



Market Positioning Framework & Strategy

Capitol Gateway Corridor

Madison, Wisconsin

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Prepared By:

Vandewalle & Associates

Hiebing

The Bower Group

Prepared For:

City of Madison



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I. INTRODUCTION

Previous planning efforts for the Capitol Gateway Corridor have laid the groundwork:

- The East Washington Capitol Gateway Corridor BUILD Plan: adopted 2008
- TID 36: in place 2007
- East Rail Corridor Plan: adopted 2006
- Neighborhood plans: completed 2002-2008
- Central Park plans: ongoing

Now it is time for marketing and implementation.

An aerial photograph of a city, likely Madison, Wisconsin, showing a dense urban area with various buildings, streets, and green spaces. A large, semi-transparent oval is overlaid on the center of the image, containing white text. The text is centered and reads: "To guide the marketing and implementation for the Capitol Gateway Corridor, we are creating a Market Positioning Framework & Strategy." Below this, in a smaller font, it says: "The team of Vandewalle & Associates, Hiebing, and The Bower Group has been retained to work with the City to develop and implement the Framework & Strategy." The background shows a mix of commercial and residential buildings, with a prominent white domed capitol building in the upper center.

To guide the marketing and implementation for the Capitol Gateway Corridor, we are creating a Market Positioning Framework & Strategy.

The team of Vandewalle & Associates, Hiebing, and The Bower Group has been retained to work with the City to develop and implement the Framework & Strategy.

INTRO



Goal of all these efforts:

Create a major urban employment center with a lively pulse, and grow the tax base in a significantly underutilized corridor in the heart of Madison.





How will the Market Positioning Framework & Strategy help us achieve this goal?

The Market Positioning Framework:

- Provides a message and strategy roadmap for repositioning the Corridor.
- Provides specific development and marketing strategies, tactics, and next steps to accomplish the goal.





What has been done?

Activity to create the Market Positioning Framework & Strategy has included:

- Stakeholder interviews
- Focus groups
- Team work sessions

Key Economic Assets:



- Central location and proximity among downtown, UW, Madison College, and the airport
- Prominent entryway to the Capitol/high exposure
- Access to UW talent and urban workforce
- Knit into eclectic neighborhood community – high “cool factor”



- Existing entrepreneurial culture and business clusters
- Walkable services, housing, bike friendly, and future rail transit spine
- UW Metro Innovation Center
- Fiber optics and power
- Yahara River, Central Park, and the Lakes

Key Findings: what we learned

- Significant amount of existing vacant space in Corridor (400,000 + SF)
- Current market demand for space in the Corridor at 10,000 – 15,000 SF max per year
- No/few properties adequately positioned for the marketplace – properties not ready for development or leasing in a condition the market will respond to, or not in the hands of an owner/developer equipped to bring a project to market quickly.
- Brokers generally will not/are not bringing deals to the Corridor – perception of no readily available space or an easy deal.



Key Findings: what we learned


- **Development community is generally not engaged in the Corridor** – community does not currently see the Corridor as an attractive development opportunity.
- **Consensus among developers that TIF is currently not a viable tool** – belief that there is no clear pathway for getting City to recognize economics of pioneering development; therefore a significant disincentive to pursue development.



Key Findings: what we learned

- **Consensus among developers that neighborhood processes are too difficult to navigate** – developers find risk and cost too high, but they are pleased the BUILD plan is in place.
- **Competition is fierce** – Fitchburg, Verona, Middleton, Sun Prairie, Madison edge; entitled, TIDs in place and politics/policy structures capable of striking deal structures with end-users or developers, near executive and managerial housing, perception of stronger schools.





There are challenges.
Many other urban
areas have overcome
similar issues.

