



## WARD 5 INDUSTRIAL LAND TRANSFORMATION STUDY

National Capital Region Transportation Planning Board  
 Freight Subcommittee  
 June 5, 2014

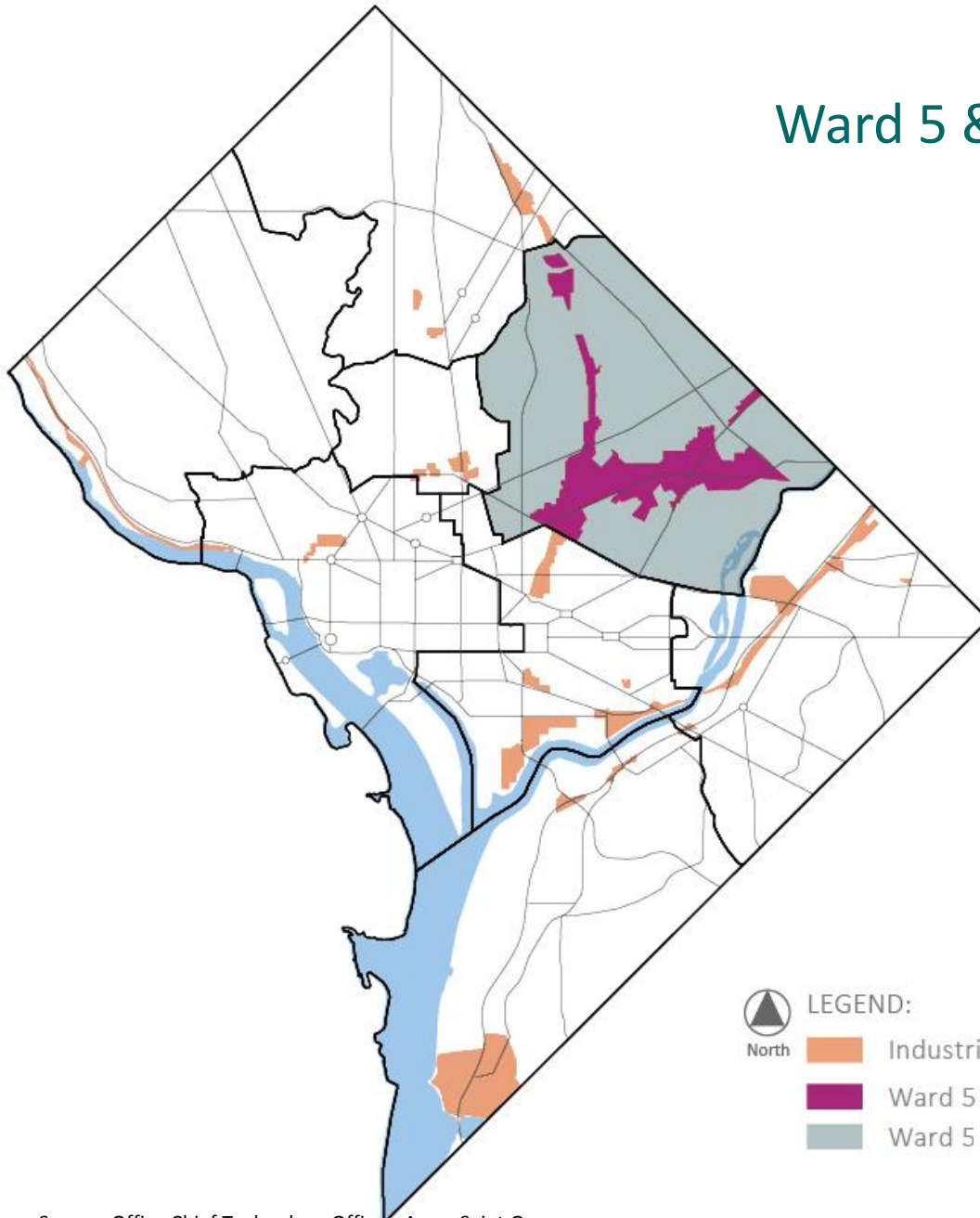


# Ward 5 & District Industrial Activities

## An Industrial Market in Flux

Ward 5 Contains the District's  
Largest Concentration of  
Industrially Zoned Land

Other Industrial Areas are  
Converting to Non-  
Industrial Uses – Making  
Ward 5 All the More  
Critical



North

LEGEND:

