



A Smart Place to Live



2014 ANNUAL ECONOMIC DEVELOPMENT REPORT

College Town + Accessibility + Growth = Unique Opportunity

Since 2005, the City of College Park's main commercial corridor, US Route 1/Baltimore Avenue, has been transforming from an auto-dominated thoroughfare into a series of walkable nodes inside the Beltway. In this ten-year period, College Park has landed **\$1 billion in private investment**, including completed, under construction, and planned development projects. As a result, the **population has grown nearly 30%** since 2000 and shows no signs of slowing down as numerous housing developments are set to open in 2015 and beyond. More than any previous year, 2014 represented this decade-long emergence of College Park into an investment magnet.

By the end of the year, eight development projects had made significant strides in planning or construction. In total, these developments will add more than **1,500 housing units, 93,000 square feet of retail, and 525 hotel rooms by 2017**. Of note, The Boulevard at 9091 became the first project in Prince George's County to receive funding through the EB-5 foreign investment program, which is a tool used in many other jurisdictions to finance major developments. Other projects are garnering similar interest from international investors, which is vital to moving projects towards completion during periods of limited capital.

Beyond development, **20 retailers opened their doors this year** with notable additions including two independent coffee shops and a Korean BBQ restaurant. Several major leases have already been signed for 2015 as College Park's growth is beginning to attract a more diverse set of restaurant and retail offerings than ever before. Additionally, the City continued to support its locally-owned business community through **\$55,000 in grant funding** that was matched with more than **\$135,000 in private investment**.

The City's attractiveness to investors is highlighted by the presence of a significant economic generator in the University of Maryland and its combined base of **50,000 employees and students**. While the initial housing growth centered around meeting student demand near campus, more recent developments are aimed at attracting professionals working at the university or commuting to employment centers in the metro areas of Baltimore and the District of Columbia.

The next decade is certain to be just as exciting as the preceding one, as numerous game-changing projects loom on the horizon including the construction of the Purple Line rail system, establishment of an innovation district on the former East Campus site, potential FBI relocation to Greenbelt, and redevelopment of the City Hall site in Downtown.

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Office Market	14
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31,274

Residents



50,000

Students, faculty, and staff
at the University of Maryland



1,321 Rooms



\$540 MILLION

in development activity

29,000

Employees

7,172

Housing Units



4,604

Daily Boardings at
College Park-UMD Station

\$73,680

Average Household Income

1.2 MILLION Annual Visitors

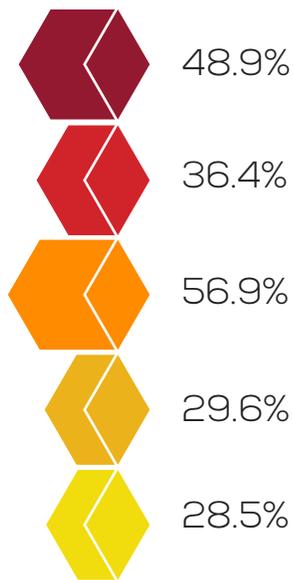
78 Restaurants



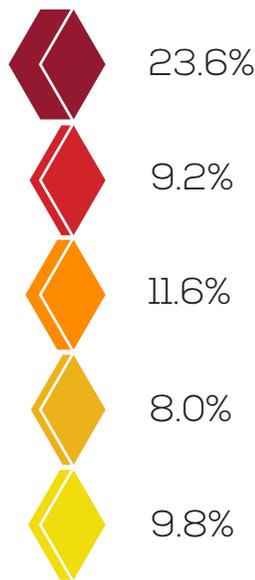
DEMOGRAPHIC INFORMATION

■ College Park
 ■ Maryland
 ■ Montgomery County
 ■ Prince George's County
 ■ United States

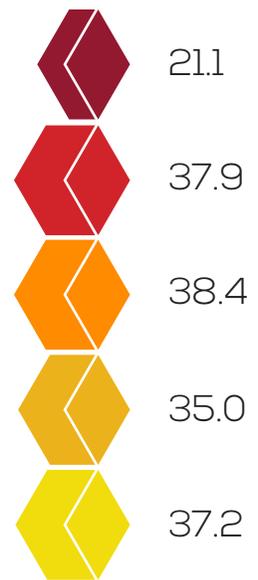
Bachelor's Degree or Higher
for population over 25 years



