Boutiques, Bistros & Banks

Recommendations for Successful Retail in Arlington

Arlington Economic Development Commission
The Arlington Retail Task Force was formed in July 2008 in response to a planned staff review of retail policies and a related request from the Arlington Chamber of Commerce. The Arlington Economic Development Commission (EDC) appointed ten Task Force members with a breadth of knowledge and experience in real estate management, leasing, development and design, including five EDC members and five experts from the retail and real estate community. The Task Force was charged with studying the Arlington retail market, reviewing the County’s retail policies, offering recommendations and outlining implementation strategies and next steps.

The Task Force approached the issues systematically, first conducting a market analysis to understand existing supply and demand, then inviting a series of industry experts to inform and advise on issues related to existing retail, new markets, placemaking and new development. Initial recommendations were vetted within the group and ultimately presented to the full EDC for approval in July 2009.
From a quick glance, one might assume that retail in Arlington is already successful. The County's commercial corridors are consistently cited by planning and economic development organizations as the gold standard for transit-oriented development and Smart Growth. Most recently, Clarendon and Wilson Boulevards received the prestigious “Great Places in America: Streets” designation by the American Planning Association.

Going From Good to Great

However, even in really “Great Places”, there is room for improvement. Arlington's affluent residents, white collar employment base, neighboring communities and repeat business travelers generate significant retail demand. However, the future of retail in Arlington is mixed. Regional retail destinations, including Tysons Corner, Old Town Alexandria and Georgetown are siphoning sales within a very mobile and competitive market. Whereas Arlington’s land use policies have successfully concentrated development along Metro corridors, our “retail everywhere” policy - the requirement for first floor retail in nearly all new development - has inadvertently resulted in producing marginal retail spaces in problematic locations. The potential for delivering an oversupply of retail space in locations that cannot support it is a concern for the long-term health and success of the retail operators. Furthermore, the County’s increasingly limited supply of developable land makes it more difficult to assemble parcels that can accommodate large retail projects in which central ownership and management can successfully fine-tune an interesting and sustainable merchandising mix. Projects in Arlington are developed piecemeal, and a landlord has little ability to control leasing in neighboring projects. This often results in an oversupply of like tenants, gaps in retail storefronts, minimal foot traffic, high turnover and business failure.

The time has come to review Arlington’s existing retail policies. When the policies were initially implemented over a decade ago, they were forward-thinking and aimed to protect and guide retail in a boom period of fast-paced growth and redevelopment. However, many policies have become overly prescriptive and, at times, too inflexible to allow for the creativity inherent to retail’s success. In addition, the overall review and approval process has become slow and costly, impacting the bottom lines of not only the developer, but the very retail businesses the County is trying to support.
Successful retail is **convenient.**

Successful retail cannot be located just anywhere and everywhere. Retail needs sufficient concentrations and massing to build and benefit from synergies and to attract a solid customer base. Spreading retail away from these concentrated nodes dilutes its ability to work cohesively. Retail areas must be easily accessible to customers arriving via various modes of transportation, with an emphasis on providing convenient parking.

Market demand fundamentally drives retail, not local government or planning preferences. In the region surrounding Arlington, a number of jurisdictions are clustered together with overlapping trade areas. A retailer may desire a particular trade area, but a host of other considerations will ultimately determine the store’s location.

Successful retail is **appealing.**

People like to go to places that are interesting, lively, clean, safe and attractive. While every shop may not provide customers with a lasting emotional experience, the overall area should have a defined character that is physically appealing and encourages visitation through its mix of uses. Retail “messiness”, the mishmash of color and texture found in varying signage, façades, window displays and storefronts, is essential to creating and enabling retail businesses to draw a solid customer base and is typically found in the most successful retail locations.

The retail mix is an important contributor to sense of place. Customers generally like a mix of unique and interesting local/independent retailers along with national chains whose consistency and known quality are familiar. However, there is no “right” mix; rather, different markets demand different types of retail. Whatever the mix, it will always be changing in response to fluctuating market conditions and shifting consumer demand.
Successful retail is **activating**.

Thriving retail areas contain **vibrant streets** and places which encourage people to shop, dine, run errands, or simply linger and mingle. They promote community interaction and create new relationships between neighbors and local businesses. They are **exciting destinations** that include not only traditional retail establishments, but also businesses that cater to entertainment, convenience, education and civic needs. They attract an **expansive mix of customers** throughout the daytime, evening and weekend periods, each of which has different needs and serves different purposes.

Successful retail is **sustainable**.