Industrially Zoned Land

Ward 5 Industrially Zoned Land

Ward 5

Source: Office Chief Technology Officer; Ayers Saint Gross

**Ward 5 Industrial Land Transformation Study**

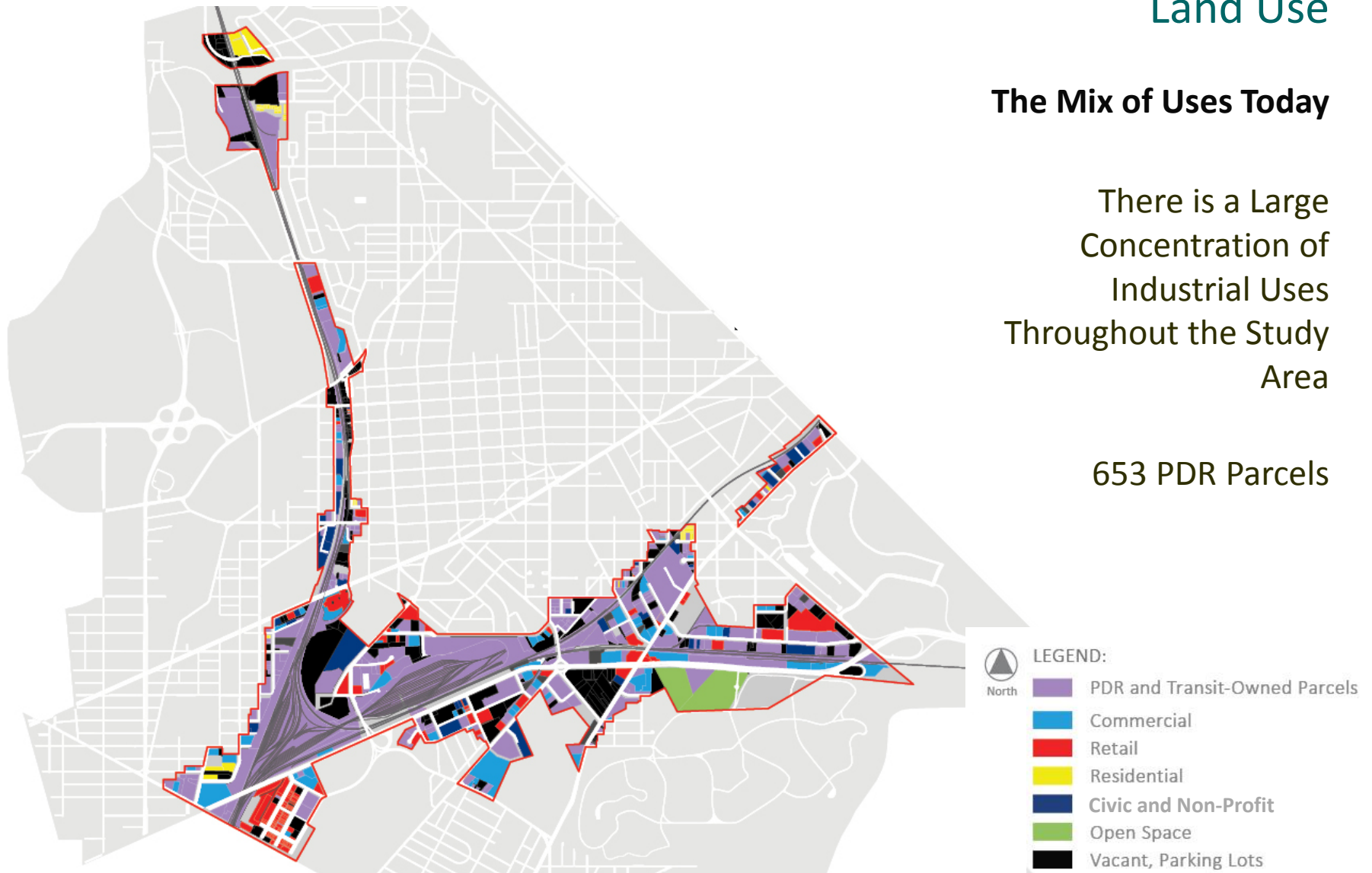


# Land Use

## The Mix of Uses Today

There is a Large Concentration of Industrial Uses Throughout the Study Area

653 PDR Parcels



Source: Office Chief Technology Officer; Ayers Saint Gross

Ward 5 Industrial Land Transformation Study

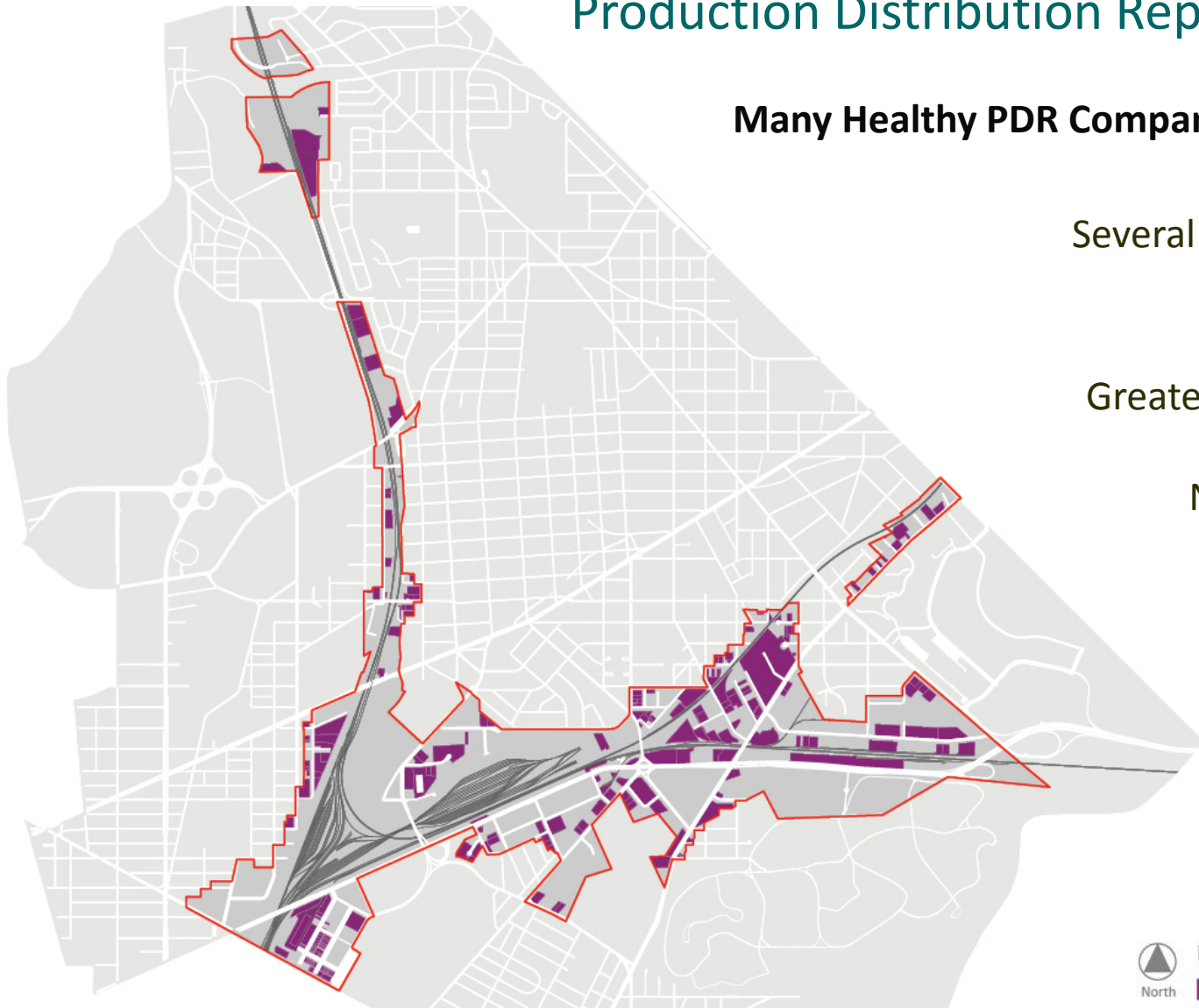


# Production Distribution Repair – PDR Uses

**Many Healthy PDR Companies Exist in Ward 5**

Several Prominent Clusters  
of PDR Activities

Greatest Concentration of  
Existing Businesses  
North of NY Avenue



LEGEND:  
North PDR Uses





# PDR Uses – Facilities

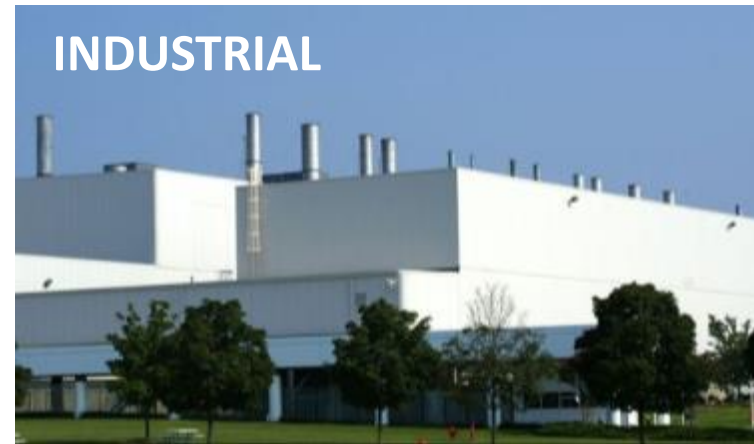