Population Growth from 2000 to 2012



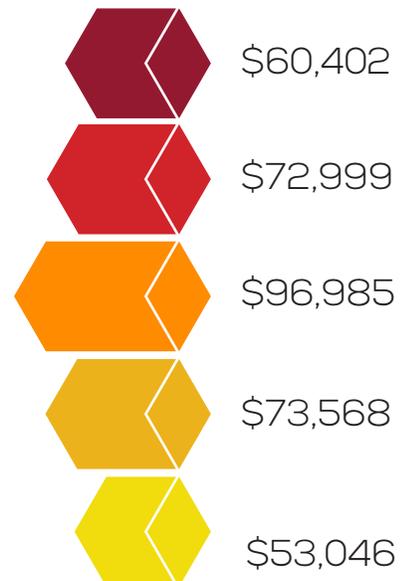
Median Age



Mean Household Income



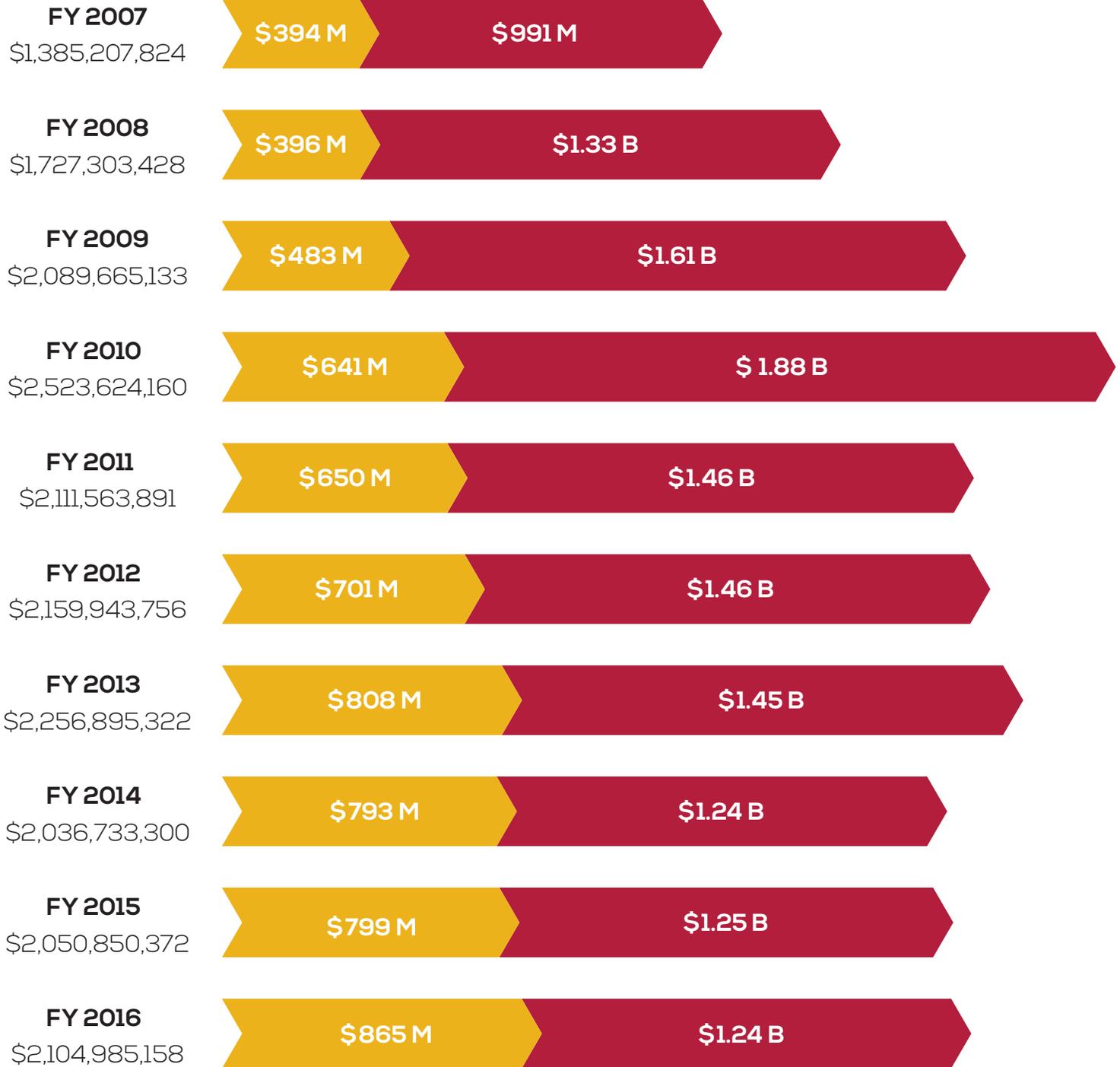
Median Household Income



TAX BASE

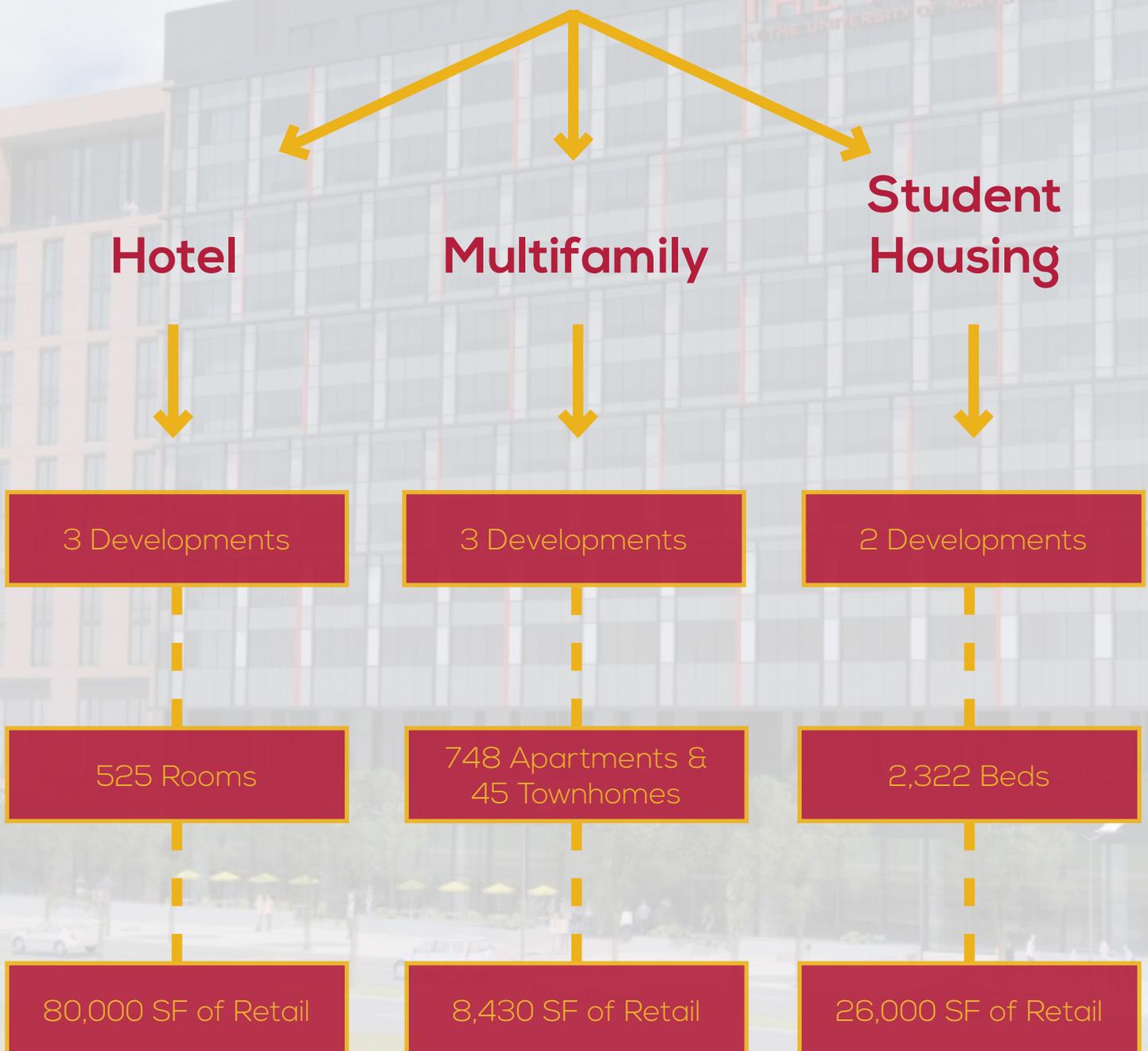
City Taxable Assessment by Year *Excludes Homestead Tax Credit Adjustment*

