

APPENDIX D: OPPORTUNITIES ANALYSIS AND MARKET POTENTIAL

Goal

Analysis of existing market factors and demographic opportunities affecting the design.

OPPORTUNITIES ANALYSIS AND MARKET POTENTIAL

This appendix, prepared early in the Villager planning process, explores the opportunities that are available in the revitalization of the Villager site. The intent is to not to insist on courses of action but to rather inform of opportunities that were considered when setting the strategy of the Villager's revitalization plan. These opportunities were based on a culmination of numerous interviews of local and regional business and real estate professionals, demographics and market data and analysis of opportunities that begin at a larger regional level and narrow down to the specific site.

The Villager site will host a variety of roles in the neighborhood and the community, as a gateway, a commercial center, and a neighborhood gathering point. It will offer education, training, and support for the local community, while at the same time building an economically viable retail center. Following the summary below are three key opportunities possible to achieve on the Villager site.

SECTION SUMMARY:

The Villager site is positioned at a major interchange along the "Beltline" (US 12/18). The graphic *D-1* on the following page depicts the regional influences on the Villager Mall site and the Park Street/Beltline interchange. The interchange serves as a gateway entry for both existing healthcare and academic centers north into the city, as well as an emerging employment and technology corridor to the south. The site is also the center of the South Madison Community. Contained within the site are retail spaces utilized by the local community, a public library, and a host of educational, training, and health services that local residents rely on for sustenance, education, and support. The Villager Mall site therefore plays a mixture of roles- from gateway to neighborhood center, and from retail center to social services destination. The key to the site's success future is the integration of this broad mix of uses within an environment that is safe, vibrant, visible, and pedestrian oriented.

Currently, there are a large number of health and social services provided on the site. They are vital components that support the surrounding neighborhood and the larger South Madison Community. Their presence will be a part of the future of Villager. The opportunity exists for these vital uses to orient to not diminish market viability of new retail and commercial users, and, at the best, provide market support. Likewise, the new elements at the Villager site will need to be marketable and financially feasible components that do not detract from the operations of the existing services.

Through interviews with local developers and commercial business owners, three major themes emerged:

1. There is a consensus that the Villager must incorporate, but does not predominate, with health and social service agencies.
2. The market viability of the Villager site requires strategic positioning to attract consumer dollars from outside of the immediate neighborhood, but needs to be careful of not pricing too far above the local market.
3. Parking and safety are the two major concerns of almost all interviewed about the site's revitalization potential.