Successful retail consists of **profitable businesses** whose products and services are in demand. Even in areas with significant population densities, retail demand must be captured beyond the immediate attached and surrounding residential and office properties or it cannot survive. Retail must be able to accommodate whatever the **changing market** demands. Providing the desired products and services, knowing the market, having trained staff able to engage customers and delivering a quality product are all integral to maintaining a sustainable retail environment.

“Retail needs to look like retail”
Rethink and Revise Policies for Retail

Retail is a dynamic industry with a range of small and large players continually entering and exiting the market. Given its fast-paced nature, successful retail relies on environments that are adaptable, flexible and creative enough to keep up with the latest trends, new concepts and shifting market demand. However, Arlington’s planning and zoning requirements, originally developed to address increased development pressure and the subsequent loss of retail space, are suited more to a fixed and dated retail vision rather than the energetic character of successful retail today. The County must recognize the evolutionary nature of retail and use its increased awareness and experience to rethink and revise its policies. These policies should be designed to enhance economic growth for the community and foster an environment in which businesses can be successful.

Adaptable: Retail is always changing and it is no small feat to craft policies to continually keep pace with it. Future policies will need to be carefully watched so as not to become rigid and static, but rather stay fresh and current and continue to address the key needs of retail businesses and real estate development.

Flexible: Market demand for retail concepts is constantly shifting, but current spaces and buildings are constructed for 50-year life spans and beyond, which can limit future uses of existing retail spaces due to space configuration, size, retrofit costs, etc. Retail space needs to be designed with enough flexibility to accommodate alterations for restaurants, boutiques, classrooms, service providers, medical uses, residential space, etc. without excessive restrictions or costly modifications.

Creative: In attempting to anticipate and accommodate “retail needs”, the current development review process has stifled creativity in storefronts and signage. Retail develops organically, and some of the most remarkable and successful examples of great retail places are within legacy communities, rather than new planned developments. New and revised policies should be crafted with a goal of enabling creativity and “messiness” to flourish.
Use a Wide Range of Approaches to Enliven the Street

Successful retail areas have businesses and other first-floor uses which bring daily activity to the street, help cultivate a sense of place, and make neighborhoods interesting and attractive to residents, workers and visitors. While Arlington has long recognized the importance of activating streets, there are a wide variety of ways to accomplish activation beyond traditional retail. This may include allowing alternative uses in first floor space, enlivening the public realm through creative signage and design and by exploring ways to improve accessibility and convenience.

Use: There are numerous alternative first floor uses that can complement traditional retail, for example: gallery/studio space, child care, recreational rooms, meeting rooms, classrooms and certain civic and office uses. Like traditional retail, each of these uses generates activity through regular visitation and patronage, and may operate during hours when traditional retail does not. There are also temporary/seasonal uses common in the industry which can lead to “first in market” concepts - trendy retail that is often a catalyst for other great retail - and can help fill vacancies until the space is leased. This diversity of uses also may drive demand for a variety of space sizes and configurations which can accommodate both new and growing businesses.

Public Realm: Successful retail areas are also intertwined with the character of their public realms. In an attempt to keep commercial areas clean and orderly, current policies have resulted in somewhat sterile streetscapes that lack the creativity of vibrant places. To be successful and attract customers, retailers need broad flexibility to infuse their stores’ personality and individuality into signage, façades and window displays. The County can help promote an active streetscape by allowing retailers additional merchandising and/or display space in a temporary zone within the public realm, or, where site topography limits the viability of first floor space, allowing other activating elements such as public art and water features. Additionally, the County can support open air markets which enhance the pedestrian experience, enliven the public realm and increase foot traffic within the retail areas.

Accessibility: Vibrant retail areas must be easily accessible. Walkable streets, navigable and timely public transportation, and above all, convenient parking are critical to successful retail. Some retail areas may be easily accessible to pedestrians, but all successful retail areas require accessibility via car and public transportation.
Dedicate Staff Resources to Provide Retail Support

Current retail review, from the design phase to tenant signage, is performed by a mix of staff and commissions with varying levels of retail expertise. Without being fully immersed in retail, understanding its complexities and eccentricities can be a challenge. New and reallocated staff resources can advocate for both retail businesses and property owners while educating and informing staff, public officials and the community on retail-related issues.

Retail Staff Team: To better serve the real estate development community, the County will benefit from a knowledgeable and dedicated staff team to specifically advocate for the presence or absence of retail in projects. This team should be well-informed about market and industry trends in order to provide initial and ongoing consultation and support for first floor elements in the development review process, including building permit approval.