Commercial Residential



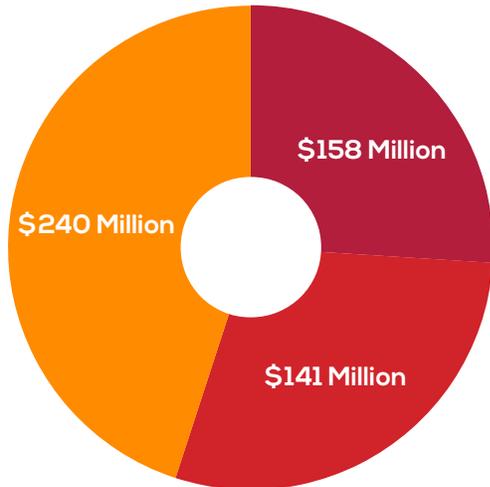
DEVELOPMENT ACTIVITY

\$540 Million in Active Projects



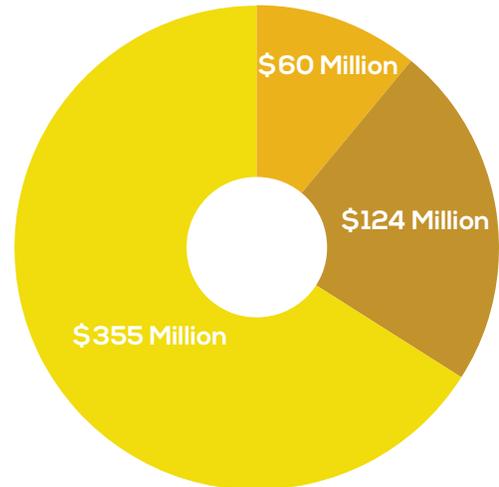


Value by Development Type



■ Hotel
 ■ Multifamily
 ■ Student Housing

Value by Commercial Area



■ Downtown
 ■ Lower Midtown
 ■ Upper Midtown

■ ■ **4700 Berwyn House Road**
 275 Apartments
 530 SF of Retail
 2015 Groundbreaking
 \$40,000,000 Estimated Value

■ ■ **The Boulevard at 9091**
 238 Apartments & 45 Townhomes
 4,133 SF of Retail
 Fall 2015 Groundbreaking
 \$63,000,000 Estimated Value

■ ■ **College Park Place**
 157-Room Courtyard by Marriott
 23,615 SF of Retail
 Early 2015 Groundbreaking
 \$20,000,000 Estimated Value

■ ■ **The Hotel at the University of Maryland**
 293 Hotel Rooms
 20,000 SF of Conference Space
 57,000 SF of Retail
 Early 2015 Groundbreaking
 \$115,000,000 Estimated Value

■ ■ **Landmark College Park**
 829 Student Beds
 13,844 SF of Retail
 Summer 2015 Completion
 \$90,000,000 Estimated Value

■ ■ **Monument Village**
 235 Apartments
 4,800 SF of Retail
 Spring 2016 Completion
 \$55,000,000 Estimated Value

■ ■ **Terrapin Row**
 1,493 Student Beds
 12,000 SF of Retail
 Fall 2016 Completion
 \$150,000,000 Estimated Value

■ ■ **TownePlace Suites**
 75 Hotel Rooms
 2015 Groundbreaking
 \$6,000,000 Estimated Value

DEVELOPMENT ACTIVITY



Project Map

Development Type

- Hotel
- Multifamily
- Student Housing

US1 Commercial Area

- Downtown
- Lower Midtown
- Upper Midtown



- 1 4700 Berwyn House
- 2 The Boulevard at 9091
- 3 College Park Place
- 4 The Hotel at UMD
- 5 Landmark College Park
- 6 Monument Village
- 7 Terrapin Row
- 8 TownePlace Suites