APPENDIX D: OPPORTUNITIES ANALYSIS AND MARKET POTENTIAL
 REGIONAL INFLUENCES

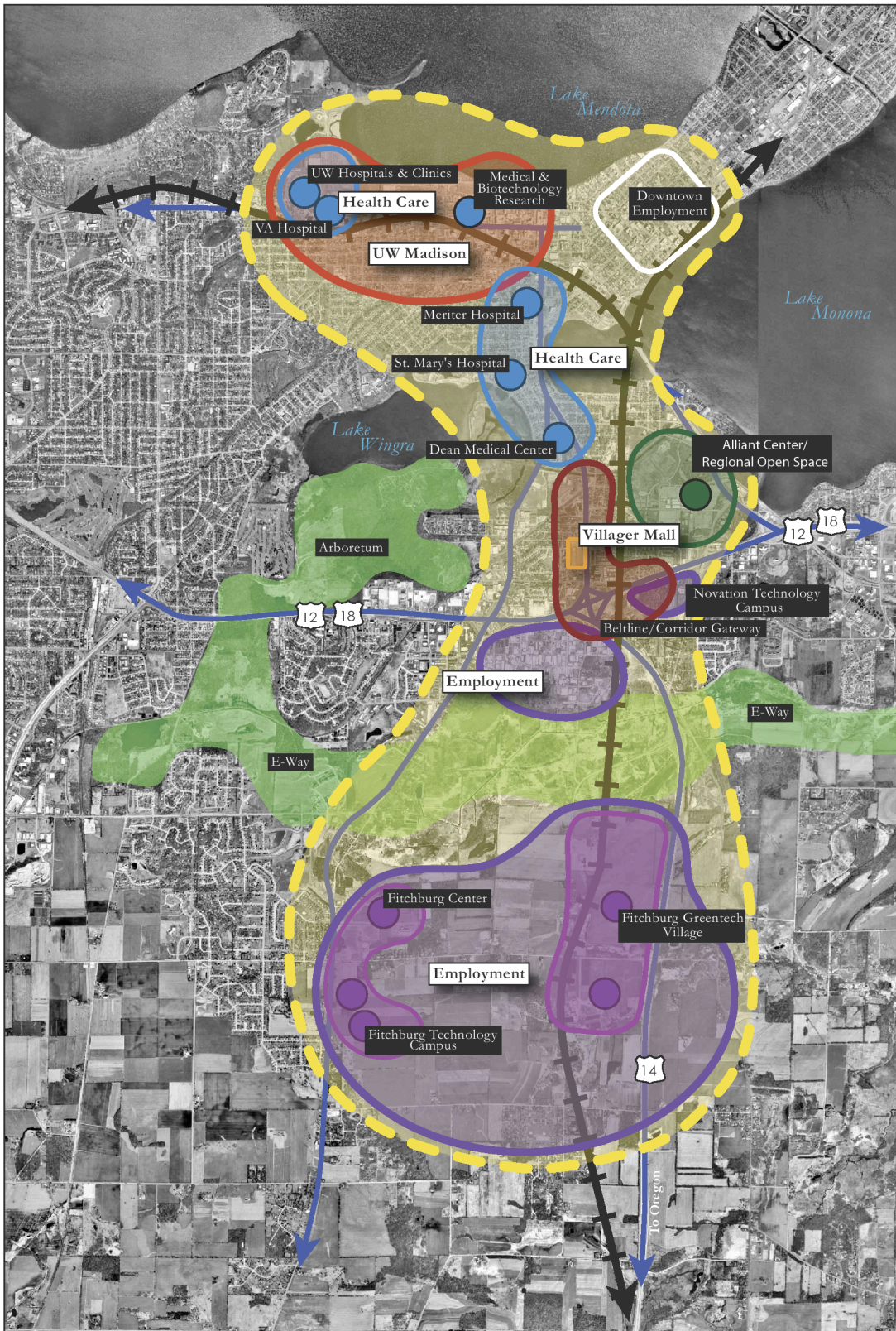


Fig. D-1: Regional Influences

THE VILLAGER MALL HAS THE OPPORTUNITY TO BECOME: CONNECTED

As a gateway and a neighborhood center, the Villager has the opportunity to become the catalyst for connecting residents to their neighborhood and the neighborhood to the rest of the city of Madison. There is opportunity to change that negative perceptions of the Villager site. By establishing linkages to adjacent properties and using the Villager site as a catalyst for revitalization in the larger commercial district surrounding the site, the Villager revitalization has the opportunity to become an icon for revitalization and renewal throughout the corridor.

The Villager site has the opportunity to be connected to the larger Madison area as a gateway and centered in the community as a commercial center by taking advantage of these connections. These connections can take a variety of forms- visual, community, architectural, pedestrian, and transit-oriented.

- Visual connections ensure that view corridors are maintained both looking into and looking out from the site. Visual corridors can draw users from Park Street and the east side of Park Street to the Mall site. Careful attention to corridors within the site can also help ensure pedestrian flow and safety. For example, multiple story buildings can create strong vertical elements that will draw visitors to the site both from the Beltline and from the adjacent districts. At the same time, the verticality of the future development can offer upper story views from the site to the downtown and Arboretum and “eyes on the street” that look over the site and discourage inappropriate activity.
- Community connections include offering goods and services that meet the demands of the local residents while also attracting additional commercial opportunity to the site, as well as providing opportunities to study and celebrate the ethnic diversity and history of the neighborhood, while also growing local businesses from the neighborhood using the Villager site as a catalyst.
- Architectural connections call for the design of new buildings, and any revitalization of existing buildings, to fit a theme and level of architectural detail of a similar style and feel. There is also opportunity to connect to adjacent sites with revitalization and commercial offerings through architecture. Adjacent property owners- particularly to the south of the site- expressed their desire to be involved in a revitalization of the area, particularly if financial incentives were available.
