,100,000	Hecht's, JC Penney, Giant, Bally's, Sony Theaters	690,052	409,948	22,000	2.0%	\$ 330
Subtotal - Additional Competitive Retail:	2,030,156		1,041,957	538,199	26,544	1.3%	

SOURCE: Maryland Department of Assessments and Taxation, Individual Property Owners, StoreTrax, NRB Shopping Center Directory, Economics Research Associates.

Table 6
Commercial (Retail & Office) Tenants by Category
Flower/Piney Branch Market Study

	Address	Size (Sq. Ft.)	% Dist.
GROCER/CONVENIENCE STORE/OTHER FOOD			
Giant #66	8750 Arliss Street	45,635	36%
Oriental Supermarket	706 University Blvd E	20,000	16%
Bestway Maryland Supermarket	8540 Piney Branch Road	17,540	14%
Americana Grocery of Maryland	8541 Piney Branch Road	14,842	12%
Casa Viega	8709 Flower Avenue	6,420	5%
Flower Liquor Store	8701 Flower Avenue	5,000	4%
Universal Supermarket	8601 Flower Avenue	3,609	3%
Masim Supermarket	640 University Blvd E	3,125	2%
Dong Phuong Grocery	8545 Piney Branch Road	2,960	2%
Ocean City Seafood	8745 Flower Avenue	2,500	2%
7-11	650 University Blvd E	2,500	2%
Santa Barbara Supermarket	8484 Piney Branch Road	1,891	2%
Subtotal:		126,022	37%
RESTAURANT/CARRYOUT			
Phnom Penh	706 University Blvd E	10,000	21%
El Tazumal	8739 Flower Avenue	4,000	8%
Granja de Oro/ Puerto el Triunfo	8523 Piney Branch Road	3,537	7%
El Gavilan	8805 Flower Avenue	3,000	6%
Domino's Pizza	8700 Flower Avenue	2,500	5%
Pupuseria Dona Azucena	8728 Piney Branch Road, #A	2,478	5%
Africana Inc.	8545 Piney Branch Road	2,003	4%
Eastern Carryout	8555 Piney Branch Road	2,003	4%
Jerry's Subs and Pizza	701 University Blvd E	2,000	4%
Tropicana Restaurant	8638 Flower Avenue	2,000	4%
Samantha's	631 University Blvd E	1,914	4%
Cuco Lindo	8472 Piney Branch Road	1,891	4%
Caribbean Café	8482 Piney Branch Road	1,891	4%
Flower Deli	8707 Flower Avenue	1,800	4%
Manna Carryout	8640 Flower Avenue	1,579	3%
Beijing Delight	8646 Flower Avenue	1,579	3%
Baskin-Robbins	8532 Piney Branch Road	1,500	3%
Armadillo's	8501 Piney Branch Road	1,152	2%
Ba Le Carryout	8736 Piney Branch Road	1,000	2%
Subtotal:		47,828	14%
AUTO-RELATED			
Miles Glass Co	8714 Piney Branch Road	14,548	39%
Piney Branch Shell	8533 Piney Branch Road	3,750	10%
Quality Tune-up	8537 Piney Branch Road	3,500	9%
Nationwide Transmission	649 University Blvd E	3,418	9%
Clifton Park Exxon	701 University Blvd E	2,288	6%
Piney Branch Mobil	8550 Piney Branch Road	1,817	5%
Globe Auto Body Works	8640 Flower Avenue	1,579	4%
Midas Auto Systems Experts	8528 Piney Branch Road	4,000	11%
Quick Car Wash	641 University Blvd E	2,753	7%
Subtotal:		37,653	11%

Table 6 (Continued)
Commercial (Retail & Office) Tenants by Category
Flower/Piney Branch Market Study