4700 Berwyn House Road



The Boulevard at 9091



College Park Place



The Hotel at the University of Maryland



Landmark College Park



Monument Village



Terrapin Row



TownePlace Suites



RETAIL MARKET

1,350,904 SF
Leasable Space

276
Storefronts

20 Openings
in 2014



1,292,281 SF
Occupied

252 Storefronts
Occupied

39,746 SF
Leased

4.34%
Vacancy Rate

78
Restaurants

6 Restaurants

115,922 SF
Planned

133 Independent
Merchants

15 Independent
Merchants

RETAIL MARKET



Commercial Area Map

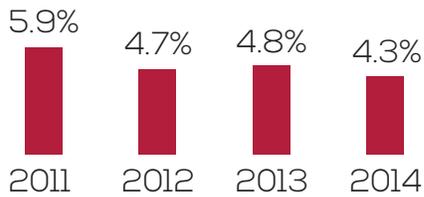
Commercial Area

-  Berwyn
-  Downtown
-  Hollywood
-  Lower Midtown
-  Upper Midtown
-  Uptown

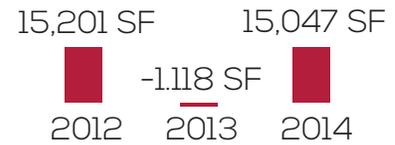




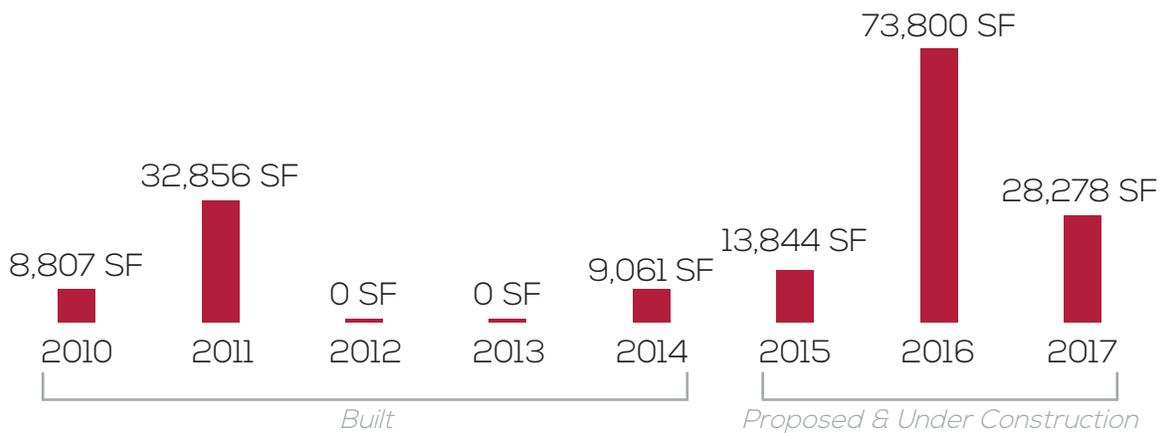
Vacancy Rate by Year



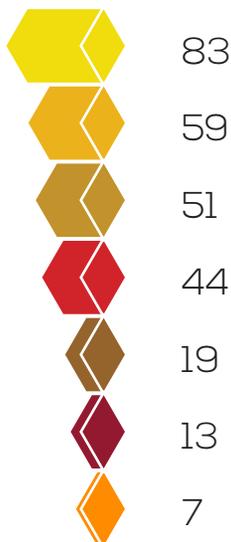
Absorption by Year



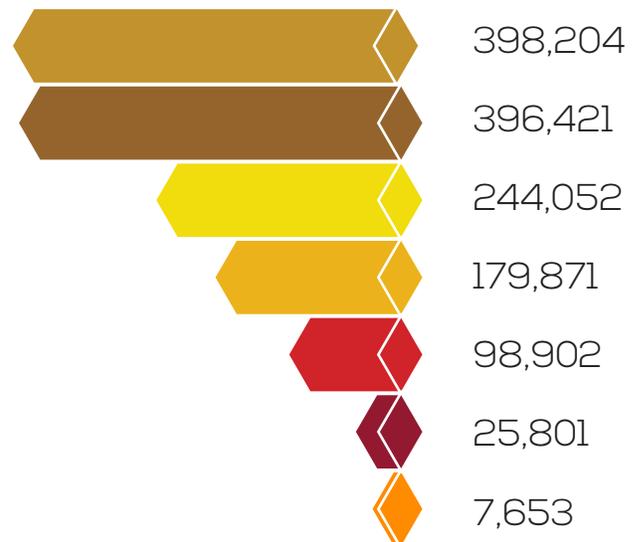
Retail Constructed by Year



Storefronts Per Commercial Area



Square Footage per Commercial Area



■ Berwyn
 ■ Downtown
 ■ Hollywood
 ■ Lower Midtown
 ■ Other
 ■ Upper Midtown
 ■ Uptown

OFFICE MARKET

**Total
Inventory**

**Government or
University Owned**

Other

3,300,000 SF

2,880,000 SF

432,000 SF

2.79 % Vacancy Rate

0.1 % Vacancy Rate

18.6 % Vacancy Rate

300,000 SF planned

300,000 SF Planned

0 SF Planned

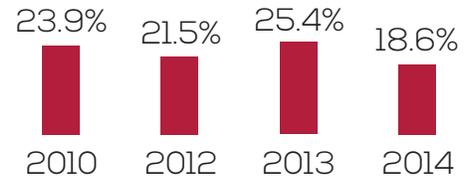


Total Vacancy Rate by Year



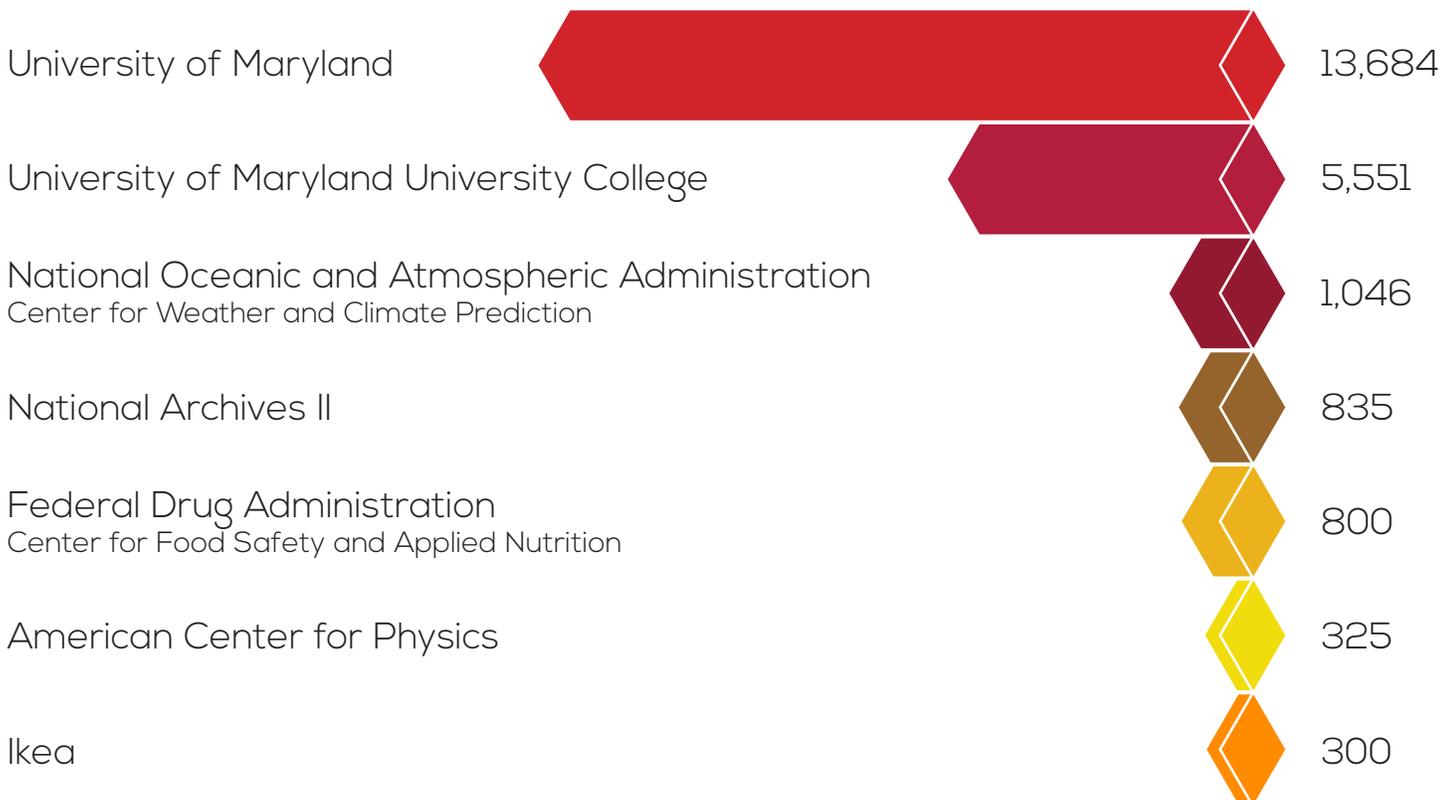
Excludes office space on the University of Maryland Campus, but does include other University-owned property in the City.