- Pedestrian connections simply mean having walkways and travel routes that allow users from the existing neighborhood to easily and logically access the site. Strategically placed walkways within the Villager site can connect to both the social and health services to the potential future commercial offerings with a minimal number of conflicts. Adjacent multifamily housing owners expressed in interview a desire for improving their residents options to be able to walk to the site.
- A transit connection, through a bus and light rail link to Greater Madison, will also bring more pedestrian traffic and community activity to the site. The transit stop creates an instant communal hub of activity that allows for 24 hour activity and surveillance by local residents and businesses.



Fig. D-2: Vertical elements within the development draw attention to the site from adjacent roadways



Fig. D-3: Pedestrian routes should be clear and direct users to additional destinations within the site

APPENDIX D: OPPORTUNITIES ANALYSIS AND MARKET POTENTIAL

VIABLE

VIABLE

Within a ¼ mile of the Villager site, the average household size is less than the city of Madison average, but within 1 mile of it is greater than the city's average. The magic of a ¼ mile is that it is the distance that retailers look at as their pedestrian market. One thing that any potential retail investor will look at will be a way to raise the number of residents of reasonable means in proximity to the site to guarantee long-term viability.

The demographics (Summary demographics are available in **Figures D-4, D-5 and D-6** on the following pages) of the immediate area also show a glut of rental properties with a shortage of owner-occupied units. In general, economists note that a population that shows such low levels of ownership tends to reflect in services in the rent-to-own furniture, low cost disposable products, and convenience-type retail and food offerings. A goal may be in this area to raise the percentage of market-rate home or condo ownership in the area to enhance retail-mix opportunity.

Ownership is key for the commercial components of the site as well. The greatest opportunity for site viability comes from all tenants having the opportunity to own their property. By changing the ownership structure, with an association that maintains and manages the public areas, the job of maintenance and policing then falls on users.

Another opportunity that may be taken readily advantage of is the large amount of commuter traffic that passes the site on a daily basis. As **Figure D-7** depicts, the Villager site receives over 28,000 commuters passing the site on Park Street, and over 90,000 drivers on the Beltline daily. Being able to attract those commuters to the site with uses that meet their needs will quickly bring additional viable opportunities to the site. Finding opportunities that attract commuters and also complement the neighborhood and goals of the revitalization of the Villager site will be important factor to future success of the site.

