

Local Retailers See Disruptions and Potential on Inauguration Day

Retailers are hoping to capitalize on an influx of tens of thousands of people expected to come to the nation's capital for the inauguration and related protests.

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WASHINGTON — For retailers in the nation's capital, the economic impact of Inauguration Day on Friday and the Women's March on Saturday could be a net positive, as long as protests don't spiral out of control.

[Donald Trump](#)'s inauguration as the 45th president, expected to draw anywhere from 200,000 people on the low end to 800,000 on the high end here on Friday, followed by the Women's March on Washington on Saturday, estimated at 200,000 people, means retailers could see a boost in sales.

But location and scores of planned protests will play a major role in whether local boutiques, department stores and shopping malls can capitalize on the influx of people.

For those stores located in the U.S. Secret Service's security perimeter "red zone," and to a lesser extent the "green zone," business will be affected. While there are not many apparel stores in the main security zone, there are some that will have to close at least on Friday due to vehicle restrictions and security gates.

But many [retailers](#) at other shopping destinations close to the security zones, such as [CityCenterDC](#), plan to remain open.

"One thing from overall economic point of view [in terms of inaugurations], is there are pluses and minuses," said Gerry Widdicombe, an economic development consultant for the DowntownDC BID. "Restaurants and hotels do extremely well. Regular retailers, depending on location, could close because workers can't get there or there is too much of a hassle. I walked out to Central [restaurant] for lunch and on both sides of 11th street, there was a pretty intimidating fence going up."

Stephen Fuller, a public policy professor at George Mason University, estimated that the potential economic impact of Trump's inauguration and the women's march, based on combined attendance ranging from 500,000 to 1 million, to be \$1 billion, according to a report in the Washington Business Journal.

As for tax revenue for D.C., past inaugurations have contributed millions of dollars to hotel and city coffers, according to Smith Travel hotel data and Widdicombe. In 2001, for President George W. Bush's first inauguration, hotel revenues were up 56 percent in January to \$79.3 million, while the D.C. tax impact from hotel sales tax revenue was \$4.1 million. By comparison, for President Obama's first inauguration in 2009, hotel revenue jumped 63 percent to \$125.5 million and the city generated \$7 million in tax revenues.

"There is a tax impact for the city," Widdicombe said. "When room rates go through the roof, city tax revenues go up, too, which is helpful for the city. I think the city looks at it like if there are one or two boutiques that close, it will be offset by a dramatic increase in hotel rates."

Neil Albert, executive director of the BID, said the city has had vast experience with inaugurations and protests and is equipped to handle problems that may arise.

As a result, officials are not "concerned about a dent in economic impact," according to Widdicombe.

CityCenterDC, the premier luxury destination in downtown D.C., has plans to remain open as a center, although a few stores, such as Loro Piana, plan to close, primarily due to logistical problems, officials said.

The center is located in a "restricted access area" on Inauguration Day. With 18,000 hotel rooms within 15 to 20 blocks of the site and its close proximity to the Walter E. Washington Convention Center, where the two official inaugural balls are being held, Hines executives, representing one of the developers, are optimistic that will drive business.

"We will not be shortening our hours or changing anything," said Tim Lowery, senior manager at Hines. "Having said that, we have heard there may

be a couple of retailers who choose not to be open.”

Lowery said a few stores are concerned about getting their staff in to work due to the security zones, although the majority will remain open.

The center boasts such luxury retailers as Dior, Moncler, Paul Stuart, CH Carolina Herrera, Hermès, Louis Vuitton, Gucci and Salvatore Ferragamo.

“We are expecting lots of people to be walking by, whether they are going to the convention center for the balls or needing something quick, like cuff links to go with outfits for the evening,” Lowery said.

Lowery said the center has beefed up on extra security in the event that protests turn negative.

“Like any responsible landlord, we have had to look at that. Out of an abundance of caution — we don’t expect anything — we beefed up on security this week,” he said. “We do have a plan in place. We have added security if we do need to do some kind of emergency shutdown.”

Macy’s, the only department store left in downtown D.C., has one a few blocks from the parade route and security zone and a spokeswoman said the company plans to keep the store open and operating normal business hours on Friday and Saturday.

Some smaller boutiques in the area are expected to close on Friday, but hope to pick up business on Saturday for the women’s march.

Ricki Peltzman, founder of Upstairs on 7th, a contemporary clothing boutique located in a security zone on Pennsylvania Avenue, said she will have to shut down on Friday.

“Most of Washington shuts down on Inauguration Day anyway because it is

so hard for everyone to get around,” Peltzman said. “We have been shut down [on Friday] by the Secret Service because we are three blocks from the White House. But I don’t look at it as lost business.”

“We’ll be open on Saturday and I think we’ll have enough business then that Friday’s closing won’t matter,” she said. “In the long run, if you close one day here or there because of snow or a national holiday it doesn’t make that much of a difference in the scheme of things. Our business has been amazing. Since the election it has been a boon because people need [retail](#) therapy.”

On one note of caution, however, Peltzman said the Secret Service appears to be closing all of the parking garages in the city for security reasons, keeping everyone on high alert.

While Peltzman expects to make up for any lost business on Friday, Craig Fox, the owner of a men’s wear boutique in the security zone expects to take a complete loss.

Fox, owner and founder of Wm Fox & Co., a men’s wear store just two blocks from the White House, said the inauguration will mean lost sales.

Fox, whose company was founded in 1965, said he unexpectedly learned that he could not keep his store open through Thursday, which he had originally planned. Instead, he was informed by other business owners that the Secret Service was forcing businesses in the security zone to shut down by noon Wednesday.

“This came rather sudden,” Fox said. “I didn’t think we would have to shut down for almost a whole week. We won’t have any business for four days. That kind of loss is meaningful and if there is any new business I definitely will not see that. It could have been a sizable amount of business. People come to Washington and they may have forgotten to bring gloves or scarves

but unless they come in today [Tuesday] I won't be able to help them.”

Fox said daily sales at his store averages \$3,000.

In Georgetown, which is outside of the security zone, boutique owners are counting on an increase in business.

Nancy Pearlstein, owner of high-end women's boutique Relish, said she expects a boost in business, although not from the inauguration.

“I think in general the mood is quite different,” Pearlstein said. “You are here in Washington and this is a very liberal area. The shock factor is quite great here and whether that is affecting the outcome [in terms of pre-inaugural foot traffic] remains to be seen.

“I think the women's march might be even more important for us and might bring more business because I think when you've got over 100,000 women in one small area, I assume there is going to be an uptick somehow. But I don't know if that will be the case because it is the first time this has ever happened, too.”