Vacancy Rate by Year Excluding Government and University Space

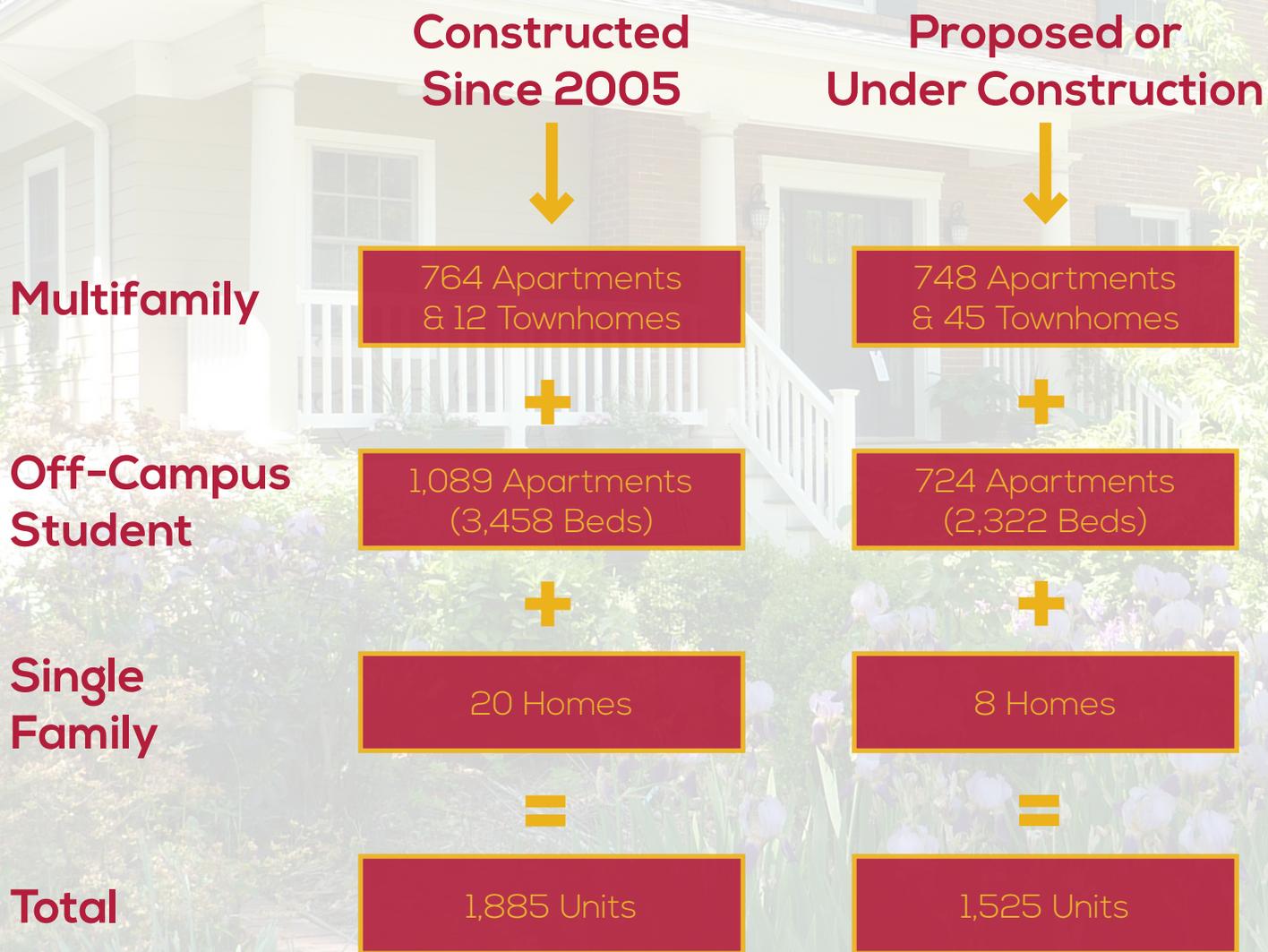


Excludes all office space owned by the Federal Government, State of Maryland, and the University of Maryland