## Two Key Types of Industrial Space



Typically 1 - Sometimes 2 Stories

Mix of Manufacturing,  
Logistics & Office Space

Highly Adaptable to Market Trends

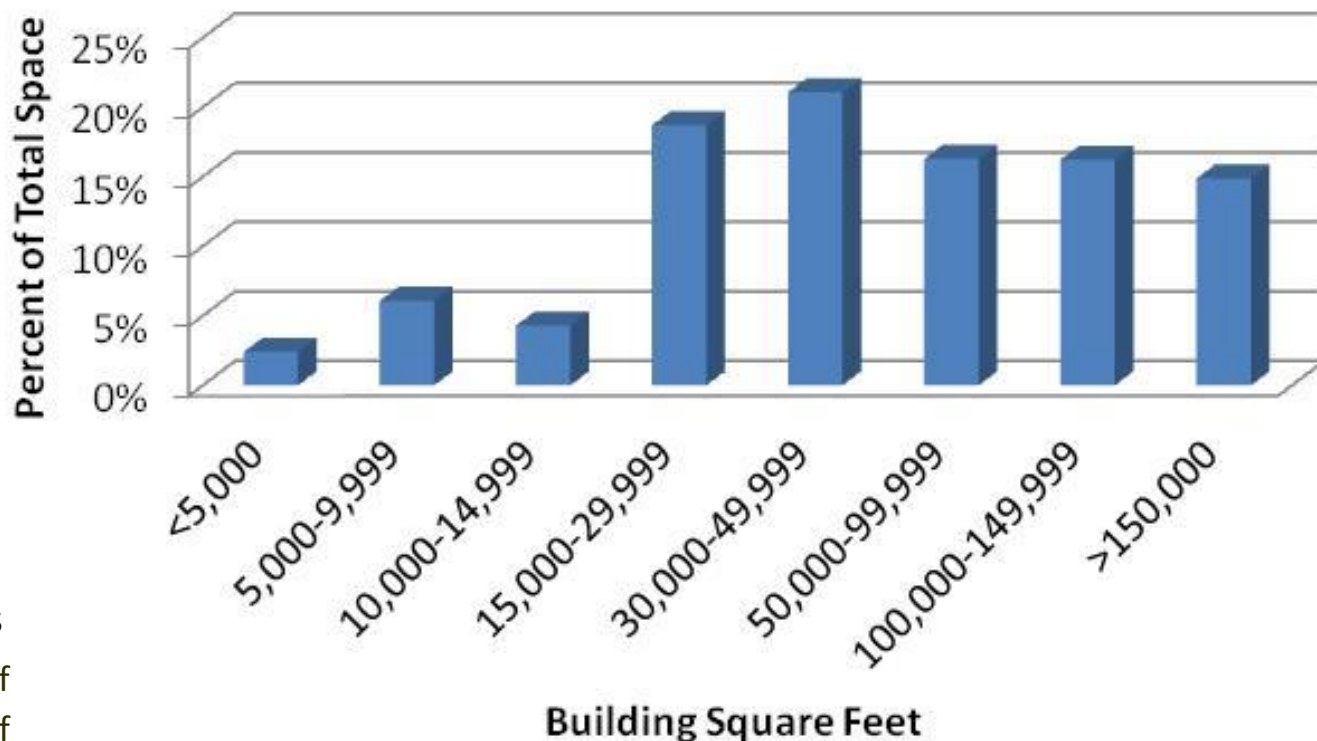


Built to Suit For a Single Purpose –  
Manufacturing

Existing Stock Not Adaptable to  
Market Trends

# Ward 5's Industrial Property Character

One in five buildings is between 30,000 to 50,000 sf



## Retail Scale Examples

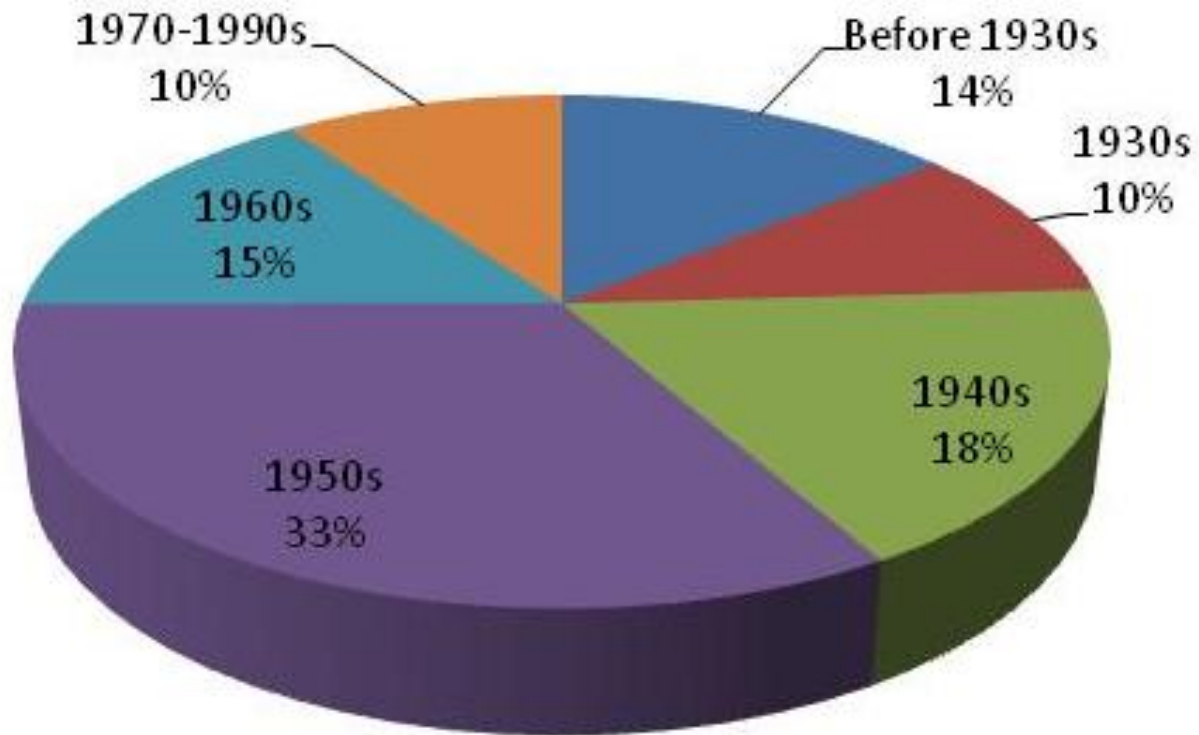
- Applebee's – 5,000 sf
- CVS Pharmacy – 15,000 sf
- Giant – 50,000 sf
- Home Depot – 100,000 sf
- Costco – 145,000 sf

Source: CoStar; Partners for Economic Solutions, 2013.



# Ward 5's Industrial Property by Year Built

**90% Of Ward 5's Existing Building Stock is Over 40 Years Old**



Source: CoStar; Partners for Economic Solutions, 2013.