	Address	Size (Sq. Ft.)	% Dist.
OFFICE/PROFESSIONAL SERVICES			
Sterling Dental Center	8716 Piney Branch Road	3,000	9%
Montgomery Beauty School	8736 Arliss Street	2,538	8%
Crown Dental Laboratories	8720 Flower Avenue	2,250	7%
Pablo A Figueredo, DDS	8720 Flower Avenue	2,250	7%
Ana's Fashions	8541 Piney Branch Road	1,963	6%
APM Driving School	8545 Piney Branch Road	1,963	6%
Berta Becerra Insurance	8545 Piney Branch Road	1,963	6%
Yamira's Travel	8545 Piney Branch Road	1,963	6%
Futrovsky Nitkin & Scherr	8517 Piney Branch Road	1,614	5%
Skyward Travel Center	8634 Flower Avenue	1,008	3%
Piney Branch Animal Hospital	632 University Blvd E	3,125	10%
Maxim Clinic	632 University Blvd E	3,125	10%
Maxime Pharmacy	632 University Blvd E	3,125	10%
Blackstone Construction	644 University Blvd E	624	2%
Ann Bui, DDS	644 University Blvd E	624	2%
JC Contractor Inc	644 University Blvd E	624	2%
Millennium Travel and Tourist	644 University Blvd E	624	2%
Subtotal:		32,382	9%
SOCIAL SERVICES/RELIGIOUS			
Iglesia de Restauracion Elim Int'l	8711 Flower Avenue	11,000	64%
TESS Center	8513 Piney Branch Road	2,400	14%
La Comunidad	8519 Piney Branch Road	1,834	11%
Central Square Church Offices	8533 Piney Branch Road	1,963	11%
Subtotal:		17,197	5%
DISCOUNT STORE/GIFT STORE			
Dollar Century	8713 Flower Avenue	8,150	41%
Dollar Store	8503 Piney Branch Road	3,634	18%
N&N's Maxim	640 University Blvd E	3,125	16%
L&F Import	8708 Flower Avenue	3,000	15%
Bazar Karlaa	8478 Piney Branch Road	1,891	10%
Subtotal:		19,800	6%
CLEANERS/LAUNDRY/TAILOR			
Reliable Cleaners	8736 Flower Avenue	4,229	29%
Spin Cycle Coin Laundry	8735 Flower Avenue	4,000	28%
Keith's Laundromat	8640 Greenwood Ave	1,376	9%
Flower Valet Service	8511 Piney Branch Road	1,144	8%
Oligil Fashions and Dry Cleaning	8549 Piney Branch Road	1,000	7%
Wishy-Wash	635 University Blvd E	2,753	19%
Subtotal:		14,502	4%
BEAUTY SALON/BARBER			
Estela's Hair Salon	8728 Piney Branch Road	2,478	27%
Jaservis Hair	8480 Piney Branch Road	1,891	20%
Hollywood Hair	8551 Piney Branch Road	736	8%
American Hair Design	8515 Piney Branch Road	1,651	18%
Hollywood Hair	8632 Flower Avenue	1,008	11%
Flower Barber Shop	8721 Flower Avenue	600	6%
Pink Nails	8729 Flower Avenue	450	5%
Carlos of Spain	618 University Blvd E	511	5%
Subtotal:		9,326	3%
CHECK CASHING/PAWN SHOPS			
Famous Pawnbrokers	8507 Piney Branch Road	3,300	44%
Cash Depot	8476 Piney Branch Road	1,891	25%
America's Cash Express	8505 Piney Branch Road	1,870	25%
Zodiac Inc	8727 Flower Avenue	450	6%
Subtotal:		7,511	2%

Table 6 (Continued)
Commercial (Retail & Office) Tenants by Category
Flower/Piney Branch Market Study

	Address	Size (Sq. Ft.)	% Dist.
BANKS			
Chevy Chase Bank	8740 Arliss Street	3,000	50%
Bank of America	8722 Flower Avenue	3,000	50%
Subtotal:		6,000	2%
CLOTHING/SHOES			
Payless Shoe Source	8706 Flower Avenue	3,500	65%
Best Dressed Baby	8474 Piney Branch Road	1,891	35%
Subtotal:		5,391	2%
JEWELRY/ JEWELRY REPAIR			
Martinez Jewelry	8515 Piney Branch Road	-	0%
Kim Qui Jewelry	8545 Piney Branch Road	602	9%
Fortune Jewelry	640 University Blvd E	3,125	46%
Maxim Watch Shop	640 University Blvd E	3,125	46%
Subtotal:		6,852	2%
OTHER			
Gentle East Martial Arts	8749 Flower Avenue	2,778	40%
JF Home Improvement	618 University Blvd E	511	7%
Dollar Video	618 University Blvd E	511	7%
CEC-Maxim Corp	640 University Blvd E	3,125	45%
Subtotal:		6,925	2%
HOME ELECTRONICS			
New World Pagers	8705 Flower Avenue	1,350	19%
Latinos Music Place	8630 Flower Avenue	1,008	15%
Kim's TV VCR AC	8517 Piney Branch Road	-	0%
AER Service Inc	627 University Blvd E	768	11%
Subtotal:		3,126	1%
HARDWARE			
Piney Branch Hardware	8703 Flower Avenue	2,300	100%
Subtotal:		2,300	1%
FABRIC			
Freedom Jewelry and Fabrics	8536 Piney Branch Road	1,500	75%
PHI's Discount Fabrics	619 University Blvd E	511	25%
Subtotal:		2,011	1%
GRAND TOTAL:		344,826	100%