Top Employers in 2014



RESIDENTIAL MARKET



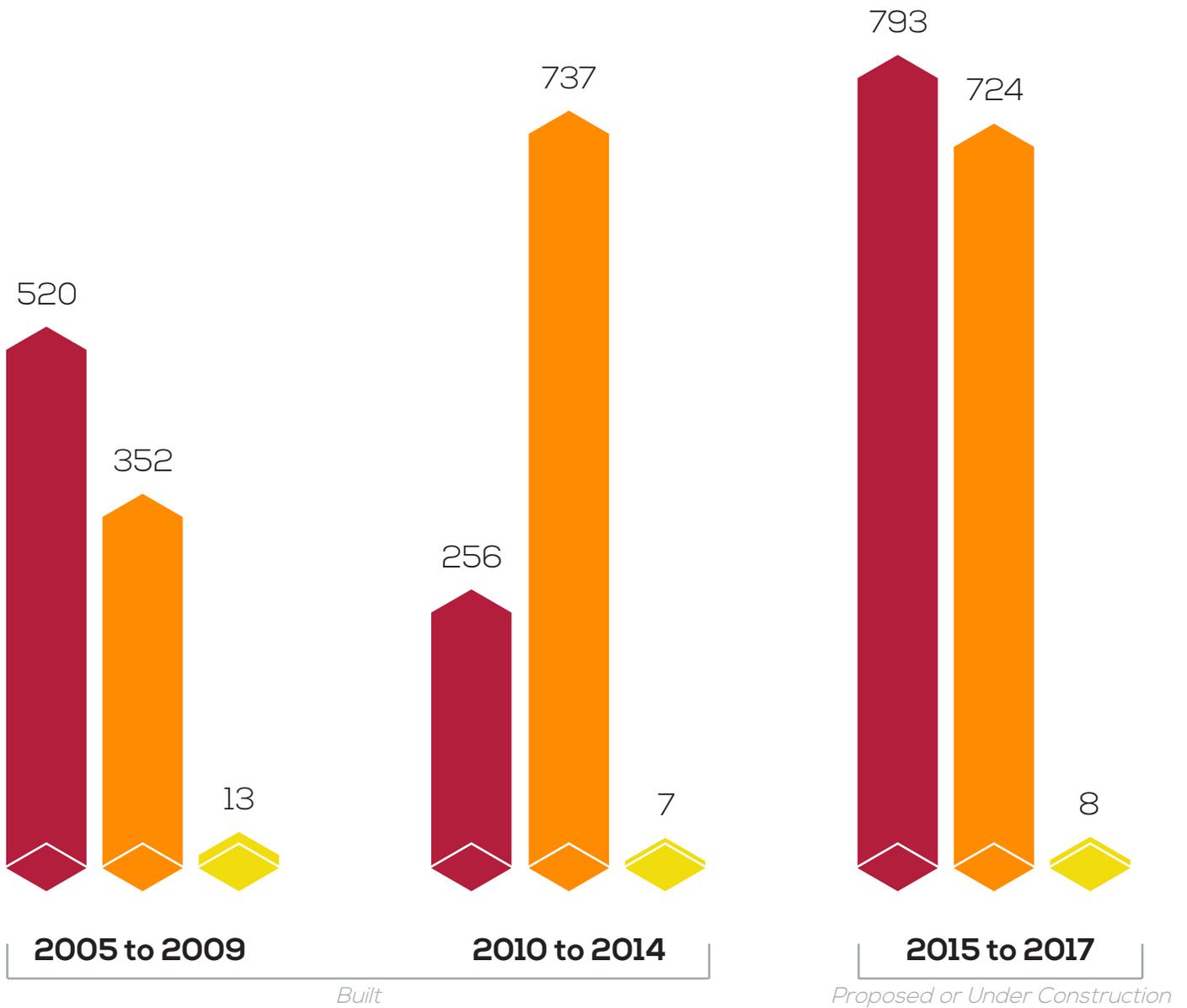


Housing Units Constructed

Multifamily

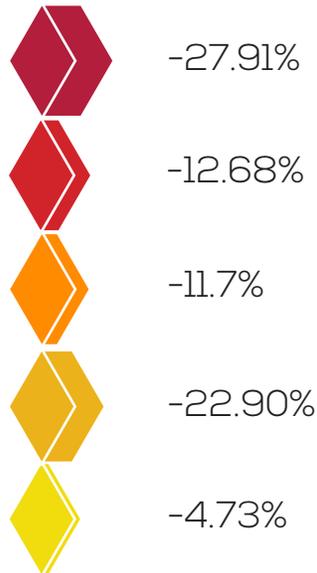
Off-Campus Student Housing

Single Family



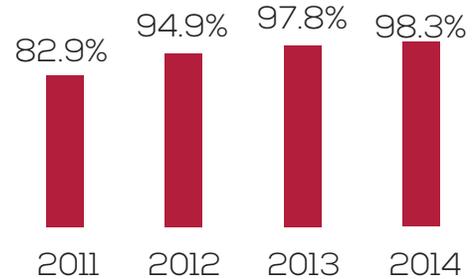


Change in Median Owner-Occupied Home Value from 2007 to 2013

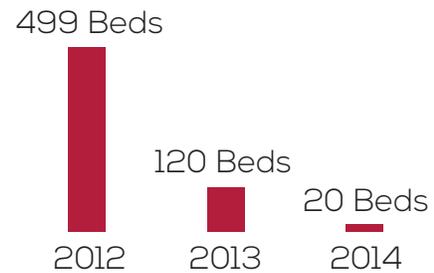


- College Park
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- Prince George's County
- United States

Student Housing Occupancy Rate by Year

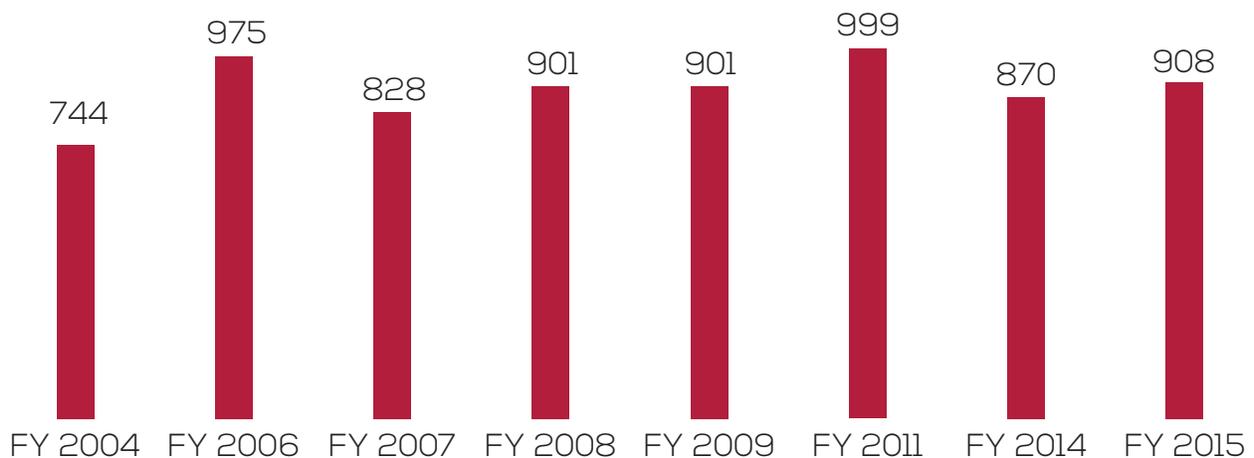


Student Housing Absorption by Year



Both charts include only The Enclave, Mazza Grandmarc, Parkside, University Club, University View I & II, and The Varsity

Single Family Houses With Rental Licenses by Year



CITY INITIATIVES

Business

Community

Development



Business Retention Fund

Downtown Farmers Market

Revitalization Tax Credit Program

Hollywood Facade Improvement Program

US 1 Strategic Demolition Program

Retail Attraction & Expansion Fund

BUSINESS INITIATIVE



Business Retention Fund

Established in September 2013, this fund serves as a business retention tool for retailers. Limited to independent and locally-owned businesses, eligible uses include exterior and interior improvements affixed to the property (e.g. flooring, lighting, painting, and signage). Applications for dollar-for-dollar matching grants, not to exceed \$5,000, are accepted during one window each year. The program is funded through an annual budget allocation by the City Council.

Applications are evaluated using a 25-point system based on factors including the length of operations in the City, the business type, whether the improvements are to the facade, and the amount of private investment generated.

In its first two years of existence, the program has received 24 applications totaling more than \$75,000 in requested funds. From these requests, 15 retailers have been awarded a total of \$49,000, which has been matched with more than \$75,000 in private funding.

The most recent fund cycle took place in July 2014 with the following grantees and their improvements:

Aroy Thai

Mechanical and plumbing upgrades in the kitchen

College Park Bicycle

Fabrication and installation of storefront awnings

College Park Car Wash

Upgrades to electrical and mechanical systems

Cornerstone Grill & Loft

Repair of exterior staircase

Fishnet Restaurant

Installation of ceiling fans and HVAC unit

Gailes' Violin Shop

Installation of exterior lighting and signs

Rising Sun Motors

Fabrication and installation of storefront awnings

Shanghai Cafe

Installation of HVAC unit

Universal Barbershop

Interior painting and replaced storefront awning

PROJECT SPOTLIGHT

College Park Bicycle
7301 Baltimore Avenue

Business Information

Operating in College Park since 1979

Improvement List

Replacement of storefront awnings

Impact of Improvements

Increased visibility from Route 1

Financial Information

\$4,650.92 in City grant funds
\$4,650.92 in private investment



BUSINESS INITIATIVE



Hollywood Facade Improvement Program

This program is the result of the City's efforts to reinvigorate the Hollywood Commercial District, which is located in the northern portion of the City along Rhode Island Avenue. The area is home to more than 40 retailers, including anchor tenants in MOM's Organic Market and REI, as well as several small office buildings.

