

Ensuring a Vibrant Downtown Retail Destination:

A Retail Assessment and Strategy for Downtown Madison

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City of Madison, WI

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Prepared by:

Tangible Consulting Services

Perkins+Will, Inc



TANGIBLE
Consulting Services

PERKINS+WILL

Acknowledgements

This study was immensely benefited by the active engagement and support of Madison city leadership and staff, and the City’s downtown business community. There is clearly a passion for the legacy and ongoing quality of Madison’s downtown retail environment. It is our hope that a measure of the insight and passion of those who invested time and energy into this process has been captured in these pages.

The following organizations and individuals deserve particular mention.

Downtown Coordinating Committee

[names]

Other BID Board Members

[names]

City of Madison

[names]

Other Interviewees

[names]

CONTENTS

Introduction	5
Market and Retail Trends Analysis	7
Retail Dynamics and Industry Trends	
Consumer Profiles	
Retail Market Conditions	
Key Findings and Conclusions	
Appendix	
Retail Vitality Assessment	33
Quality of the Retail Environment	
Barriers	
Retail Brand	
Destinations, Events, and Retail Anchors	
Retail Mix	
Case Studies	51
Ann Arbor, Michigan	
Raleigh, North Carolina	
Iowa City, Iowa	
Austin, Texas	
Key Findings	

Recommended Policies and Strategies 60

State Street

Capitol Square

King Street

Downtown

Big Ideas

Next Steps 74

Appendix: Summary of Primary Research

Appendix: Methodological Materials

Shopper Survey

Business Survey

Implementation Assessment

Appendix: Retail Research Laboratory

Introduction

Madison’s downtown retail environment is celebrated by residents and visitors alike. With its traditional storefront buildings and broad sidewalks, and its interesting and varied shops and restaurants, it offers an environment and experience that is walkable, dynamic, and idiosyncratic. It is unique in the region, and compares well with well-known urban retail districts across the country.

The City of Madison recognizes the importance of downtown retail. It is part of what makes downtown Madison a destination. It is an amenity for the City’s downtown office workers. And it attracts people to live in downtown Madison.

But some concerning trends have earned the attention of the City of Madison and its downtown business community. Rents in parts of downtown have skyrocketed for retail tenants. And commercial storefronts are being converted at a steady rate from retail stores to restaurants and bars. The concern is that this process may continue, yielding a downtown entertainment district that has lost the critical mass of retail stores that make it also serve as a viable shopping destination.

These concerns motivated City leadership to initiate this retail study, the purpose of which is to propose actions that would retain and strengthen downtown Madison’s vibrant retail character.

This study’s title reflects its core purpose: “Ensuring a Vibrant Downtown Retail Destination:

A Retail Assessment and Strategy for Downtown Madison.” Its stated goal is “to learn how downtown retail can be strengthened and how retail and related uses can increase as part of downtown Madison’s economy and unique

identity as a place to live, work and visit.” Our collective charge is simply to position this area for ongoing and future success as a retail destination.

The study process. The City of Madison retained Tangible Consulting Services, with

support from Perkins+Will, to conduct the study. Madison’s Downtown Coordinating Committee, with participation from the board of the Central Business Improvement District, served as a steering committee and sounding board for the project.

Between the project kickoff meeting on June 23, 2016, and the consulting team’s final presentation on November 17, 2016, the retail environment was evaluated through three distinct lenses—market analysis, retail vitality, and case studies. These analytical approaches were supported by



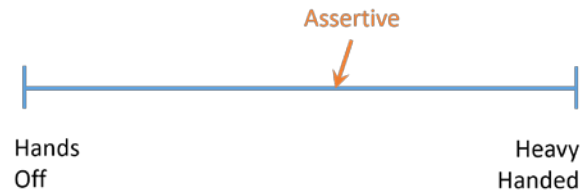
extensive primary research that included customer and business surveys, focus groups, and individual interviews.

A rich array of information and analysis resulted, which provided a basis for recommendations on a broad-ranging set of strategies that have promise for strengthening the downtown shopping environment, and retaining the place of retail stores in downtown’s retail and entertainment environment.

Findings and strategies. The study found that downtown Madison’s balance of retail stores and eating and drinking establishments is not atypical for similar storefront districts across the country. And yet it has been changing, and we found no reason to dismiss concerns that downtown shopping opportunities might continue to decline, and potentially lose its critical mass and appeal as a shopping destination.

The proposed strategies take this concern seriously. They are intentionally assertive, going beyond feel-good strategies that may have little real-world impact—while they also aim to avoid an overly prescriptive approach to downtown business adaptation and commercial development.

Strategic Balance



Some of the strategies would strengthen the retail environment through building its distinctive identity and brand, and through adding new retail stores and shopping opportunities to the environment. Other strategies address the priority of retaining the unique calling card of the area—its fine-grained store density—so that there is an ongoing critical mass of stores to attract shoppers, and the small retail floorplates which are conducive to one-of-a-kind local businesses. A third set of strategies address identified barriers to shopping downtown.

What follows. The report that follows presents the three analytical perspectives—market analysis, retail vitality assessment, and case studies. That is followed by the presentation of a set of recommended strategies. And finally, next steps are offered for moving into the implementation of priority strategies.

Market and Retail Trends Analysis

Background

Healthy, vibrant retail districts serve a variety of important functions for a community. They provide essential goods and services to local residents; they provide critical amenities that help attract employers and visitors; and, they are an important source of community building because of the inherently social nature of shopping and dining.

With over 300 retail stores, retail service businesses, and food options all within an easy walk from one another, Downtown Madison is the premier destination in southcentral Wisconsin for a unique shopping and dining experience. However, retailing is rapidly changing due to new tools for communication, socialization, and transportation. Given such rapid change, it is imperative that community leaders have a good foundation of the dynamics driving these changes so they can create appropriate and effective policy in response to market changes.

The market and retail trends analysis builds upon previous research conducted in 2007 as well as on-going efforts by the City of Madison to track market conditions in the downtown. It is organized into four sections: 1) Review of broad trends affecting the retail industry; 2) Profiles of important consumer segments (e.g., residents, employees, and visitors) supporting Downtown retailers; 3) Current and projected market conditions, such as vacancies, rents, and the business mix of retailers in the Downtown; and 4) Key findings and conclusions regarding how broad industry changes, evolving consumer markets, and

the condition of existing space are impacting the future demand and need for retail space in Downtown Madison.

The findings from the market and trends analysis will be synthesized with two other reports (a retail vitality assessment and case studies of other communities adapting to new retail conditions) to come up with specific strategies and policies designed to address identified needs and opportunities for change.

Sources of Information

A variety of data sources were used in the market and retail trends analysis:

- ◆ Demographic data provided by US Census, the Wisconsin Department of Administration, and the City of Madison;
- ◆ Previous market and economic studies prepared by UW Extension, the City of Madison, the Greater Madison Convention Visitors Bureau, and the Wisconsin State Department of Tourism;
- ◆ Interviews with local real estate professionals and businesses; and
- ◆ Field work

Information is filtered against the previous experience of the analyst.

All proposed strategies are preliminary suggestions for consideration. They are to be shaped, augmented, or rejected by further findings, as well as communication with policy makers, stakeholders, and others, over the course of the retail vibrancy study.

Retail Dynamics and Industry Trends

Retail is one of the most highly competitive and fluid real estate market sectors. Existing establishments are constantly being challenged by new concepts, locations and competitors. Turnover is very common and tenants and landlords must constantly be listening to the market and making strategic reinvestments or tenant mix changes to ensure their properties are vibrant and profitable.

It is important to monitor this constant market change to ensure that the total size of available retail space is in line with retail demand. When available retail space is beyond the size that can be supported by market demand, vacancies become more common.

Excess retail supply also puts downward pressure on lease rates which can reduce the cash flow available to landlords for making the strategic reinvestments necessary for their property to remain competitive. This can lead to an overall decline in retail quality and can lead to negative impacts that can be a community concern.

The other reason to monitor the size and condition of the retail market is to prevent an overly restrictive retail environment. When a community does not provide sufficient retail area to satisfy market demand, then the variety of retail options available to its customers may be reduced and economic activity is diverted to other retail districts or communities.

It is therefore very important that communities attempt to find a balance between the amount of retail development and retail market demand.

Types of Retail Districts and Goods

The design of retail districts in urban areas has changed significantly over the past 100 years,

expanding from walkable town centers to auto-oriented shopping centers to the diverse types of retail centers and districts we see today. Many of the changes have been linked to metropolitan growth patterns, changes in urban transportation systems – including the rising dominance of the automobile – and evolving retailing technologies.

One result of this change is that communities have inherited a mix of current and older retail districts and centers that vary in economic performance and physical character. Whether a retail location is older, such as a downtown, or brand new strip mall, there is a promising opportunity to create pedestrian-friendly uses by adopting urban design approaches that emphasize links to local neighborhoods, walkability, transit access, complementary land uses, and natural amenities.

A clear understanding of the form and dynamics of retail districts is helpful when positioning them in a community. They can vary dramatically based on:

- ◆ Physical size
- ◆ Built form
- ◆ Metropolitan location
- ◆ Transportation access
- ◆ Size of Trade Area
- ◆ Mix of services and tenants
- ◆ Presence of competing districts

Many forces can affect the performance of retail districts over time:

- ◆ Changes in the regional transportation system can alter the relative situation of districts, e.g. freeway or transit station proximity
- ◆ Aging retail districts and centers often need major renovation, expansion, or repositioning to be competitive
- ◆ Changing demographics in the Trade Area may reduce buying power or create a market mismatch for a retail district

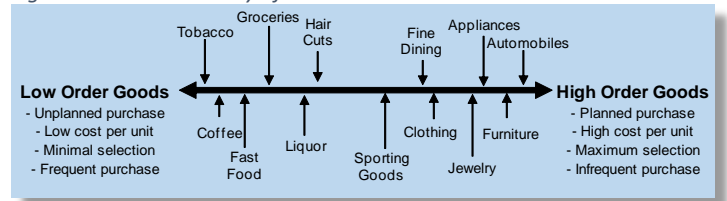
- ◆ Smaller retail districts often lack space for expansion and struggle to compete with areas that can accommodate stores that are increasingly larger, e.g. supermarkets and discount stores
- ◆ Competition can increase due to new and expanding retail districts within five miles
- ◆ Diversification of shopping center types with new formats and popular tenants increases the competitive challenge

The area from which a retail district draws the majority of its business is known as the Trade Area. The boundary for a Trade Area is determined by many factors, but mostly by the location of the next closest district offering a similar complement of goods and services. Ideally, the trade area for a given district has no other competitors for several miles in each direction, giving the district the strong advantage of convenience to the households and employers surrounding it. In reality, travel routes and intervening land uses (e.g. large rail yards with no crossings) often make one district more convenient than another retail district that is closer “as the crow flies.”

Determining the trade area around a retail district depends on the amount of goods and services it can offer to the surrounding household base; the level of offering is usually related to the size of the district and the order of goods and services available.

Goods are often classified on a relative scale from lower order to higher order goods. Lower order goods are those goods which consumers need frequently and therefore are willing to travel only short distances for them. Higher order goods are needed less frequently so consumers are willing to travel farther for them. These longer trips are usually undertaken for not only purchasing purposes but other activities as well. Figure 1 demonstrates where some of the common goods and services might fall along this continuum.

Figure 1: Retail Hierarchy of Goods



It is also important to keep in mind that retail trade areas vary considerably, depending on surrounding housing density and the attraction of specific retail tenants. Stores in higher-density areas, especially those that focus on lower order or essential goods and services, can thrive with smaller trade areas. Conversely, districts fed by large numbers of outside visitors or destination shoppers can support a wide complement of specialty goods and services not typically found at most neighborhood-scale retail districts and thus have very large trade areas, many times including several counties or entire portions of a state. The location, density of uses, and volume of visitors means Downtown Madison supports both types of trade areas.

Relationship between Retail Demand and Demographics

Downtown retailers capture sales from four main categories of consumers: residents, daily workers, visitors, and destination shoppers. Of these, residents are usually the main source of income for most retailers. In the case of Downtown Madison, however, the sheer number of daily workers and the volume and frequency of events that drive visitors to the Downtown means that these other consumer groups often rival residents as a main source of income.

In general, neighborhood retailers perform best when they are surrounded by “rooftops,” rather than simply trying to capture “drive-by” or “walk-by” traffic in the case of the Downtown. Conversely, specialty retailers perform best when supported by high volumes of visitors and a

unique atmosphere driven by strong design elements that seamlessly connect storefronts to the public realm and nearby destinations and amenities. The strongest retail locations do a bit of both; they serve the residents living in the surrounding area and, because they are located on high-traffic streets, they capture business from daily workers, visitors, and destination shoppers as well. Below are characteristics that best define the shopping habits and patterns of the four major Downtown consumer types.

Resident Consumers/Students

- ◆ Spend, on average, between 10%-20% of household income at local retailers (not including auto spending); this is far more per capita and per-trip than other consumer types
- ◆ Support a wider variety of retail goods and personal services than daily workers or visitors; everything from haircuts to hardware to prescriptions

Daily Workers

- ◆ Spend just a fraction on local retail compared to residents, but can be regular customers for restaurants, coffee shops, and other specific retailers
- ◆ Generally limit their spending time to the working hours during Monday-Friday
- ◆ Spend in narrow categories such as restaurants and convenience stores

Visitors

- ◆ Seasonality in northern climates means retailers must orient operations (e.g., hours, staffing, types of goods, etc.) to peak periods
- ◆ Retailers are dependent on a steady flow of events and activities that bring people to the Downtown
- ◆ Generally, do not support neighborhood retailers
- ◆ Often spend a substantial amount of money at one visit

Destination Shoppers

- ◆ Will drive significant distances and make special trips to shop at specific stores
- ◆ Can be very loyal customers for the retailers they patronize
- ◆ Often spend a substantial amount of money at one visit, or over the course of a year

Given that residents (the consumer unit being a “household”) generate the bulk of income for most retailers, the alignment between the demographic characteristics of the surrounding population and the tenant mix of a retail district is crucial. In an ideal world, the mix of tenants at a retail district would satisfy all of the regular needs of the surrounding population.

For example, a strip retail center located adjacent to a subdivision of starter homes with young families would offer such tenants as a grocery store, a hardware store, a drugstore/pharmacy, and family restaurants among others. A retail district in an inner-city urban area with few families would offer independent coffee shops, bookstores, niche restaurants with bars, and other specialty stores catering to singles and professionals.

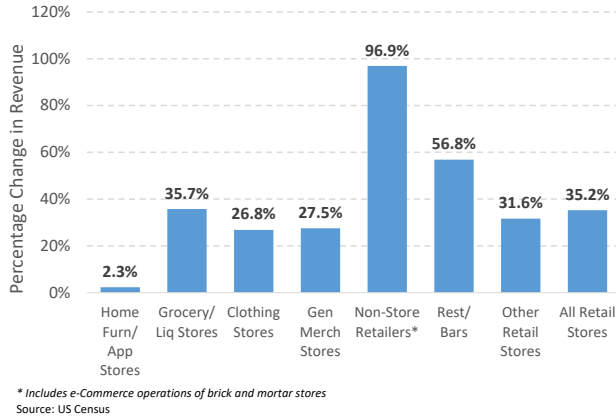
Quantification of these consumer groups and their direct impact on Downtown Madison is addressed in a subsequent section of the report.

Revenue Trends by Retail Category

The US Census tracks national revenue by retail category. Figure 2 displays the percentage change in retail revenue from 2005 to 2015, a period of time that spans the recession of 2007-08 and its subsequent recovery. During the 10-year period, Non-Store Retailers and Restaurants/Bars clearly had the largest percentage revenue increase by a wide margin. Although brick-and-mortar storefronts are not going away, this is evidence

that they are no longer the only channel for consumers to receive goods and services.

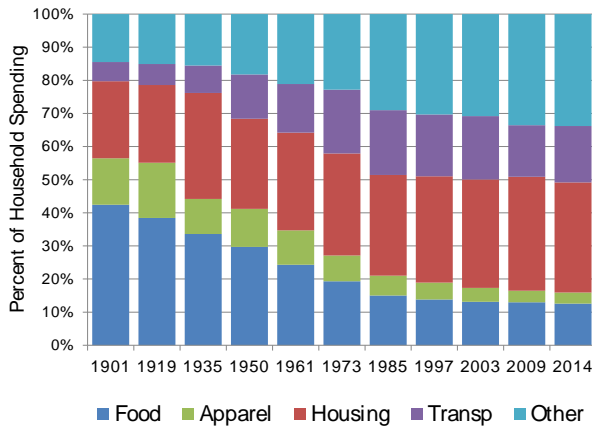
Figure 2: Growth in US Retail Revenue by Category 2005-2015



Impact of Other Household Needs

Over the course of 100+ years, consumer spending patterns have shifted dramatically. Categories that typically consist of retail purchases have been squeezed by other categories, namely housing, transportation, and a rapidly growing “other” category, which consists mostly of healthcare, education, and savings. Although the proportion we spend on food and apparel has dropped dramatically due to the industrialization of their processing, Figure 3 below still underscores the fact that an increasing share of spending is being diverted into non-retail categories.

Figure 3: Historic US Consumer Spending as a Percentage of Income



Source: Bureau of Labor Statistics: Consumer Expenditure Survey

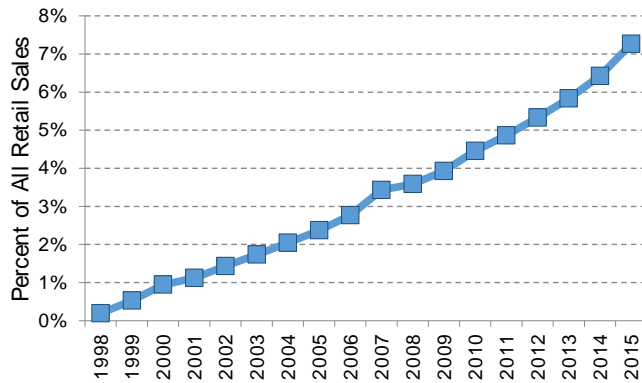
As the baby Boom generation ages into post-retirement years, it is expected that healthcare and other non-retail categories will continue to increase their share of household expenditures. One of the likely impacts of this dynamic is that many locations, which have been occupied by traditional retail stores that sell goods, will evolve into more healthcare-related retail concepts. Anecdotally, this can be seen in the emergence of the drug store/pharmacy as an anchor to many neighborhood retail districts and the proliferation of wellness/fitness retail locations.

Impact of e-Commerce and Other Technologies

More threatening to the long range prospects of traditional retail is the growth in e-Commerce or on-line purchasing of goods and services. Overall, e-Commerce remains a very small proportion of all retail spending (Figure 4). However, growth since the late 1990s has been almost exponential.

Although it will likely taper as retailers figure out how to more effectively combine the on-line and in-store experience, each half a percentage growth in e-commerce translates into millions of fewer square feet of traditional retail space that can be supported nationwide. However, neighborhood-oriented retail will likely feel less effect because the goods are generally consumed soon after purchase and therefore more immune from online competition.

Figure 4: Growth in e-Commerce Retail Spending



Source: US Census: E-Stats, E-Commerce Multi-sector Report

Not directly related to on-line retailing, but definitely a byproduct of an increasingly digital world is the emergence of a sharing economy. In this new economy, large data sets are being merged with smart phone technology to allow consumers to bypass traditional retailers and connect directly with other consumers in the exchanging of used goods in a secondary on-line market. Two notable progenitors of the sharing economy are Craigslist and ebay. Direct impacts of a sharing economy are:

- ◆ Access to cheaper goods and services than what can be provided through traditional retailing
- ◆ New ways for consumers to save money, but also earn money
- ◆ Less need for private storage (i.e., smaller homes)
- ◆ A need to be digitally literate



Facts about the Sharing Economy¹

19%

of the total US adult population has engaged in a sharing economy transaction

83%

agree it makes life more convenient and efficient

The technology, however, is evolving so rapidly that it will likely have a profound influence on not just retailing but other parts of society, such as transportation, housing, and even parenting. For example, as the technology influences travel patterns, this will undoubtedly affect bricks and mortar retail stores by altering what are considered to be optimal retail locations. What may be a great retail location today may not be tomorrow.

Logistics, the movement of raw materials and finished products, is another area undergoing a profound transformation that is impacting traditional retailing. Investment into new ports, both coastal and inland, is allowing faster and more efficient movement of goods within and between countries. Just-In-Time (JIT) techniques are allowing retailers to decrease their in-store storage space. Meanwhile, new digital delivery systems that efficiently match up drivers with stores and restaurants are capitalizing on pent-up demand for delivered goods.

¹ Price Waterhouse Coopers, *The Sharing Economy*, Consumer Intelligence Series,

<https://www.pwc.com/us/en/technology/publications/assets/pwc-consumer-intelligence-series-the-sharing-economy.pdf>

Consumer Profiles

This section examines the demographic and economic characteristics of the most important retail consumer groups in Downtown Madison. Changing demographic and economic trends can signal how the market may influence future demand for retail goods and services.

Study Area Definition

The geographic area defined as Downtown Madison is indicated in Map 1. It shows the boundary of the Downtown as well as the boundaries of individual Census tracts that make up the Downtown. This is important because the US Census is the primary source of demographic data used in the analysis. Census tracts are small enough to reveal important demographic differences at the neighborhood level, which is essential for analyzing retail dynamics between and among districts. Also displayed on the map are the specific focus areas of the analysis, which center on State Street and the Capitol Square/King Street areas. These are the areas in which retail establishments are most concentrated in the Downtown.

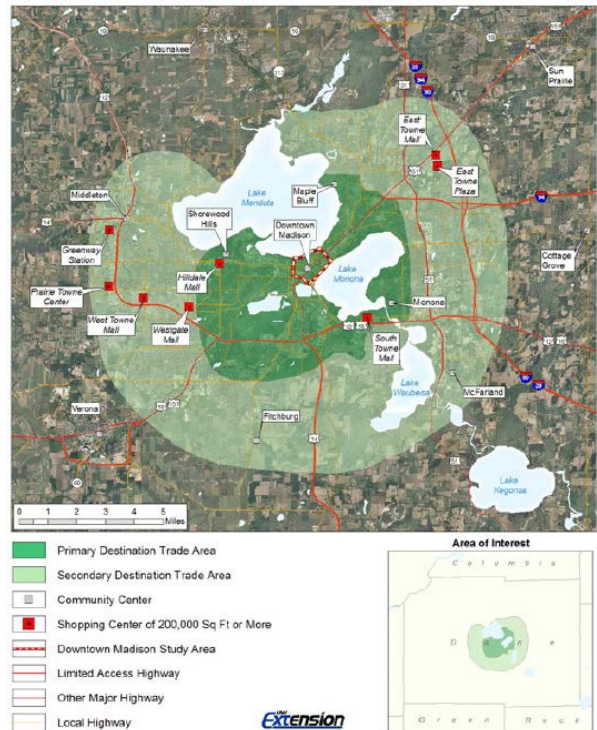
Map 1: Downtown Madison Retail Study Area



Although the Downtown is the focus of the study, Downtown retailing, because of its breadth and depth of store offerings, unique walkable environment, and proximity to important regional destinations, such as the Capitol complex,

Monona Terrace Convention Center, Kohl Center, numerous performing arts venues, and the UW-Madison Campus, it has a sizable trade area that extends well beyond the Downtown into the remainder of Madison and a large part of Dane County.