Retail Advisor: The County also should create a Retail Advisor position to champion the needs of retail business owners. The Retail Advisor should complement Arlington Economic Development’s (AED) existing BizLaunch core support services, serving as a one-stop-shop for information related to starting or growing a retail business in Arlington, while also working to provide informative and educational retail-related work sessions for the various Advisory Groups, Commissions, and the County Board.

“Retailers know best - allow them to express their creativity and stay flexible”

WACHOVIA
Offer Retail-Specific Small Business Assistance

Small businesses are an important element of a successful retail environment. While customers appreciate the familiarity and consistency of national chains, they also enjoy the uniqueness and sense of place that local/independent businesses contribute to the retail mix. However, it is important to note that these businesses cannot survive unless there is demand for their products and a solid and supportive customer base. The County recognizes that the development and retention of small businesses is a community priority and it is committed to helping skilled local entrepreneurs start and grow their businesses in Arlington.

Renaissance Skills and Retail Incubator:

Arlington is a very competitive retail marketplace and only the savviest of retailers with “renaissance skills”, i.e. a skill set which enables them to be experts in all aspects of the business, can thrive. In addition to needing a mastery of skills to be successful, small business owners are often faced with another limiting factor: space. Building owners take on significant financial obligations which carry with them conditions and terms for the performance of tenants in the project. If the tenants cannot meet these “credit worthiness” conditions, they may not be able to lease the newly-built space. To help small retailers improve their business practices, the County should explore the feasibility of operating retail incubators to nurture and guide new businesses in a supportive environment. These incubators could also help identify assistance and resources available from the Small Business Administration (SBA).

Small Business Promotion and Retail Associations:

Through its existing “ShopArlington” campaign and visitor-oriented promotions, AED is already actively promoting local businesses, but should also continue to explore other opportunities to creatively market shopping and dining in Arlington. However, the business community must also make the most of its own partnerships and synergies. Associations of retail merchants can be a powerful means of addressing common problems, pooling resources for marketing initiatives, and serving as de facto lobbying groups to promote, preserve and enhance neighborhood interests, especially for local/independent retailers operating without corporate or franchise support. While retail associations are typically organized by the businesses themselves, the County should encourage their formation, working with existing partnerships to boost participation, and provide initial support and guidance if requested.
Although the recommendations are a product of the Economic Development Commission (EDC), they have implications on current policies and processes in place throughout the entire County. The EDC believes that a process to encourage inter-departmental collaboration and to inform and work with other County Commissions, Advisory Groups, Partnerships, and Business Improvement Districts will ensure successful implementation.

1. **Retail Action Plan (RAP).** The current Retail Action Plan stipulates acceptable uses in commercial areas based on an outdated street hierarchy, rather than allowing for an assortment of different uses that contribute to an overall active streetscape. It also only addresses development within the Rosslyn-Ballston Corridor. An updated RAP should support appropriately concentrated retail nodes where businesses can thrive, benefit from synergies with other complementary uses and contribute to an exciting and vibrant streetscape. The new document should be adaptable and applicable to all major retail nodes in the County, while taking into account the unique qualities of each area.

2. **Retail-Specific Elements of the Zoning Ordinance.** Specific elements of the Zoning Ordinance and the Columbia Pike Form Based Code (FBC) reference narrow definitions of retail and services uses, strict building height limits and inflexible floor-to-area (FAR) ratio calculations. These elements limit the adaptability and flexibility that are required to achieve successful retail. A revision of retail-specific elements of the Zoning Ordinance and the Columbia Pike FBC should include revised and broader definitions of retail and service uses. This includes consideration of new FAR calculations to provide incentives for flexible design, and a review of height regulations in all zoning districts to allow minor adjustments (e.g. 2-6’ total) to the overall building heights to ensure that desired retail heights do not compromise other aspects of the project.
3. **Retail Attraction & Marketing Plans (RAMPs).** The timing and requirements of the RAMP site plan condition are in conflict with the dynamic nature of retail and hinder the flexibility owners need to market available space. In order to receive final construction permits, developers must commit to space configurations and types of uses at a point in the development process at which tenants have yet to be identified. Provided that the developer abides by the revised retail and service definitions in the Zoning Ordinance/Columbia Pike FBC and the updated Retail Action Plan, there should be little reason to restrict and overly prescribe the potential tenant mix to the burden of property owners and retail businesses via a RAMP.