Since their construction, primarily in the 1960's, the majority of buildings in the district have not been significantly renovated. The result is a series of outdated storefronts, which presents a hurdle for attracting retailers. In order to incentivize investment from the business and property owners, the City created this program in October with repurposed funds from a State grant.

Eligible uses include exterior improvements such as awnings, doors, lighting, masonry work, painting, signage, and windows. Applicants are approved on a first come, first served basis with dollar-for-dollar matching grants available for a minimum of \$2,500 and a maximum of \$25,000.

In order to generate interest in the program, City staff obtained conceptual designs from the Prince George's County Planning Department and the Neighborhood Design Center to showcase potential improvements. With these designs in hand, staff approached business and property owners to discuss the facade program and gauge interest in proceeding with the improvements.

Early discussions have been positive, with several of the owners expressing interest in the program. In 2015, City staff expects to continue working with the businesses and property owners to progress with their applications and eventually receive approval to construct the improvements. The results of these changes to the facade will benefit the existing tenants by creating a more welcoming environment for patrons, while also making the storefronts more attractive to potential tenants.

PROJECT SPOTLIGHT

9913-9921 Rhode Island Avenue

Property Information

Constructed in 1961
4,800 SF of retail

Improvement List

Remove existing sheet metal parapet
Replace with EIFS surface & paint building

Status

County permit approved on January 13, 2015



BUSINESS INITIATIVE



Retail Attraction & Expansion Fund

Established through a Community Legacy grant from the Maryland Department of Housing and Community Development, this fund serves as a business attraction and expansion tool. Eligible businesses include apparel stores, coffee shops, entertainment venues, full service restaurants, gourmet food shops, and yoga studios while banks, convenience stores, dry cleaners, fast food restaurants, and hair salons represent non-eligible business types. Additionally, the fund is limited to independent, locally-owned businesses.

Eligible uses include exterior and interior improvements affixed to the property (e.g. flooring, lighting, painting, and signage). Applicants may apply for a matching grant, not to exceed \$25,000, for a maximum 50% of the costs. In addition to submitting documentation showing their business plans and financial capacity, applicants are required to attend counseling sessions with the Maryland Small Business Development Center before receiving the grant award.

Since its creation in early 2013, the fund has received seven applications from prospective retailers. While several applicants ultimately did not sign leases, or failed to meet the review standards, two retailers completed the process and received a total of \$30,000 to assist with their leasehold improvements.

The Board and Brew - 8150 Baltimore Avenue

Offering nearly five hundred board games to play in a cozy cafesetting, the business opened in July 2014 with assistance from a \$25,000 grant. The owners matched the grant with more than \$85,000, excluding additional non-eligible costs including equipment, furniture, and inventory) to combine and renovate two existing retail spaces on the ground floor of The Varsity student housing complex.

Laser Essential - 8145 Baltimore Avenue

Providing the latest technology in hair removal and skin care, the business opened in October 2014 with assistance from a \$5,000 grant. In order to convert the dilapidated restaurant space into a medical spa, the owners matched the grant with more than \$25,000, excluding non-eligible costs including equipment and furniture).

PROJECT SPOTLIGHT

The Board and Brew
8150 Baltimore Avenue

Business Information

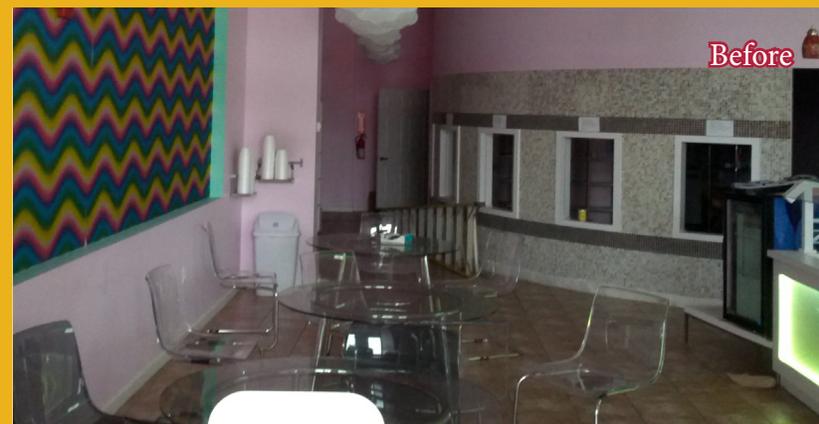
Cafe with hundreds of classic and new board games complemented by coffee, weekly open mic nights, and other events.

Improvement List

Interior demolition to combine two spaces
Ceiling, flooring, and framing work
Electrical, mechanical, and plumbing work

Financial Information

\$25,000 in City grant funds
\$85,000 in private investment
(excludes non-eligible costs including equipment, furniture, and inventory)



COMMUNITY INITIATIVE



Downtown Farmers Market

In collaboration with a Prince George's County-based farm, the market opened at City Hall in 2011 with a handful of vendors. With its fourth season recently completed, the market now features a collection of 16 vendors and averages close to 300 visitors each week.

In the absence of a grocery store in Downtown, the market was opened to bring fresh produce to residents in a convenient location. Additionally, the market is part of a larger effort to attract visitors to Downtown in order to support its seventy merchants on Sundays.

The market has something for everybody, as products include locally-grown fruits and vegetables, baked goods, BBQ, cheeses, jewelry, meats, pickles, root beer, tea, and wine. Beyond the vendors, events include a weekly band, cooking demonstrations, nutrition seminars, animal adoptions, gardening workshops and more. The market is open between April and November from 10:00am to 2:00pm each Sunday.

2014 VENDORS

- Alcoba Coffee
- Bill's Backyard BBQ
- Cecilia's Delight
- Christine's Designs
- Elk Run Vineyard and Winery
- Gentle Flours Bakery
- Great Shoals Winery
- Heavenly Created Desserts
- Larry's Produce
- Miller Farms
- P.A. Bowen Farmstead
- Phil's Dills Gourmet Pickles
- Roy and RT's Kitchen
- Thunder Beast Root Beer
- True Honey Teas
- and*
- weekly music from Birds on a Wire



COMMUNITY INITIATIVE



US 1 Strategic Demolition Program

Through a Community Legacy grant from the Maryland Department of Housing and Community Development, the City received \$75,000 for the demolition of vacant, blighted buildings on the US 1 corridor. Despite numerous large-scale developments changing the street's character in recent years, several dilapidated buildings remained that detracted from the overall appearance of the thoroughfare.

The grant provided the City with an opportunity to raze three long-vacant buildings, which became nuisances to the community. While the City provided the majority of funds, each property owner also made a contribution.