Map 2: Downtown Madison Primary and Secondary Retail Trade Areas (Source: 2007 Downtown Madison Market Analysis, UW Extension)



An analysis prepared by UW Extension in 2007 identified the primary and secondary retail trade areas for Downtown Madison (Map 2). Due to the large reach of the Downtown’s trade area, demographic data in the study typically includes Dane County or the City of Madison for analytic purposes.

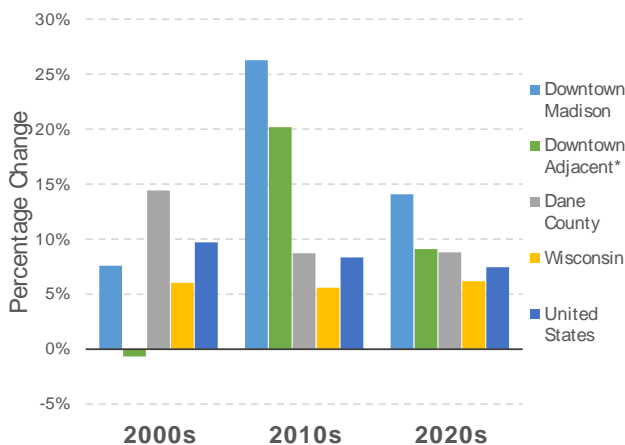
Resident Characteristics

Population and Households

The population of the Madison metro area has been growing at or above the national rate of growth since 2000 (Figure 5). This sustained level of strong growth is an indicator that demand for retail goods and services will be growing throughout the region in coming years. This will positively impact Downtown Madison because of its mix of retail stores and unique environment attract shoppers from throughout the region.

More importantly, though, growth in the region has been heavily concentrated in and near Downtown Madison in recent years. It is estimated that Downtown Madison’s resident population will increase a remarkable 26% between 2010 and 2020. A rapidly growing household base in the Downtown will directly impact retail opportunities in the Downtown because residents generally spend the majority of retail dollars at stores convenient to where they live.

Figure 5: Population Growth Trends



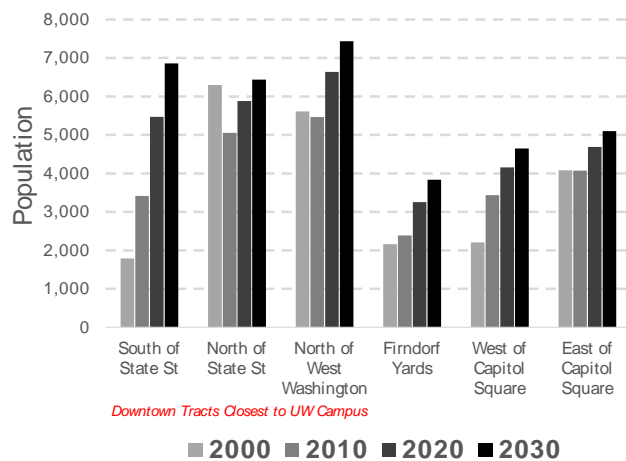
* Downtown adjacent areas include Census tracts 11.01, 11.02, 12, 18.02, 18.04, and 19
Sources: US Census; Wisconsin Department of Administration; Perkins+Will

Population and household growth has been pronounced throughout the Downtown. All six Census tracts that make up the Downtown, have experienced significant growth since 2010 (Figure 6). Growth, however, has been especially strong in

the blocks immediately south of State Street and north of West Washington.

Although many downtown areas throughout the country have been experiencing a population renaissance in recent years, the phenomenon is not new to Downtown Madison. In all but one tract, a pattern of strong growth has been occurring since 2000.

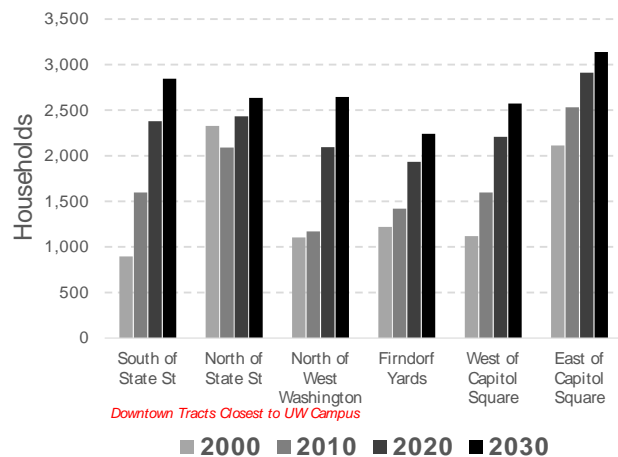
Figure 6: Population Growth by Downtown Census Tract



Sources: US Census; Wisconsin Department of Administration; Perkins+Will

Much of the population growth has been driven by new housing development in the Downtown. Many of the new housing options are geared toward students and young professionals, which has also resulted in strong household growth (Figure 7).

Figure 7: Household Growth by Downtown Census Tract

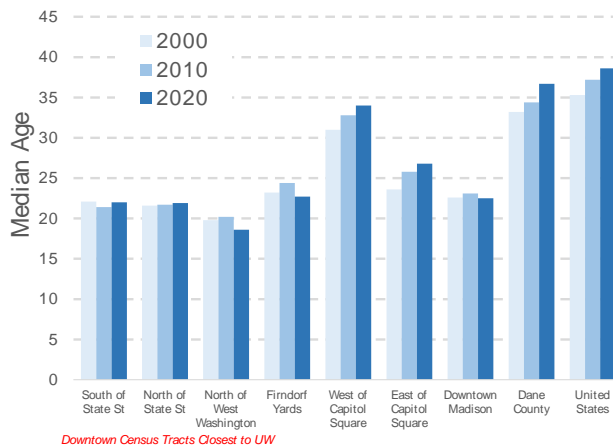


Sources: US Census; Wisconsin Department of Administration; Perkins+Will

Age Distribution

The age profile of the population has important ramifications on the retail market. Younger persons have significantly different demands than older persons when it comes to desired goods and services. The challenge, however, is that the Downtown has a very young profile, and will likely continue to do so given the influence of UW-Madison and other nearby institutions. However, in the areas around Capitol Square, the population is older and is aging in a similar manner as the region and the nation (Figure 8). Therefore, the kinds of goods and services demanded by residents of different neighborhoods in the Downtown no longer have the same kind of overlap they may have had 40 years ago.

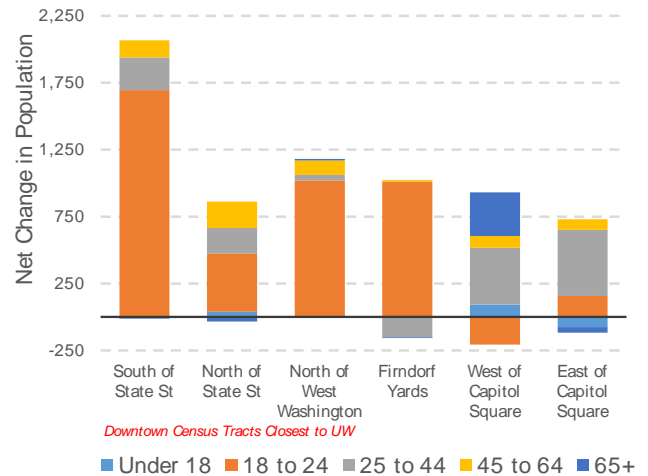
Figure 8: Change in Median Age (2000-2020)



Sources: US Census; Wisconsin Department of Administration; Perkins+Will

Figure 9 shows the breakdown of net population growth by age group for each Downtown Census tract. As expected, the growth in tracts closest to UW-Madison is dominated by persons 18 to 24. However, in the tracts surrounding Capitol Square, growth is highest among those age 25 to 44. It should be important to note that persons age 45 and older have not made up a significant portion of current growth.

Figure 9: Population Growth by Age Group (2010-2020)



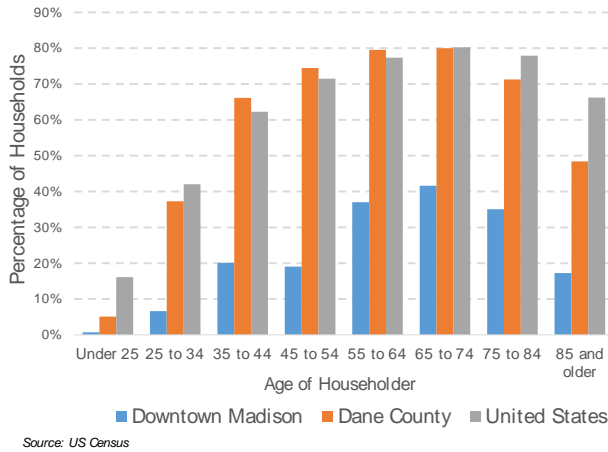
Sources: US Census; Wisconsin Department of Administration; Perkins+Will

Housing Tenure

Traditionally, low homeownership is indicative of a more transient population that lives in the neighborhood for short periods of time, and much of Downtown fits this description given the influence of UW-Madison. However, structural change in the for-sale housing market due to the housing bust of the late 2000s is making homeownership less attractive, especially among younger households who typically move out of downtown environments in search of their first owned home. This trend, if it persists, may result in more long-term or “lifestyle” renters who choose to not own their housing, though they may have the means to do so.

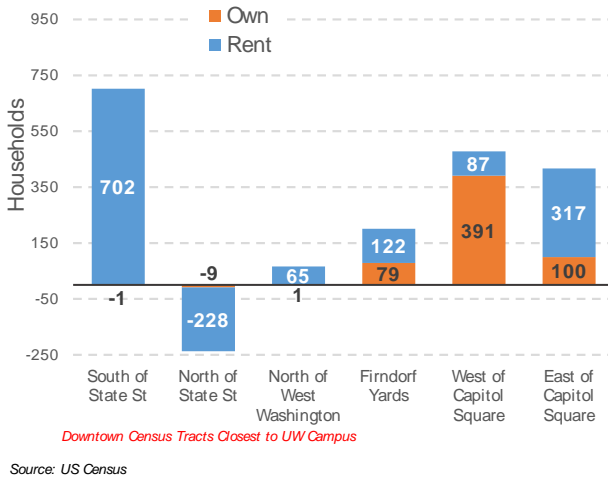
Typically, homeownership peaks in the years between 55 and 75. Although this holds true for households living Downtown, even older households are majority renters in the Downtown (Figure 10).

Figure 10: Homeownership by Age Group (2010)



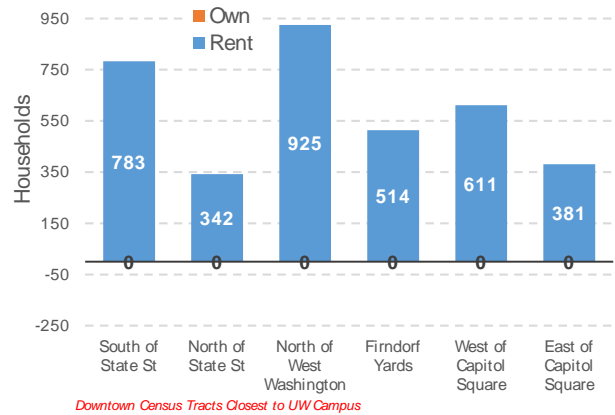
Figures 11 and 12 breakdown household growth by Downtown Census tract for the 2000s and 2010s. During the 2000s, the tracts closest to UW-Madison were dominated by growth of renter-occupied households, whereas tracts closer to Capitol Square included significant increases in homeowners as well as renters.

Figure 11: Net Household Change 2000-2010



In contrast, based on the type of housing development that has occurred since 2010, there has been no appreciable growth in the number of homeowners in the Downtown, yet a very significant growth in the number of renters.

Figure 12: Net Household Change 2010-2020*

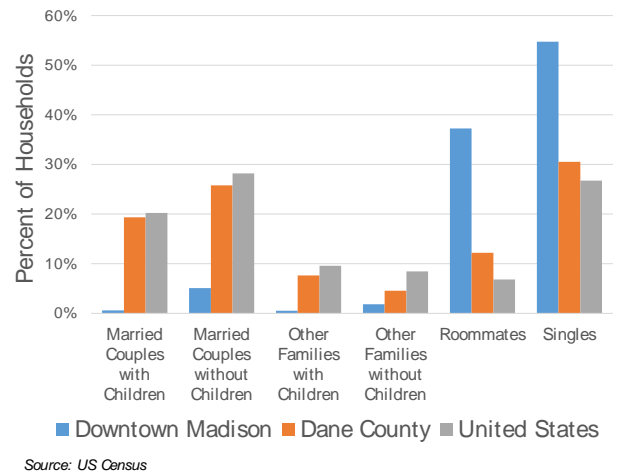


* Projection of tenure is based on housing development 2010-2015, which has been 100% rental properties

Household Type

Figure 13 shows the distribution of household types for Downtown Madison, Dane County, and the nation. Compared to Dane County and the nation, Downtown Madison is overwhelmingly dominated by single-person and roommate households (92%). Although the trend nationally has been toward more single-person households, Downtown skews heavily toward these types of households. Single-person households can have an impact on the types of neighborhood retail that can be supported. For example, grocers have to significantly increase the supply of packaged and prepared foods because singles do not cook meals at the same rate as family households.

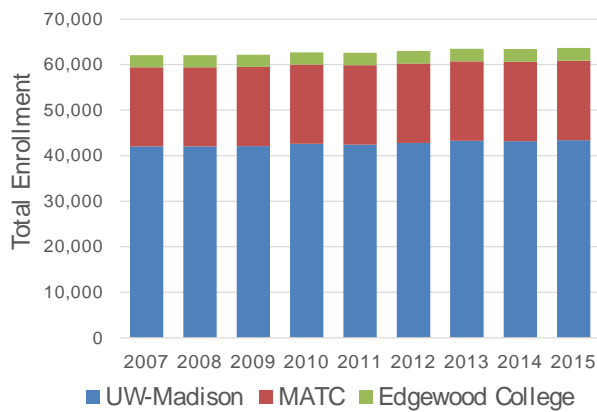
Figure 13: Household Type (2010)



Enrollment at Area Colleges and Universities

Increasing population in Downtown Madison can be somewhat explained by recent increases in enrollment at UW-Madison and other area institutions of higher learning (Figure 14). In 2007, total student enrollment at area colleges and universities was just over 62,000. By 2015, enrollment increased by about 1,600 to over 63,600.

Figure 14: Enrollment at Area Colleges and Universities



Source: College and University Websites

UW-Madison is currently updating a campus master plan, and, though future enrollment has not been addressed in early versions of the master plan, there is no goal to add more on-campus student housing in the foreseeable future. Although this suggests that enrollment will not grow as well, which could possibly limit demand for off-campus housing, it does not indicate the level of pent-up demand among the student body to live as close to campus as possible.

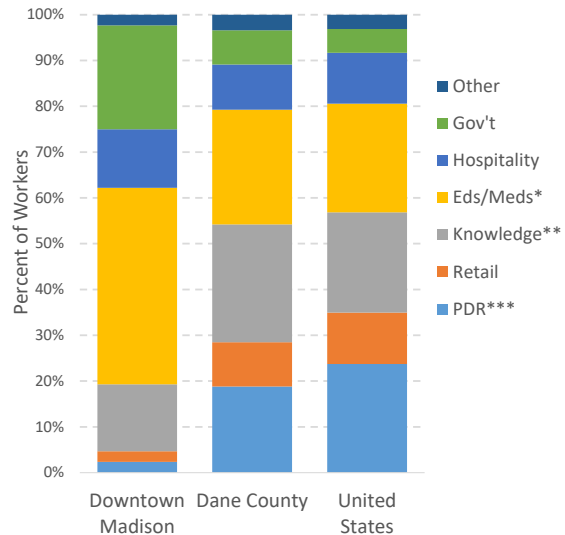
This is important because many large research-based institutions, such as UW-Madison and other Big Ten schools, have undergone a shift in academic priorities in recent years toward more emphasis on raising the school's academic profile and reputation. The result has been higher standards for acceptance, which often results in a student body geared more toward a traditional

collegiate experience defined by living on or near campus.

Worker Characteristics

Downtown workers are overwhelmingly concentrated in the Education/Healthcare Services and Government sectors (Figure 15). This is not surprising since Downtown Madison includes the Wisconsin State Capitol complex, Madison City Hall, Dane County offices, and UW-Madison. However, the Downtown also includes important concentrations of Knowledge-based industry jobs as well as Hospitality jobs.

Figure 15: Employment Distribution by Industry (2015)



* Includes UW-Madison employees

** Knowledge = "Knowledge-based" sectors, such as Information, Finance, and Professional Svcs/Mgmt

*** PDR = Production, Distribution, and Repair sectors (i.e., Mfg, Const, Transp, Util, etc.)

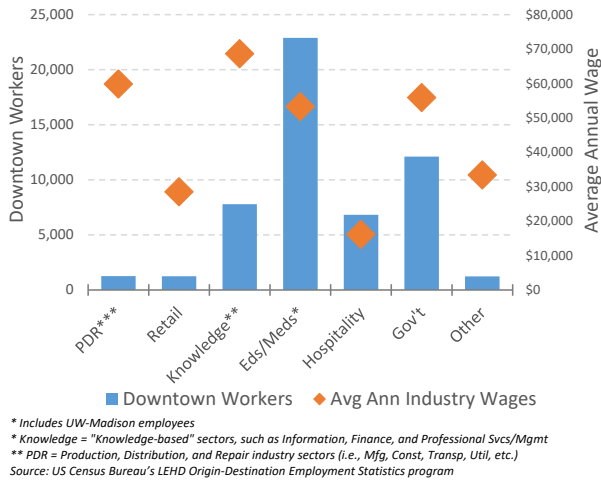
Source: US Census Bureau's LEHD Origin-Destination Employment Statistics program

There are just over 53,000 jobs in Downtown Madison if UW-Madison is included in the data (Figure 16). This represents about 17% of all the jobs in Dane County. Downtown has about 1,200 Retail sector jobs. Compared with 6,800 Hospitality jobs. This is notable because at the County level, there are roughly an equal number of Retail jobs and Hospitality jobs. The concentration of lodging establishments helps explain some of this difference, but it is also due

to the high number of restaurants located Downtown as well.

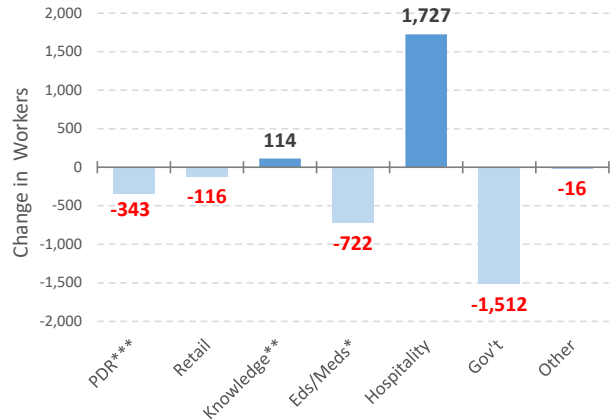
Figure 16 also includes information on the average annual wage by industry. Education/Healthcare jobs tend to be well paying as well as Government and Knowledge sector jobs. A strong concentration of well-paying jobs is an important foundation for supporting a variety of retailers in the Downtown.

Figure 16: Number of Workers in the Downtown by Industry and Associated Annual Wages (2015)



Since 2010, overall employment in the Downtown has decreased -1.6% or -869 jobs. The losses have been concentrated in the Education/Healthcare Service and Government sectors (Figure 17). The only sector with any appreciable job gains during this time has been in the Hospitality sector, which has added over 1,700 jobs, which is a 34% increase. Although Hospitality exhibited strong job gains, it is the lowest paying industry sector and, therefore, will not translate into significant retail spending power.

Figure 17: Change in Downtown Employment by Industry (2010-2015)



* Includes UW-Madison employees
 * Knowledge = "Knowledge-based" sectors, such as Information, Finance, and Professional Svcs/Mgmt
 ** PDR = Production, Distribution, and Repair industry sectors (i.e., Mfg, Const, Transp, Util, etc.)
 Source: US Census Bureau's LEHD Origin-Destination Employment Statistics program

Visitor Characteristics

Unlike most retail districts in the Madison region, visitors are a very significant consumer segment for Downtown Madison retailers. A survey of business owners conducted as part of the related Vitality Assessment noted that 70% of respondents stated visitors were a primary customer and 40% indicated that visitors are a growth opportunity.

There are three primary types of visitors that come to Downtown Madison:

- ◆ **Business Travelers:** Because this group travels for business purposes, demand tends to be consistent throughout the year. However, peak travel times are typically Monday through Friday.
- ◆ **Leisure Travelers:** This group includes vacationers, attendees to sporting or cultural events, and those visiting friends and family. Peak travel times for vacationers are the summer months, but those visiting friends and family are oriented to important events associated with UW-Madison.
- ◆ **Meeting and Convention Attendees:** This group's primary reason for travel is for business, but is often structured and combined with many leisure activities. Peak travel times for this group are Spring and Fall.

Based on research cited in the 2007 Downtown Market Analysis, approximately two-thirds of visitors to Dane County who stayed overnight at a hotel were there for business or a convention. The remaining one-third were there for leisure.

According to the Greater Madison Visitors and Conventions Bureau, the typical Madison visitor profile is as follows:

- ◆ Age 35-54: 55% of visitors
- ◆ Married/Domestic Partner: 75% of visitors
- ◆ Post-secondary Degree: 65% of visitors
- ◆ \$50-100K Household Income: 42% of visitors

Given this profile, many visitors to Madison have the resources and propensity for significant

discretionary spending. Furthermore, the GMVCB also reports that 65% of visitors will dine at a restaurant during their visit and 48% will shop.

Although overall employment in the Downtown has remained somewhat flat since 2010, indicating that business travelers may not be increasing in significant numbers, data indicate that leisure travelers may indeed be increasing. According to the 2015 State of the Downtown Report produced by Downtown Madison Inc. (DMI), the top 15 destinations in Downtown Madison generated 10.8 million visitors in 2015. This was up 32% since 2010, which is an annual increase of 7.7%.

Retail Market Condition

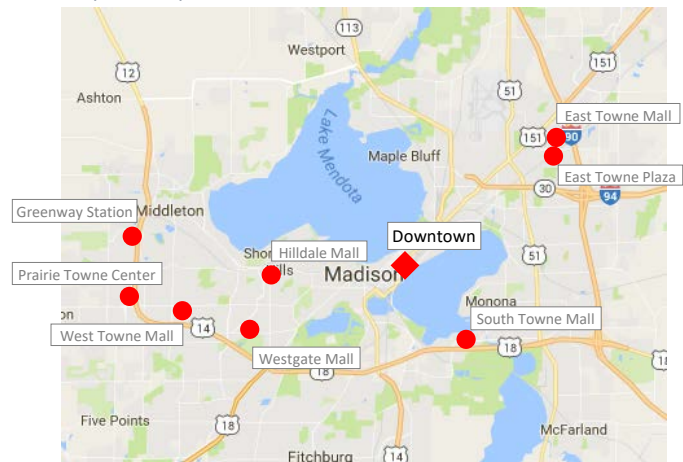
This section presents data about the supply, condition, and use of commercial retail space in Downtown Madison. As with any market dynamic, when supply and demand become out of balance, this can have important consequences on the community through rising prices or an inability to deliver those goods and services that are most needed and desired.