The following are commercial categories that we have identified as potentially viable for the Villager site in the future, through Retail Market Place Analysis (surplus/leakage studies), interviews with local businesses and developers, local input through public workshops, and looking carefully at adjacent and regional commercial opportunities. This list is not exhaustive, nor is it suggesting that all of these uses should be on the site. In addition, **Figure D-8** shows potential placement of these viable options in a Preliminary Opportunities graphic that begins to explore the relationships and proximities that these uses should have on the Villager site.

Restaurant

- Family (4,000 sf)
- International (2,500 sf)
- Deli/Sandwich (2,000 sf)
- Food Carts

The South Madison Neighborhood is host to many fast-food options, but few full-service restaurant opportunities. There is opportunity to create a variety of different options for food services but, like all of the retail, should be focused on quality, locality, and uniqueness.

Grocery- Small (15,000 - 20,000)

In addition to the existing Yue Wah grocery, there is opportunity for a small grocery on the site. Looking at the proximity of other groceries and the restriction of the size of site, we do not believe there is potential for a grocery of larger size.

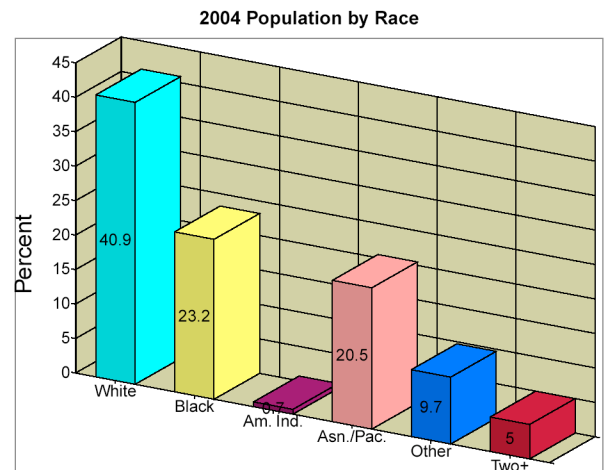
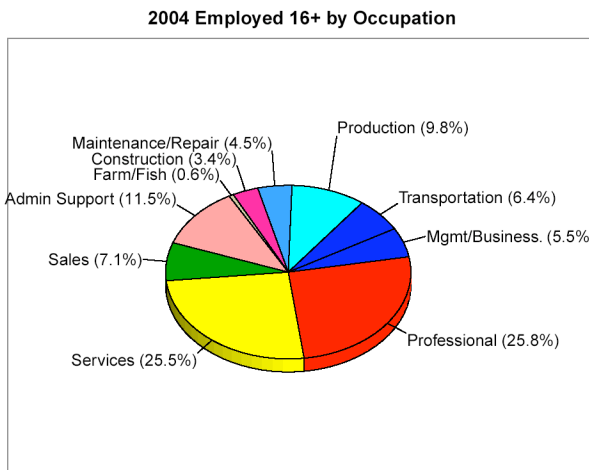
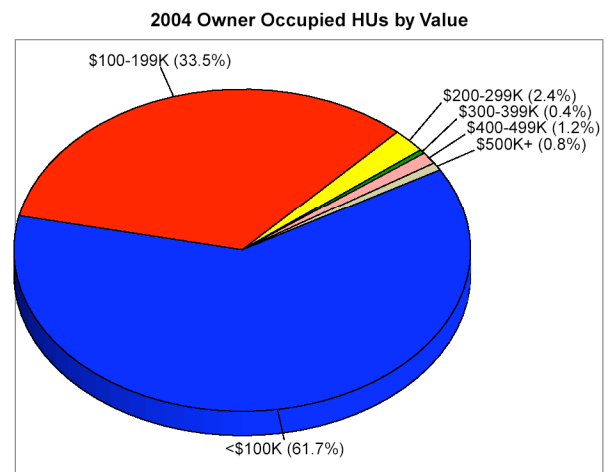
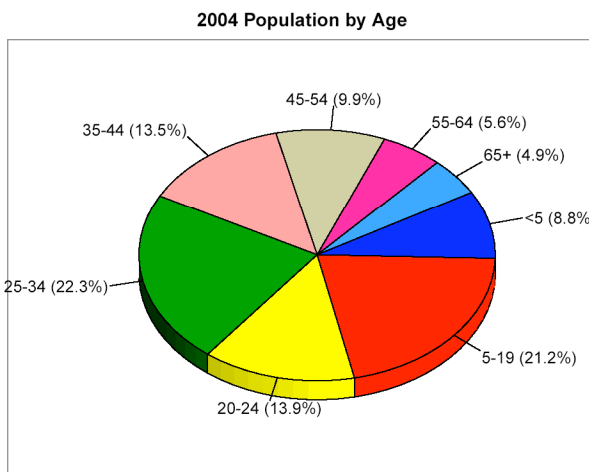
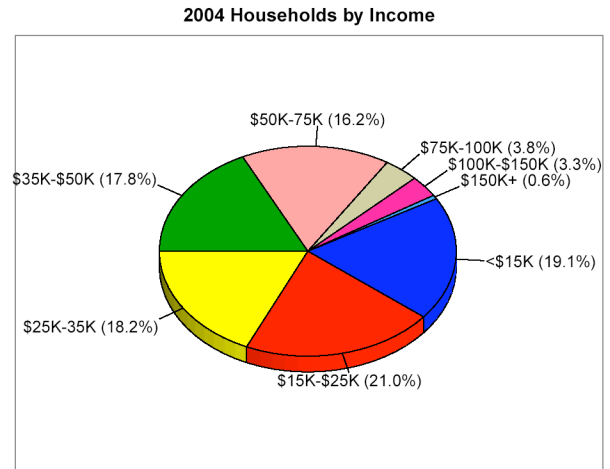
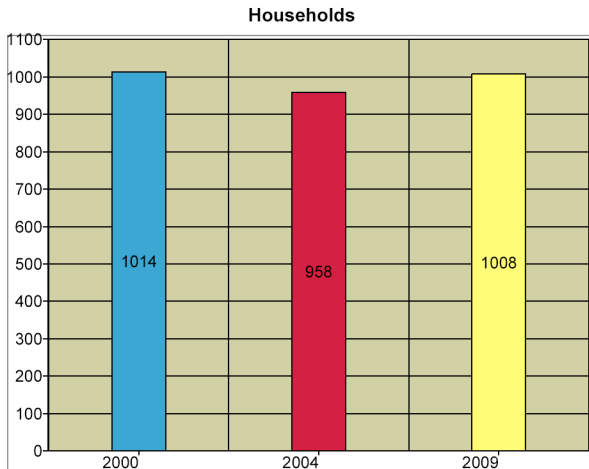
Apparel