SOURCE: Maryland Department of Assessments and Taxation, Individual Property Owners, StoreTrax,
 NRB Shopping Center Directory, Economics Research Associates.

Table 7
Commercial (Retail & Office) Tenants by Location
Flower/Piney Branch Market Study

Tenant	Description	Size (Sq. Ft.)	% Dist.
ARLISS STREET			
Giant #66	Grocer	45,635	89%
Chevy Chase Bank	Bank	3,000	6%
Montgomery Beauty School	Beauty school	2,538	5%
Subtotal:		51,173	15%
FLOWER AVENUE			
Latinos Music Place	Music store	1,008	1%
Hollywood Hair	Beauty salon	1,008	1%
Skyward Travel Center	Travel agency	1,008	1%
Tropicana Restaurant	Restaurant	2,000	2%
Globe Auto Body Works	Service & repair	1,579	2%
Manna Carryout	Restaurant	1,579	2%
Beijing Delight	Restaurant	1,579	2%
Universal Supermarket	Grocer	3,609	4%
Domino's Pizza	Restaurant	2,500	3%
Flower Liquor Store	Liquor store	5,000	6%
Piney Branch Hardware	Hardware	2,300	3%
New World Paggers	Consultants	1,350	2%
Payless Shoe Source	Shoes	3,500	4%
L&F Import	Discount store	3,000	3%
Flower Deli	Food carryout/delivery	1,800	2%
Casa Viega	Grocer	6,420	7%
Iglesia de Restauracion Elim Int'l	Church	11,000	13%
Dollar Century	Discount store	8,150	9%
Crown Dental Laboratories	Dental laboratory	2,250	3%
Pablo A Figueredo, DDS	Dentist	2,250	3%
Flower Barber Shop	Barber	600	1%
Bank of America	Bank	3,000	3%
Zodiac Inc	Music store	450	1%
Pink Nails	Nail salon	450	1%
Spin Cycle Coin Laundry	Self-service laundry	4,000	5%
Reliable Cleaners	Cleaners	4,229	5%
El Tazumal	Restaurant	4,000	5%
Ocean City Seafood	Fish/seafood retail	2,500	3%
Gentle East Martial Arts	Martial arts	2,778	3%
El Gavilan	Restaurant	3,000	3%
Subtotal:		87,898	25%

Table 7 (Continued)

Commercial (Retail & Office) Tenants by Location
Flower/Piney Branch Market Study