Competitive Retail Districts

Downtown Madison with its breadth of retail and entertainment options (i.e., specialty shops, neighborhood stores, fine dining, and nightlife), pedestrian scale, and access to numerous institutions and open space make it a unique retail market that draws shoppers from a large trade area. Nevertheless, as more national chains appear in Downtown Madison that have multiple stores throughout the region, the ability of Downtown Madison to pull shoppers from a large trade area will decrease because shoppers will be

able to find similar goods at more convenient locations.

Map 3: Competitive Madison Area Retail Centers



Map 3 shows the location of Madison's largest shopping centers and malls. These retail centers generally serve surrounding residential areas and rely on convenient automobile access since all of them are located along major highways or

arterials. Many of these retail centers are also dependent on large-format anchor stores that generate traffic that other retailers can then benefit from. In most cases, these retailers, both large and small, are national chains.

Vacancy Trends

A certain amount of vacant space is natural, healthy, and a necessary byproduct of a dynamic, fluid market that evolves to meet changing consumer tastes, profiles, and behaviors. However, it is important to measure and track vacancy for a couple reasons.

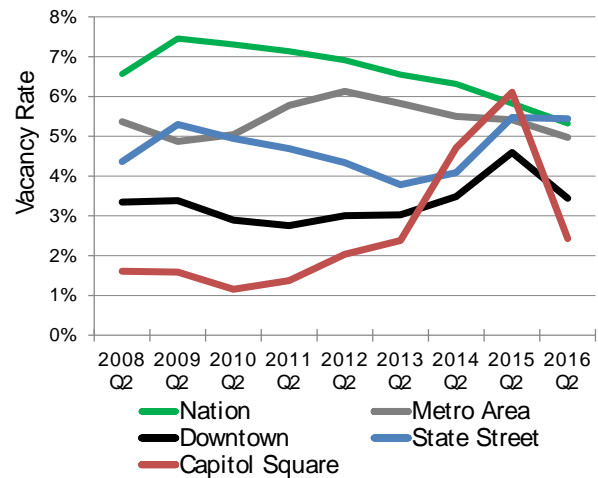
First, too much vacancy in a given area can depress rental rates, which results in less revenue for property owners to maintain and reinvest into their properties. Without continuous reinvestment, properties can become obsolete or blighted and thus create a downward cycle until wide scale disinvestment fundamentally alters the function of the district.

Second, too little vacancy can put upward pressure on rents. Although this is good for property owners and their ability to maintain and update properties, a rapid increase in rents can “price out” certain types of retailers. Because retailing is about selling an experience as much as it is about selling a good or service, a complementary mixture of establishments is vital to achieving a desirable experience for shoppers. Therefore, if rising rents leads to a narrowing or stratification of establishments this can negatively impact the shopping experience and ultimately result in a decline of certain target markets who will seek other competitive retail districts for a more preferable experience or, at minimum, the types of establishments they desire.

Third, tracking vacancy can also be used as a benchmark to evaluate a retail district against broader economic trends.

Figure 18 displays eight years of vacancy trends for the nation, the Madison region, Downtown Madison, as well as the State Street and Capitol Square sub-districts. The data is from CoStar, a nationally-based commercial real estate data services firm. According to CoStar’s figures, the national trend since the end of the recession in 2009 has been a consistent decline in vacancy, which is now just over 5%, and would be considered healthy and near market equilibrium using CoStar’s figures.

Figure 18: Retail Vacancy Rates 2008-2016



Source: CoStar

In the Madison region, and the Downtown in particular, retail vacancy has consistently been below the national rate since 2008 and would be considered healthy. However, from 2013 to 2015, vacancies rose somewhat rapidly in the Downtown. Along State Street, the rise in vacancy appears to have subsisted into 2016 and currently is around 5.5%. In the Capitol Square area, vacancy has declined once again to below 3% in 2016. It should be noted, though, that smaller sub-districts with large spaces can often have dramatic shifts in its vacancy rate when space becomes vacant or, conversely, occupied.

A final observation when tracking vacancy is to note when multiple vacant spaces are adjacent or nearby one another. In these instances this can have a micro-market effect that skews perception

of the overall health of the larger district. Although the scope of this analysis did not include a detailed inventory of retail spaces in the study area, data provided by the City of Madison indicated that in 2014 the 100 and 200 blocks of State Street had substantially more vacant space than the western portions of the street.

Rent Trends

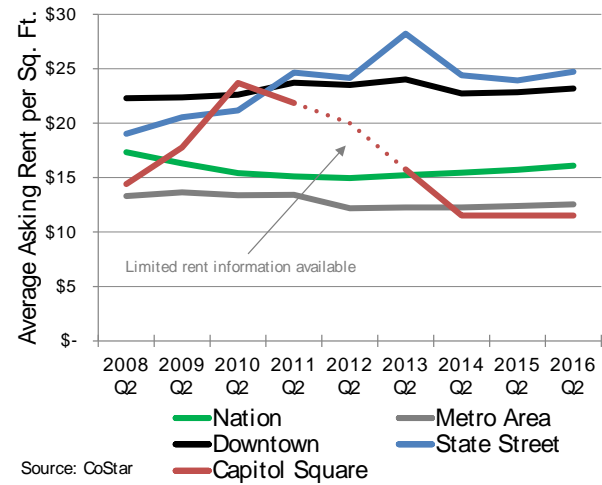
Rents directly relate to the market dynamic within a given retail district. However, obtaining accurate and comparable information is very difficult. First, most parties are not willing to disclose their rent. Second, every negotiated lease is unique and may represent terms and conditions not included in other deals. Nonetheless, even less than ideal data can often provide meaningful insight.

Figure 19 presents the average retail asking rent per square foot for the nation, the Madison region, the Downtown, and the sub-districts of State Street and Capitol Square from 2008 to 2016.

According to data from CoStar, the average asking rent for Downtown Madison is currently about \$24 per square foot. This is significantly above the national and Greater Madison averages, which is not surprising given that downtowns typically have more expensive land and Downtown Madison, in particular, has a strong mixture of uses and attracts numerous visitors.

Anecdotally, however, research conducted as part of the related Vitality Assessment, has indicated that rents can often exceed \$45 per square foot along State Street, especially for smaller stores with higher sales per square foot. Moreover, newly constructed retail space has evidently even been able to achieve a top rent of \$60 per square foot, a truly remarkable level for a community the size of Madison.

Figure 19: Average Asking Retail Rents 2008-2016



With evidence of achievable rents routinely in excess of \$45 per square foot, this is strong evidence that additional newly constructed retail space could likely be supported by the market.

Since 2008, the average asking rent has risen slightly in the Downtown and along State Street, which is in contrast to the national and Greater Madison experience, which have seen a slight decline. This indicates that the retail market in Downtown Madison appears to be strengthening despite broader retail trends.

It should be noted, though, that limited data can have a skewing effect. For example, in the Capitol Square area, average asking rent was similar to State Street and Downtown overall in 2010, but then precipitously declined to just over \$11 per square foot. Since this is only an average of asking rents, it does not represent actual rents and is only based on spaces that are actively being marketed. The fewer the number of spaces being actively marketed, the less likely the statistic is a good representation of the overall market.

Building Size

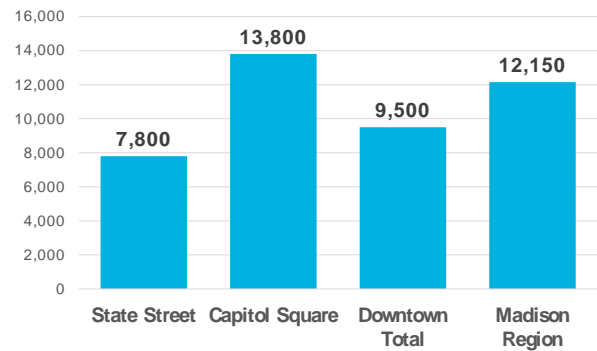
Building size can be an important indicator of how well the physical stock of buildings can respond to changing market dynamics. For example, larger

spaces are important in order to accommodate establishments that might serve as anchors for a retail district. However, buildings that cannot be subdivided, especially into sufficiently small spaces, have limited potential to adapt to changing market conditions. This is particularly important in urban districts undergoing significant redevelopment. Many of the newer retail properties being developed, in particular those with housing or office space above them, are being designed to cater to larger users and do not have the same flexibility as many older, smaller retail properties.

Smaller, older properties, therefore, are well suited to accommodate independent and start-up businesses for two important reasons: 1) they do not need to rent as much unneeded space; and 2) the rents are more affordable regardless of the amount of space needed. Having this type of flexibility in the commercial building stock is important because independent and start-up retailers often bring innovative concepts and goods to the market that national chains are unwilling to try because of the risk.

Figure 20 displays the average size of retail buildings for State Street, Capitol Square, Downtown, and the Madison region. State Street’s average property size is well below that of the region and, interestingly, Capitol Square. Therefore, it is well positioned to leverage its supply of smaller, older retail buildings to incubate new, fresh retailing concepts. It should be noted that this data only pertains to overall building size and not individual tenant spaces. Data on the divisibility of commercial buildings would be preferred. However, this data is not readily available, and, thus, overall building size was used a reasonable proxy instead.

Figure 20: Average Size of Retail Buildings

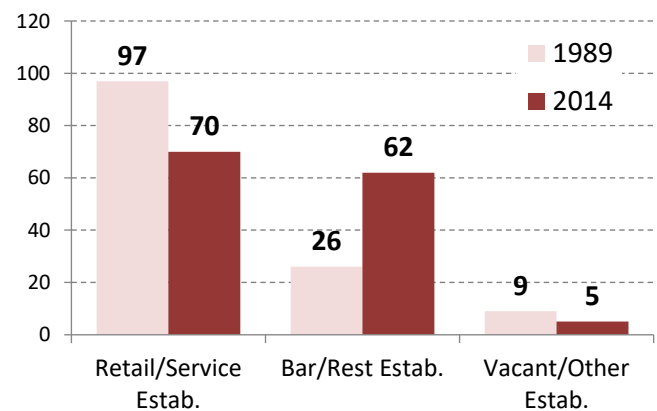


Evolution of the Retail Mix

The City of Madison has tracked the evolution of uses for ground floor spaces along State Street and in the Capitol Square area for the years 1989, 1994, and 2014. This is a remarkable data set because historic data of this detail and type is almost never available.

Figure 21 displays the change in the number of State Street establishments from 1989 to 2014 based on type of use (i.e., retail/service businesses, bars/restaurants, or other/vacant uses). During the 25-year period, there has been a dramatic shift in the types of uses. Retail/service businesses declined from 97 to 70, while bars/restaurants increased from 26 to 62 establishments.

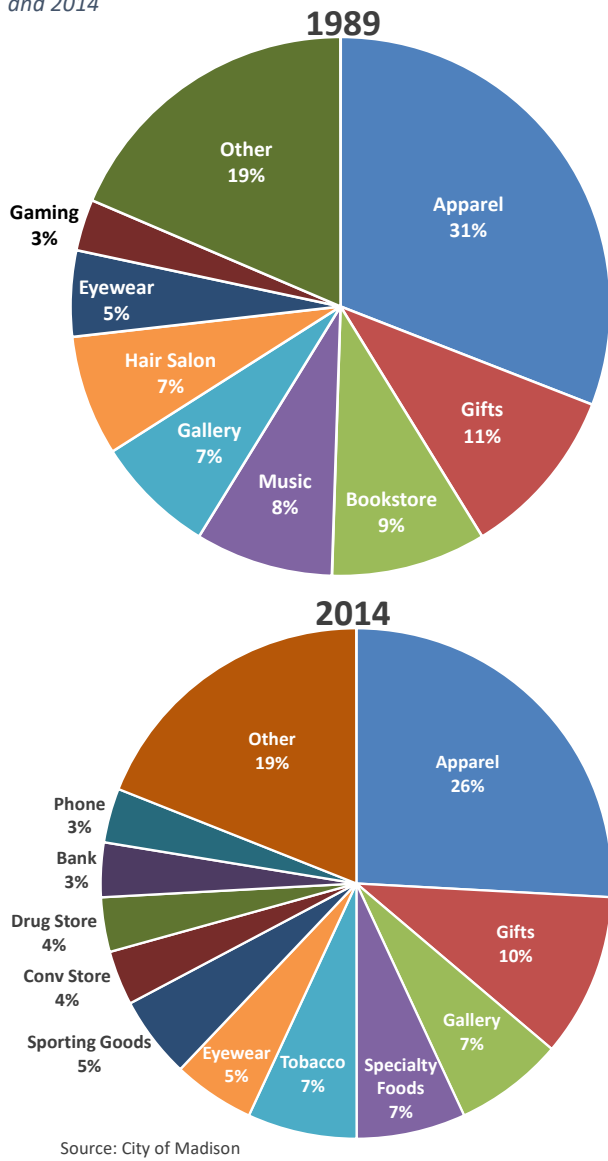
Figure 21: State Street Ground Floor Establishments



Source: City of Madison

Figure 22 delves more deeply into the mix of retail/service establishments and presents a breakdown by category in 1989 and 2014. Apparel decreased from its proportion of stores from 31% to 26%. More significantly, though, Bookstores, Music/Record shops, and Hair Salons, dramatically decreased in number and proportion during this time. Despite the decrease in the number of retail establishments, though, Figure 23 also conveys that the variety of stores actually increased.

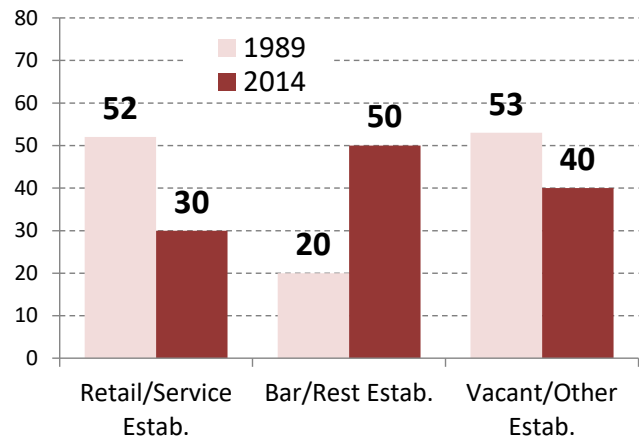
Figure 22: State Street Ground Floor Retailers by Type 1989 and 2014



Figures 24 and 25 present similar data for the Capitol Square/King Street area. The same dynamic found along State Street can be seen here as well. In 1989 there were 52 retail/service establishments, which then declined to 30 establishments by 2014. Bars/restaurants, however, increased from 20 in 1989 to 50 in 2014.

Unlike State Street, Capitol Square/King Street has a significant number of office and/or institutional uses occupying ground floor space. This is not surprising because the area also includes a number of large office buildings as well. Interestingly, though, such spaces declined in number from 1989 to 2014, which suggests that the market for bars/restaurants has been strong enough to not only transform a number of retail/service spaces into new bars/restaurants but also a number of office and institutional spaces as well.

Figure 23: Capitol Square/King Street Ground Floor Establishments

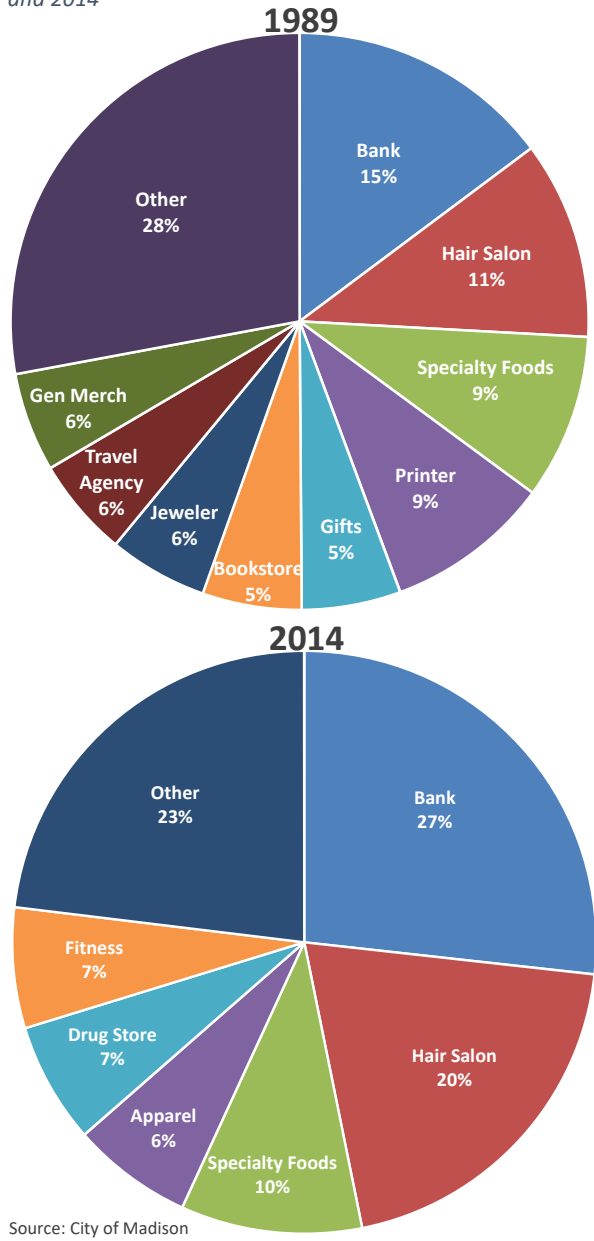


Source: City of Madison

With a shrinking number of retail stores, banks and hair salons have become the dominant retail presence in the Capitol Square/King Street area. Such a high concentration of banks is a barrier to retail vitality because banks no longer generate the level of pedestrian traffic that they once used to. In today's banking era, a lot of the retail functions of banks occurs on-line. Instead, banks now use high profile branch locations as a way to

advertise their wide array of services and are no longer dependent on them as customer service locations.

Figure 24: Capitol Square Ground Floor Retailers by Type 1989 and 2014



Source: City of Madison

Table 1 displays the retail/service categories that incurred the greatest establishment losses between 1989 and 2014 for both State Street and the Capitol Square/King Street area. Apparel stores lost the most number of establishments (-15) followed by bookstores (-11), gift stores (-7), and music stores (-7). In terms of overall percentage losses, the travel agencies and general merchandise stores can no longer be found anywhere on either State Street or in Capitol Square. Other categories in which the number of stores has been dramatically reduced are bookstores (-92%), music stores (-88%), printers (-83%), and jewelers (-80%).

Indicated in red are retail categories that have been profoundly impacted by technological and/or cultural change. In all likelihood, these stores would have gone away or been dramatically reduced regardless of the growth in the number of bars/restaurants.

Table 1: Retail/Service Categories with the Greatest Loss of Establishments between 1989 and 2014 along State Street and in Capitol Square

*Categories in red have been profoundly impacted by technological and cultural change

By Number	
Apparel Stores	-15
Bookstores	-11
Gift Stores	-7
Music Stores	-7
Hair Salons/Barbers	-6
Printers	-5
Jewelers	-4
Travel Agencies	-4

By Percentage	
Travel Agencies (-4)	-100%
General Merchandisers (-3)	-100%
Bookstores (-11)	-92%
Music Stores (-7)	-88%
Printers (-5)	-83%
Jewelers (-4)	-80%
Camera/Photo Shops (-2)	-67%
Gaming (-2)	-67%

Key Findings and Conclusions

The previous sections analyzed industry-wide trends, the profile of Downtown consumer segments, and the condition of the Downtown market. This section synthesizes those findings into a set of key observations and conclusions.

1. **The Downtown resident base is growing rapidly and will likely support additional neighborhood-scale retail.** Our projections, even accounting for a slowdown in the rate of new housing development, indicate that the

population in and near the Downtown may grow by another 12,000 persons through 2030, provided developable sites continue to become available.

Despite changes in the retail industry, this amount of growth will still generate demand for new retail space. In particular will be the demand for more basic or essential goods and services, which typically include categories such as full-service grocery stores, drug stores,

personal care services, phone stores, liquor stores, and group fitness centers.

Currently, these retail categories are not typically found along State Street or in Capitol Square. However, when development becomes supportable caution should be taken when considering if such uses should be incorporated into these areas. Depending on the location, they may not necessarily be the best fit in either setting. For example, a mid-block location for a full-service grocery store would not be ideal.

Therefore, consideration should be given to where such growth can occur that both meets the needs of its primary customer base, namely residents, and complements State Street and Capitol Square as regional destinations for shopping and dining.

2. **Under certain conditions, ground floor retail rents along State Street can support the cost of newly constructed retail spaces.** This is especially true when rents can routinely exceed \$45 per square foot. Supporting construction of new retail space based solely on achievable market rents is no easy feat in a fully developed, amenity-rich area that would likely incur significant redevelopment costs (i.e., entitlements, demolition, and land) on top of typical construction costs (i.e., materials and labor).

Of course, such high rents require certain conditions, such as the right mix of nearby retailers, very high pedestrian counts, and “relatively” affordable properties.

The potential impact of this market dynamic is that many independent retailers are unable to afford such high rents. If a significant amount of space is redeveloped at such high rents, then the risk would be a decline in the types of unique, innovative stores that so many shoppers find endearing about the Downtown experience.

3. **Daytime employment has declined in the Downtown since 2010.** This has likely had an impact on some of the full-service restaurants in

the Downtown, especially those near government office buildings where the employment declines have been the most pronounced. Many full-service restaurants are dependent on both a lunch and dinner business to be viable. If lunch business begins to decrease, many restaurants will shift toward a nightlife model based on alcohol consumption in order to cover expenses.

4. **E-Commerce has done most of its damage to Downtown retailing.** For example, State Street has already lost most of the stores in categories directly impacted by e-Commerce, such as bookstores, music stores, travel agencies, printers, etc. Stores in those categories that have been able to survive have done so because they have created a model focused on personal service and a sense of community.

Undoubtedly, e-Commerce will continue to evolve and thus impact bricks-and-mortar establishments. However, bricks-and-mortar stores will not go away, and, if anything, may thrive as retailers adapt to new communication technologies and transportation patterns by using physical stores as important portals for engaging customers in non-virtual ways.

What is already evident, though, is that bricks-and-mortar stores will not require the same amount of space that they historically occupied. This is because less space will be needed for storage due to enhanced logistics but also because certain types of retail stores may likely morph with any number of other traditionally non-retail uses (e.g., dining, office space, personal/pet/child care, etc.).

5. **Capitol Square for all intents and purposes no longer has a critical mass of traditional retail stores that sell goods.** Based on data from the City of Madison that was collected in 2014, banks and hair salons already account for nearly half of the spaces occupied by retail/service establishments in Capitol Square. After accounting for the other service establishments in Capitol Square, that leaves a total of 11

traditional retail stores spread over a 23 block area.