- Sports
- Shoes
- Clothing
- Jewelry

Apparel and accessories are an area that showed strong leakage to other parts of Madison. The site's situation along two major travel corridors makes it a viable destination for these items. These may be geared towards the diversity that the neighborhood represents, not cookie cutter replicas of similar offerings in other parts of the region. The focus of these stores should be local connection, quality, and uniqueness. The future Villager has the potential of being a unique shopping district that people would come to for its alternatives and contrasts, not its convenience and sameness.

APPENDIX D: OPPORTUNITIES ANALYSIS AND MARKET POTENTIAL
GRAPHIC PROFILE

Radius: 0.25 miles



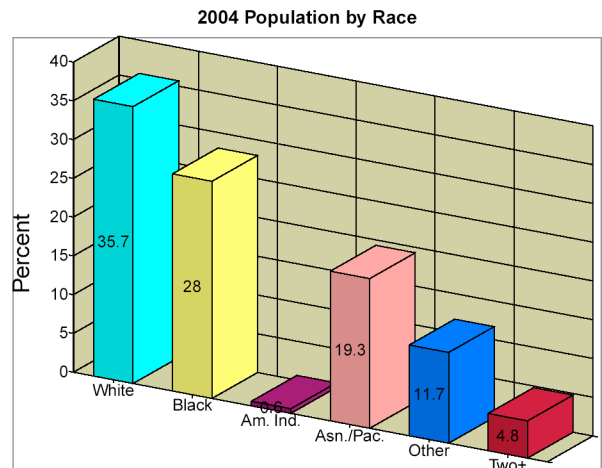
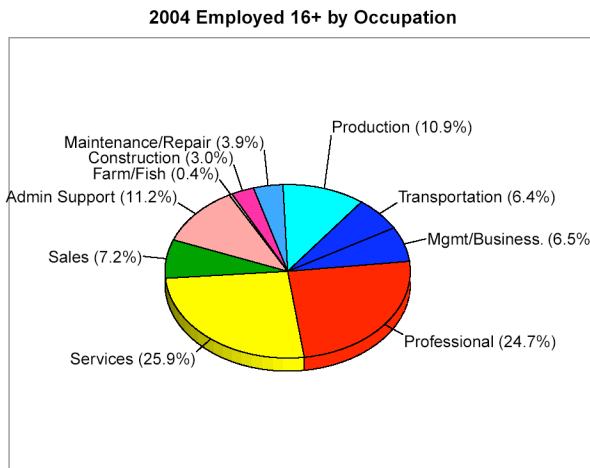
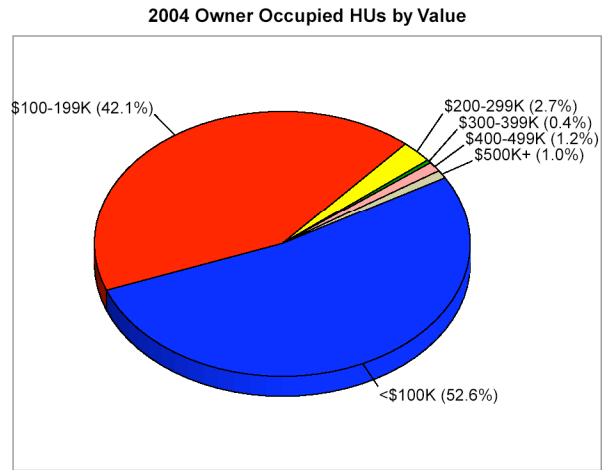
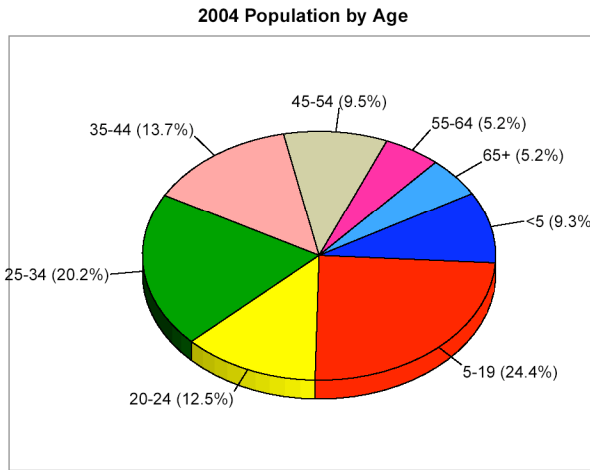
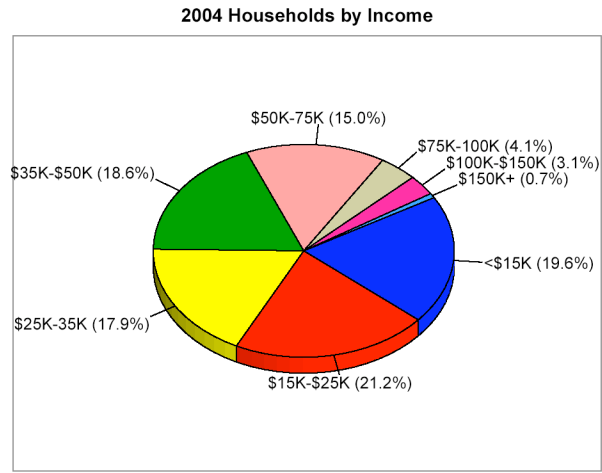
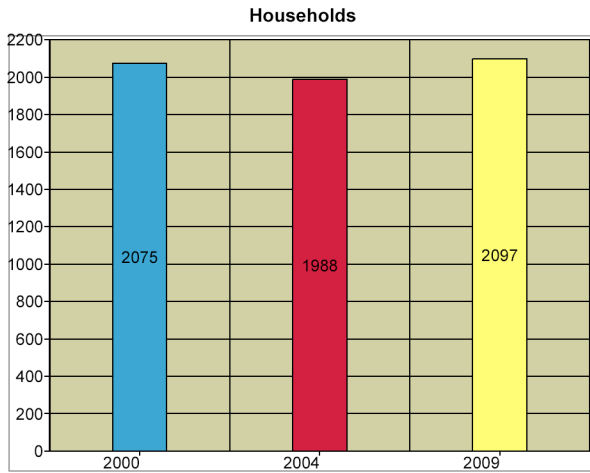
2004 Percent Hispanic Origin: 19.0%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI BIS forecasts for 2004 and 2009.