Industrial Shifts
Image & Perceptions
Lack of Momentum
Competition

Case Studies:

Arena District in Columbus, OH
South Lake Union in Seattle, WA
The Mill District in Minneapolis, MN

INTRO

Case Study 1:

Arena District in Columbus, OH

- Catalyst for redevelopment:
Development of the Nationwide Arena.
- Redeveloped industrial no-man's land to mixed-use neighborhood of offices, retail, housing, and entertainment in approximately 10 years – home to around 5,000 employees and 1,000 residents.
- Public space and transportation connections with a planned large park; streetcar line and bike paths/lanes; and connections to rest of downtown, Short North Arts District, and Ohio State University.
- District embodies strong urban redevelopment principles: energetic and walkable streets, urban settings that let creative professionals integrate work and play.

“Our idea was to make this a 24-hour neighborhood, and that’s what it’s become.”

“The district has become an experience.”



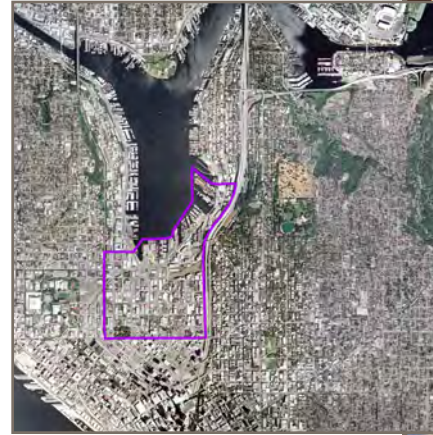
PHOTO: J. Kevin Fitzsimmons
for The New York Times



Case Study 2:

South Lake Union in Seattle, WA

- Redevelopment of a tired commercial and industrial area adjacent to downtown, making it a revitalized area with a healthy mix of jobs, housing, and easy transit access.
- Catalyst for redevelopment:
 - The City of Seattle acquired 12 acres along Lake Union for the South Lake Union Park.
 - Paul Allen's Vulcan Real Estate developed more than 2 million SF of commercial/biotech and mixed-use projects and 7,500 housing units, with another 1.3 million SF under construction. Redevelopment goal of 25,000 jobs and 11,000 housing units.
- Amazon.com headquarters, the Bill and Melinda Gates Foundation, the Fred Hutchinson Cancer Research Center, the University of Washington's School of Medicine biomedical research center.
- Nearly all buildings meet LEED green building standards.
- Example of "New Localism" with the recycling of an older neighborhood; providing access to locally-grown foods, small local businesses, green buildings, and a reduced carbon footprint.
- Streetcar funded and built as a redevelopment and economic development tool for this area adjacent to downtown. Access to a new light rail line, monorail, and Metro Transit Hub.

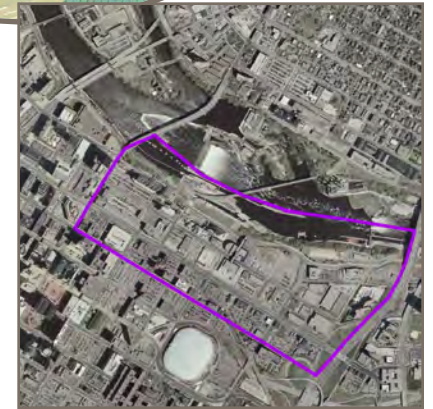


“Many tenants said transit was key to moving to South Lake Union.”

Case Study 3:

The Mill District in Minneapolis, MN

- Before: Largely abandoned industrial area with limited access, forbidding, no public spaces.
- After: Desirable area in Minneapolis's Riverfront District with new jobs and housing; improved access; recreational, cultural, and historic attractions including the Mill City Museum, Guthrie Theater, Mill City Farmer's Market, and MacPhail Center.
- Prior to redevelopment significant barriers, rail lines limited access and pollution discouraged investment.
- Infrastructure investments were significant, new streets were added, sites were cleaned, and structured parking replaced surface parking.
- Jobs and economic activity prove success including over 2,000 jobs, over 900,000 SF of commercial space, and over 500 hotel rooms.