6. **Coffee shops, delis, and cafes have proliferated along State Street since 1994.** This of course can be partially explained by the meteoric rise in specialty coffee shops during the 1990s, but it is also indicative of changing habits in how people work and study.

Coffee shops, in particular, for better or worse, have become de facto offices for small entrepreneurs whose only overhead is a laptop computer. Moreover, students no longer limit their study time to small carrels in libraries and now prefer more active, public settings as long as they have earphones or earbuds to reduce distractions when necessary.

Although this is an easily recognizable example of how spaces are being used differently than compared to a generation ago, it is symptomatic of something much larger about how activities are no longer being as separated as they once were. For example, the concept of maker space is catching on, and it is only a matter of time before retailing and the store experience merges with certain types of product manufacturing.

7. **As retailing continues to evolve, State Street and Capitol Square have a massive advantage over competitive retail locations.** If bricks-and-mortar retailing are fundamentally about satisfying our cravings for the non-virtual, then all the existing attributes that make State Street and Capitol Square unique today will make them that much more desirable in the future: pedestrian-scaled, connected to other nearby

destinations, not dominated by automobile traffic, nearby density of workers and residents, and a mixture of flexible, older properties that are affordable to innovative, risk-taking retailers.

The primary caution in this evolving retail environment will be the same one as today, which is to become a victim of one's own success. Rents are already too high for many retailers in the Downtown, especially along State Street. This puts the area at risk for becoming too stratified in the types of stores and, more importantly, the store experience.

8. **The presence of UW-Madison and other higher education institutions have a profound impact on the demographic make-up of Downtown Madison.** Persons age 18-24 represent 68% of Downtown Madison's population. For comparison purposes, the nation percentage is around 9%. Therefore, it is not surprising that many of the establishments that serve a local population base cater to younger adults. Despite significant housing development in recent years and generally flat enrollment among the nearby colleges, Downtown's demographic profile has only marginally shifted away from a college-focus. This is because many of the new housing developments have either been specifically designed for students or very proximate to UW-Madison's campus. Where new housing has been developed further away from campus, such as around Capitol Square, there has been a more measurable shift toward older age groups. A range of household types will contribute to greater diversity of retail stores as well as dining establishments.

Tables

Table A: Population and Household Growth Trends 2000-2030

POPULATION	2000	2010	2020 [†]	2030 [‡]	Numeric Change			Percentage Change		
					'00-'10	'10-'20	'20-'30	'00-'10	'10-'20	'20-'30
South of State St	1,793	3,414	5,468	6,857	1,621	2,054	1,389	90.4%	60.2%	25.4%
North of State St	6,295	5,053	5,880	6,440	-1,242	827	560	-19.7%	16.4%	9.5%
North of West Washington	5,611	5,463	6,639	7,434	-148	1,176	795	-2.6%	21.5%	12.0%
Firndorf Yards	2,161	2,389	3,253	3,838	228	864	585	10.6%	36.2%	18.0%
West of Capitol Square	2,205	3,434	4,159	4,649	1,229	725	490	55.7%	21.1%	11.8%
East of Capitol Square	4,082	4,073	4,686	5,101	-9	613	415	-0.2%	15.0%	8.8%
Downtown Madison	22,147	23,826	30,085	34,319	1,679	6,259	4,234	7.6%	26.3%	14.1%
Downtown Adjacent Neighborhoods ¹	25,631	25,461	30,601	33,384	-170	5,140	2,783	-0.7%	20.2%	9.1%
City of Madison	208,054	233,209	251,550	270,350	25,155	18,341	18,800	12.1%	7.9%	7.5%
Dane County	426,526	488,073	530,620	577,300	61,547	42,547	46,680	14.4%	8.7%	8.8%
Wisconsin	5,363,675	5,686,986	6,005,080	6,375,910	323,311	318,094	370,830	6.0%	5.6%	6.2%
United States	281,421,906	308,745,538	334,503,000	359,402,000	27,323,632	25,757,462	24,899,000	9.7%	8.3%	7.4%

HOUSEHOLDS	2000	2010	2020 [†]	2030 [‡]	Numeric Change			Percentage Change		
					'00-'10	'10-'20	'20-'30	'00-'10	'10-'20	'20-'30
South of State St	896	1,597	2,380	2,846	701	783	467	78.2%	49.0%	19.6%
North of State St	2,327	2,090	2,432	2,636	-237	342	204	-10.2%	16.4%	8.4%
North of West Washington	1,104	1,170	2,095	2,646	66	925	551	6.0%	79.0%	26.3%
Firndorf Yards	1,219	1,420	1,934	2,240	201	514	306	16.5%	36.2%	15.8%
West of Capitol Square	1,119	1,597	2,208	2,572	478	611	364	42.7%	38.3%	16.5%
East of Capitol Square	2,114	2,531	2,912	3,139	417	381	227	19.7%	15.0%	7.8%
Downtown Madison	8,779	10,405	13,960	16,080	1,626	3,555	2,120	18.5%	34.2%	15.2%
Downtown Adjacent Neighborhoods ¹	10,271	10,396	13,027	14,595	125	2,631	1,569	1.2%	25.3%	12.0%
City of Madison	89,019	102,516	114,245	124,842	13,497	11,729	10,597	15.2%	11.4%	9.3%
Dane County	173,484	203,750	228,371	252,479	30,266	24,621	24,108	17.4%	12.1%	10.6%
Wisconsin	2,084,544	2,279,768	2,491,982	2,697,884	195,224	212,214	205,902	9.4%	9.3%	8.3%
United States	105,480,101	116,716,292	126,999,465	136,747,986	11,236,191	10,283,173	9,748,520	10.7%	8.8%	7.7%

[†] 2020 Projections for Downtown Madison are calculated by Perkins+Will based on housing units developed between 2010-2015 and those currently in the development pipeline. 2030 projections for Downtown Madison are calculated by Perkins+Will based on proportion of overall Madison growth during same time period. 2020 and 2030 projections for Madison, Dane County, and Wisconsin are from the Wisconsin Department of Administration. 2020 and 2030 projections for the United States are from the US Census.

¹ Includes Census tracts 11.01, 11.02, 12, 18.02, 18.04, and 19.

Note: South of State St = Census Tract 16.03; North of State St = Census Tract 16.04; Firndorf Yards = Census Tract 16.05; North of West Washington = Census Tract 16.06; West of Capitol Square = Census Tract 17.04; East of Capitol Square = Census Tract 17.05

Sources: US Census; Wisconsin Department of Administration; Perkins+Will

Table B: Age Distribution of the Population 2000-2020

Age Group	Population Count			Numeric Change		Percent Change		Distribution			Change in Dist	
	2000	2010	2020'	'00-'10	'10-'20	'00-'10	'10-'20	2000	2010	2020	'00-'10	'10-'20
South of State St (Tract 16.03)												
Under 5	2	8	0	6	-8	N/A	-100.0%	0.1%	0.2%	0.0%	0.1%	-0.2%
5 to 17 years	3	6	6	3	0	88.4%	-3.9%	0.2%	0.2%	0.1%	0.0%	-0.1%
18 to 24 years	1,506	3,141	4,835	1,635	1,694	108.6%	53.9%	84.0%	92.0%	88.4%	8.0%	-3.6%
25 to 44 years	240	222	467	-18	245	-7.5%	110.2%	13.4%	6.5%	8.5%	-6.9%	2.0%
45 to 64 years	35	32	160	-3	128	-8.6%	400.8%	2.0%	0.9%	2.9%	-1.0%	2.0%
65 years and over	7	5	0	-2	-5	-28.6%	-100.0%	0.4%	0.1%	0.0%	-0.2%	-0.1%
Total	1,793	3,414	5,468	1,621	2,054	90.4%	60.2%	100.0%	100.0%	100.0%	0.0%	0.0%
North of State St (Tract 16.04)												
Under 5	5	15	18	10	3	200.0%	22.0%	0.1%	0.3%	0.3%	0.2%	0.0%
5 to 17 years	9	5	41	-4	36	-44.3%	764.8%	0.1%	0.1%	0.7%	0.0%	0.6%
18 to 24 years	5,488	4,294	4,728	-1,194	434	-21.8%	10.1%	87.2%	85.0%	80.4%	-2.2%	-4.6%
25 to 44 years	636	565	757	-71	192	-11.2%	33.9%	10.1%	11.2%	12.9%	1.1%	1.7%
45 to 64 years	125	140	336	15	196	12.0%	139.8%	2.0%	2.8%	5.7%	0.8%	2.9%
65 years and over	32	34	0	2	-34	6.3%	-100.0%	0.5%	0.7%	0.0%	0.2%	-0.7%
Total	6,295	5,053	5,880	-1,242	827	-19.7%	16.4%	100.0%	100.0%	100.0%	0.0%	0.0%
North of West Washington (Tract 16.06)												
Under 5	5	7	0	2	-7	40.0%	-100.0%	0.1%	0.1%	0.0%	0.0%	-0.1%
5 to 17 years	11	6	7	-5	1	-43.3%	20.7%	0.2%	0.1%	0.1%	-0.1%	0.0%
18 to 24 years	5,188	5,054	6,074	-134	1,020	-2.6%	20.2%	92.5%	92.5%	91.5%	0.0%	-1.0%
25 to 44 years	349	336	377	-13	41	-3.7%	12.3%	6.2%	6.2%	5.7%	-0.1%	-0.5%
45 to 64 years	48	50	158	2	108	4.2%	215.5%	0.9%	0.9%	2.4%	0.1%	1.5%
65 years and over	10	10	22	0	12	0.0%	122.0%	0.2%	0.2%	0.3%	0.0%	0.2%
Total	5,611	5,463	6,639	-148	1,176	-2.6%	21.5%	100.0%	100.0%	100.0%	0.0%	0.0%
Fimdorf Yards (Tract 16.05)												
Under 5	18	15	0	-3	-15	-16.7%	-100.0%	0.8%	0.6%	0.0%	-0.2%	-0.6%
5 to 17 years	20	17	28	-3	11	-16.8%	63.2%	0.9%	0.7%	0.9%	-0.2%	0.1%
18 to 24 years	1,283	1,259	2,270	-24	1,011	-1.8%	80.3%	59.4%	52.7%	69.8%	-6.7%	17.1%
25 to 44 years	665	853	706	188	-147	28.3%	-17.2%	30.8%	35.7%	21.7%	4.9%	-14.0%
45 to 64 years	137	204	216	67	12	48.9%	5.6%	6.3%	8.5%	6.6%	2.2%	-1.9%
65 years and over	38	41	34	3	-7	7.9%	-17.4%	1.8%	1.7%	1.0%	0.0%	-0.7%
Total	2,161	2,389	3,253	228	864	10.6%	36.2%	100.0%	100.0%	100.0%	0.0%	0.0%
West of Capitol Square (Tract 17.04)												
Under 5	11	22	61	11	39	100.0%	179.3%	0.5%	0.6%	1.5%	0.1%	0.8%
5 to 17 years	28	40	92	12	52	42.3%	130.3%	1.3%	1.2%	2.2%	-0.1%	1.1%
18 to 24 years	735	880	674	145	-206	19.7%	-23.4%	33.3%	25.6%	16.2%	-7.7%	-9.4%
25 to 44 years	744	1,286	1,712	542	426	72.8%	33.1%	33.7%	37.4%	41.2%	3.7%	3.7%
45 to 64 years	223	694	781	471	87	211.2%	12.6%	10.1%	20.2%	18.8%	10.1%	-1.4%
65 years and over	464	512	838	48	326	10.3%	63.7%	21.0%	14.9%	20.2%	-6.1%	5.2%
Total	2,205	3,434	4,159	1,229	725	55.7%	21.1%	100.0%	100.0%	100.0%	0.0%	0.0%
East of Capitol Square (Tract 17.05)												
Under 5	45	42	0	-3	-42	-6.7%	-100.0%	1.1%	1.0%	0.0%	-0.1%	-1.0%
5 to 17 years	48	40	6	-8	-34	-16.9%	-83.9%	1.2%	1.0%	0.1%	-0.2%	-0.8%
18 to 24 years	2,165	1,679	1,836	-486	157	-22.4%	9.4%	53.0%	41.2%	39.2%	-11.8%	-2.0%
25 to 44 years	1,390	1,768	2,262	378	494	27.2%	27.9%	34.1%	43.4%	48.3%	9.4%	4.9%
45 to 64 years	362	404	483	42	79	11.6%	19.5%	8.9%	9.9%	10.3%	1.1%	0.4%
65 years and over	72	140	99	68	-41	94.4%	-29.6%	1.8%	3.4%	2.1%	1.7%	-1.3%
Total	4,082	4,073	4,686	-9	613	-0.2%	15.0%	100.0%	100.0%	100.0%	0.0%	0.0%
Downtown Madison												
Under 5	86	109	80	23	-29	26.7%	-26.8%	0.4%	0.5%	0.3%	0.1%	-0.2%
5 to 17 years	137	114	200	-22	85	-16.3%	74.8%	0.6%	0.5%	0.7%	-0.1%	0.2%
18 to 24 years	16,347	16,307	20,399	-41	4,092	-0.2%	25.1%	73.8%	68.4%	67.8%	-5.4%	-0.6%
25 to 44 years	4,024	5,030	6,280	1,006	1,250	25.0%	24.9%	18.2%	21.1%	20.9%	2.9%	-0.2%
45 to 64 years	930	1,524	2,133	594	609	63.9%	40.0%	4.2%	6.4%	7.1%	2.2%	0.7%
65 years and over	623	742	993	119	251	19.1%	33.8%	2.8%	3.1%	3.3%	0.3%	0.2%
Total	22,147	23,826	30,085	1,679	6,259	7.6%	26.3%	100.0%	100.0%	100.0%	0.0%	0.0%
Dane County												
Under 5	25,818	30,240	32,550	4,422	2,310	17.1%	7.6%	6.1%	6.2%	6.1%	0.1%	-0.1%
5 to 17 years	70,553	75,839	79,958	5,286	4,119	7.5%	5.4%	16.5%	15.5%	15.1%	-1.0%	-0.5%
18 to 24 years	60,771	63,029	60,992	2,258	-2,037	3.7%	-3.2%	14.2%	12.9%	11.5%	-1.3%	-1.4%
25 to 44 years	138,494	143,637	152,350	5,143	8,713	3.7%	6.1%	32.5%	29.4%	28.7%	-3.0%	-0.7%
45 to 64 years	91,021	125,184	126,750	34,163	1,566	37.5%	1.3%	21.3%	25.6%	23.9%	4.3%	-1.8%
65 years and over	39,869	50,144	78,020	10,275	27,876	25.8%	55.6%	9.3%	10.3%	14.7%	0.9%	4.4%
Total	426,526	488,073	530,620	61,547	42,547	14.4%	8.7%	100.0%	100.0%	100.0%	0.0%	0.0%
United States												
Under 5	19,175,798	20,201,362	20,568,000	1,025,564	366,638	5.3%	1.8%	6.8%	6.5%	6.1%	-0.3%	-0.4%
5 to 17 years	53,209,511	53,985,573	53,385,224	776,062	-600,349	1.5%	-1.1%	18.9%	17.5%	16.0%	-1.4%	-1.5%
18 to 24 years	27,051,957	30,666,620	30,730,776	3,614,663	64,156	13.4%	0.2%	9.6%	9.9%	9.2%	0.3%	-0.7%
25 to 44 years	85,040,251	82,134,554	89,518,000	-2,905,697	7,383,446	-3.4%	9.0%	30.2%	26.6%	26.8%	-3.6%	0.2%
45 to 64 years	61,952,636	81,489,445	83,862,000	19,536,809	2,372,555	31.5%	2.9%	22.0%	26.4%	25.1%	4.4%	-1.3%
65 years and over	34,991,753	40,267,984	56,439,000	5,276,231	16,171,016	15.1%	40.2%	12.4%	13.0%	16.9%	0.6%	3.8%
Total	281,421,906	308,745,538	334,503,000	27,323,632	25,757,462	9.7%	8.3%	100.0%	100.0%	100.0%	0.0%	0.0%

' 2020 Projections for Downtown Madison and individual census tracts are calculated by Perkins+Will based on housing units developed between 2010-2015 and those currently in the development pipeline and historic patterns of age distributions. 2030 projections for Downtown Madison are calculated by Perkins+Will based on proportion of overall Madison growth during same time period. 2020 projections for Dane County are from the Wisconsin Department of Administration. 2020 projections for the United States are from the US Census.

Sources: US Census; Wisconsin Department of Administration; Perkins+Will

Table C: Householders by Age and Tenure 2000 and 2010

Age of Householder	2000				2010				2000-2010 Change			
	Total	Own	Rent	% Own	Total	Own	Rent	% Own	Total	Own	Rent	% Own
South of State St												
Under 25	672	2	670	0.3%	1,396	2	1,394	0.1%	724	0	724	N/A
25 to 34	146	1	145	0.7%	137	0	137	0.0%	-9	-1	-8	-0.7%
35 to 44	42	0	42	0.0%	32	1	31	3.1%	-10	1	-11	3.1%
45 to 54	22	0	22	0.0%	11	0	11	0.0%	-11	0	-11	0.0%
55 to 64	9	0	9	0.0%	16	0	16	0.0%	7	0	7	0.0%
65 to 74	4	0	4	0.0%	5	0	5	0.0%	1	0	1	0.0%
75 to 84	0	0	0	#DIV/0!	0	0	0	#DIV/0!	0	0	0	N/A
85 and older	1	1	0	100.0%	0	0	0	#DIV/0!	-1	-1	0	N/A
Total	896	4	892	0.4%	1,597	3	1,594	0.2%	701	-1	702	-0.3%
North of State St												
Under 25	1,794	11	1,783	0.6%	1,521	2	1,519	0.1%	-273	-9	-264	-0.5%
25 to 34	321	3	318	0.9%	358	5	353	1.4%	37	2	35	0.5%
35 to 44	83	1	82	1.2%	61	0	61	0.0%	-22	-1	-21	-1.2%
45 to 54	70	3	67	4.3%	69	0	69	0.0%	-1	-3	2	-4.3%
55 to 64	33	2	31	6.1%	50	3	47	6.0%	17	1	16	-0.1%
65 to 74	13	1	12	7.7%	23	4	19	17.4%	10	3	7	9.7%
75 to 84	9	2	7	22.2%	5	0	5	0.0%	-4	-2	-2	-22.2%
85 and older	4	0	4	0.0%	3	0	3	0.0%	-1	0	-1	0.0%
Total	2,327	23	2,304	1.0%	2,090	14	2,076	0.7%	-237	-9	-228	-0.3%
North of West Washington												
Under 25	833	1	832	N/A	902	0	902	0.0%	69	-1	70	N/A
25 to 34	193	0	193	0.0%	194	1	193	0.5%	1	1	0	0.5%
35 to 44	43	1	42	2.3%	30	0	30	0.0%	-13	-1	-12	-2.3%
45 to 54	26	0	26	0.0%	16	1	15	6.3%	-10	1	-11	6.3%
55 to 64	4	0	4	0.0%	22	0	22	0.0%	18	0	18	0.0%
65 to 74	2	0	2	0.0%	5	2	3	40.0%	3	2	1	40.0%
75 to 84	1	0	1	0.0%	1	0	1	0.0%	0	0	0	N/A
85 and older	2	1	1	50.0%	0	0	0	#DIV/0!	-2	-1	-1	N/A
Total	1,104	3	1,101	0.3%	1,170	4	1,166	0.3%	66	1	65	0.1%
Fimdorf Yards												
Under 25	561	0	561	0.0%	599	5	594	0.8%	38	5	33	0.8%
25 to 34	361	3	358	0.8%	501	28	473	5.6%	140	25	115	4.8%
35 to 44	153	5	148	3.3%	113	22	91	19.5%	-40	17	-57	16.2%
45 to 54	79	4	75	5.1%	103	14	89	13.6%	24	10	14	8.5%
55 to 64	35	4	31	11.4%	71	23	48	32.4%	36	19	17	21.0%
65 to 74	14	3	11	21.4%	17	8	9	47.1%	3	5	-2	25.6%
75 to 84	7	4	3	57.1%	14	5	9	35.7%	7	1	6	-21.4%
85 and older	9	4	5	44.4%	2	1	1	50.0%	-7	-3	-4	5.6%
Total	1,219	27	1,192	2.2%	1,420	106	1,314	7.5%	201	79	122	5.2%
West of Capitol Square												
Under 25	332	5	327	N/A	331	30	301	9.1%	-1	25	-26	N/A
25 to 34	244	11	233	4.5%	416	88	328	21.2%	172	77	95	16.6%
35 to 44	114	7	107	6.1%	148	56	92	37.8%	34	49	-15	31.7%
45 to 54	78	4	74	5.1%	162	51	111	31.5%	84	47	37	26.4%
55 to 64	61	2	59	3.3%	205	108	97	52.7%	144	106	38	49.4%
65 to 74	69	4	65	5.8%	101	49	52	48.5%	32	45	-13	42.7%
75 to 84	118	3	115	N/A	106	30	76	28.3%	-12	27	-39	N/A
85 and older	103	4	99	N/A	128	19	109	14.8%	25	15	10	N/A
Total	1,119	40	1,079	3.6%	1,597	431	1,166	27.0%	478	391	87	23.4%
East of Capitol Square												
Under 25	970	4	966	0.4%	864	3	861	0.3%	-106	-1	-105	-0.1%
25 to 34	659	30	629	4.6%	1,027	53	974	5.2%	368	23	345	0.6%
35 to 44	199	24	175	12.1%	218	42	176	19.3%	19	18	1	7.2%
45 to 54	163	39	124	23.9%	169	35	134	20.7%	6	-4	10	-3.2%
55 to 64	71	24	47	33.8%	149	56	93	37.6%	78	32	46	3.8%
65 to 74	26	6	20	23.1%	70	29	41	41.4%	44	23	21	18.4%
75 to 84	15	8	7	53.3%	28	19	9	67.9%	13	11	2	14.5%
85 and older	11	6	5	54.5%	6	4	2	66.7%	-5	-2	-3	12.1%
Total	2,114	141	1,973	6.7%	2,531	241	2,290	9.5%	417	100	317	2.9%
Downtown Madison												
Under 25	5,162	23	5,139	0.4%	5,613	42	5,571	0.7%	451	19	432	0.3%
25 to 34	1,924	48	1,876	2.5%	2,633	175	2,458	6.6%	709	127	582	4.2%
35 to 44	634	38	596	6.0%	602	121	481	20.1%	-32	83	-115	14.1%
45 to 54	438	50	388	11.4%	530	101	429	19.1%	92	51	41	7.6%
55 to 64	213	32	181	15.0%	513	190	323	37.0%	300	158	142	22.0%
65 to 74	128	14	114	10.9%	221	92	129	41.6%	93	78	15	30.7%
75 to 84	150	17	133	11.3%	154	54	100	35.1%	4	37	-33	23.7%
85 and older	130	16	114	12.3%	139	24	115	17.3%	9	8	1	5.0%
Total	8,779	238	8,541	2.7%	10,405	799	9,606	7.7%	1,626	561	1,065	5.0%
Dane County												
Under 25	18,238	772	17,466	4.2%	18,144	924	17,220	5.1%	-94	152	-246	0.9%
25 to 34	36,118	12,844	23,274	35.6%	41,655	15,522	26,133	37.3%	5,537	2,678	2,859	1.7%
35 to 44	39,297	26,096	13,201	66.4%	36,307	24,010	12,297	66.1%	-2,990	-2,086	-904	-0.3%
45 to 54	35,639	27,111	8,528	76.1%	40,011	29,786	10,225	74.4%	4,372	2,675	1,697	-1.6%
55 to 64	18,597	14,838	3,759	79.8%	34,439	27,386	7,053	79.5%	15,842	12,548	3,294	-0.3%
65 to 74	12,708	10,040	2,668	79.0%	16,860	13,487	3,373	80.0%	4,152	3,447	705	1.0%
75 to 84	9,736	6,599	3,137	67.8%	10,880	7,753	3,127	71.3%	1,144	1,154	-10	3.5%
85 and older	3,151	1,595	1,556	50.6%	5,454	2,641	2,813	48.4%	2,303	1,046	1,257	-2.2%
Total	173,484	99,895	73,589	57.6%	203,750	121,509	82,241	59.6%	30,266	21,614	8,652	2.1%
United States												
Under 25	5,533,613	989,651	4,543,962	17.9%	5,400,799	869,610	4,531,189	16.1%	-132,814	-120,041	-12,773	-1.8%
25 to 34	18,297,815	8,336,485	9,961,330	45.6%	17,957,375	7,547,421	10,409,954	42.0%	-340,440	-789,064	448,624	-3.5%
35 to 44	23,968,233	15,866,915	8,101,318	66.2%	21,290,880	13,255,629	8,035,251	62.3%	-2,677,353	-2,611,286	-66,067	-3.9%
45 to 54	21,292,629	15,957,121	5,335,508	74.9%	24,907,064	17,804,066	7,102,998	71.5%	3,614,435	1,846,945	1,767,490	-3.5%
55 to 64	14,247,057	11,367,265	2,879,792	79.8%	21,340,338	16,502,732	4,837,606	77.3%	7,093,281	5,135,467	1,957,814	-2.5%
65 to 74	11,507,562	9,353,177	2,154,385	81.3%	13,504,517	10,834,028	2,670,489	80.2%	1,996,955	1,480,851	516,104	-1.1%
75 to 84	8,205,480	6,339,602	1,865,878	77.3%	8,716,367	6,788,967	1,927,400	77.9%	510,887	449,365	61,522	0.6%
85 and older	2,427,712	1,605,537	822,175	66.1%	3,598,952	2,383,621	1,215,331	66.2%	1,171,240	778,084	393,156	0.1%
Total	105,480,101	69,815,753	35,664,348	66.2%	116,716,292	75,986,074	40,730,218	65.1%	11,236,191	6,170,321	5,065,870	-1.1%