4. **Retail-Specific Signage.** The County’s current signage policies, including the Zoning Ordinance, Columbia Pike FBC, sector plans and guidelines prohibit many of the types of signs, banners, façades and other forms of advertisement that are essential to operating a business. A review of policies addressing retail signage should include adding appropriate new types to the allowable list, developing a process to distinguish signs from branding elements, granting building owners greater leeway to use signage to market available space and promote new tenants, and balancing the signage needs of retailers with the desire to have (view-obstructing) street trees. The County should decouple retail signage review and approval from the site plan process and instead allow broader flexibility via the revised policies. Additionally, comprehensive sign plans should be modified to permit developers an aggregate amount of signage to allocate to future tenants, rather than requiring a prescriptive plan to be submitted before retail tenants have been identified. This will allow building owners and retailers the flexibility needed to market and attract customers to their businesses. The County also should consider a simplified administrative review process to address approvals and changes to signage and the public realm.
5. **First Floor Design.** While policies prescribing design have attempted to be consistent with a specific retail vision, these policies have backed building owners and retailers into a proverbial corner. Specifically, the County approves first floor design elements, such as facades, specific access points, and in some instances signage, during the Site Plan Review Process, i.e. before a tenant has been identified for the space. As a result, neither developer nor tenant has an opportunity to do the kind of unique and creative storefronts that make retail areas interesting and successful. The County should permit flexibility within the site plan process that would allow changes and revisions of the first floor design by a simplified administrative process.

6. **Alternative Uses in “Retail” Space.** Not all first floor space in the County is conducive to operating a successful retail business, but this does not mean streets without traditional retail cannot be lively and interesting. There are many alternative uses that can thrive in first floor space, including art studios, libraries, child care, classrooms, etc. While building owners with undesirable space currently can appeal via a Site Plan Amendment to convert to another use, the process to do so is time consuming and costly. Instead, the list of allowable uses in first floor space should be broadened so that a wider variety of retailers or alternative uses could occupy the space without special exception. Additionally, the County should continue to work with building owners to readily and easily permit the use of vacant space for temporary uses.

7. **Retail Support & Education.** Retail is exciting, but keeping pace with it requires dedication and constant attention. Retail tends to be a secondary component in major residential or office projects, and as a result there is no staff expert to advocate for the retail, nor for the needs of the retailers themselves. The County should allocate staff resources specifically to advocate for the presence or absence of retail during the development and permitting processes. There should also be a Retail Advisor position created to support retailers as they start and grow their businesses in Arlington. This individual would also be responsible for providing staff, Commissions, and County Board members with timely and informative retail-related educational sessions.
8. **Retail Incubator.** Businesses owners lacking “renaissance skills” cannot be successful and may, in some situations, have difficulty leasing space. The County should research the feasibility of operating a retail incubator in which select businesses could receive management guidance and build technical skills in a supportive and reduced-cost environment. A goal of the incubator should be to help business achieve the “credit worthiness” required by financial lenders, using SBA resources where applicable.

9. **Parking.** Successful retail areas need to have sufficient, highly visible and accessible parking. While there is parking in Arlington’s commercial areas, there is also a mistaken perception that it is limited, difficult to find and expensive. While the County’s Master Transportation Plan addresses both on-street parking and garage spaces, the County, Partnerships/BIDs and retail associations should work with parking garages to provide valet parking, validated parking and other conveniences to customers. Arlington’s ongoing wayfinding improvements will also help direct people to available parking. Lastly, there may be potential to expand the role of the County’s Commuter Stores to facilitate distribution of wayfinding and transportation information and materials within the commercial areas.

10. **Public Realm.** With the exception of outdoor dining, retailers are not permitted to use the public realm space directly in front of their businesses for creative display and/or additional sales space. To help create the “messiness” inherent to successful retail, and in accordance with revisions to the Zoning Ordinance and the Columbia Pike FBC to allow signage in the public realm, the County should develop an easy, straightforward, and inexpensive process to permit retailers to utilize sidewalk space for signs, merchandise and seating while ensuring Arlington remains a pedestrian-friendly and fully-accessible environment. In addition, where the site topography is not conducive to traditional first floor street frontage, other “activating uses” such as public art and water features can create an intensity of use that supports retail. Lastly, the County should support open air markets to provide opportunities for retailers and other complementary uses, generate pedestrian activity in commercial areas and encourage ancillary patronage of nearby businesses.
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The quotes used in this document are drawn from presentations by and conversations with Retail Task Force Members and Industry Experts and are indicative of the lively and meaningful discussions that marked this work.
TODAY'S SPECIALS

Wilson Wrap
Rosslyn Risotto
Crystal Cake w/ cream
Westover Ribs
Courthouse Slaw
Ballston Burger
P. City Sub
The Clarendon (club)
Jeff / Davis Fries
Metro Shake