# What's The Breakdown of These Jobs?

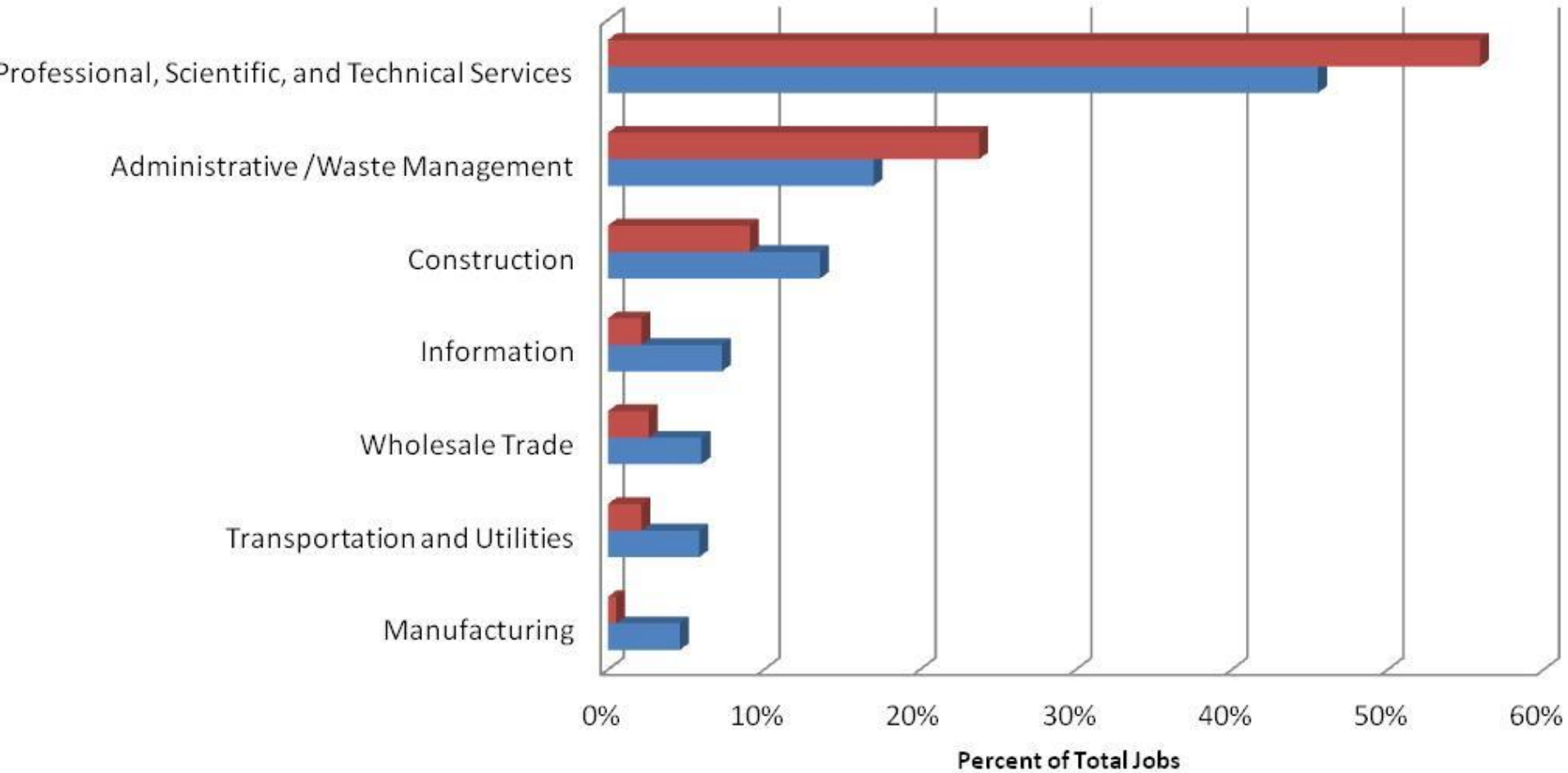
Regional  
DC  
Ward 5





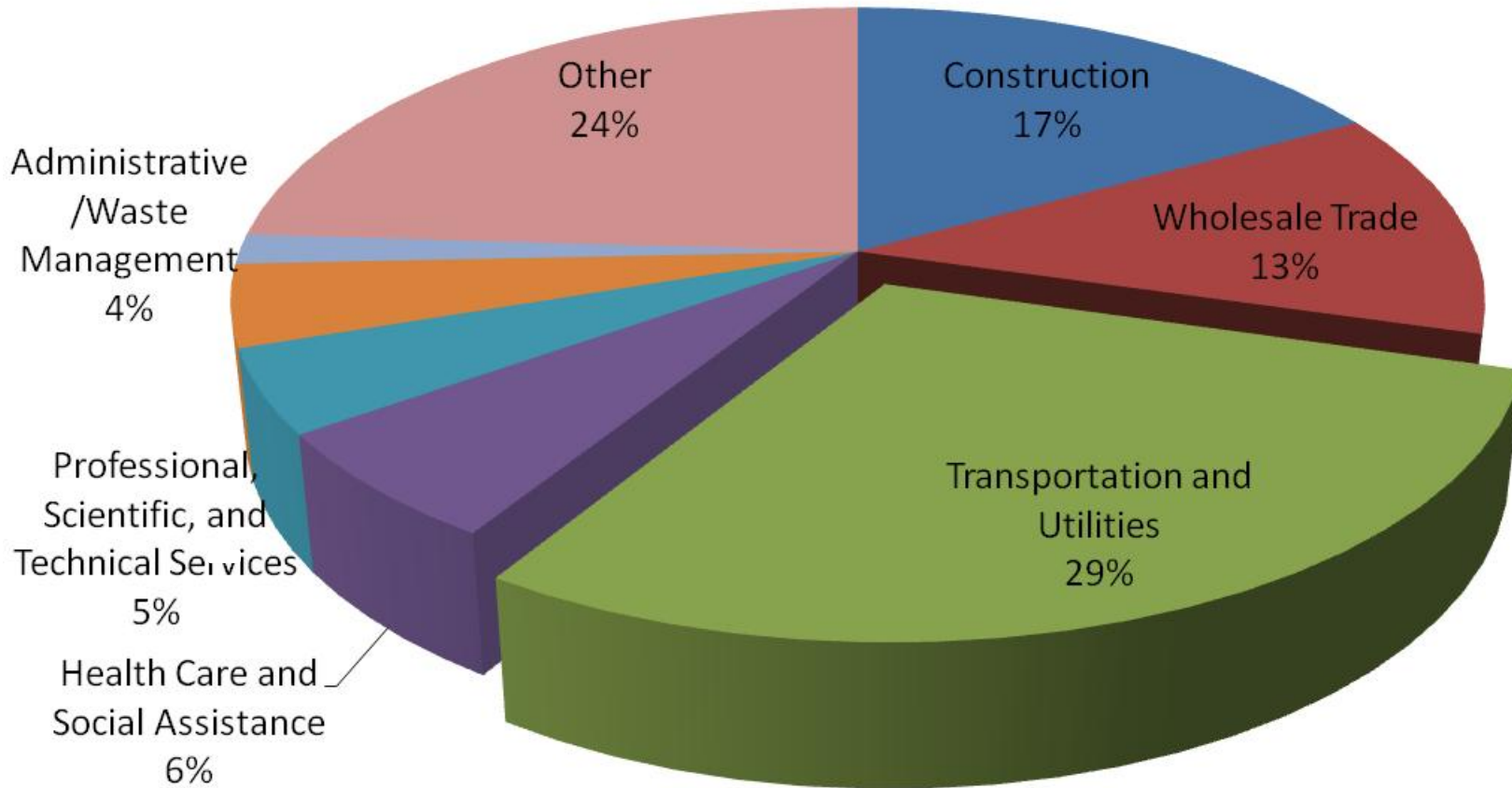
# Regional & DC PDR Employment

## Industry Space Users Represent A Smaller Share of District Employers



# Ward 5 PDR Employment Trends

**Industrial Uses Represent the Majority of Ward 5 Jobs**



Source: DC Department of Employment Services, ESRI; Partners for Economic Solutions, 2013.