Source: US Census

Table D: Household Type 2000 and 2010

Household Type	Household Count		No. Change '00-'10	% Change '00-'10	Distribution		Change '00-'10
	2000	2010			2000	2010	
Downtown Madison							
Married Couples with Children	36	60	24	66.7%	0.4%	0.6%	0.2%
Married Couples without Children	278	530	252	90.6%	3.1%	5.1%	2.0%
Other Families with Children	61	55	-6	-9.8%	0.7%	0.5%	-0.2%
Other Families without Children	334	188	-146	-43.7%	3.7%	1.8%	-1.9%
Roommates	3,251	3,877	626	19.3%	36.2%	37.3%	1.1%
Singles	5,029	5,695	666	13.2%	55.9%	54.7%	-1.2%
Total Households	8,989	10,405	1,416	15.8%	100.0%	100.0%	0.0%
Dane County							
Married Couples with Children	38,067	39,413	1,346	3.5%	21.9%	19.3%	-2.6%
Married Couples without Children	43,582	52,508	8,926	20.5%	25.1%	25.8%	0.6%
Other Families with Children	12,226	15,550	3,324	27.2%	7.0%	7.6%	0.6%
Other Families without Children	6,981	9,281	2,300	32.9%	4.0%	4.6%	0.5%
Roommates	21,614	24,809	3,195	14.8%	12.5%	12.2%	-0.3%
Singles	51,014	62,189	11,175	21.9%	29.4%	30.5%	1.1%
Total Households	173,484	203,750	30,266	17.4%	100.0%	100.0%	0.0%
United States							
Married Couples with Children	24,835,505	23,588,268	-1,247,237	-5.0%	23.5%	20.2%	-3.3%
Married Couples without Children	29,657,727	32,922,109	3,264,382	11.0%	28.1%	28.2%	0.1%
Other Families with Children	9,752,863	11,155,336	1,402,473	14.4%	9.2%	9.6%	0.3%
Other Families without Children	7,541,252	9,872,583	2,331,331	30.9%	7.1%	8.5%	1.3%
Roommates	6,462,679	7,973,087	1,510,408	23.4%	6.1%	6.8%	0.7%
Singles	27,230,075	31,204,909	3,974,834	14.6%	25.8%	26.7%	0.9%
Total Households	105,480,101	116,716,292	11,236,191	10.7%	100.0%	100.0%	0.0%

Source: US Census

Table E: Employment by Industry Sector 2000-2015

Downtown		Employment Counts				Distribution				Numeric Change			Percentage Change		
Industry	2000	2005	2010	2015	2000	2005	2010	2015	'00-'05	'05-'10	'10-'15	'00-'05	'05-'10	'10-'15	
PDR***	1,277	1,522	1,595	1,252	2.6%	3.0%	2.9%	2.3%	245	73	-343	19.2%	4.8%	-21.5%	
Retail	1,336	1,627	1,355	1,239	2.8%	3.2%	2.5%	2.3%	291	-272	-116	21.8%	-16.7%	-8.6%	
Knowledge**	7,391	7,474	7,680	7,794	15.3%	14.6%	14.2%	14.6%	83	206	114	1.1%	2.8%	1.5%	
Eds/Meds*	19,273	21,085	23,608	22,886	39.9%	41.3%	43.6%	42.9%	1,812	2,523	-722	9.4%	12.0%	-3.1%	
Hospitality	4,785	5,083	5,098	6,825	9.9%	10.0%	9.4%	12.8%	298	15	1,727	6.2%	0.3%	33.9%	
Gov't	13,087	13,010	13,619	12,107	27.1%	25.5%	25.1%	22.7%	-77	609	-1,512	-0.6%	4.7%	-11.1%	
Other	1,206	1,221	1,253	1,237	2.5%	2.4%	2.3%	2.3%	15	32	-16	1.3%	2.6%	-1.3%	
Total	48,355	51,022	54,208	53,339	100.0%	100.0%	100.0%	100.0%	2,667	3,186	-869	5.5%	6.2%	-1.6%	

Dane County		Employment Counts				Distribution				Numeric Change			Percentage Change		
Industry	2000	2005	2010	2015	2000	2005	2010	2015	'00-'05	'05-'10	'10-'15	'00-'05	'05-'10	'10-'15	
PDR***	66,842	64,827	54,746	60,636	24.4%	21.8%	18.6%	18.8%	-2,015	-10,081	5,890	-3.0%	-15.6%	10.8%	
Retail	30,935	31,854	29,512	31,080	11.3%	10.7%	10.0%	9.7%	919	-2,342	1,568	3.0%	-7.4%	5.3%	
Knowledge**	58,467	68,780	71,228	82,824	21.3%	23.2%	24.2%	25.7%	10,313	2,448	11,596	17.6%	3.6%	16.3%	
Eds/Meds*	61,401	69,932	77,342	80,607	22.4%	23.6%	26.2%	25.0%	8,531	7,410	3,265	13.9%	10.6%	4.2%	
Hospitality	23,330	27,456	27,313	31,737	8.5%	9.3%	9.3%	9.9%	4,126	-143	4,424	17.7%	-0.5%	16.2%	
Gov't	24,141	22,980	23,558	24,016	8.8%	7.7%	8.0%	7.5%	-1,161	578	458	-4.8%	2.5%	1.9%	
Other	9,361	10,951	11,096	10,950	3.4%	3.7%	3.8%	3.4%	1,590	145	-146	17.0%	1.3%	-1.3%	
Total	274,477	296,780	294,795	321,850	100.0%	100.0%	100.0%	100.0%	22,303	-1,985	27,055	8.1%	-0.7%	9.2%	

United States		Employment Counts				Distribution				Numeric Change			Percentage Change		
Industry	2000	2005	2010	2015	2000	2005	2010	2015	'00-'05	'05-'10	'10-'15	'00-'05	'05-'10	'10-'15	
PDR***	37,900,038	35,194,199	30,226,593	32,787,642	29.3%	26.8%	23.7%	23.8%	-2,705,839	-4,967,606	2,561,048	-7.1%	-14.1%	8.5%	
Retail	15,344,488	15,321,421	14,547,773	15,459,457	11.8%	11.7%	11.4%	11.2%	-23,067	-773,647	911,683	-0.2%	-5.0%	6.3%	
Knowledge**	28,238,310	28,385,876	27,236,236	30,212,264	21.8%	21.6%	21.3%	21.9%	147,566	-1,149,641	2,976,028	0.5%	-4.1%	10.9%	
Eds/Meds*	24,788,001	27,691,167	30,235,490	32,782,750	19.1%	21.1%	23.7%	23.7%	2,903,166	2,544,323	2,547,261	11.7%	9.2%	8.4%	
Hospitality	12,127,146	13,187,637	13,479,279	15,297,094	9.4%	10.0%	10.6%	11.1%	1,060,491	291,642	1,817,815	8.7%	2.2%	13.5%	
Gov't	6,961,572	7,149,265	7,543,200	7,202,374	5.4%	5.4%	5.9%	5.2%	187,692	393,935	-340,826	2.7%	5.5%	-4.5%	
Other	4,200,335	4,379,841	4,404,848	4,305,658	3.2%	3.3%	3.5%	3.1%	179,506	25,007	-99,190	4.3%	0.6%	-2.3%	
Total	129,559,890	131,309,404	127,673,418	138,047,236	100.0%	100.0%	100.0%	100.0%	1,749,515	-3,635,986	10,373,818	1.4%	-2.8%	8.1%	

***PDR = Production, Distribution, and Repair industry sectors (i.e., Manufacturing, Construction, Transportation, Utilities, etc.)

**Knowledge = Consists of "knowledge-based" industry sectors, such as Information, Finance, and Professional Services/Management

*Includes UW-Madison employees

Data Sources: Minnesota Department of Employment and Economic Development, Quarterly Census of Employment and Wages (QCEW); US Census Bureau's LEHD Origin-Destination Employment Statistics program (<http://lehd.did.census.gov/>)

Retail Vitality Assessment

Purpose

The retail vitality assessment looks at Madison's downtown retail context through two frames of reference. The first is the quality of the retail environment. Shoppers are attracted to downtown retail areas because they offer a different environment than the mall developments that are located elsewhere in Madison. Using criteria that are known to play a role in creating vibrant storefront retail areas, this report evaluates the strengths, weaknesses, and opportunity for improvement, in the quality of Madison's downtown retail areas.

The second frame of reference is consideration of Madison's retail areas through a conventional retail lens. Although the pedestrian-oriented retail areas of downtown are different from the mall-oriented retail areas that are prevalent elsewhere, they benefit from attention to some of the same fundamental factors.

What is its brand identity? What are the destinations or anchor retailers that attract people to the area? And is the business mix optimal for supporting the brand and attracting customers?

This report stops short of advancing specific strategies for strengthening retail. That will follow in the subsequent report. This report develops information for understanding the retail context, and defining its critical problems or challenges. Many of the topics evaluated in this report suggest areas of focus for potential strategies. But specific remedies for addressing issues and challenges are not identified.



Overview

Madison's downtown commercial areas have a wealth of strengths. The building stock, particularly on State Street and King Street, has proved adaptable to ongoing use for storefront retail. Public realm improvements have been made which are complementary to and supportive of the fine-grained retail environment.

The built environment and its operation and maintenance adds up to an environment that is

distinctive. It is highly walkable and generally considered attractive and safe.

Madison residents are aware of their downtown retail environment, and what it offers. They see it as a collection of unique and interesting shops, many of which are locally owned. And the retail offerings exist within downtown Madison, which is itself known and loved for its unique setting and

its business and event offerings. The cachet of downtown provides significant support to its retail brand.

Looked at from a traditional retail lens, there may be no department store in sight (the traditional anchor for suburban malls), but there is an array of alternative destinations and events which anchor the retail areas by drawing people to the area. And the business mix is improving in some areas, even as it is weakening in others.

Despite these significant strengths, there are elements of the retail environment that present significant

barriers to customers. Chief among these are parking challenges, and the prevalence of panhandlers. These barriers need to be taken seriously, and addressed in some way. And many other opportunities exist for making improvements and adjustments to improve vibrancy and business strength—even in areas that are generally strong.

Following is a more detailed summary of each section of the report.

Quality of the Retail Environment

The attractiveness of Madison’s downtown retail areas is closely tied to the creation of an environment that is qualitatively different than the automobile-oriented retail environments elsewhere in Madison.

The quality of the environment on State Street and Capitol Square was assessed with respect to five elements that are known to contribute to vibrant retail areas, as follows:

- ◆ Walkability
- ◆ Safety
- ◆ Visually unified/branded
- ◆ Public realm conditions
- ◆ Business conditions

Walkability. Madison’s downtown retail environment is considered highly walkable by most. The fine-grained storefront buildings are supported by a high quality streetscape. However, the way the sidewalk space is allocated along State Street needs a closer look, because it yields a pedestrian zone that is uncomfortably narrow in certain stretches of the corridor.

Safety. State Street has the pedestrian-level lighting and surrounding residential density to provide a sense of safety to evening and late night guests. Capitol Square is a little weaker in these respects.

Our primary research finds that most consider State Street and Capitol Square to be generally safe. But some feel uncomfortable in these locations in the evening, or after dark. And many report being troubled by the prevalence of loiterers and panhandlers. Those expressing concerns are disproportionately women and

older residents, who represent an important part of the customer base.

Visually unified/branded. State Street and Capitol Square have patterns and building and streetscaping elements that tie the districts together visually, supporting the brand of a walkable, vibrant storefront district. Business groups are organized to undertake marketing and branding initiatives that can promote this image.

Identified challenges include how to integrate new buildings into the existing fabric in a way that is consistent with the existing storefront fabric.

Public realm conditions. While the maintenance and upkeep of streets,

sidewalks, streetscaping and planted areas meets minimum standards, it nevertheless is seen as less than acceptable by a number of Madison residents. More than a few survey respondents reported dissatisfaction with the cleanliness of sidewalks and other elements of the environment, and this sentiment was echoed by business owners. Given that this is a threshold condition for some shoppers, it deserves some strategic attention.

Business conditions. Most businesses on State Street and Capitol Square are doing their part to offer an attractive and clean storefront and interior. But there are some retailers who are outliers in this regard, and need to step it up in order to support the area’s image. Strategies which target underperforming businesses may have a place in improving conditions.

High quality merchandising of products through shop windows, and inside stores, is another area where businesses could benefit from some support.

The City of Madison contributes positively to supporting improvements through providing financial support to retailers that want to do façade improvements, or to rehab their space.

Aspects of this Retail Vitality Assessment borrow from the insights and methodologies developed by Streetsense, and its Vibrant Streets program. Learn more at: vibrantstreets.com.

Barriers

Accessibility. Many shoppers and potential shoppers list the availability of parking as a frustration, and a deterrent to coming downtown. This issue needs to be taken seriously, although information about parking ramp utilization shows that there is space available to support customer traffic during most times of the day and week.

Improvements to wayfinding, and the provision of real-time information can play a big role in decreasing the parking-related uncertainties associated with coming downtown.

Panhandlers and loiterers. The prevalence of panhandlers and loiterer communities is a barrier to spending time downtown for many Madison residents and visitors. Court decisions have reduced the effectiveness of regulatory approaches to the issue, and so a menu of creative alternative approaches must be developed to mitigate this impact.

Retail Brand

Downtown Madison has a vivid identity or brand, and its retail districts make an important contribution to that identity. Downtown retail areas are known for being made up of unique and interesting small businesses, many of which are locally owned. It is known for having a wide variety of stores, but three prominent categories of stores stand out—clothing, specialty foods, and gifts.

Effective marketing of Madison’s downtown retail districts will build on this distinctive character. Recruiting of new businesses, and construction of new retail space, should also be mindful of building on the downtown retail’s identity.

The brand also suffers from a set of barriers or challenges. Addressing and mitigating these challenges are also important to improving the downtown retail brand in the minds of its customers and potential customers.

Destinations, Anchors, Events

Walkable storefront retail environments lack the store anchors that attract shoppers to suburban malls. But downtown Madison has a collection of alternative

attractions that serve a similar purpose. The majority of downtown shoppers do their shopping as a secondary activity, being downtown primarily for another purpose. Eating out is very important among these attractions. The wide array of events and downtown institutional destinations are also highly important.

The marketing of downtown retail can intentionally target people who are downtown for other purposes.

Retail Mix

Concerns about retail mix on State Street and Capitol Square were one of the drivers of this study. The much-loved identity of downtown retail hinges on its shopping-type retail stores, its locally owned stores, and its small stores (which support retail density). But restaurants and bars, some larger stores, and a few national retailers can serve as destinations that serve to bring shoppers into the area. The issue is one of balance. Key questions in each instance are:

- ◆ Is the existing balance optimal/acceptable? Or should it be adjusted as opportunity allows?
- ◆ Are there more suitable geographic locations for retail stores vs restaurants and bars? Small stores vs large stores? And locally owned shops vs national retailers?

Primary Research

This retail market assessment has devoted considerable time and resources to developing first-person information about how Madison’s downtown retail areas are perceived by the public, by various stakeholder groups, and by individuals that have local real estate and retail expertise. This primary research informs our understanding of downtown Madison’s physical and market context. It impacts how the challenges are defined, which confront Madison’s downtown retail. And it suggests a broad menu of ideas for retaining and building Madison’s downtown retail strength. Primary research methods include the following.

- ◆ **Shopper Survey.** 1,156 surveys of customers and potential customers were had been collected by the end of July. Surveys posed multiple-choice questions and open-ended questions. It is a rich

trove of information related to customer experience and improvement suggestions.

- ◆ **Business Owner Survey.** The Business Owner Survey is a modified version of the Shopper Survey that asked business owners to identify who they see as their primary markets. Complementing an informative focus group with downtown Madison business owners, the study collected surveys from 18 business owners.
- ◆ **Focus Groups.** Focus groups were conducted to dig deeper on the perceived challenges facing downtown retail. Focus groups were conducted with the following groups.
 - Downtown residents
 - Downtown employees

- Downtown business owners
- Institutional stakeholders
- UW Madison staff

- ◆ **Interviews.** Individual interviews have provided a deeper understanding of the downtown Madison’s retail market dynamics, and the organizational and programmatic landscape that attends to downtown retail. The interviews included conversations with people in the following categories.
 - Developers (2)
 - Key Property owners (2)
 - Organization leadership (3)

A summary of primary research findings can be found in the appendix to this report.

Quality of the Retail Environment

Madison’s downtown retail districts are distinctive. They offer an environment that has a different character than other retail areas in Madison—more walkable, more social, with more stores that are locally owned and one-of-a-kind.

Madison’s downtown retail signals its distinctiveness through a multitude of elements in the built environment that shape how people experience the environment. This section focuses on the perceived sense of the retail areas. Are they walkable and comfortable? Do they seem safe, well kept? Are stores clean, well-maintained, and attractive?

The quality of the retail environment is discussed in the sections that follow under five headings:

- ◆ Walkability
- ◆ Safety
- ◆ Visually unified/branded
- ◆ Condition of public realm
- ◆ Condition of businesses

Taken together, these factors have much to do with customer perceptions of the downtown retail environment.

Walkability

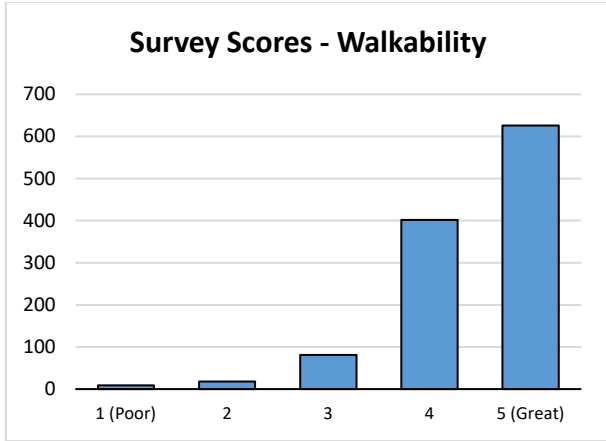
Walkability is a characteristic that is hard to define in specific terms. People might say they know it when they experience it. A walkable environment feels like a comfortable outdoor corridor, with continual commercial offerings and visual interest. It simply draws you in and along.

Perceptions. There seems to be a broadly shared sense that downtown Madison is walkable. Walkability was the strongest attribute of the eight elements assessed in the Downtown Madison Shopper Survey. Over half of the respondents scored it “Great”—assigning it a 5 on the 5-point scale. Less than 10% of respondents rated it 1, 2, or 3. Some specific comments:

“[Downtown Madison has] walkable streets, lively, feels more like a city while the rest of Madison is a small village.”

“I love living here and walking to farmer’s market, theater, music, restaurants, museums.”

The atmosphere and that everything is walkable. I like that you can shop and get a drink and a snack and people watch all in one place.



Source: Shopper Survey, Tangible Consulting Services

Other information. Notwithstanding the inherent subjectivity of walkability, there are some objective conditions that contribute to a sense of walkability. Streetsense offers the following tests.

- ◆ Are the sidewalks in your retail district wider than six feet on average?
- ◆ Have Food & Beverage establishments created outdoor cafes in your district?
- ◆ Do the number and spacing of trees and streetlights provide adequate shade and lighting respectively?

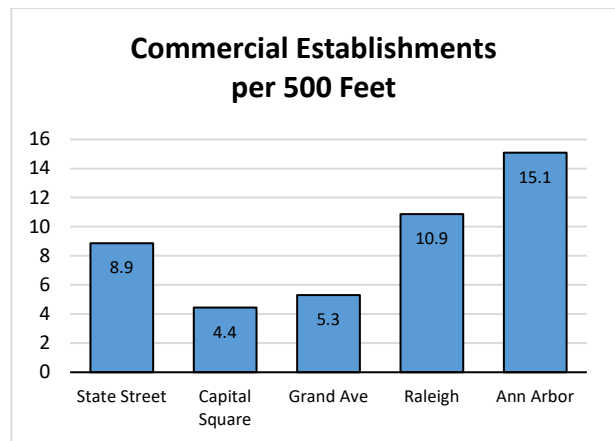
An additional indicator of walkability is store density. The most vibrant and activated retail streets tend to have a lot of stores in a short distance. This can be thought of as “fine-grained” retail. A test for this could be phrased:

- ◆ How many commercial establishments are there per 500 feet of street frontage?