Fig. D-4: Graphic Profile, .25 mile radius

APPENDIX D: OPPORTUNITIES ANALYSIS AND MARKET POTENTIAL
 GRAPHIC PROFILE

Radius: 0.5 miles



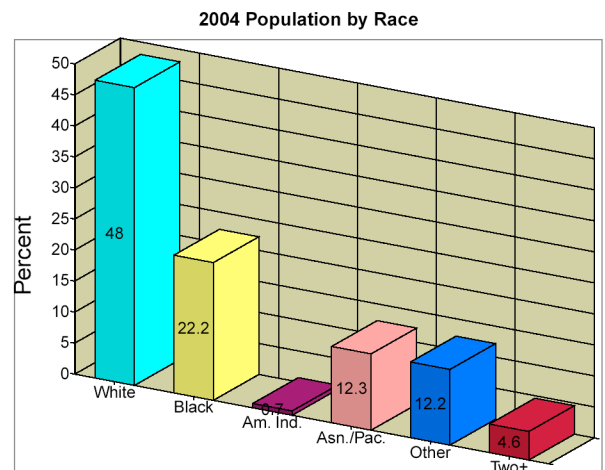
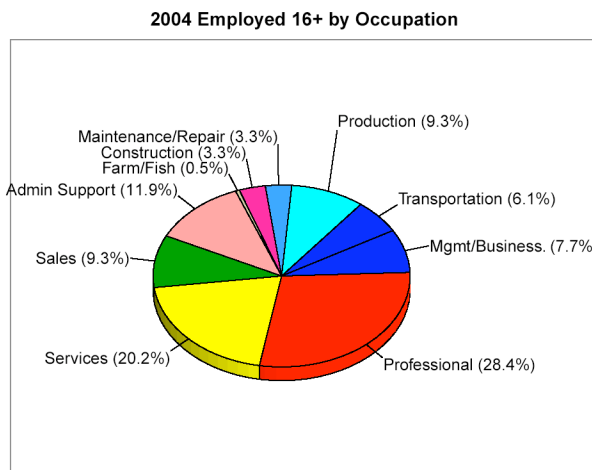
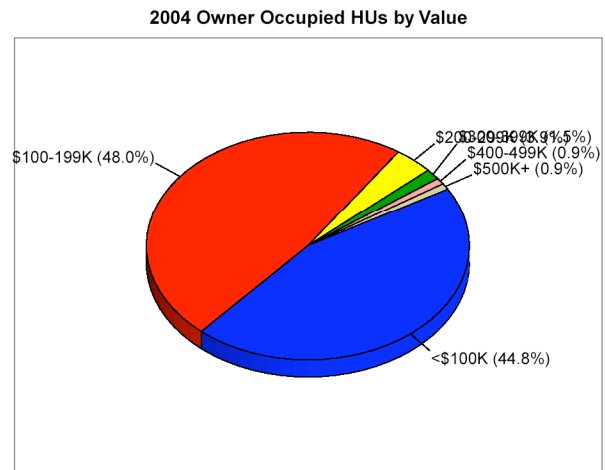
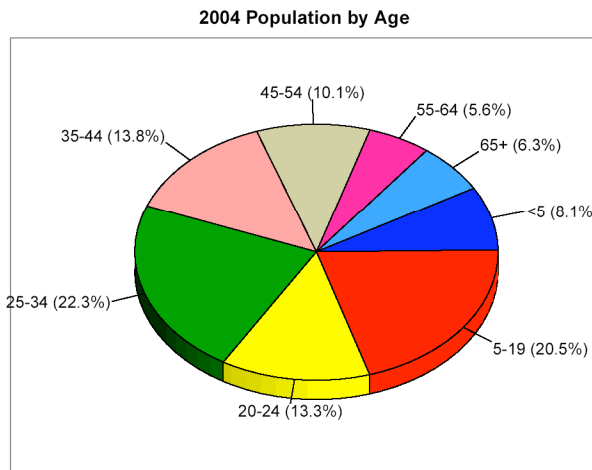
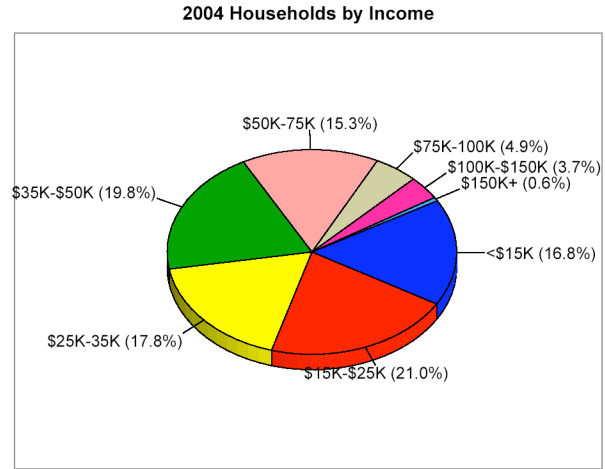
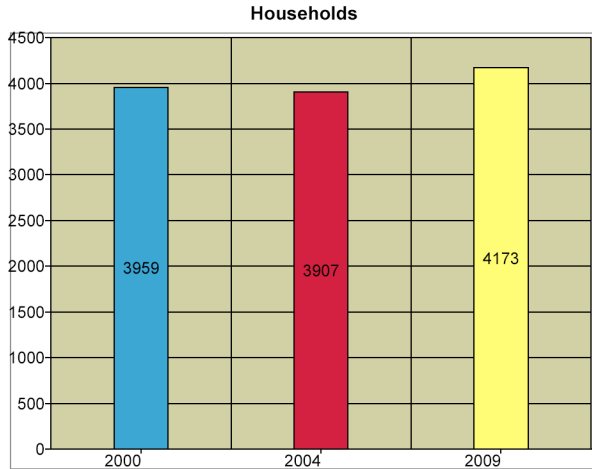
2004 Percent Hispanic Origin: 21.4%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI BIS forecasts for 2004 and 2009.