II. POSITIONING

Targets

Target Clusters

Positioning Platform

Objectives



Targets:

- Large businesses looking for high visibility, central location, access
- Medium businesses with an urban orientation
- Small, entrepreneurial businesses that can grow in place

POSITIONING

Target Clusters:

Renewable Energy and Efficiency

- R&D/start-ups
- Solar, wind, and efficiency-focused businesses
- System installation companies
- Advocacy and services
- Electric car sales and service



IT and Engineering Technologies

- IT and computer science
- Software and games
- Engineering and medical devices



Creative Trades and Design

- Design firms
- Communications
- Arts studios/galleries
- Media
- Advertising



Active Sports/Wellness

- Bike businesses/manufacturing and sales
- Equipment and components
- Fitness and alternative medicine



Wisconsin Gateway

- State/Madison presence – national and Wisconsin-based companies
- Satellite office for Milwaukee-based companies – Madison/Milwaukee Corridor
- Financial institutions
- State trade association office space
- Nonprofit, other space
- State marketplace to sell Wisconsin-related merchandise



Food-Related Businesses

- Small-scale processing
- Incubator space
- State marketplace center
- Food resource/education/training center
- Community Supported Agriculture (CSA) system hub
- Public indoor market



Positioning Platform:

An aerial photograph of a city, likely Madison, Wisconsin, showing a large lake (Monona) and a cityscape. A thick orange line highlights a corridor running from the downtown area towards the East Isthmus. The sky is clear blue.

Imagine the Capitol Gateway Corridor as a creative economic epicenter that fuses the energy of downtown with the East Isthmus' sense of community.

Positioning Platform:

For innovators who see great value in being part of a stimulating urban business and social ecosystem, the Capitol Gateway Corridor is a creative economic epicenter that fuses the energy of downtown with the East Isthmus' sense of community. It's home to the University of Wisconsin's Metro Innovation Center, and pioneering businesses; its prime location as the gateway to downtown Madison captures a vibrant mix of professional and lifestyle opportunities; and it can become a model for sustainable, transit-oriented urban business and living; all of which make it perfect for today's dynamic workforce.



Brand
Character:

Creative
Cutting Edge
Social
Enterprising

Objectives:

What objectives will help meet the goal?

Goal

Create a major urban employment center with a lively pulse, and grow the tax base in a significantly underutilized corridor in the heart of Madison.



Objectives:

1. Improve the Corridor's competitive position in the City and region

2. Reposition the existing space and new space/projects in the marketplace

3. Catalyze investment by removing barriers to growing market and Corridor redevelopment on key catalytic sites

4. Build on existing market momentum including start-ups, small businesses, creatives, IT

5. Attract a range of small, medium, and large businesses to the Corridor

6. Keep the Corridor authentic and diverse

7. Dedicate leadership and funding toward implementation of the plan

8. Make the Corridor a desired destination for work/life activities

POSITIONING

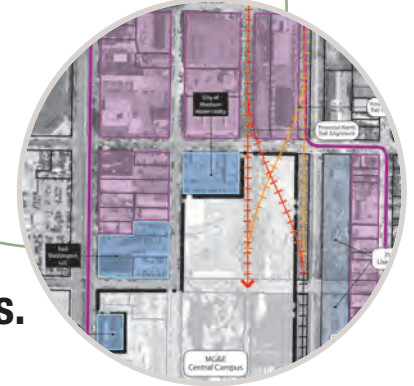
III. POSITIONING FRAMEWORK



Economic Development & Real Estate

STRATEGY 1: Develop real estate clustering/targeting strategies for each major section of the Corridor.

INITIAL TACTIC: Create a graphically represented strategic implementation vision and development scenarios for sub-areas within the Corridor. Develop a redevelopment workplan and implementation team structure around key projects.



STRATEGY 2: Develop site-by-site redevelopment strategies that advance two to three catalytic projects to capture small, medium, and large businesses.

INITIAL TACTIC: Work with property owners to develop specific strategies that could accommodate two or three 20,000 to 30,000 SF employers within the Corridor.



STRATEGY 3: Create a centerpoint for sustainable energy and efficiency businesses, showcasing energy and green building throughout the Corridor.

INITIAL TACTIC: Assemble existing Corridor energy businesses and renewable energy center advocates to identify short- and long-term implementation steps.