Walkability Indicators

Sidewalks	State Street sidewalks are around 21 feet wide in total—which is sufficient for allocating space to a pedestrian zone and a generous flex zone. In practice, a pedestrian zone of only 6 feet wide is maintained in areas where there is outdoor restaurant seating. This is not sufficient to provide a comfortable pedestrian experience. Capitol Square sidewalks have a total width of nearly 40 feet, with a pedestrian zone of an ample 14 – 15 feet. This is wider than what is needed to support the commercial activity on the Square.
Outdoor Eating	Outdoor dining areas are abundant.
Trees & Streetlights	Streetlights and trees are frequently and regularly spaced.
Establishment Density	The establishment density along State Street is 8.9 establishments per 500 feet of street frontage. On Capitol Square it is 4.4 establishments per 500 feet.

The following chart shows the density of commercial establishments for downtown Madison and several comparison retail districts.



Tangible Consulting Services

Summary. The physical design elements of State Street—its sidewalk dimensions and streetscaping—are highly supportive of a walkable physical environment. The fine-grained pattern of commercial establishments also makes an important, positive contribution to its walkability.

However, the allocation of sidewalk space along State Street is less than optimal in the areas where sidewalk seating is established. Eating areas limit the pedestrian zone to six feet, leaving a corridor that isn't experienced as ample. A six-foot pedestrian zone may not allow couples to comfortably walk past each other. It may deter people from lingering to talk to one another, or from pausing to view the offerings in a storefront window, because of concerns of blocking others from moving along the sidewalk.

Capitol Square's sidewalks are ample to support pedestrian movement and activity. But their broad overall width is difficult to activate sufficiently to make them feel active and bustling—particularly given a commercial business density that is relatively low.

Strategic direction. These findings suggest some things to be examined in formulating a downtown Madison retail strategy.

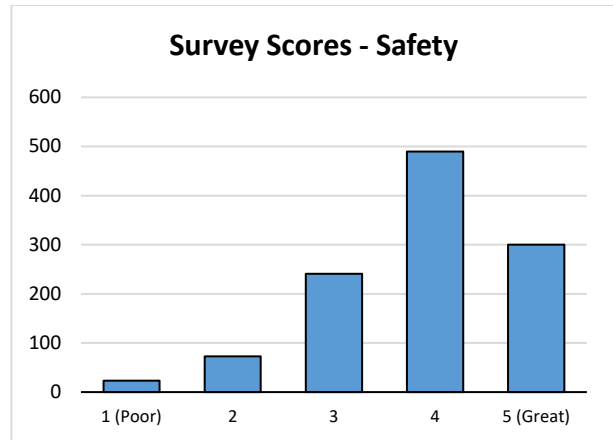
- ◆ What steps should be taken to preserve or expand the pedestrian zone on State Street's sidewalks?
- ◆ Are there ways to build on success, and add to the establishment density on State Street and/or Capitol Square?

Safety

Safety is a critical attribute of vibrant streets. The perception of safety is as important as "actual" safety (as measured by incidence of crime).

Safety is similar to walkability in that it is heavily based on subjective perception, but there are also some identifiable elements that can make a big difference in how safe an environment feels.

Perceptions. Respondents to the Shopper Survey gave a fairly positive review on the safety of downtown retail. The most common response was a 4, followed by 5, and 3. Less than 10% of respondents scored safety a 1 or 2.



Source: Shopper Survey, Tangible Consulting Services

This generally positive assessment needs to be qualified, however. The time of day affected the perception of safety for some of our focus group interviewees—who felt very safe walking around downtown during the daytime, but did not feel comfortable being on State Street in the evening or after dark.

Another concern is the community of loiterers and panhandlers on State Street and Capitol Square. Survey respondents and focus group participants said time and again that this had an important impact on their comfort level with downtown commercial areas. It affects their general comfort level with the environment, and for some it impacts their sense of safety. Some specific comments:

"I am completely embarrassed to bring friends and family to downtown due to the vagrants and loiterers and homeless. I don't feel safe."

"There are lots of mentally ill and drugged homeless people. Vomit, needles, and other garbage created by them. It's uncomfortable being near someone who is passed out drunk or yelling to themselves."

"Recently the homeless issue has become increasingly pervasive and frustrating. You cannot walk a block downtown without being asked for money or have a cup shaken at you."

Other information. Streetsense offers a set of questions that explore elements that can contribute to both actual safety and perception of safety.

- ◆ Is there a low crime rate in your retail district?
- ◆ Are there residences near your retail district or another type of activity that encourages daytime, evening, and weekend occupancy of your street?

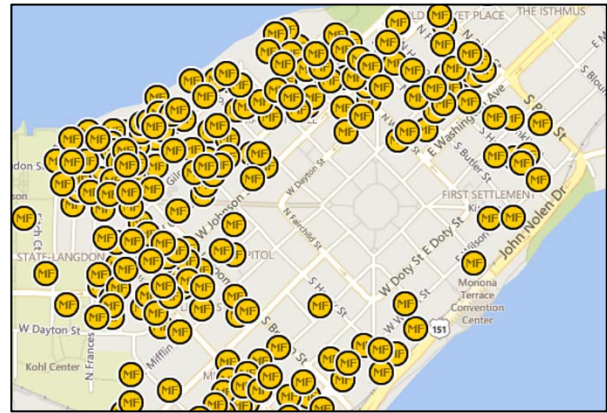
- ◆ Does your street have pedestrian level lighting that illuminates the sidewalk?
- ◆ Does your principal retail street feel safe to local residents? What about visitors?

Safety Indicators

Crime Rate	The actual incidence of crime, relative to other areas in Madison, and relative to downtown retail areas in other cities, is important, and can certainly be the subject of action. Crime statistics weren't evaluated in this study.
Nearby Residential	State Street is surrounded by a densely developed residential area. There are many housing developments within a block or two of the corridor, and some housing that fronts directly on the street. Capitol Square is in a residential desert. There are no residential developments on the Main/Pinckney/Mifflin/Carroll street ring, and not much residential development on the next ring of streets.
Pedestrian Level Lighting	Pedestrian level streetlights are present and consistent on State Street. They are present on Capitol Square as well, with a less consistent and frequent pattern.
Perception of Safety	Downtown Madison is perceived as fairly safe with some important caveats.

The map below shows the density of multifamily apartment development in the vicinity of State Street and Capitol Square. (A circle labeled "MF" signifies a multifamily apartment development.) It shows a clear pattern of greater housing density in the vicinity of State Street than around and near Capitol Square. While the illustrated pattern is probably valid in general, the illustration exaggerates the absence of housing near Capitol Square, because the map doesn't include multifamily condominium developments, which are numerous in the Capitol Square area.

Multifamily (MF) Apartment Properties



Data Source: Costar

Summary. The safety of retail areas needs continuous attention, even in good circumstances, because it is a threshold condition in the minds of most shoppers. Downtown Madison scores fairly well in terms of perception of safety, although the sense of safety starts to erode in the evening.

There is a relative lack of residential development, and the important informal surveillance that comes with it, near Capitol Square.

The loiterer community has an important detrimental impact on sense of safety.

Strategic direction. These findings suggest some things to be examined in the development of downtown Madison's retail strategy.

- ◆ Is there an opportunity to build more housing in the Capitol Square area?
- ◆ How can the impact of the loiterer community be mitigated?
- ◆ What actions can be taken to improve the safety of State Street and Capitol Square in the later hours of the day?

Visually Unified/Branded

Successful retail streets have a recognizable visual character that is memorable and vivid.

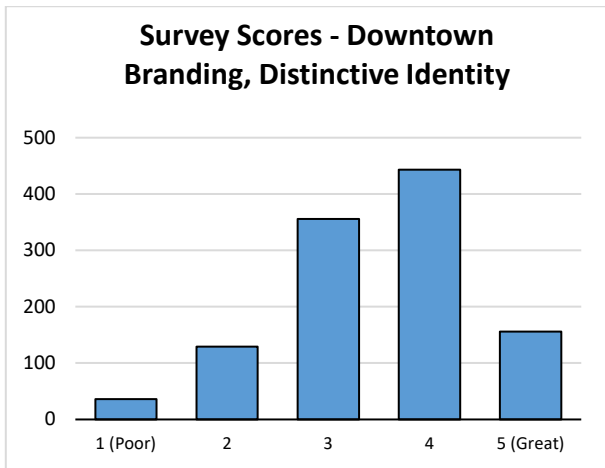
Many patterns in the physical environment can contribute to this character, including:

- ◆ Building architecture and materials
- ◆ The historical era of construction
- ◆ The scale of buildings

- ◆ The “grain,” or density, of storefronts
- ◆ Streetscaping elements
- ◆ Building accessories, such as signage, awnings or exterior lighting

Marketing and branding efforts can build on these physical characteristics, building the retail district’s image in the minds of potential customers.

Perceptions. One of the elements of downtown retail that Shopper Survey respondents were asked to rate was “Branding/Distinctive Identity.” The most common answers were 3 and 4, out of 5.



Source: Shopper Survey, Tangible Consulting Services

Other information. As noted earlier, there are a range of physical elements that can contribute to the visual branding of a destination retail area.

Branding Indicators

Building Architecture & Materials	State Street and Capitol Square are rich with buildings that set a visual tone. The majority of buildings in each district are from the same era, and have common elements in terms of architectural elements, building scale, and storefront density.
Streetscaping	On State Street and Capitol Square, the streetscaping contributes to the patterning in the public realm that makes the areas distinctive
Building Accessories	Building accessories such as awnings or signage don’t seem to be intentional unifying elements in the downtown retail areas.
Marketing/ Branding Programs	There are multiple organizations and programs that promote Madison’s downtown as a place to eat and play and shop.

Summary. Downtown Madison is in good shape in terms of its physical legacy. The commercial building stock continues to serve the City well by setting a distinctive tone for its retail districts. In an economy where new construction is becoming viable in these areas, care needs to be taken so that new buildings and compatible with, and contribute to, the essential aspects of the area’s visual identity.

Madison has added streetscaping that does its job and builds the identity of the area. And there is a solid infrastructure of business and civic organizations that are promoting the downtown, with the City of Madison itself being a strong participant in that effort. The identities and roles of these organizations seem to have been clarified in recent years, setting them up well for working collaboratively, and taking on new initiatives.

Strategic direction. These findings suggest some things to be examined in formulating a downtown Madison retail strategy.

- ◆ What characteristics should infill development have in order to be compatible with the historic fabric of existing buildings?
- ◆ Are there strategic improvements that can be made to the marketing program for downtown retail?

Public Realm Conditions

The street and sidewalk environment need maintenance and daily attention in order to be clean and attractive. They are an important part of communicating that the place is cared for.

Cleanliness and upkeep also have an important relationship to perception of crime, since a clean, well-kept environment feels safer.

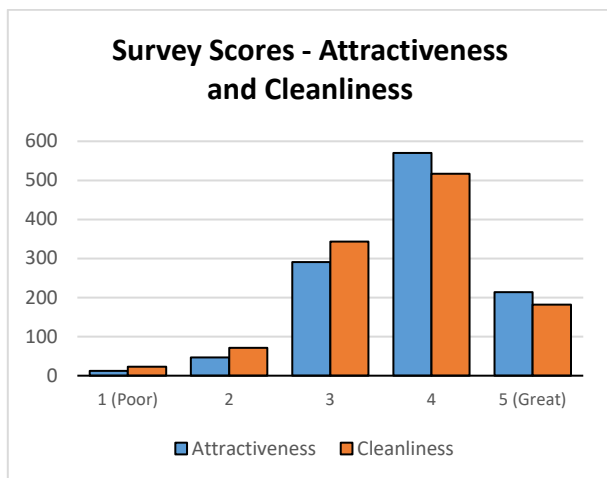
The care of the public realm is a shared responsibility of the City of Madison, the Business Improvement District, and individual business owners.

Perceptions. The attractiveness and cleanliness of State Street and Capitol Square seem to be considered good, with reservations. The common rating for both questions was a 4. But more respondents scored the areas 3 than 5.

Respondents to the Business Owner Survey commented on overflowing trash cans and smelly bus stops. Other specific comments.

“The city looks unkempt and without pride. We need better landscaping, more attractive well cared for plantings, cleaner spaces.”

“State St is clean but surrounding streets are full of litter.”



Source: Shopper Survey, Tangible Consulting Services

Cleanliness is certainly an issue for some. Over 30 people answered a question about their best idea for improving the downtown retail area with some variation of “Clean it up!” Specific comments

suggested washing sidewalks and better maintenance of the landscaping.

Some of the comments on cleanliness related to issues with the upkeep of buildings and businesses, which is discussed in the following section.

Summary. Madison commercial areas meet minimum standards in this area, and may perform beyond the minimum standards. But the perceived cleanliness and attractiveness of the environment is an important barrier to some who would otherwise come downtown to eat or shop, so additional attention to these issues is warranted.

Business Conditions

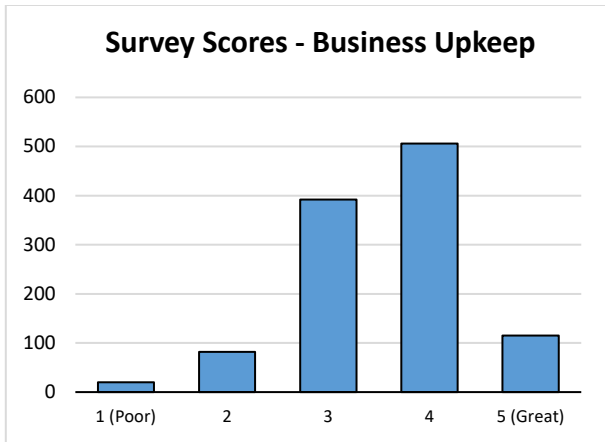
The business storefront itself is a microcosm of the retail environment. Is it in good physical condition, with design elements that hold together? Is the door easily operable? Is it clean, especially the windows, and do the windows offer clear and uncluttered views into the business interior? Is the signage creative and attractive?

Ideally each business carries its own weight in contributing to an attractive and unique set of retail and restaurant offerings, and the business community has a shared high standard for appearance and upkeep.

This is an area where the City of Madison has been active. The Façade Improvement Grant Program, and a new companion program, the Retail Improvement Grant Program, are available to downtown businesses.

Merchandising is another important dimension of business condition, that is distinct from the state of commercial buildings. Merchandising is about whether the merchandise that the business sells is displayed attractively and to its best advantage, both through the shop window and in the interior of the business? Merchandising can make a big difference in terms of whether shoppers want to enter a store and spend time there.

Perceptions. The shopper survey included a question about business upkeep. Most respondents scored it 3 to 4—which roughly translates to “fair to good”.



Source: Shopper Survey, Tangible Consulting Services

In survey comments, a number of people called for improving the upkeep and cleanliness of business storefronts as their most important suggestion for improving the downtown retail areas.

Some in our interviews focus groups felt that this is an important issue, but that the problem is centered on

certain businesses that haven't invested in their physical premises for some time.

Summary. Multiple sources of input, and our own observations, confirm that this is an area where additional targeted improvements are needed.

Strategic direction. These findings suggest some things to be examined in formulating a downtown Madison retail strategy.

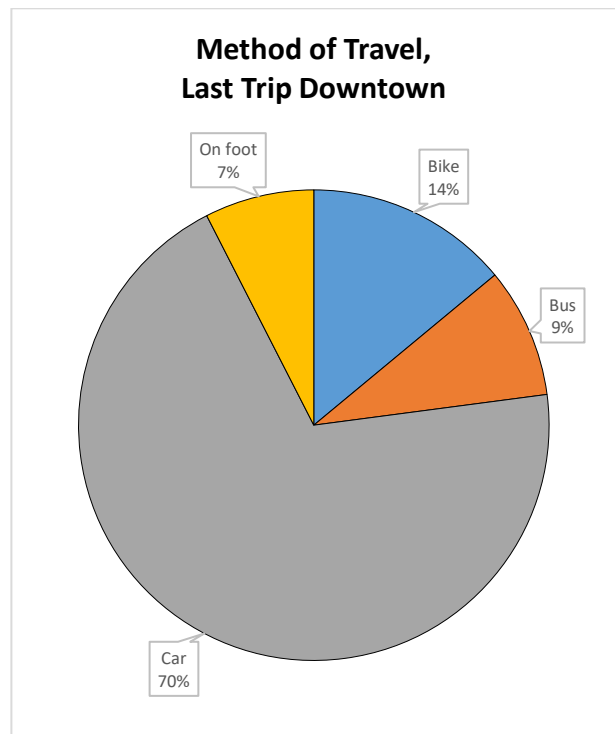
- ◆ Are there targeted strategies that might work to enlisting the participation of businesses that are most in need of improvements?
- ◆ Is there a role for a program that offers merchandising expertise to business owners to improve retail performance, while making the business a more attractive environment for customers?

Barriers

This project's primary research reveals that two barriers to increased utilization of the retail districts surfaced are especially important—the availability of parking, and the downtown loiterer community. Findings related to these factors are the focus of this section of the report, with parking availability considered under the broader heading of "Accessibility."

Accessibility

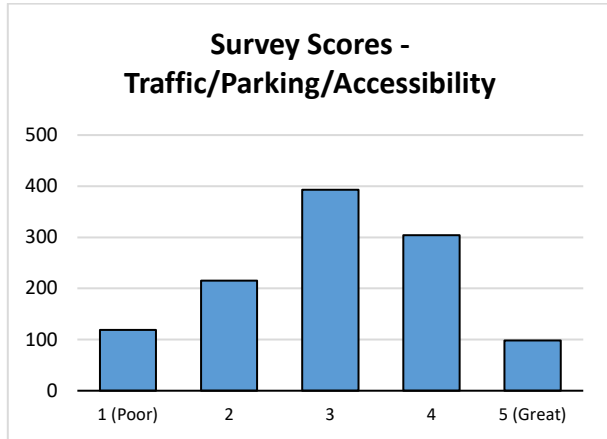
A vibrant retail area needs to be well served by transit or parking, and preferably by both. Madison retail areas, being on or near the isthmus, are in the path of good bus lines, but only 10% of shopping survey respondents came by bus the last time they came downtown. (Another 20% walked or biked.) Once downtown, people will have different comfort levels for the distance they will walk.



Source: Shopper Survey, Tangible Consulting Services

Given the prevalence of car trips for people who come downtown, it is clearly important for downtown retail areas to comfortably receive those who arrive by car.

Perceptions. The shopper survey invited respondents to rate downtown’s “Traffic/Parking/Accessibility.” This measure ranked lowest among the eight elements that were rated. It is the only element that tipped overall negative—with more responses that ranked it “Poor” than “Great.”



Source: Shopper Survey, Tangible Consulting Services

Responses to open-ended questions underscored the concern. When asked “What’s frustrating about spending time downtown?”, fully a third of responses mentioned parking in some way. Some specific comments:

“[What’s frustrating?] Availability of parking and cost of it. Not aware of all businesses and locations.”

“[What’s frustrating?] Trying to figure out and find parking.”

“I don’t like to pay for something [parking] my taxes already have paid for (whether I use it or not, I am paying for it). To ask me to pay again is annoying.”

Parking was explored in more depth in several of our interviews and focus groups. Not everyone shared the concern about parking. Some felt that it was perfectly adequate. Those who did feel it was an issue were divided on the nature of the issue—whether there was an insufficient number of parking spaces, or if people needed better support locating the available parking.

Additional information. The location and performance of the existing parking supply can be easily observed. Generally speaking, there is a very functional complement of parking options downtown and near State Street. There is a strong network of City-owned

downtown parking facilities. There are some additional surface lots, and there is metered parking on nearby streets.

The parking facilities around Capitol Square tend to be on the second block back from the Capitol Building, making them well-positioned to intercept traffic coming downtown. There are several parking facilities that serve State Street. One parking ramp is proximate to the 200 Block. Another is by the 600 block. A City-owned surface lot (Buckeye Lot) is between the two. The Overture Center facility is only a block or two off State Street on the east end of the corridor, so it serves an overflow purpose.

Utilization data shows that the downtown parking ramps are between 55% and 85% occupied during peak occupancy periods.

There is a website that offers real time information concerning the number of spaces that are available at any given time in each of the downtown parking ramps.

Online information on parking is inconsistent. There is good information on downtown City parking facilities, which comes up readily if the search is for “Madison downtown parking.” However, a search for State Street parking results in information that is less user-friendly.

Summary. Regardless of whether one regards downtown parking as problematic, or just something that goes with the territory for vibrant downtowns, parking is clearly a barrier for many potential downtown customers. Improvements to parking availability, or the perceived availability of parking, have the potential to be quite impactful for the retail district.

Strategic direction. These findings suggest some things to be examined in formulating a downtown Madison retail strategy.

- ◆ What strategies can bring usable information to those who need it, through the information channels they will intuitively turn to?
- ◆ Is there a role for technological approaches that would bring real time information to smart phones?
- ◆ Is it advisable to build a third City parking ramp on State Street?

Loiterers and Panhandlers

People who spend time in downtown Madison are acutely aware that there is a community of people who park themselves in the commercial areas to hang out together and to ask for money from passersby. Most appear economically disadvantaged. They are typically called homeless by Madison residents and stakeholders.

This issue of the loiterer and panhandler community was introduced above, under the topic of Safety.

Perceptions. Responses to the Shopper Survey’s open-ended questions underscored the concern. In responses to questions about what’s frustrating about downtown, or what is your best idea for improving downtown retail, this issue was mentioned many hundreds of times. Female and older respondents were most likely to identify this as an issue.

Like parking, this is clearly a threshold issue for some people in their willingness to spend time downtown.

Additional information. This is not a new issue for retail stakeholders. Nor is it one about which nothing is being done. Efforts are underway to build a day shelter for homeless Madisonians. It is scheduled to open in 2018.

Local ordinances that prohibit or constrain loitering and panhandling have been set aside because of judicial

decisions. So non-regulatory approaches need to be highlighted to address these conditions.

Summary. The visibility and behaviors of loiterers and panhandlers are a major barrier to downtown retail vibrancy. Women of all ages were more likely to identify this as a deterrent than men—which is of particular concern since retail districts depend heavily on female shoppers.

Creative approaches need to be explored to deter the behaviors that are most offensive.

Strategic direction. There is a synergy between certain types of retail vitality strategies, and actions which can mitigate the presence or impact of loiterers and panhandlers. In particular, strategies which activate sidewalks and public spaces makes an environment less

hospitable for loiterers. This can occur through micro-retail, outdoor dining, public art, or performance.

Questions to be considered in formulating a downtown Madison retail strategy could include the following.

- ◆ What strategies should be pursued to attract positive energy to spaces that currently serve as refuges for loiterers?
- ◆ Are there more intensive social service approaches that can be helpful?
- ◆ Is there a way to build a cultural awareness within the loiterer and panhandler community of what respectful engagement with the environment entails?

State Street description, from Trip Advisor:
“This seven-block bustling thoroughfare, which runs between Capitol Square and the university, buzzes with activity day and night, offering a diverse array of coffeehouses, ethnic restaurants, bookstores, art galleries and specialty shops.”