# Ward 5 Demographics

## A Diverse Population that Needs Jobs

31,000 households with Median Household Income of \$49,000

Ward 5 Unemployment Rate of 15 % as of 2011

Almost half (47%) of Population has High School Diploma or Less Education

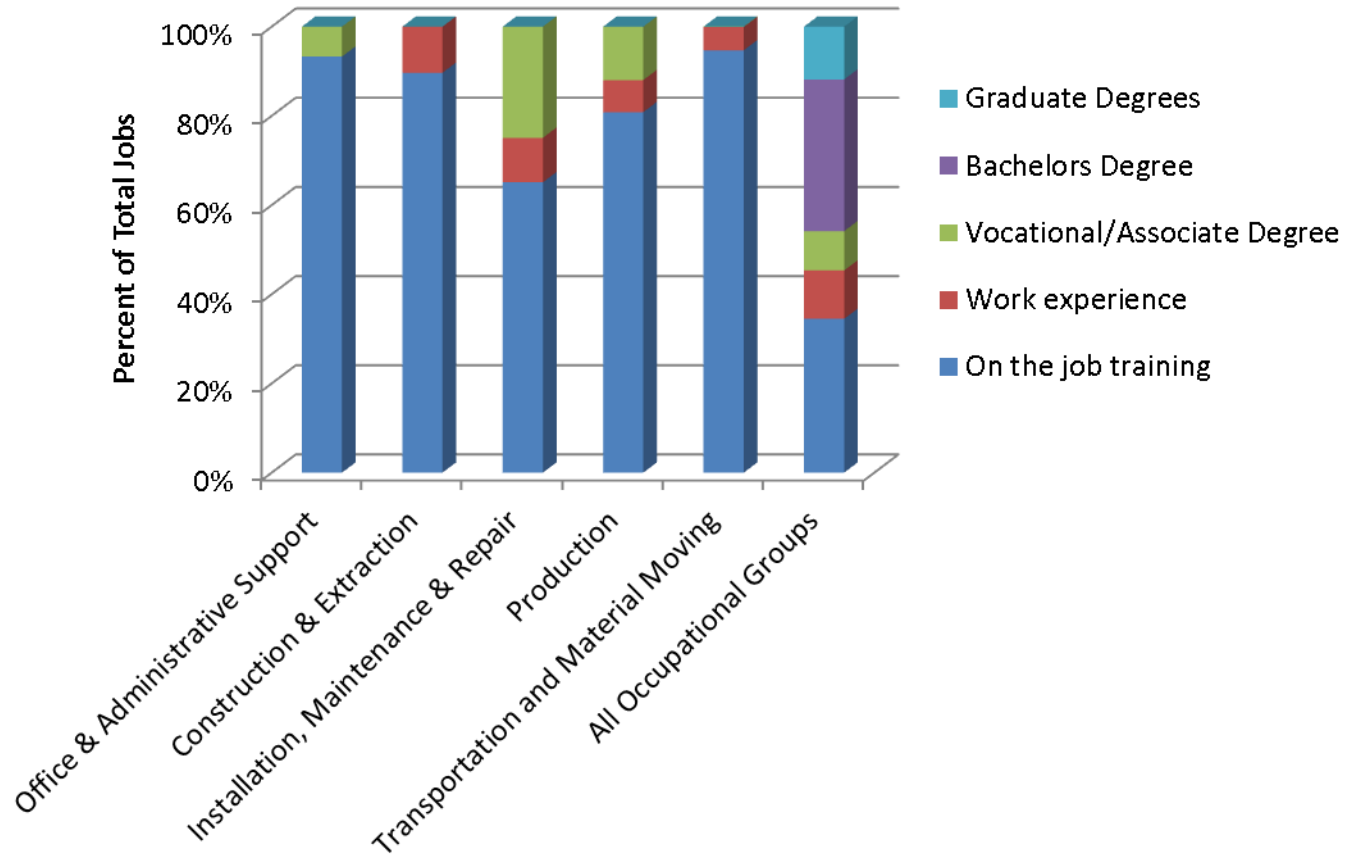
Half the Rate of Residents with Graduate or Professional Degrees as DC

	<b>Ward 5</b>	<b>DC</b>
<b>Less than GED</b>	19%	15%
<b>High School Graduate</b>	28%	21%
<b>Associate's Degree or Some College</b>	24%	18%
<b>Bachelor's Degree</b>	15%	21%
<b>Graduate or Professional Degree</b>	13%	26%



# Education Requirements by Occupation (DC)

## Industrial Users Provide Jobs for High School Graduates



Source: DC Department of Employment Services; PES, 2013.



# Wages by Industry (DC)

## Production, Distribution & Repair Jobs Pay Better

<b>Production, Distribution &amp; Repair Industries</b>	<b>Annual Average Wage</b>
<b>Construction</b>	<b>\$64,000</b>
<b>Wholesale- Non-Durable</b>	<b>\$65,800</b>
<b>Transportation/Warehousing</b>	
<b>Transportation-Truck</b>	<b>\$51,000</b>
<b>Warehousing</b>	<b>\$37,000</b>
<b>Non-Production, Distribution &amp; Repair Industries</b>	
<b>Retail</b>	<b>\$33,800</b>

Source: Bureau of Labor Statistics, PES, 2013





# Career Opportunities

**Provide Entry Level Workers with Career Ladder**

Ward 5 Jobs Offer On-the-Job Training

Achieving Living Wage



## Example DC Jobs

**Supervisors of Transportation and Material-Moving Machine  
and Vehicle Operators**

**Average  
Annual  
Wage**

**\$64,770**

**First-Line Supervisors of Helpers, Laborers, and Material  
Movers**

**\$48,230**

**Industrial Truck and Tractor Operators**

**\$41,530**

**Laborers and Freight, Stock, and Material Movers**

**\$33,100**

**Packers and Packagers**

**\$20,690**

Source: Bureau of Labor Statistics, PES, 2013.

Source: DC Department of Employment Services; PES, 2013.