Tenant	Description	Size (Sq. Ft.)	% Dist.
PINEY BRANCH ROAD			
Cuco Lindo	Restaurant	1,891	1%
Best Dressed Baby	Consignment	1,891	1%
Cash Depot	Check cashing	1,891	1%
Bazar Karlaa	Discount store	1,891	1%
Jaselvis Hair	Beauty salon	1,891	1%
Caribbean Café	Restaurant	1,891	1%
Santa Barbara supermkt	Grocer	1,891	1%
Armadillo's	Restaurant	1,152	1%
Dollar Store	Discount store	3,634	3%
America's Cash Express	Check cashing	1,870	1%
Famous Pawnbrokers	Pawnbroker	3,300	3%
Flower Valet Service	Cleaners	1,144	1%
TESS Center	Health services	2,400	2%
American Hair Design	Beauty salon	1,651	1%
Martinez Jewelry	Jeweler	-	0%
Futrovsky Nitkin & Scherr	Attorneys	1,614	1%
Kim's TV VCR AC	Service & repair	-	0%
La Comunidad	Social services	1,834	1%
Granja de Oro/ Puerto el Triunfo	Restaurant	3,537	3%
Midas Auto Systems Experts	Service & repair	4,000	3%
Baskin-Robbins	Ice cream	1,500	1%
Piney Branch Shell	Gas station	3,750	3%
Freedom Jewelry and Fabrics	Fabrics	1,500	1%
Quality Tune-up	Service & repair	3,500	3%
Bestway Maryland Supermarket	Grocer	17,540	14%
Americana Grocery of Maryland	Grocer	14,842	12%
Ana's Fashions	Image consultant	1,963	2%
APM Driving School	Driving school	1,963	2%
Berta Becerra Insurance	Insurance	1,963	2%
Yamira's Travel	Travel agent	1,963	2%
Kim Qui Jewelry	Jeweler	602	0%
Dong Phuong Grocery	Grocer	2,960	2%
Africana Inc.	Food carryout/delivery	2,003	2%
Oligil Fashions and Dry Cleaning	Clothing	1,000	1%
Piney Branch Mobil	Gas station	1,817	1%
Hollywood Hair	Beauty salon	736	1%
Eastern Carryout	Food carryout/delivery	2,003	2%
Central Square Church Offices	Church	1,963	2%
Miles Glass Co	General contractors	14,548	12%
Sterling Dental Center	Dentist	3,000	2%
Estela's Hair Salon	Beauty salon	2,478	2%
Pupuseria Dona Azucena	Restaurant	2,478	2%
Ba Le Carryout	Vietnamese deli	1,000	1%
Subtotal:		126,446	37%

Table 7 (Continued)
Commercial (Retail & Office) Tenants by Location
Flower/Piney Branch Market Study

Tenant	Description	Size (Sq. Ft.)	% Dist.
GREENWOOD AVENUE			
Keith's Laundromat	Laundromat	1,376	100%
Subtotal:		1,376	0%
UNIVERSITY BOULEVARD EAST			
JF Home Improvement	General contractors	511	1%
Carlos of Spain	Beauty salon	511	1%
Dollar Video	Video store	511	1%
PHI's Discount Fabrics	Fabric shop	511	1%
AER Service Inc	Telecommunications	768	1%
Samantha's	Restaurant	1,914	2%
Piney Branch Animal Hospital	Animal hospital	3,125	4%
Maxim Clinic	Physician	3,125	4%
Maxime Pharmacy	Pharmacy	3,125	4%
Wishy-Wash	Laundromat	2,753	
CEC-Maxim Corp	Mail order	3,125	4%
Fortune Jewelry	Jeweler	3,125	4%
Maxim Watch Shop	Service and repair	3,125	4%
Masim Supermarket	Grocer	3,125	4%
N&N's Maxim	Gift shop	3,125	4%
Quick Car Wash	Car wash	2,753	4%
Blackstone Construction	General contractors	624	1%
Ann Bui, DDS	Dentist	624	1%
JC Contractor Inc	General contractors	624	1%
Millennium Travel and Tourist	Travel agency	624	1%
Nationwide Transmission	Service and repair	3,418	4%
7-11	Convenience store	2,500	3%
Clifton Park Exxon	Gas station	2,288	3%
Jerry's Subs and Pizza	Restaurant	2,000	3%
Oriental Supermarket	Grocer	20,000	26%
Phnom Penh	Restaurant	10,000	13%
Subtotal:		77,933	23%
GRAND TOTAL:		344,826	100%

Excludes approximately 10,000 sq. ft. of basement space at Central Square and an undetermined amount of basement space at the TESS Center.

SOURCE: Maryland Department of Assessments and Taxation, Individual Property Owners, StoreTrax, NRB Shopping Center Directory, Economics Research Associates.

Table 8
Supportable Space, Existing Conditions
Long Branch Market Study

	Existing Long Branch Retail Inventory	Supportable Space from Trade Area HHs ¹	Shortfall	% of Supportable Space, Existing
Groceries	126,022	364,688	238,665	35%
Food & Beverage (Away From Home)	47,828	375,818	327,991	13%
Apparel & Accessories	12,243	381,203	368,959	3%
Home Furnishings	5,137	226,954	221,817	2%
Leisure & Entertainment	0	427,490	427,490	0%
Total:	191,231	1,776,153	1,584,922	11%

¹ Assumes sales productivity @ \$150 per square foot

Source: Claritas, Economics Research Associates, July 2002.