Downtown Retail Brand

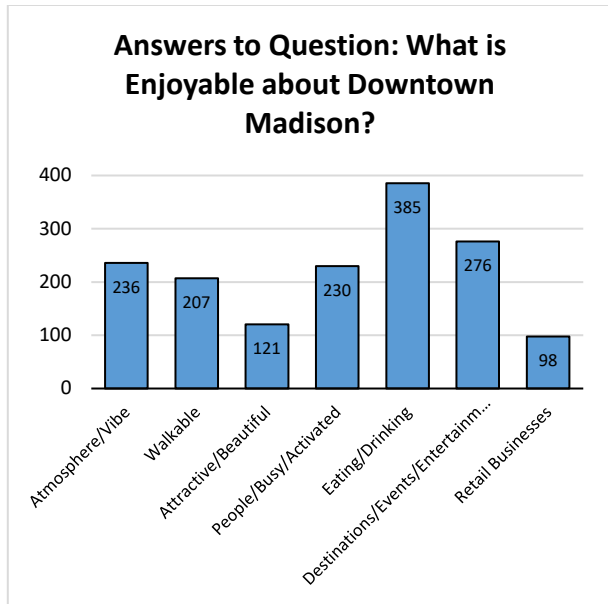
Madison’s downtown retail areas are well established aspects of the City’s identity. Trip Advisor lists Capitol Square and State Street as #4 and #7 respectively in its Top 10 “Things to Do in Madison” list. Its description of

State Street is descriptive of the corridor at its best. (See text box.)

Other downtown attractions are also on the Trip Advisor list. The Wisconsin State Capitol is #2. The Farmer’s Market is #3. Memorial Union Terrace is #5.

And Monona Terrace Community and Convention Center is #10. Suffice it to say that downtown Madison has many of the defining attractions of the region.

Within this broadly supportive context, it is important to understand the “brand” that comes to mind for Madison residents and visitors when thinking about Madison’s downtown retail areas. The brand is made up of layers of elements. Brand building strategies may focus on reinforcing and strengthening some of these elements. And they may attempt to reduce the prominence of other elements.



Source: Shopper Survey, Tangible Consulting Services

Information about Downtown Madison’s “brand” can be discerned in the responses to a shopper survey question about what people enjoy about downtown Madison. Many comments were repeated over and over.

In general, it’s clear that downtown Madison is seen as a special environment, and unique in the region. More specific aspects of downtown’s brand are noted below.

Pedestrian-Oriented

The primary distinction of the State Street and Capitol Square retail areas is that they simply feel different from other Madison retail areas. Their outdoor orientation, walkable character, and business density are defining aspects of the downtown retail brand.

Many survey respondents specifically noted downtown Madison’s walkability. Many others stated an

appreciation for all the people that were out and about.

Some specific comments:

“There’s always a lot going on. You can get around easily without a car.”

“Love living here and walking to farmers market, theater, music, restaurants, museums.”

“Walkable streets, lively, feels more like a city while the rest of Madison is a small village.”

Eating and Drinking

The restaurants and nightclubs are certainly prominent in people’s minds when they think of Downtown Madison. And they’re highly appreciated. The eating, drinking and nightlife options are an important part of downtown Madison’s brand.

Some specific comments:

“The vibrant food and arts scene means that people are out and about, having fun downtown.”

“It’s a lovely city, with great food, almost too many restaurants.”

“Lots of restaurants, and nice places to sit in the summer and watch people.”

Destination and Events

Many people connect downtown Madison with specific locations and events. In the Shopper Survey, the Capitol building itself was mentioned again and again. Many also called out the Farmer’s Market as a prized event. Other survey respondents expressed appreciation for the multiplicity and variety of activities and events that draw people to downtown Madison. These encompassed concerts, fairs, festivals, and other events.

The layers of events and programming that animate Madison’s downtown are a vivid aspect of its branding for many.

Some specific comments:

“The variety of events in a beautiful, walkable setting.”

“Attending events is the only reason I go downtown.”

“Weekends are especially fun, with Farmers Market and other events bringing lots of people, food, and entertainment to the square.”

“Sometimes I will attend a craft fair, or event at the Overture Center. I definitely like summer events when the weather is best.”

Retail Businesses & Shopping

Shopping is a less prominent part of downtown Madison’s brand than its restaurants, entertainment, and events. But it is still a recognized downtown element—and a much-loved aspect of downtown for some. Around 100 respondents to our shopper survey (of 1,150) called out downtown retail as a particularly enjoyable aspect of downtown Madison.

Most of those who appreciated the retail businesses made specific mention of the distinctiveness of the downtown stores—that they are interesting, unique, quirky, fun, locally owned, and less generic. The distinctive character of downtown retail is an important aspect of its brand.

Some specific comments:

“I appreciate the unique, non-chain businesses (clothes, food, everything).”

“I like the eclectic variety of locally run shops.”

“I love that the shops have taken on a more local/Madison specific focus in their wares.”

Beyond the character of businesses, State Street has three business clusters that are notable, and can be highlighted in marketing efforts—specialty foods, clothing stores, and gift shops. These business types do well when they are situated with other businesses of

the same type, because shoppers are attracted to shop for these commodities when they know that there will be several stores in the area to browse through.

Negative Conditions

Barriers to downtown retail patronage and vitality have been discussed above. These are also characteristics of Madison’s downtown retail identity in the minds of some Madison residents and visitors. Customers who have been turned off by the lack of parking, or the active presence of panhandlers, may be willing to take another look at downtown Madison once some of those conditions have been mitigated.

Summary

Downtown Madison has a vivid identity, to a large part associated with the elements that have been highlighted in this section. Its retail districts make an important contribution to that identity, and they are appreciated for their own distinctive characteristics—in particular the fact that they are made up of unique and interesting small businesses, many of which are locally owned.

Effective marketing of Madison’s downtown retail districts will build on this distinctive character. Recruiting of new businesses should also be mindful of building on the existing downtown retail identity.

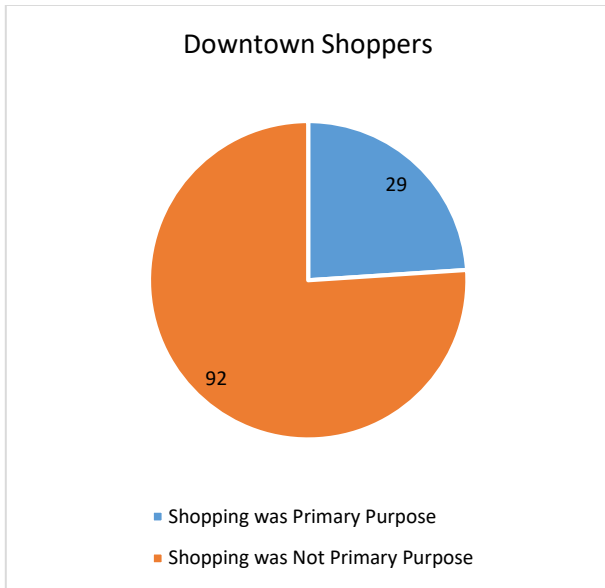
Destinations, Events, and Retail Anchors

Modern retail environments are often designed in terms of their anchor stores, and their in-line stores. In simplified terms, the anchor stores draw shoppers to the area, who then browse the in-line stores once they are there.

Downtown Madison functions in a similar way. Its retail “anchors” are not the same as the anchors that one would see at a major mall, but they are every bit as critical as those at a mall. In fact, of the 121 people we surveyed who shopped on their last trip to downtown

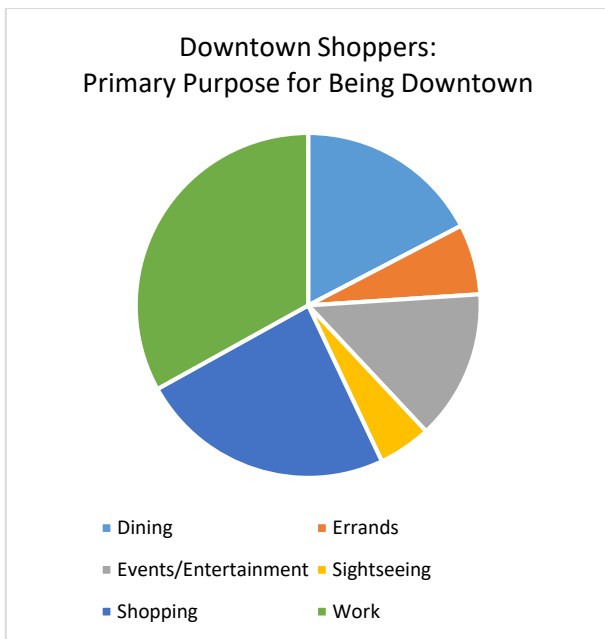
Madison, over three-quarters were downtown for another purpose—shopping as a secondary activity.

For those who shopped as a secondary activity, it is interesting to note what their primary purpose was. These purposes are summarized in the second pie chart graphic.



Source: Shopper Survey, Tangible Consulting Services

This information underscores the importance of downtown’s destinations and events for drawing customers into its retail stores. Note that more people shopped after dining at a downtown restaurant than after any other purpose. But a large number of people shopped after attending events such as the farmer’s market, or a concert or festival. And some were primarily downtown to simply walk around and be in its distinct environment.



Source: Shopper Survey, Tangible Consulting Services

These destinations and events serve as alternative anchors that draw potential shoppers into downtown Madison, and its retail districts.

There are only a few large stores along State Street and Capitol Square that serve as more conventional retail anchors. Underarmour and Gap are stores that serve that purpose in the clothing category.

Strategic direction. Acknowledging the important function of these various non-conventional destinations and anchors raises a number of strategic questions to explore.

- ◆ Given the importance of Downtown restaurants for attracting customers to Madison’s downtown retail stores, what is the optimal balance or business mix between food and drink establishments and businesses which sell physical goods?
- ◆ Given that larger flagship stores such as Gap and Underarmour can put State Street on the map for certain groups of shoppers, how should we think about the optimal balance between local and national businesses, and between small and large stores?
- ◆ Are there additional retail anchors that make sense for downtown?
- ◆ What marketing approaches can serve to attract shoppers from those who are downtown for other purposes.

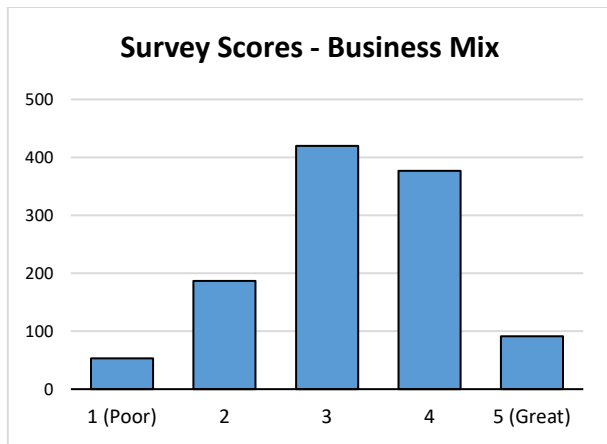
Retail Mix

A retail mall under single ownership takes great care in the deliberate mix of retail businesses that the mall offers. A storefront retail environment like State Street and Capitol Square lacks common ownership, and that makes it more difficult to be deliberate about the retail mix. Each property owner has a financial incentive to lease his or her commercial space to whatever business can pay the highest rent. Nonetheless, a shared understanding of a desired retail mix can still be helpful in shaping the environment, through simply informing tenanting decisions and retail recruitment efforts.

Many of the concerns that led to this study are, at their heart, about business mix. City leadership and business owners are wrestling with the right balance between:

- ◆ Retail stores vs restaurants and bars
- ◆ Small stores vs large stores
- ◆ Locally owned shops vs national retailers

Respondents to this study’s Shopper Survey echoed the concern about retail mix. They ranked retail mix second lowest among the eight element they were asked to assess.



Source: Shopper Survey, Tangible Consulting Services

The low rating meant different things for different people. Many survey respondents found a general scarcity of retail, or a lack of variety of stores or products. Some wanted more independent, unique businesses. But a few commented that they’d like to see more national retailers. There were also many people who wished there were more stores with products that would meet their everyday needs.

Here are some specific comments.

“I want a better, more balanced mix of business establishments and services”

“It’s certainly not like it used to be. Too many restaurants, not enough diverse retail.”

“There were unique stores I like and can’t find elsewhere. Some of the apparel is a little to hipster for a 40 yr old, but having the young retail mix helps with vibrancy.”

“Keep up the mix, bring in new and exciting retailers but those that are a good fit for the Madison shopping community.”

People tend to have strong feelings in the balance between retail stores and restaurants/bars, between small stores and large stores, and between locally owned and national retailers. But note that in each of these dualities, both sides of the balance can contribute to retail vibrancy, albeit in different ways.

Increasing the number of retail stores vis a vis restaurants and bars, retaining the fine-grained, small store character of the street, and recruiting more unique, locally owned businesses—these actions all serve to build the brand, building on State Street’s and Capitol Square’s existing attractive identity in the eyes of its customers.

But the other side of the dualities—embracing a destination eating mecca, and allowing the presence of some larger stores and national brands as retail anchors—these actions have the potential to support retail vibrancy through strengthening the destinations and anchors that attract additional shoppers to the area.

For this reason, none of these choices is absolutely black and white. None of the options is without value. Instead, each dynamic is a question of balance, and as such, it raises at least two questions.

- ◆ Is the existing balance optimal/acceptable? Or should it be adjusted as opportunity allows?
- ◆ Are there more suitable geographic locations for retail stores vs restaurants and bars? Small stores vs large stores? And locally owned shops vs national retailers?

These questions will be further explored in the strategy phase of this study, along with considerations of

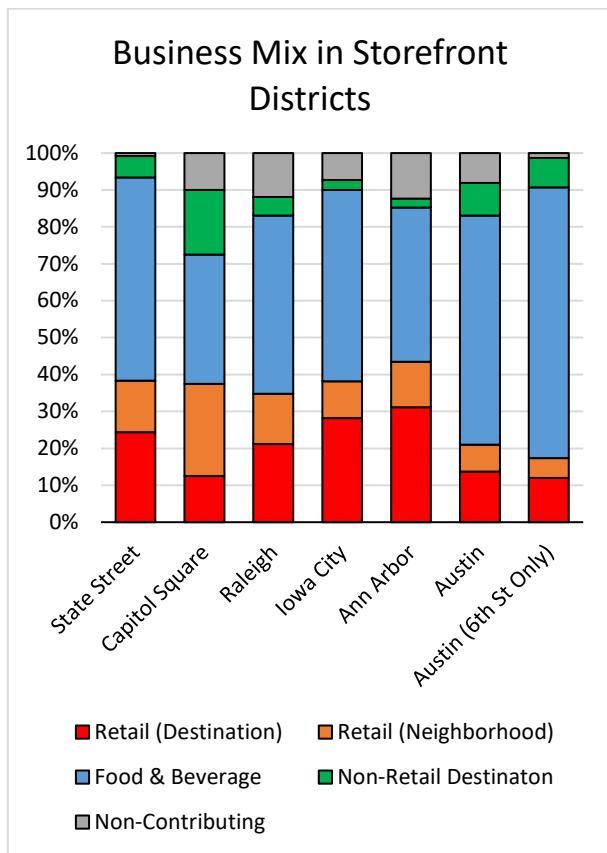
organizational roles in tenanting and retail recruitment actions.

Retail stores vs restaurants and bars. This dynamic merits a more detailed discussion.

Restaurants and bars make a positive contribution to downtown. Downtown Madison’s food and beverage scene is highly appreciated by Madison’s residents in its own right. And it is one of the attractors that leads to retail shopping as a secondary activity. Vibrant Streets programs often place a high priority on attracting sit-down restaurants to an area to strengthen storefront business districts.

However, because in downtown Madison bars and restaurants often compete for the same storefront spaces as retail businesses, their growth has led to a reduction in retail store density. And that in turn decreases the attractiveness of downtown retail.

This study has evaluated the business mix in the storefront districts of Madison and several comparison cities. The result is illustrated in the following chart.



Source: Tangible Consulting Services

Retail stores are divided in the chart in two categories—Destination and Neighborhood. “Retail

(Destination)” refers to GAFO retailers. GAFO stands for “General Merchandise, Apparel, Furnishings, and Other.” These are retailers that offer serve a broader market area. “Retail (Neighborhood)” refers to NG&S retailers. NG&S stands for “Neighborhood Goods and Services”. These retailers offer types of goods and services that typically serve a more local market area. “Non-retail destinations” refer to cultural institutions such as museums or concert venues. “Non-contributing” businesses include ground floor offices that generate little to no walk-up traffic.

Note that in Raleigh and Ann Arbor, as in Madison, “Food & Beverage” is the largest category. However, the proportion of storefronts dedicated to food and beverage businesses is greater in downtown Madison than in any of the comparison cities.

Given this informational context, we agree that it is appropriate to develop strategies to strengthen the retail component of Madison’s downtown business districts.

Strategic directions to be explored include:

- ◆ Are there ways to emphasize restaurant development just off State Street, which might allow for more continuity in the retail stores along State Street?
- ◆ Are there ways to add retail store density through development of basement and second floor spaces? Or through the introduction of micro-retail?
- ◆ What is the best way to use municipal authorities and programmatic resources to promote retail balance?

Locally owned vs national retailers. The attraction of some nationally known anchor retailers can be beneficial to Madison’s downtown retail. But there’s a tipping point, beyond which Madison loses the defining fine-grained character of its retail areas.

Locally owned businesses are part of the downtown Madison’s retail DNA, but with rising rents and competition for space from restaurants it becomes more challenging for locally owned retail businesses to compete. This study needs to grapple with methods for supporting existing local retailers, and how to foster local entrepreneurship that leads to new retail businesses.

Strategic directions to be explored include:

- ◆ What’s the best way to support occasional larger retail spaces that can host anchor retailers while still preserving the preponderance of fine-grained retail stores that make State Street distinctive?
- ◆ What are the best programmatic approaches to fostering retail entrepreneurship?
- ◆ Are there certain geographical locations or types of physical spaces on State Street or Capitol Square that are particularly appropriate for local retailers because of their size or rent characteristics?

Everyday goods and services. We’ve lightly touched on a further question of mix, which is a little different from the three already discussed. That is the mix of stores that attract shoppers Madison-wide vs those that meet everyday household and personal needs for downtown residents.

For example, the following store types, which would meet everyday needs, were “requested” by Shopper Survey respondents.

- ◆ Hardware store
- ◆ Department store
- ◆ Grocery store
- ◆ Target
- ◆ Household goods
- ◆ Basic apparel
- ◆ Computer store
- ◆ Office supplies
- ◆ Thrift store like Savers
- ◆ Home store
- ◆ Bakery

These types of stores would offer great value in an environment like downtown Madison, with its growing downtown residential population. And since stores to meet everyday community needs can be located anywhere downtown, they don’t need to compete for space with destination-oriented specialty shops on State Street or Capitol Square.

Case Studies

Case Studies provide an opportunity to study other cities' experiences with downtown revitalization and the retail market in particular, and to analyze some of the strategies other cities have employed to augment retail offerings downtown. In the next phase of our study we plan to draw upon some of the strategies we encountered in these four cities, ones that have particular relevance to Madison, and to incorporate a tailored version of them into our recommendations for Madison.

We chose four peer cities—Iowa City, Iowa; Ann Arbor, Michigan; Raleigh, North Carolina; and Austin, Texas—whose experiences with downtown retail vibrancy provide insight and learnings to Madison. We selected these cities based on the following criteria:

- ◆ Cities that have implemented a variety of “interventions”, providing Madison a robust set of possible strategies

- ◆ Cities that are encountering issues, and have characteristics, similar to those in Madison, including:
 - increase in downtown housing;
 - robust restaurant/bar scene;
 - destination area;
 - a variety of users: students, downtown workers, metro area residents, visitors
- ◆ Cities with downtowns that are active every day throughout the day.
- ◆ Cities of a scale similar to Madison, and with similar amenities including a university, attractive downtown area, attractive natural features.
- ◆ Cities whose interventions are somewhat recent but have already demonstrated some impact.

While we assessed each of the four cities' strategies to support retail development, we took a slightly different path with Austin. Austin had been identified to us as a city whose downtown includes an overabundance of bar and club establishments and suffers from the negative impacts of this concentration. In this review, we tried to shed light on some of the reasons for this overconcentration and ways it is seeking to remedy the issue.

Ann Arbor, Michigan

Ann Arbor has a population of 117,000 and is home to the University of Michigan which has 43,600 students. Ann Arbor's downtown has become a 24-hour activity center. There are more than 5,500 people living downtown and 1,800 employers with 28,300 employees. The downtown is comprised of approximately 67 blocks, 0.42 square miles, and it includes the University within its boundaries. Its increasingly dense population supports a broad mix of businesses, services and lively sidewalks. Ann Arbor's confidence in its downtown's offerings and its proactive approach to enhancing the downtown

environment can provide ideas relevant to Madison's goals for its downtown.

The **Ann Arbor Downtown Development Authority** (DDA) was created by the State of Michigan in 1982; it is one of many that were created in cities around the state in response to urban decline. Its mission is to undertake public improvements that have the greatest impact in strengthening the downtown area and attracting new private investments. Some recent projects they have initiated include a Downtown Street Design Manual which won awards from the Michigan

Association of Planning, the Michigan chapter of the ASLA and the International Downtown Association; and a Parking and Transportation Study. They have also undertaken public infrastructure improvements such as improving sidewalks and landscaping, and they provide support for a high volume of public events. An innovation district has recently been created to draw start-up firms.

The Story

Ann Arbor has been experiencing growth in downtown living. Since 2010, 1,500 new housing units have been constructed downtown, a mix of apartments and condos. It is forecasted that there will be demand for approximately 1,800 additional housing units downtown by 2019.

This is due largely to demand from workers living outside the area and a growing number of empty nesters who are downsizing and desire to live downtown. In addition, there is demand for increased office space.

Currently, office space rents are too low to make new development feasible and property owners are selling to residential developers to maximize sale price. This demand for space downtown and the resulting population living and working downtown influences the retail mix. A downtown market study suggests that downtown Ann Arbor does not currently capture all of the retail activity generated by people in and around the city, and could support an increase in grocery, shoe, home furnishing, sporting goods/hobby and electronics/appliance establishments.

Strategies

The DDA has initiated two important efforts that complement downtown development and make it

more successful. The DDA monitors and tracks downtown activity and vitality. This gathering of useful information celebrates the attributes that make Downtown a memorable and beloved place and, thereby, helps the DDA understand how to direct its activities and provides critical information to downtown businesses that helps them understand the market and do business planning.

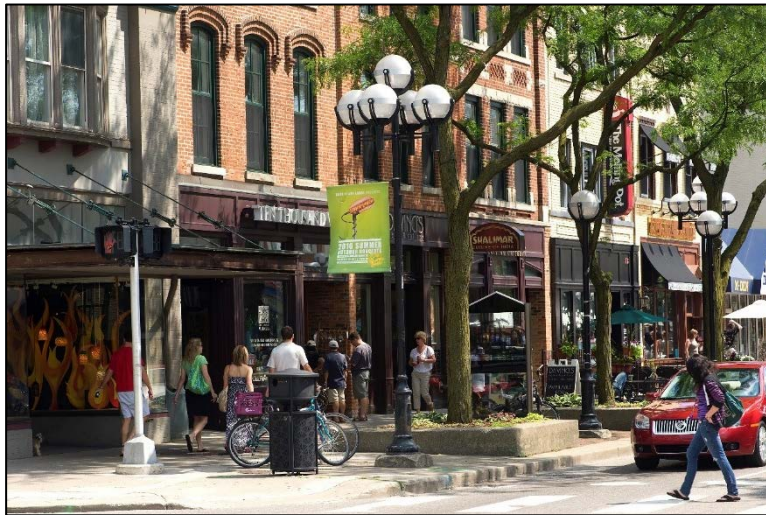
The 2014 State of the Downtown is a useful model for tracking downtown vibrancy. Elements of the report include: changes in private investment including office and residential development, retail mix, rents, vacancy rates, job density, demographics, transportation use and facilities (including use of the Go!Pass, a transit pass the DDA makes available to downtown employees for travel around downtown), and other quality of life

measures including infrastructure improvements, crime statistics, event and venue information.