9091 Baltimore Avenue

Formerly a popular restaurant, this 3,360-square-foot building sat vacant since 2004. Situated just north of MD-193, this property was in a highly visible location for visitors to College Park. The property was slated for redevelopment in the late 2000's, but the economic recession halted those plans. With a new developer on board, the City reached an agreement to demolish the building at a total cost of \$32,850. Groundbreaking for the mixed-use, multifamily development is expected to take place in fall 2015.

9339 Baltimore Avenue

Formerly a waterbed store, this 2,800-square-foot building sat vacant since 2004. Located on the same property as an existing car rental facility, there are no short-term redevelopment plans which meant it was unlikely for the building to be razed without this grant opportunity. The total cost of the demolition was \$29,011.

4700 Edgewood Road

Sitting at the northern gateway of College Park from the Beltway, this 3,800-square-foot house was in significant disrepair and creating a negative first impression for many visitors. While redevelopment is expected in the future, an exact timetable is unknown which led the City to negotiate an agreement with the property owner to demolish the building for a total cost of \$22,840.

PROJECT SPOTLIGHT

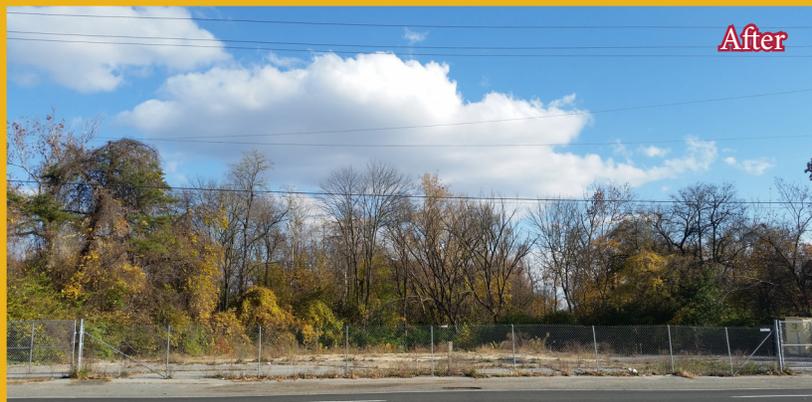
The Boulevard at 9091
9091 Baltimore Avenue

Future Use

Mixed-use project with 238 apartments,
45 townhomes, & 4,133 SF of retail

Status

Groundbreaking expected in Q3 2015



DEVELOPMENT INITIATIVE



Revitalization Tax Credit Program

Created in November 2012 by an ordinance of the Mayor and City Council, this program provides financial incentives for development projects through real property tax credits against the municipal tax, which is \$0.335 per \$100 of assessed value. The ordinance established revitalization districts and criteria for granting the tax credits; therefore, applicants must be located within one of the districts and meet specific criteria to be eligible for the five-year tax credit (75% in year one, 60% in year two, 45% in year three, 30% in year four, and 15% in year five). The credit itself is granted against the increased assessment attributed to the development project.

In order to receive the tax credit, applicants must demonstrate that their development meets a certain number of criteria, with possible categories including LEED Silver certification, proximity to a rail station, assemblage of properties and development complicated by environmental contamination.

The sole tax credit approved in 2014 went to Monument Village, a mixed-use development with 235 apartments and 4,800 SF of ground level retail. After originally being approved in 2008, the project stalled under the initial developer until Monument Realty restarted it in late 2012.

The development broke ground in October and is scheduled to open in early-2016 at 9122 Baltimore Avenue. With an estimated value of \$55 million, the development will provide the City with an additional \$170,000 in taxes annually.

Monument Village met the program's eligibility criteria by assembling two properties, committing funds for a traffic signal, achieving LEED Silver certification, demolishing a vacant structure, and being within a walkable node on Route 1. Per the ordinance, the applicant was eligible for a tax credit of \$380,000 over five years; however, the City Council elected to reduce the amount and grant the development a tax credit over three years in the amount of \$190,000.

PROJECT SPOTLIGHT

Monument Village
9122-9128 Baltimore Avenue

Development Information

Located just north of MD-193, the 3.78-acre property is a prominent site due to its lengthy frontage on Route 1. The mixed-use project will include 235 apartments & 4,800 SF of retail.

Financial Information

\$190,000 - value of tax credit over five years
\$170,000 - projected new annual City taxes

Status

Broke ground in October 2014
Expected opening in Spring 2016



LOOKING AHEAD

Development

Infrastructure

College Park-UMD
Transit District

Hollywood Commercial
District Streetscape

Downtown
College Park

Purple Line
Light Rail

University of Maryland
Innovation District

LOOKING AHEAD



Transforming the College Park-UMD Transit District

Despite the opening of the metro station in 1993, the surrounding area has yet to see mixed-use development that takes advantage of the transit-rich location. While an office presence has developed through the University's M Square Research Park and additional federal buildings, the area lacks a sense of place and activity beyond work hours. A new Transit District Development Plan envisions five interconnected neighborhoods with a mix of housing, office, and retail.

A Changing Downtown College Park

While Downtown is undergoing major changes with the construction of Landmark and Terrapin Row, student housing buildings opening in 2015 and 2016, additional redevelopment is expected in the coming years. Specifically, the City and University are in the early stages of a joint development on the current City Hall site that would house a new City Hall, office space for the University, ground floor retail, and a public plaza in the heart of Downtown.



Igniting the Entrepreneurial Spirit on Campus

The University's plans for an Innovation District on the former East Campus site are just taking shape, but the vision is a vibrant, inter-disciplinary mixed-use community anchored by a conference hotel that is expected to break ground in 2015. The district will look to commercialize technologies and expand industry collaboration, while further linking the campus with the M Square Research Park. Recommendations for the district will be submitted to the Facilities Committee in early 2015.

Reimagining the Hollywood Commercial District

With more than 40 storefronts, the commercial district on Rhode Island Avenue serves as a secondary retail core to Route 1. While anchor tenants are present in MOM's Organic Market and REI, many buildings have been neglected over the years and are in need of facelifts. The previously described facade improvement program was created to incentivize those changes, while the City is designing a streetscape plan to enhance the aesthetics and improve walkability. A conceptual plan will be prepared in early 2015 with engineering and implementation to follow in 2015 and 2016.



Uniting the Capital Region of Maryland

A 16.2-mile light rail line linking commercial and residential centers including Bethesda, Silver Spring, and New Carrollton, the Purple Line is expected to near closer to construction in 2015. Of the 21 stations along the route, four are located within College Park including stops on the University of Maryland and at the College Park-UMD Metro Station. With an expected daily ridership of 69,000, the Purple Line will provide a vital east-west connection between Montgomery and Prince George's Counties, while also encouraging transit-oriented development.



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