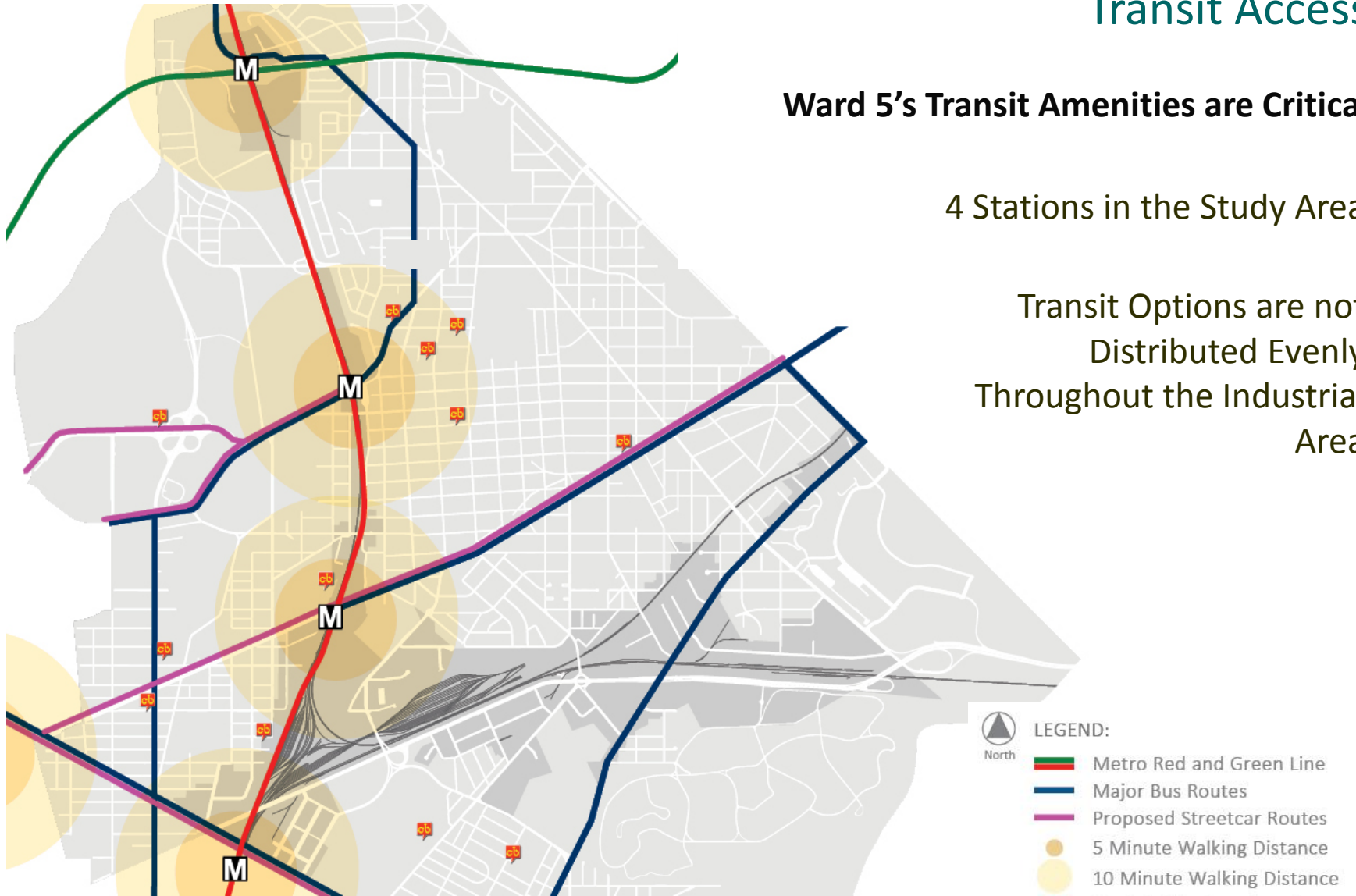


# Transit Access

## Ward 5's Transit Amenities are Critical

4 Stations in the Study Area

Transit Options are not  
Distributed Evenly  
Throughout the Industrial  
Area



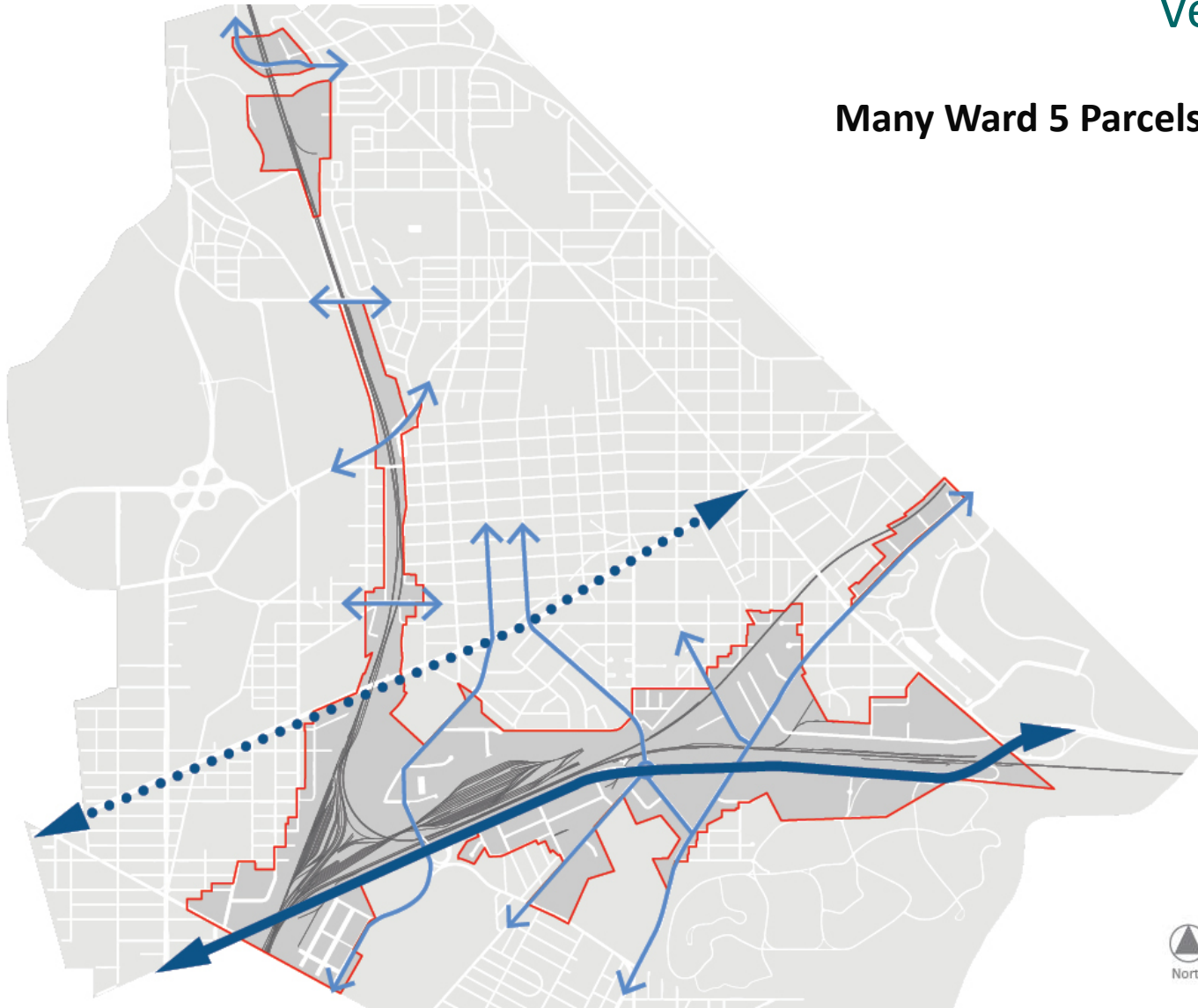
Source: Office Chief Technology Officer; Ayers Saint Gross

