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Redeveloping Largo shopping center aims to be the Pike & Rose of Prince George's



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The owner of the Boulevard at Capital Centre shopping center is thinking big when it comes to its revamp, with plans to begin work on a \$200 million first phase later this year.

Owner Retail Properties of America Inc. (NYSE: RPAI), an Oak Brook, Illinois real estate investment trust, plans to convert the aging power center into a mixed-use development, with retail and a central, interactive green space that follows in the footsteps of some of the region's

buzziest retail developments: Mosaic District in Fairfax, Pike & Rose along Rockville Pike and others. They've also picked a name to try to boost that buzz: Carillon.

The project will kick off in the second or third quarter of this year with construction of a medical office building. RPAI is partnering with Trammell Crow in a joint venture on the office building, COO [Shane Garrison](#) told investors on the company's first quarter earnings call.

The location makes sense for medical office; Carillon is directly across from where the [University of Maryland Medical System](#) is building a new \$543 million regional medical center.

In all, phase one will include four buildings: the medical office building, a 350-unit residential building, and two retail buildings, including one with a new 12-screen [AMC](#) IMAX movie theater on the second floor. There will also be a 1-acre park located in the center of those four buildings, with space for events, seating, a stage and pop-up retailers and restaurants in shipping containers.

But moviegoers need not worry: the existing movie theater at the Boulevard shopping center, a [Magic Johnson](#)-branded AMC theater, will remain open until the new one is finished.

"We saw an opportunity because Prince George's County doesn't really have anything like this," said [Greg Goldberg](#), vice president and leasing director in the region for RPAI. "We're trying to bring a retail environment that's not found here today."

Boulevard at Capital Centre came online in the mid-2000s out of the ashes of the former site of the Capital Centre arena. Originally a Cordish Cos. development, RPAI acquired the site in 2004. This new project will mean many of the existing retail buildings come down, though the standalone restaurants in the development, including TGI Fridays, Chick-fil-A and Longhorn Steakhouse, will remain for the time being.

The rest of the 50-acre site will redevelop as the market demands it, said Goldberg. Plans call for 300,000 square feet of retail, 900,000 square feet of other commercial space, and 3,000 multifamily units. The project also includes expansion of Arena Drive; the county secured \$38 million in the state budget over three years, starting in 2022, for that project.

"Our location is right on the 50-yard line for the county, at the terminus line of the Metro, with highway access. It kind of had all the infrastructure working for it," said Goldberg.

As for the first phase, the leasing will focus heavily on restaurants and entertainment uses. Goldberg expects to lease to a mix of full-service and fast-casual restaurants, many of whom will be able to offer sidewalk seating facing the 1-acre park. Some boutique fitness and other neighborhood-serving uses will also likely be part of the mix.

For later phases, RPAI hopes to bring in more of the soft goods retailers and other stores to the development, though they also expect future development to respond to what the region is demanding.

“It’s like a retail desert, so for a lot of people, their closest place for those retailers is Georgetown, or Montgomery Mall,” Goldberg said. “So we see a real opportunity as we continue to grow the project to continue to add some real regional shopping.”

RPAI has relationships with many of those retailers given its portfolio of these “lifestyle centers,” as it calls them. Locally, it owns the retail at One Loudoun, as well as at Downtown Crown in Gaithersburg, where it is currently repositioning the retail with a new cinema tenant. It also will soon start a redevelopment of Merrifield Town Center, which is near Mosaic District.

Leasing at Carillon has been promising so far, Garrison said on the recent earnings call. “Early leasing velocity has been significant and we anticipate having 35% to 40% of the retail portion pre-leased in Q2,” he said.

The landlord decided to move forward on the first four buildings in Phase 1 in order to create the kind of critical mass that both retailers and customers are looking for, Goldberg said.

“We’re doing a pretty large Phase 1 because we felt that it had to be significant enough of size to get a feel for what the lifestyle center and mixed-use complex will be,” he said.