

WASHINGTON BUSINESS JOURNAL

April 18-24, 2003

Retail rebirth hits 14th St.

Developer, retailer action suggests turnaround of retail area is finally here

BY ELENI KRETIKOS
STAFF REPORTER

The buzz of saws and the whir of drills are becoming abundant along 14th Street NW.

This retail and residential renaissance is reaching a fevered pitch.

Hundreds of housing units are coming, or are entering planning stages in the next several years, and entrepreneurs, who often live in the neighborhood, are capitalizing on the retail void by opening hardware stores, furniture shops and mini-department stores. The newbies are standing side-by-side with the carryouts and landmarks, like the Mid-City Fish Market.

They all have a place on 14th Street.

PN Hoffman (www.pnhoffman.com) is one of several residential developers with projects under way along the 14th Street corridor; its largest and latest is at 14th and V, which will include 270 condos and 25,000 square feet of retail.

Metropolis (www.metropolis-dc.com) has upscale housing about to go up at 14th and P and 14th and Church streets; another 25,000 square feet of retail will come with them. A second project at 14th and V streets should begin construction within a month. Donatelli & Klein also has projects at 14th and V and along U street.

The area's Main Street designation and funding will further promote such economic development and translate to tree boxes lining the wide sidewalks and bright, clean canopies dressing the storefronts.

It's a transformation that, for many unfamiliar with 14th Street, is happening below the radar screen.

Renewal began publicly bubbling to the surface when Whole Foods opened in December 2000, smack between Logan and Dupont circles. Word quickly spread that the grocery retailer had hit on one of its most profitable locations, pouncing on an opportunity others never saw coming.

Retail rents are reaching the low \$40s a square foot, competitive with asking prices in Adams Morgan or the central business district. Lately, retailers have been calling along with people

looking for small office spaces, say Wayne Dickson and his wife, Carol Felix, who have lived on Q Street, just off 14th Street, for years.

"Here's what they tell me: '14th Street is hip,'" says Dickson, who works in retail real estate.

Fourteenth Street also is becoming a beneficiary of "new urbanism" — young people and empty nesters moving into the city and establishing roots. Two of the mayor's top economic development and city planning advisers, Eric Price and Andy Altman, also live in the neighborhood.

"The idea that you can have restaurants and shops and neighborhood-serving retail next to the residential is very desirable," says Monty Hoffman, PN Hoffman's chief executive. "And there's substantial architectural character and history with it that makes it authentic. It's not the mall-type deal. It's not the suburban wannabe. It's the real deal."

NEW ERA

Early recruits to the neighborhood saw 14th Street's "real-deal" appeal a while ago. Noi Chudnoff, for example, is not your typical entrepreneur. She's a 53-year-old, white-headed, fireball wisp of a woman who can zip circles around kids half her age. She flits about her funky gift shop on 14th Street NW in a pink and green Hawaiian-print sundress.

An Eastern Market staple for little more than a year, Chudnoff socked away enough profits off Japanese plates to open her own place. She considered Capitol Hill, but the foot traffic wasn't quite there.

But she knew Whole Foods had a store opening at 14th and P streets. And that was all she needed to know. She opened Go Mama Go! at 1809 14th St. in August 2001.

"When you look around at all the construction, it doesn't take an MBA to figure it out," Chudnoff says. "Count the cranes."

U Street corridor bustles along with 14th St. boom blocks along U Street NW, where they meet 14th Street, are better known for Ben's Chili Bowl, Kona Italian restaurant and Ethiopian eateries than for trendy shopping spots.

But that is changing.

The U Street corridor is becoming a must-go place to see and be seen. Consider some of the latest news: Nana, a new and used clothing store, and Joy Zinoman, who's been on 14th Street 27 years, will tell you she recalls the days that the corridor was littered with hypodermic needles, condoms and boarded-up buildings. She says changes are taking hold quickly.

"We have 500 people a night on this corner who will go to the coffee shops, the shops, the stores," says Zinoman, founding artistic director of the Studio Theatre (www.studiotheatre.org), which in June will begin a construction project that will double its size to more than 50,000 square feet.

"It's like this neighborhood is becoming its own identity, its own look and its own style," she says. "It's about keeping it open and not losing the urban energy that's industrial and chic."

NONTRADITIONAL WASHINGTON

Jim Abdo of Abdo Development (www.abdo.com) was among the first to arrive on the corridor's residential development scene. His first conversion in the area, 1517 P St., had been an abandoned crack house. Today, its luxury condos.

Abdo brought the neighborhood its first Caribou Coffee, at 14th and Rhode Island Avenue. Even though his voice mail is filled with messages from Chipotle and Blockbuster Video, he's not so interested in national retailers.

"I want just enough nationals to make the locals safe," Abdo says. "You move to the city because you want it to be different and vibrant and eclectic."

Greg Link was the first in the 1800 block of 14th with Home Rule, which carries unique lines of everything from bathroom accessories to food prep tools.

"It won't look like traditional Washington," Link says of what 14th will become. "It will look like urban America, and I think that's what's going to be fun about it."

And more developers and retailers are lining up to look around.

Restaurateur Mauricio Fraga-Rosenfeld is interested in the area. As is Alan Popovsky, the owner of Felix, Spy Lounge and Grille 88. And Philadelphia trend-setting restaurateur Stephen Start, who's been to D.C. several times looking for a site, is snooping around 14th Street as well.

"We have seen the development of somewhat predictable retail throughout most of the city," says John Asadoorian, a retail broker. "We need a bit of funk in Washington. Where it has funk, it feels real. That is what's going on here."

■ **E-MAIL:** EKRETIKOS@BIZJOURNALS.COM
PHONE: 703/816-0320