Ward 5 Industrial Land Transformation Study



# Vehicular Access

Many Ward 5 Parcels Are Hard to Get To



- LEGEND:
- North
  - Highways
  - Local Streets
  - Rail Lines

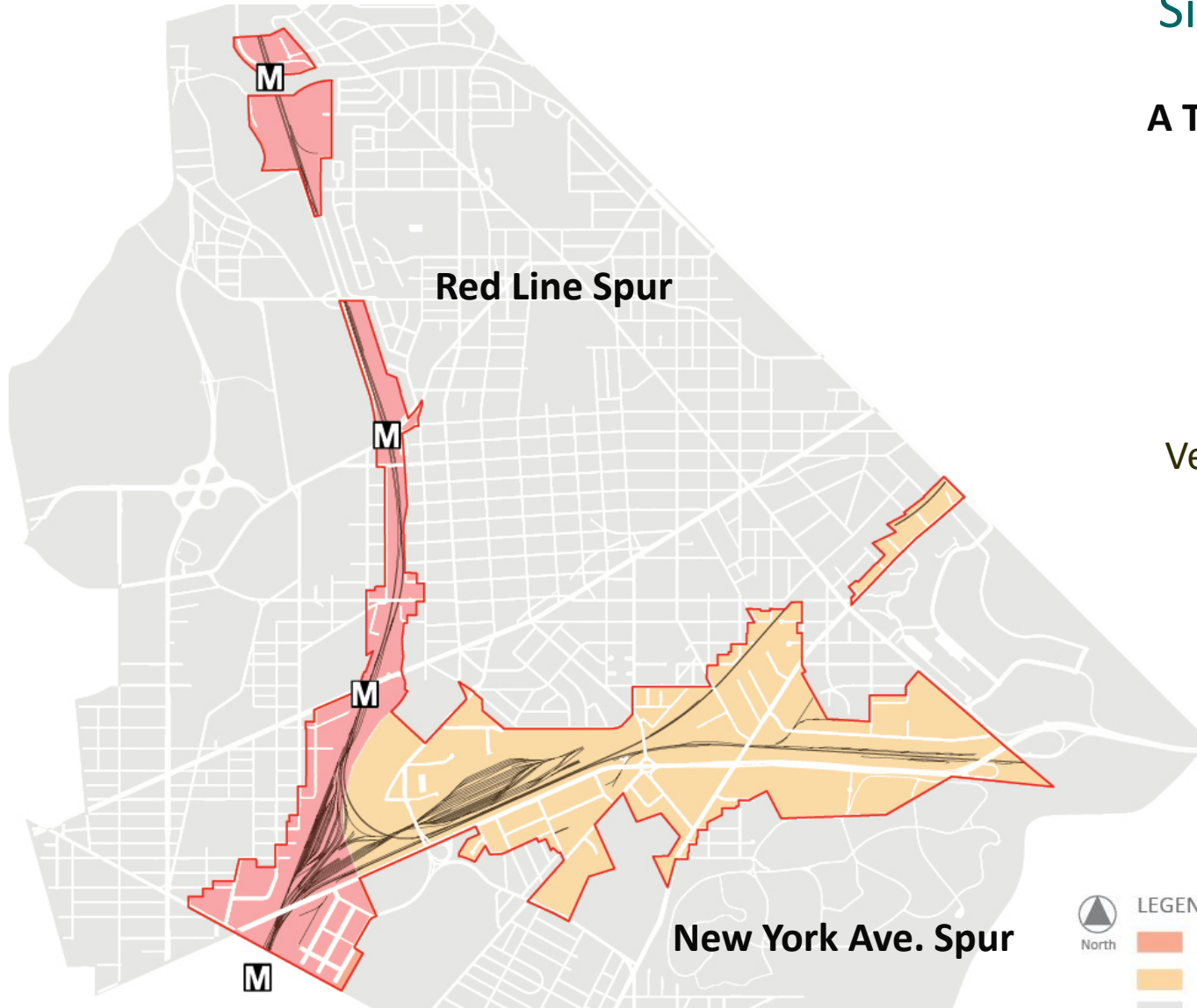


# Site Accessibility

## A Tale of Two Markets

Red Line Spur  
Transit-Orientation

New York Ave  
Vehicular-Orientation

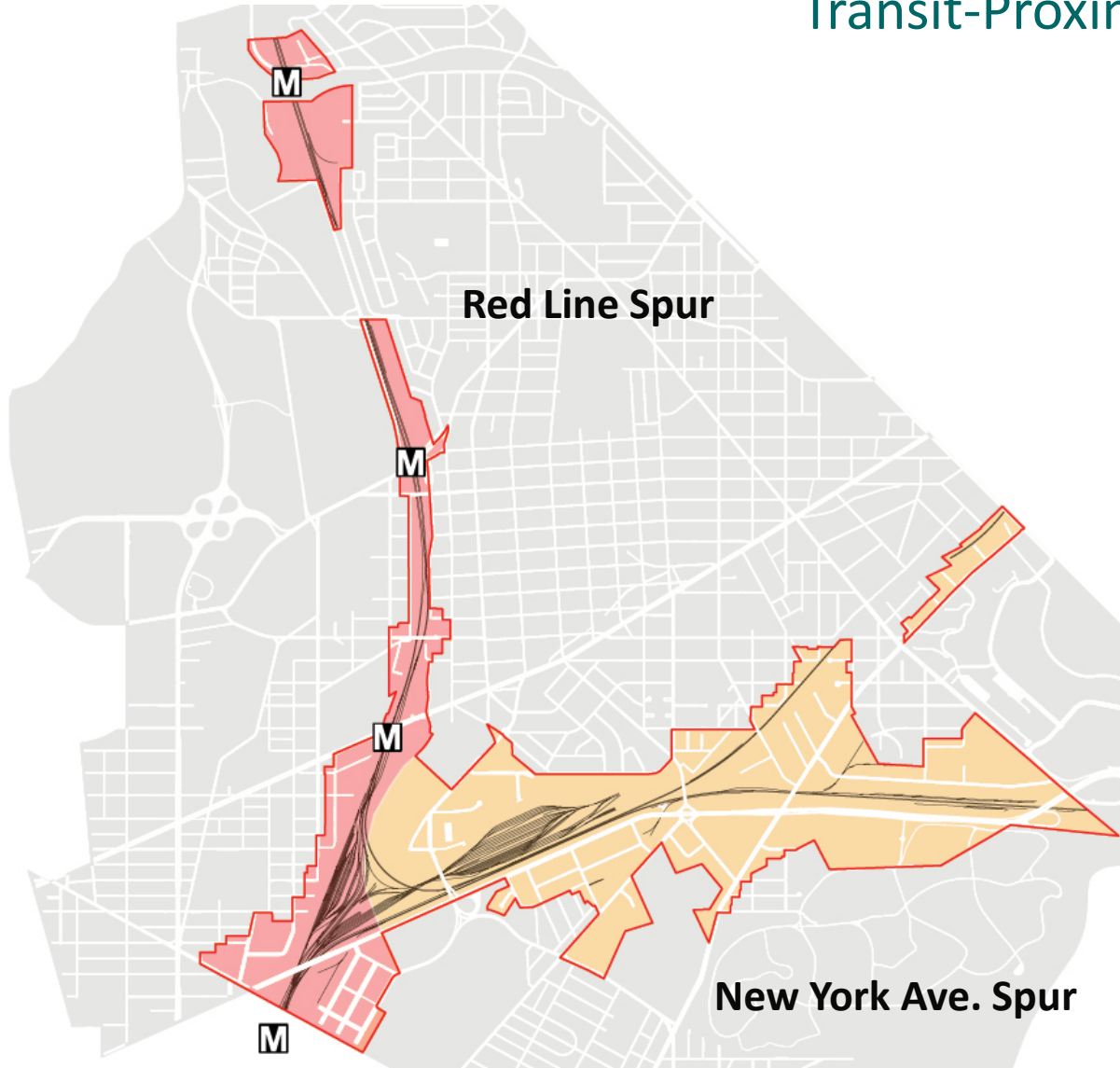


LEGEND:

- Metro-Accessible Parcels
- Auto-Accessible Parcels
- Outside of Industrial Area



# Transit-Proximate Properties - Red



## A Tale of Two Markets

Approximately 40% of Ward 5 Industrial Square Feet is Transit Proximate

Inventory of 3.2 Million SF



Vacancy Rate 2.5% to 6% Last Five Years

Rents on Average \$3.50 to \$4 Higher Than Auto Accessible Sections of Ward 5



North

### LEGEND:

-  Metro-Accessible Parcels
-  Auto-Accessible Parcels
-  Outside of Industrial Area





# Auto-Proximate Properties - Orange

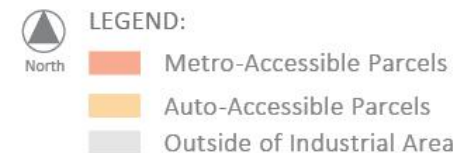
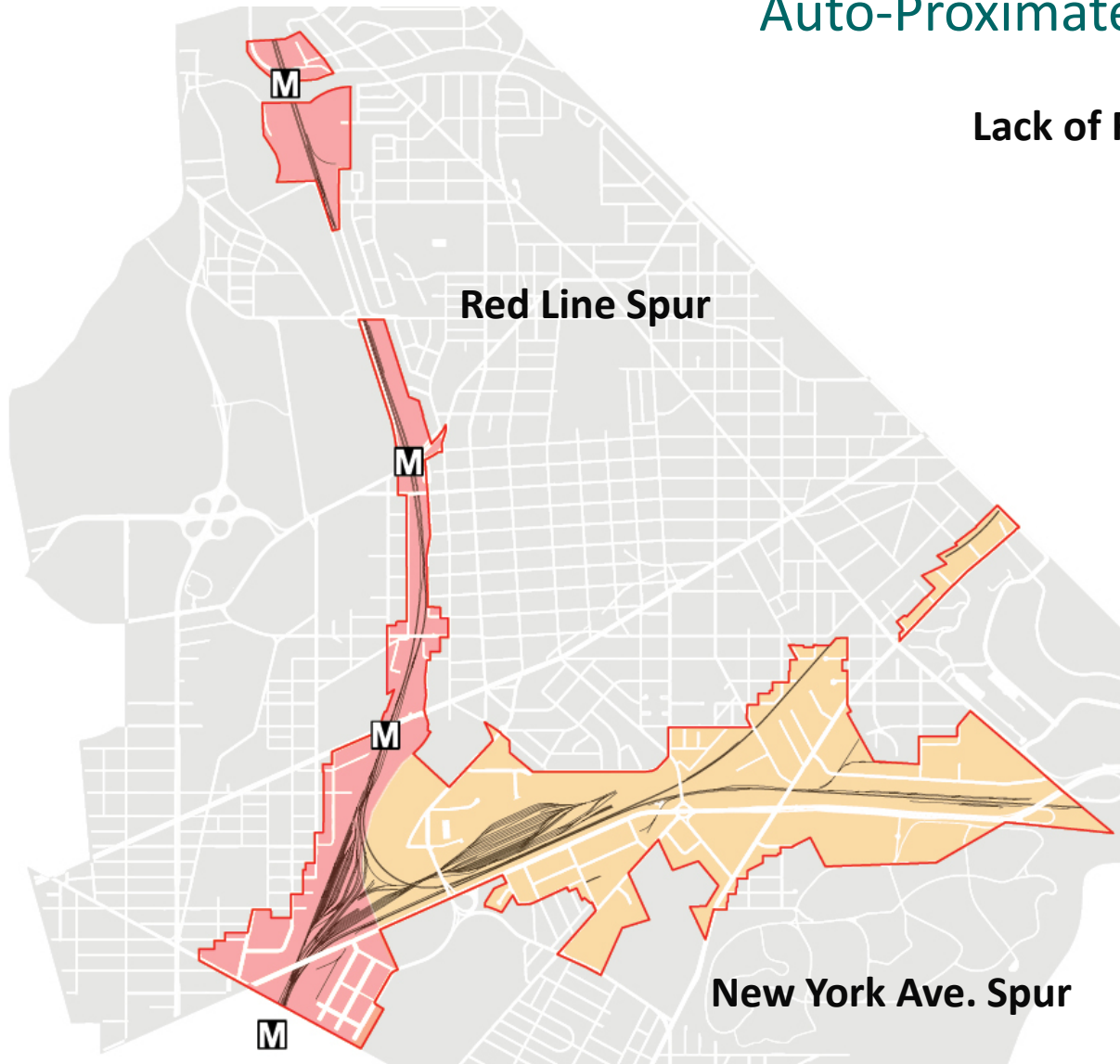
## Lack of Rail Transit Affects Demand

Approximately 60% of  
Ward 5 Industrial Square  
Feet is Not Transit  
Proximate

Inventory of 4.4  
Million SF

Vacancy Rate Ranged  
Between 10% and 15%  
Over The Last Five Years

More Dramatic Shifts in  
Occupancy and Rental  
Rates



Some Overarching Thoughts

## **PDR is an Essential Market**

→ PDR Drives Both a Market and Employment  
Need in the District

The Maker Economy is a Growth Sector in the PDR Economy

A High Demand for Low-Tech Goods Means More Low Barriers-to-Entry Jobs

Maker Jobs Employ Traditional PDR Workers

Maker Spaces and Innovation are Mutually Reinforcing

# Production/Distribution/Repair Uses - PDR

## 5-year industrial strategy

- Transform NY Ave/W VA Ave Triangle
- Industrial Advocate
- Mitigate Nuisances
- Zoning – Make/Live Zones
- Community Amenities
- Workforce Development
- Creative Hub(s)
- Transit





An aerial photograph of an industrial area, likely a port or manufacturing district, featuring a river, numerous buildings, and infrastructure. The image is overlaid with a semi-transparent dark green filter.

# Thank You

Abigail Ferretti

Partners for Economic Solutions

[afferretti@pesconsult.com](mailto:afferretti@pesconsult.com)