Fig. D-5: Graphic Profile, .5 mile radius

APPENDIX D: OPPORTUNITIES ANALYSIS AND MARKET POTENTIAL
GRAPHIC PROFILE

Radius: 1.0 miles

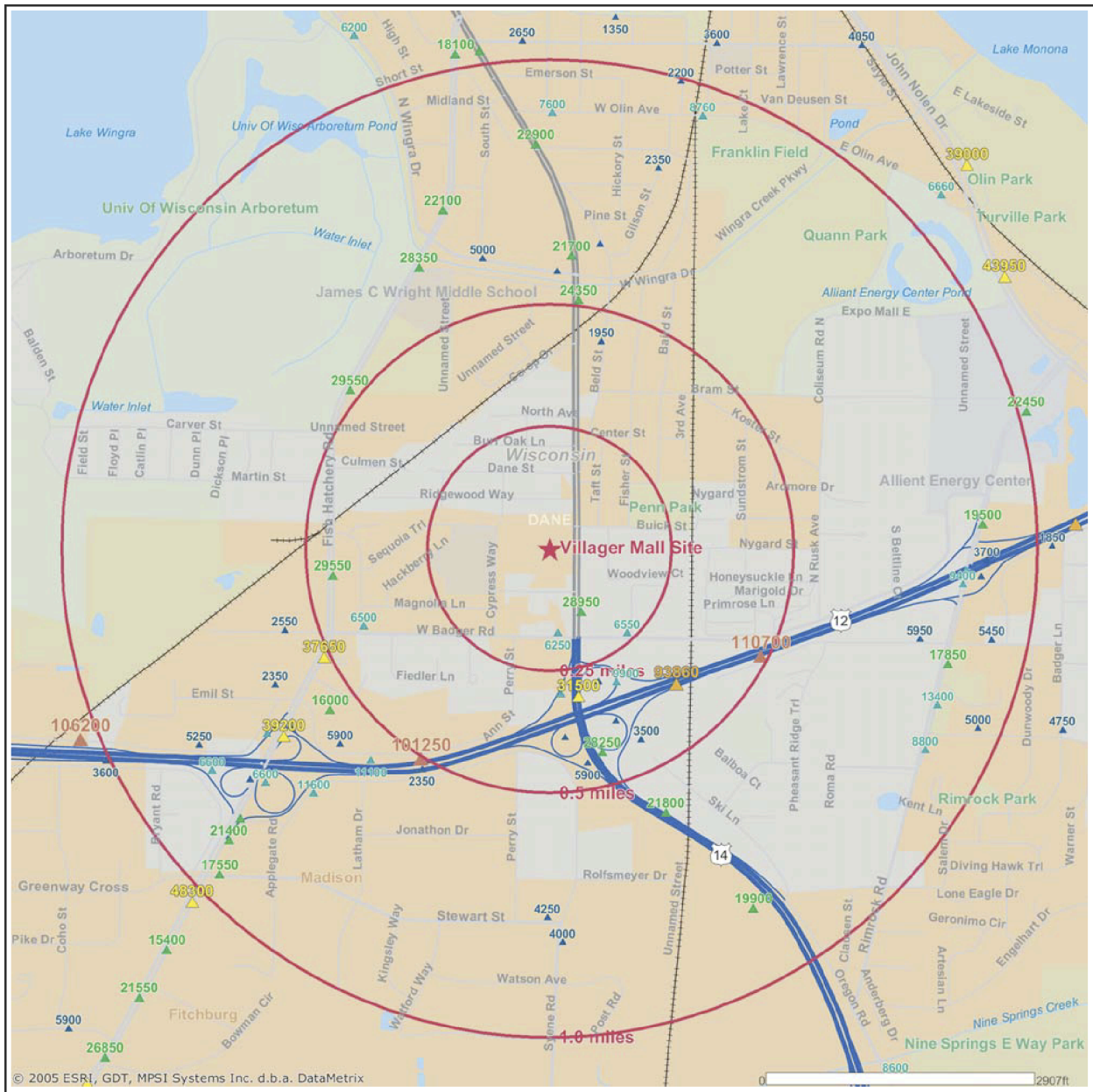


2004 Percent Hispanic Origin: 21.3%

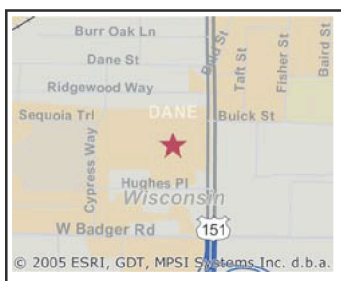
Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI BIS forecasts for 2004 and 2009.

Fig. D-6: Graphic Profile, 1.0 mile radius

APPENDIX D: OPPORTUNITIES ANALYSIS AND MARKET POTENTIAL
TRAFFIC MAP

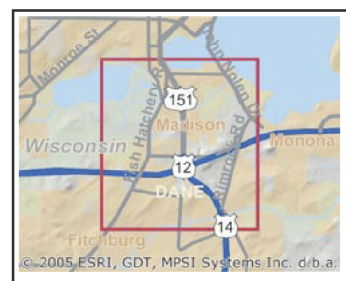


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- Average Daily Traffic Volume**
- ▲ More than 100,000 per day
 - ▲ 50,001 - 100,000
 - ▲ 30,001 - 50,000
 - ▲ 15,001 - 30,000
 - ▲ 6,001 - 15,000
 - ▲ Up to 6,000 per day
 - ▲ Interstate counts



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Source: © 2005 MPSI Systems Inc. d.b.a. DataMetrix©