Economic Development & Real Estate

STRATEGY 4: Investigate opportunities to expand UW/URP relationship and investment within the Corridor, becoming a major urban-oriented entrepreneurial hub in IT, engineering, and creative trades.

INITIAL TACTIC: Investigate short- and long-term economic development opportunities with URP, UW department heads, and other stakeholders.



STRATEGY 5: Explore the creation of a unique education and entrepreneurial hub integrating UW, Madison College, and other continuing education schools with East High School and neighborhood schools.

INITIAL TACTIC: Research existing models in education and entrepreneurial hub development. Assemble a small group of education leaders to discuss and advance the opportunity.



Economic Development & Real Estate

STRATEGY 6: Leverage appropriate economic development and financing tools to advance catalytic projects.

INITIAL TACTIC: Expand TID boundaries and create a Redevelopment District around key parcels.



STRATEGY 7: Make parking and transportation, including rail transit, a priority to connect the Corridor to UW talent, the downtown, and the region.

INITIAL TACTIC: Utilize private and public sector leadership to advocate for a strong multi-modal connection to downtown, the UW, and the region. Identify potential parking structure locations in the Corridor within proximity of priority redevelopment sites.



STRATEGY 8: Create Corridor public infrastructure scenarios.

INITIAL TACTIC: Develop a public infrastructure workplan that outlines the type and implementation timeline for public infrastructure investments that may need to be made.



Economic Development & Real Estate

STRATEGY 9: Advance place-building public infrastructure, including Central Park, the bike corridor, and the Yahara greenway, and leverage East Isthmus area meeting and after-work life as an entertainment hub for the City.



INITIAL TACTIC: Encourage the incorporation of entertainment, restaurant, and retail uses in the development visions for key projects in the Corridor. Clean up properties on the bike trail and East Washington. Implement the plan for Central Park.

STRATEGY 10: Develop additional residential/rental-oriented housing to attract a critical mass of creative talent.



INITIAL TACTIC: Determine priority housing locations in the Corridor, consistent with adopted plans, and work with property owners and developers to advance these locations.

Marketing

STRATEGY 1: Create a compelling identity for the Corridor that reflects its unique positioning.

- TACTICS:**
- **Naming**
 - **Logo**
 - **Application/style guide**



STRATEGY 2: Provide key influencers (brokers, real estate developers, City officials) with tools that highlight the value proposition of the Corridor.

- TACTICS:**
- **Brochure/fact sheet**
 - **Signage**
 - **Web site**
 - **Co-branding materials**



Marketing

STRATEGY 3: Seek positive support from a broad base of existing businesses, government leaders, community groups, UW, etc.



- TACTICS:**
- **Press conference to unveil identity**
 - **Media relations to communicate vision, progress, positive case studies**
 - **Outreach to influential bloggers in Madison and beyond (urban planners, urban planning media corps, real estate influencers, etc.)**
-

STRATEGY 4: Identify and attract entrepreneurs and other business prospects that will feel at home in the Corridor.



- TACTIC:** **Aggressive prospecting focus on prioritized target clusters**

Marketing

STRATEGY 5: Create a forum where businesses and neighbors can meet, share thoughts and concerns as project moves forward.



TACTIC: Monthly mixers (hosted by businesses or DMI)

STRATEGY 6: Enlist third-party advocates.



TACTIC: Identification of potential advocates, case studies

STRATEGY 7: Maximize use of the Internet for outreach and engagement.

- TACTICS:**
- **Content for relevant online media**
 - **Ongoing project blog on web site**
 - **Monitoring and posting on key community social media sites (e.g., Facebook, etc.)**





FRAMEWORK



Next Steps

IMMEDIATE IMPLEMENTATION

1. Create a development vision for three projects to advance partners and engage targets.

2. Focus efforts on advancing three key immediate projects.

3. Create identity for Corridor and adaptable marketing collateral materials.

4. Develop strategic implementation vision for Corridor development.

5. Align positioning, strategy, and message with stakeholders.

6. Tell the story of existing businesses/entities in the Corridor.

7. Assist in advancing a renewable energy project in the Corridor.

8. Identify a clear approach for Corridor prospects.

FRAMEWORK



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