Table 9
Supportable Space, Assuming Higher Productivity and Improvements
Long Branch Market Study

	Existing Long Branch Retail Inventory	Supportable Space from Trade Area HHs ¹	Shortfall	% of Supportable Space, Existing	Increment of Supportable Space Assuming Improvements			
					2.5%	5.0%	2.5%	5.0%
Groceries	126,022	237,840	111,817	53%	N/A	N/A	N/A	N/A
Food & Beverage (Away From Home)	47,828	245,099	197,271	20%	6,127	12,255	22%	25%
Apparel & Accessories	12,243	248,611	236,367	5%	N/A	N/A	N/A	N/A
Home Furnishings	5,137	148,013	142,876	3%	3,700	7,401	21%	23%
Leisure & Entertainment	0	278,798	278,798	0%	6,970	13,940	22%	25%
Total:	191,231	1,158,360	967,130	17%	16,798	33,596	26%	33%

¹ Assumes sales productivity @ \$230 per square foot

Source: Claritas, Economics Research Associates, July 2002.

Table 10
POTENTIAL RETAIL EXPENDITURES & SUPPORTABLE SPACE
Long Branch Market Study

			Year 1 2002	Year 5 2007	Change 2002-2007	% Change 2002-2007
RESIDENT SPENDING POTENTIALS						
Households						
BG w/Incomes Under \$45,000			1,649	3,014	1,365	82.8%
BG w/Incomes \$45,000-70,000			6,495	5,826	(669)	-10.3%
BG w/Incomes Over \$70,000			3,205	2,360	(845)	-26.4%
Subtotal:			11,349	11,200	(149)	-1.3%
Weighted Average Disposable Income (In Current \$)	(1)			2.0%		
BG w/Incomes Under \$45,000		\$	17,856	\$19,714		
BG w/Incomes \$45,000-70,000		\$	21,523	\$23,763		
BG w/Incomes Over \$70,000		\$	30,324	\$33,480		
					Existing Conditions Supportable SF @ \$150	With Improvements Assumed Supportable SF @ \$230
Household Spending Potentials						
BG w/Incomes Under \$45,000	(2)				(3)	
Groceries	24%	\$	7,029,051	\$ 14,184,700	46,860	30,561
Food & Beverage (Away From Home)	23%		6,726,743	13,574,639	44,845	29,247
Apparel & Accessories	21%		6,056,443	12,221,967	40,376	26,332
Home Furnishings	11%		3,181,495	6,420,291	21,210	13,833
Leisure & Entertainment	22%		6,450,858	13,017,901	43,006	28,047
Subtotal, BG w/Incomes Under \$45,000	100%	\$	29,444,591	\$ 59,419,498	196,297	128,020
BG w/Incomes \$45,000-70,000						
Groceries	22%	\$	30,208,664	\$ 29,917,390	201,391	131,342
Food & Beverage (Away From Home)	21%		30,047,353	29,757,634	200,316	130,641
Apparel & Accessories	22%		30,129,493	29,838,982	200,863	130,998
Home Furnishings	12%		16,659,635	16,499,001	111,064	72,433
Leisure & Entertainment	23%		32,745,532	32,429,797	218,304	142,372
Subtotal, BG w/Incomes \$45,000-70,000	100%	\$	139,790,677	\$ 138,442,805	931,938	607,786
BG w/Incomes Over \$70,000						
Groceries	18%	\$	17,465,438	\$ 14,199,214	116,436	75,937
Food & Beverage (Away From Home)	20%		19,598,676	15,933,514	130,658	85,212
Apparel & Accessories	22%		20,994,482	17,068,289	139,963	91,280
Home Furnishings	15%		14,201,958	11,546,040	94,680	61,748
Leisure & Entertainment	26%		24,927,084	20,265,453	166,181	108,379
Subtotal, BG w/Incomes Over 70,000	100%	\$	97,187,639	\$ 79,012,510	647,918	422,555
Total		\$	266,422,906	\$ 276,874,813	1,776,153	1,158,360

(1) Median household incomes weighted based on number of households; Year 5 income assumes that average household incomes increase at 2% per year (real growth after inflation).

(2) As a proportion of annual household spending on consumer items (disposable income).

(3) Based on an average annual sales productivity of \$150 per square foot, location unspecified.

Source: Claritas, Economics Research Associates, July 2002.