Fig. D-7: Traffic Map

APPENDIX D: OPPORTUNITIES ANALYSIS AND MARKET POTENTIAL
PRELIMINARY OPPORTUNITIES

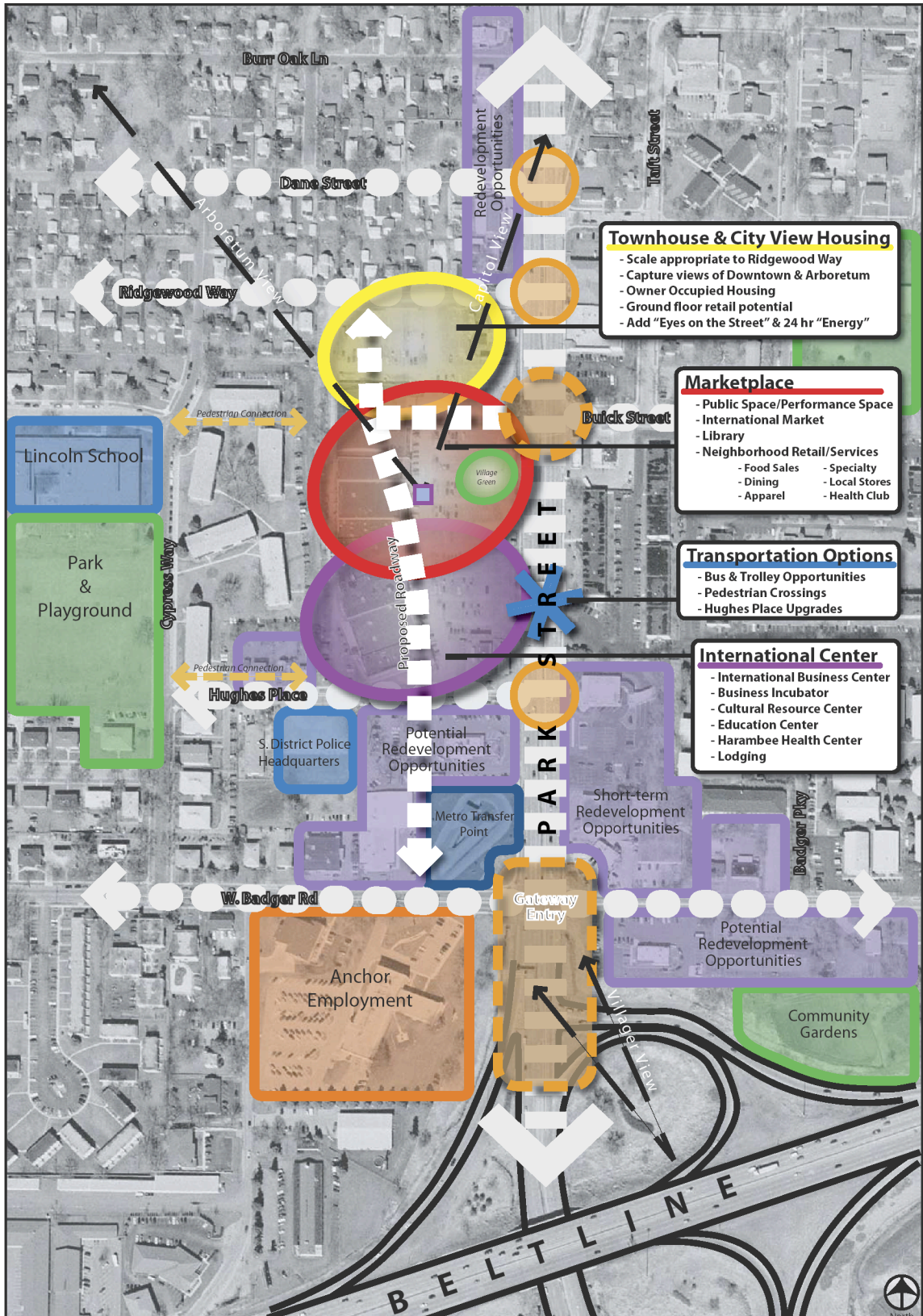


Fig. D-8: Preliminary Opportunities

APPENDIX D: OPPORTUNITIES ANALYSIS AND MARKET POTENTIAL

COMMUNITY-CENTERED

Residential

- Owner occupied condominium apartments
- Active Senior Residential

This has already been discussed; the key is properties that are owner-occupied given the large amount of rental housing in the neighborhood and active senior housing, not long-term care facilities.

Other Retail/Services

- Health Club/Gym
- Barber/Beauty (shop and supply)
- Insurance/Real estate
- Music Store (Neighborhood focused)
- Credit Union/Lending
- Florist
- Photo Studio
- Additional daycare

While all of these options present possible viable opportunity, the size of any of these offerings would be limited. A mix of these uses would offer opportunity of ownership and the potential for local entrepreneurs to grow a business.

Lodging (Possibly in later phase)

The opportunity for lodging will need to be explored in a later phase, for there is current capacity in the local market for developing executive lodging facilities to support the existing medical and university corridors and the emerging technology corridor to the south. Our hesitation and caution towards this recommendation is an understanding that other revitalization projects within the Park Street Corridor may also be looking at lodging as an option and having multiple sites developed in such a manner may be more than the market can bear. That being said, it is possible to leave this option as a possibility and explore it later on as the project moves forward in phases.

COMMUNITY-CENTERED

When looking at the demographics (Summary demographics are available in **Figures D-4, D-5 and D-6**) of the community immediately surrounding the Villager site in comparison to the rest of Madison, it is very easy to see that their needs and situations are markedly different. The area within 1 mile of the site has the most ethnically diverse demographic of all of Madison and South Central Wisconsin. This lends itself to a strong advantage in its diversity of offerings and opportunities to serve diverse populations, but also a challenge for the Villager site to meet the needs of an ethnically diverse population. The Villager site has the opportunity to provide the medium in which cultural pride and community can become the hallmarks of the revitalization of the site, and the strongest way for this to achieve lasting success is to make the community central to the plan.

Opportunities to sustain the ethnic diversity and to keep the project centered on the community include:

1. Creation of a Cultural Center for the South Madison Neighborhood that serves as a focal point for the vibrant history and culture of the area. The Cultural Center would also have a Community Room that can host community events and celebrations.
2. Creation of an International Business Center to provide incubator space for minority and other entrepreneurs trying to start businesses and larger multi-lingual business opportunities.
3. Development of an International Resource Center in conjunction with the Business Center that provides translation services and consulting for both minority owned businesses and businesses in need of outreach to minority populations. Both The Urban League and Centro Hispano have shown an interest in exploring this opportunity.
4. Retention of retail services that positively cater to ethnic groups- for example- Yue Wah Grocery.
5. Design of Outdoor Gathering/Performance space so local groups have a place to share culture and offerings in a community setting.
6. Attraction of new retail that has a track record of working with ethnic groups.