The report also highlights DDA projects and their impacts. The report is a unifying document for downtown. It demonstrates how public and private activity interface to create downtown's

vitality, and by summarizing the DDA's activities and their impact, the report builds enthusiasm for the mission of the DDA and for downtown's continued success.

Madison also produces an annual report of downtown and incorporates many of the same metrics. However, Ann Arbor's report is designed as a marketing tool and it successfully portrays Ann Arbor's "brand". Its format and use of photos and quotations from business owners give a sense for what downtown Ann Arbor is, and the document is inviting and accessible to a variety of readers. Its portrayal of DDA investments in downtown engenders enthusiasm and show the synergy between public and private investment. All of these elements help to make it an active document.



The second initiative is a Downtown Street Design Manual which the DDA created in partnership with the City of Ann Arbor and downtown businesses and residents. It guides street design that supports and strengthens the uses and activities unique to the diverse areas of Downtown. The Guidelines provide standards for public infrastructure projects, and are used during the site plan review process to guide private development. The Guidelines start with the assumption that streets and sidewalks should:

- ◆ Accommodate desired levels of activity
- ◆ Be flexible and able to adapt to different seasons, demands, activities
- ◆ Allow funkiness by embracing public art, interesting landscaping and unique materials.

The Guidelines are meant to reinforce Downtown's identity and unique sense of place and, in addition to the obvious facilitation of safe and efficient traffic circulation, to strengthen commerce and economic vitality downtown. Quality streets:

- ◆ Accommodate retail, outdoor dining and public seating, all of which create an engaging environment.
- ◆ Are front doors of businesses
- ◆ Allow and encourage businesses to "own" the street in front of their establishments
- ◆ Increase access to business through bicycle parking and inviting transit facilities
- ◆ Support deliveries and quick transactions through convenient short term parking

Raleigh, North Carolina

Raleigh has a population of 439,900 (2014). It is part of the Raleigh-Durham-Chapel Hill metropolitan statistical area which has a population of two million. Downtown Raleigh is one of the fastest growing downtowns in the United States. Its

population has increased 53% since 2000 to 6,000 people. Within one mile of downtown's center the population is 15,000. Housing continues to increase. 2,400 residential units are under construction now and in the near future, adding 4,000 more residents to downtown. Downtown's population is younger. 54% are ages 25-40, compared to 40% nationally.



Companies are increasingly attracted to downtown Raleigh because of the amenities, including restaurants, retail, night life, attractions and proximity to growing businesses. Currently 50,000 people work

downtown, and employers are increasingly locating their offices near where their employees live.

The Story

The revitalization of downtown Raleigh illustrates in many ways the Brookings Institute's findings about the progression downtown

revitalization often follows. (*Turning Around Downtown*. Chris Leinberger. Brookings Institute 2005.) Entertainment venues spring up in an underused part of downtown. Rental

housing, largely occupied by young people, follows. As the residential uses take hold, owner-occupied housing is developed and attracts often older people and those with more income. Local serving retail follows to meet the needs of downtown residents. Office development occurs because businesses want to locate near where their employees live. And thus the streets are vital, there is activity day and night, and people want to be there.

The **Downtown Raleigh Alliance** (DRA) produces reports regularly that help retailers understand the market and that they can use for business planning. They have created the 2016 State of the Downtown, a Storefront Inventory Report in 2015, a Pedestrian Count study in 2015, and a Downtown Retail Market Analysis and Positioning Strategy in 2009 followed by a Downtown Experience Plan for 2015-2025. This plan's conclusions include the following.

Strategies

1. Identify a retail toolkit

Public support can catalyze and help businesses succeed downtown. Public support in Raleigh can include recapitalizing the Downtown Loan Pool Program. The Strategy suggests using the resources to provide below-market interest loans or grants to help with construction and fit-out costs and to target retail with this assistance. A second suggestion is to expedite permitting applications and waive licensing fees for new retail businesses, and allow flexibility in zoning and/or licensing to support pop-up shops and other short term business efforts that increase vitality and spark business development. Packaging and publicizing these initiatives as a “toolkit” concentrates their impact and demonstrates commitment to the retail business and real estate community.

2. Target specific locations for retail

The Strategy recommends focusing and concentrating retail at the main downtown intersection in Raleigh and along adjacent streets with heavy pedestrian traffic. A downtown land use or retail use plan shows developers what the City is looking for and will support. The City can reinforce the attractiveness of these locations with streetscape improvements. In adjacent blocks that are less vibrant the City can allow opportunities for pop-up

stores, parklets and public art installations to draw people.

3. Attract authentic retailers

In downtown Raleigh the community has expressed a preference for local and unique retail. These kinds of businesses help create a destination and sense of place downtown, and differentiate downtown shopping from that in outlying neighborhoods or the suburbs. In order for this to happen, smaller spaces (up to 3000 sf, for example) need to be created and property owners have to take the step to lease to this currently unfamiliar tenant type. The Strategy cites Kendall Square's experience (in Cambridge, MA) coordinating a tenancing strategy with property owners as a potentially successful way forward in Raleigh. In Kendall Square a broker-led strategy helped convince property owners that more authentic retail would add long-term value to real estate. In order for a similar effort to be successful the Downtown Business Association must partner with property owners and brokers so that they have the confidence to shift who they lease to and pursue this longer term strategy. Smaller-scale, authentic retail can also add value to the second story spaces, which often get low rents and are underused, by attracting compatible businesses. Increases in second story rents can off-set near term lower rents in ground floor retail.

4. Recruit a grocery store

A key component of growing retail is the establishment of a grocery store. A grocery store is dependent on downtown residents and workers and should be located where access for these customers will be easy. Raleigh is experiencing enormous growth in downtown living, but should also continue to work at attracting office uses because it is this mix of customer base that supports a healthy and broad retail mix. Lowering the land acquisition cost for a grocery store could facilitate its arrival.

Another option for Raleigh is to activate an under-utilized property as a public market, similar to Reading Terminal Market in Philadelphia or Union Market in Washington, D.C. Though not a grocery store per say, a public market can meet grocery needs of those living and working downtown and in addition becomes a destination. A non-profit operating corporation could be established by the city to manage the market.

Additional Retail Support

The DRA offers other resources to retailers as well:

- ◆ The Retail Up-Fit Grant which is available for interior renovations, improvements and build-out of storefronts for retail businesses (and which is not available to restaurants, bars or offices)
- ◆ The Façade Grant Program which offers grants up to \$5000 (and requires a 50/50 match) to businesses in commercial areas for exterior improvements

Madison has a similar Façade Grant program. Over the last 15 years 16 of 85 grants have been used on State Street and 14 have been used on Capitol Square and related downtown locations.

Additionally, the DRA helps businesses navigate City zoning and licensing requirements, connects business owners with business loans, provides basic elements of a business plan, and coordinates the First Friday event which encourages and incents people to shop and visit downtown.

Iowa City, Iowa

Iowa City has a population of 72,000 and is home to the University of Iowa which has 32,100 students. Its downtown is lively and has 280 businesses, many of which are independent and locally owned, frequented by students, university staff, hospital staff, and other area residents. Within downtown, there are 1.2 million square feet of commercial development within two separate and distinct neighborhoods: the traditional Downtown and the Northside Marketplace.



The Iowa City

Downtown District is an active organization that supports downtown businesses and promotes a vision for the area. Its goals are:

- ◆ To enhance downtown Iowa City's image as the region's premier urban destination to eat, shop, live, play, stay, and enjoy
- ◆ To ensure that the downtown is inviting, green, clean and safe for all

- ◆ To increase downtown's economic competitiveness
- ◆ To enhance cultural vibrancy and local innovation through inclusive cultural, educational and entrepreneurial programs to increase the number of people that visit downtown
- ◆ To partner to evolve and sustain success
- ◆ To live local

The Story

In 2014 the Downtown District created a Retail Strategy and a Streetscape Master Plan, and in 2015 they completed Signage

and Storefront Design Guidelines.

The Downtown District has been responding to an increase in people living downtown as well as visiting and shopping downtown. Their retail strategy includes establishment of an optimal tenant mix, attracting new local retail concepts, recruiting complementary businesses and creating metrics by which to measure progress.

Strategies

Iowa City has undertaken initiatives to improve downtown that we believe are relevant to Madison's goals for its downtown. These include:

- ◆ Property evaluation program through which architects evaluate buildings – exterior or interior – and provide conceptual designs and pro forma financial estimates to help building owners improve their space.
- ◆ Provide matching grants for building upgrades, especially targeted at increased leasing of underutilized space.
- ◆ Small business support and marketing including buyer groups for core services (graphics, printing,

computer services, garbage) and essential goods (office supplies, retail packaging, etc.).

- ◆ Creation of a downtown district gift card.
- ◆ Identifying what is unique about downtown – its history, the presence of the University, the vibrant arts scene – and promoting the sense of place these elements create.
- ◆ Infrastructure renovations that have included lighting, seating, parking, water/sewer, etc.. Interactive art and programming during construction to minimize disruption to businesses.
- ◆ A Master Plan, retail strategy, market profile, storefront and signage guidelines.

Austin, Texas

Downtown Austin, Texas, is a thriving and vital environment that attracts area residents, University of Texas students, and tourists alike. Its renowned club and music scene is a central attraction, yet the concentration of bars and lack of a balance of uses has also created quality of life problems and prevented downtown from being a day and night destination that draws a variety of people.

The **Downtown Austin Alliance** is a partnership of property owners, individuals and businesses, active since 1993, and has been leading the effort to improve downtown Austin. They are a resource for creating change. Their website is comprehensive and illustrates the information tracking that supports decision-making as well as the initiatives going on in



Austin to improve downtown.

<http://www.downtownaustin.com/daa/about-daa>

The City of Madison can look to Austin as an example of the negative impacts the concentration of bars can have on an urban entertainment district, and can also

learn from some of the measures taken to mitigate these impacts and to attempt to evolve the district towards being a thriving bar/restaurant and retail district that is active around the clock, bringing people downtown and creating a place for successful businesses.

The Story

Sixth Street, a primary thoroughfare in downtown Austin, has been a destination for a long time. But back in 2001, with 55 liquor licenses in five blocks, the City

wanted change. The concentration of bars and clubs meant the area was largely vacant all day, and then busy with bar patrons from late afternoon until the early morning hours. The single use environment meant no retail and just a few restaurants to balance the evening and late night crowd and hours of activity. It narrowly attracted students and other young people looking for the party environment.

Excessive drinking, in part due to drink price competition that results when bars are concentrated, underage drinking, and resulting rowdy behavior, led to police involvement and police-led strategies to manage behavior. Barriers were erected to separate cars and pedestrians, and a visible police presence at bar time was routine. The district was not attracting people looking to go out to dinner, to shop, or to walk around downtown.

In 2005 the City of Austin developed a comprehensive strategy for downtown retail. With 57 bars and clubs and only 14 retailers downtown, the City wanted to see more restaurants, as opposed to just bars, more live music at these venues, and more retailers that reflected Austin's unique character (for example, coffee shops, vintage clothing, etc) that would attract shoppers and create a lively attractive setting. They wanted people downtown throughout the day and wanted to shift the image of downtown as only a party destination.

A lot has changed in downtown Austin, but today, Austin still struggles with a concentrated bar scene. On the one hand these establishments attract a large clientele and pay high rents. On the other hand, there continues to be rowdy behavior that poses safety concerns, costs tax dollars, and keeps people away.

Parts of downtown have successfully transitioned to more mixed use areas (Congress Street) while others have not (Sixth Street). As recently as August 2, 2016 *Texas Monthly* reported on the unsettled state of Sixth Street. Any change will require ongoing conversation and then consensus around a vision for the area.

How does this concentration happen and why? Property owners and police in Austin have attributed it to a lack of vision for the area. Urban entertainment districts often evolve on their own, without an overall vision for the area and planning that guides development activity.

This has been Sixth Street's experience. A cluster of bars arises in a run-down or underused part of town, and the city is happy to have the development and resulting improvements in the area. Not much thought is given to how the area can best develop. As more entertainment venues are created, the nighttime focus is reinforced and no retail arrives.

Property owners in Austin are comfortable leasing their space to bars because the financials are known. It is difficult to break out of what's known and take the risk of renting to a new use like retail. And furthermore, a new use will most often require extensive building renovation.

These areas often have historic buildings, buildings with unique character, and/or buildings that are old, human in scale, interesting and underused. Renovating these types of buildings is expensive. Often there are second story spaces that have potential but are vacant because accessibility laws and fire codes make renovation prohibitive.

Strategies

What to do? Improving the downtown environment has been on the agenda of the City of Austin for at least 25 years. While Sixth Street continues to be a challenge, other parts of downtown, including Congress Street have seen changes in business mix and increased vitality. The following tactics have been tried in Austin and have had success.

1. Create a vision for the area

Strong city leadership is required. All of the case study cities, like Madison, have strong downtown business associations and neighborhood advocacy groups. A vision developed by the City, businesses, property owners, bar owners, and residents can guide development, give confidence to property owners who are leasing their space, and focus public investment. It is critical to have property owners included and on board, and also the Police Department. When the City is not actively working toward its vision for an entertainment district, the Police often enter in a de facto role and create that vision by controlling the impacts of existing uses. What are Downtown's issues and opportunities? And what does Downtown want to be?

2. Give attention to the streets of Downtown and understand it and treat it as a place

Assess how much of Downtown accommodates cars and how much accommodates pedestrians and tilt the balance toward pedestrians. Austin has been implementing a Great Streets Program that includes turning one-way streets back to two-way; widening sidewalks (from the standard 10 feet to 18 feet to accommodate patios and foot traffic); and beautifying the streetscape with trees, benches and planters. These public improvements have been built by developers and funded in part with parking meter revenues or developer contributions in exchange for zoning exceptions such as increased height; and some projects are solely public.

3. Subsidize retail development

Subsidize retail development to incent property owners to take the risk and lease to a new kind of tenant. Low or no-cost rehab loans, property and/or sales tax abatements can spark new businesses and get the ball rolling.

4. Encourage retail by hiring a retail coordinator

This person can work with property owners and brokers to attract retail uses, provide tools and information that include up to date property vacancy lists, how to's for setting up a food truck or pop up shop (which, if successful, may lease space downtown) or sidewalk cafe, and demographic information about who is shopping Downtown. Austin's downtown business association created four profiles of the downtown shopper, found on their website, which help a potential business as they create a business model.

5. Create a parking plan

Create a parking plan (involving property and business owners) that provides a combination of on-street and off-street parking and makes wayfinding to off-street ramps or garages easy and pleasant.

6. Highlight the architecture

Highlight and promote Downtown's unique architecture and use it to create the sense of place. Maintain historic buildings and as a catalyst, make their renovation less expensive, at least in the short-term.

7. Create design guidelines

Create design guidelines for building renovation that maximize retail frontage.

Key Findings

The above case studies offer a broad menu of potential strategies that have been employed by cities facing similar challenges to those faced by Madison. Some of the recurring themes and lessons learned are summarized in this section as key findings.

Property owners play a key role. Strengthening downtown retail requires authentic engagement with property owners about a vision for downtown. Property owners make decisions about who they lease their properties to and the kinds of investments they make in their buildings. When property owners participate in and own the vision, they are more likely

to make decisions, from tenant choice to façade upgrades, that support that vision.

Engaging the brokerage community to support retail tenants makes a difference. A coordinated tenant strategy that is supported by brokers can help bring retail businesses downtown. In a downtown where retail is an emerging use, proactive efforts to connect retail businesses to property owners can make the difference between renting to a new unfamiliar retail use or continuing with an existing but less desirable use. There are costs involved in turning a building over to retail and a property owner is more likely to make the changes if the coordinated strategy lessens his/her

feeling of risk and promotes the vision of downtown retail.

The condition of the public realm makes a big difference. While the market fundamentally drives the demand for retail downtown, the retail market is substantively impacted by surrounding public infrastructure, the condition and attractiveness of buildings, the sense of place, the strength of the vision, and the organizational capacity of the business and property owners, public staff, real estate brokers and developers.

Business districts need an effective organization focused on the district. A critical component of coordinated activity to strengthen retail downtown is a strong downtown business association that has staff, a plan with a vision that it implements, strong relationships with area businesses and property owners, and resources to spend. Retail vitality emerges from the combination of an appropriate and desirable physical environment AND organizational capacity that coordinates people and resources around the vision.

Good information can improve effectiveness. Keeping an up-to-date trove of information about downtown helps create the vision, guides the downtown association's activities, directs public investment, and helps businesses understand the market, see their role in it and do business planning. Active display of downtown retail activity measures can build enthusiasm for new retail businesses, as well as public streetscape investments that to some might seem extravagant, and contribute to its success.

Residential growth is a driver. Downtown residential growth is the big driver of retail development. A key role a city and downtown community can play in revitalizing retail is to support downtown living and to help shape it. Cities can guide the location of new downtown residential development, and make sure that a mix of housing is developed so that a variety of people lives downtown. It is critical that affordable housing be a part of that mix. A healthy and diverse mix of housing downtown will support an array of retail uses to meet the needs of this population.

Recommended Policies and Strategies

The preceding analyses frame an understanding of the retail market environment in downtown Madison. The recommended policies and strategies build on that foundation, outlining a set of policies and strategies that have high potential for strengthening Madison's downtown retail for the future.

The State of Downtown Retail

Our market research, interviews, and survey findings affirm the existing strength and vibrancy of Madison's downtown retail environment. High rents and low vacancy rates are indicators of market demand. We found there is a clear and largely positive downtown retail brand image for downtown residents and workers, other Madisonians, and visitors to the City from elsewhere. What Madison offers in the Capitol Square, State Street and King Street environments measures up well against peer cities that have strong urban shopping districts. It would be the envy of many cities across the country, and it should be a source of pride for Madison residents, and for boosters of downtown Madison's amenity-rich environment.

Downtown housing, which has taken off in the last 10 years, has been a game changer. It represents a tremendous source of new energy and potential for downtown retail.

While this is a great foundation for the City of Madison to build upon, the tectonic changes that have upended historic urban retail districts have not entirely spared Madison. The downtown department stores on Capitol Square are long gone. Internet shopping has reduced or eliminated store types that were prevalent a decade or two ago. Increased demand for social venues such as bars, restaurants and coffee shops has reduced the retail store density that attracts people to an urban shopping district.

Shoppers cite parking issues, and the large numbers of loiterers and panhandlers, as barriers to spending more time in the area.

Downtown Retail Brand

Despite these changes, and an overall reduction in downtown shopping opportunities, the brand identity of Madison's retail sector has remained quite clear and positive. Downtown retail areas are considered (with some important caveats) attractive, safe, and walkable. Retail Stores are unique, interesting, and even quirky. Most are locally owned.

This brand/identity/character is the unique and precious resource that needs to be guarded and strengthened in any retail strategy. Its physical manifestation is the fine-grained pattern of commercial storefronts, fronting on both sides of the street, most notably on State Street—combined with a public realm (wide sidewalks and attractive streetscaping) that supports an active pedestrian environment.

Core Issues

Three core issues emerged from our market research and retail vitality assessment as challenges to be overcome in order to strengthen downtown retail. They relate to business mix, parking, and loitering/panhandling. Two emerging concerns are also given focus here—related to retaining small retail spaces, and local retailers—because we feel inattention to these considerations would have the potential to degrade Madison's downtown retail identity in the future.

1. Business mix. The City's careful record-keeping shows that the number of retail stores on Capitol Square and State Street has decreased over the past couple of decades. This is mostly due to a conversion of some retail stores to service businesses and food & beverage businesses. While the current mix and retail density is similar to that of the comparison shopping districts that we studied, it nevertheless represents a reduction in retail store density—which can reduce the attractiveness of the area as a shopping district.

Strategies are proposed that would preserve and encourage the retail store component of the business mix.

2. Parking. A surprising number of survey respondents cited the cost or inconvenience of parking as a barrier to shopping downtown. While there is a generally ample supply of parking, and it is available in ramps, surface lots, and on the street, the concerns need to be taken seriously.

Strategies are proposed that would improve the perception of parking availability.

3. Loitering and panhandling. Prospective downtown shoppers also cited the prevalence of loiterers and panhandlers as a significant barrier to shopping downtown. This is a complex challenge that matters for personal and community wellbeing in ways that go far beyond the impact on retail businesses. Nevertheless, it can't be ignored as an important factor in decisions about shopping downtown.

Strategies are proposed to foster more retail-compatible use of public space.

4. Erosion of storefront density, and loss of small spaces. Retail spaces are generally larger today than they were in decades past. This leads to pressure to combine State Street's small business spaces to make them more inviting to a broader cross-section of retailers, or to accommodate the needs of particular retailers. And in fact, the number of small spaces has diminished over time.

But there's a downside to this. Combining storefronts reduces the density of retail store offerings. It also degrades the small store brand of the street.

It's important to note that, while small store sizes may deter their use by certain businesses, the high rents paid for the small spaces shows that there is still strong demand for the spaces by a subset of retailers. And it biases the occupants of the retail spaces toward the type of retail stores that contribute to the State Street brand.

Strategies are proposed to preserve and increase the supply of small retail spaces.

5. Local businesses vs national retailers. National retail stores should be welcomed as part of the State Street mix (with some caveats). They can play a role in attracting shoppers to State Street. For example, they are currently strengthening State Street's identity as a place to get clothes and accessories.

However, as is the case with bars and restaurants, there is an issue of balance. A core aspect of State

Street's identity and brand is associated with its local business character, and it is important to maintain that brand identity. Moreover, national retailers will also tend to want bigger retail spaces, which undermines the retail density that makes for a great urban shopping street.

Some cities have attempted to maintain a local character through direct regulation that favors local businesses over national businesses. We favor a more market-based approach, which focuses on maintaining a retail density that is conducive to local businesses, but which allows market competition within that context to determine the exact balance between local and national retailers.

Proposed strategies focus on preserving and maintaining a mix of store sizes that includes small retail spaces.

Policies and Strategies

All of the policies and strategies suggested in this document would serve to do one of two things.

- ◆ Strengthen and support downtown Madison's retail brand and image
- ◆ Address the core issues that face the retail district

All of the policies and strategies are recommended for consideration. They will be modified, and prioritized for action, by key stakeholders such as the City of Madison, its Downtown Coordinating Committee and the Business Improvement District Board.

Summary of Recommendations

Recommended policies and strategies are presented here as a simple list. Each is presented with further description and context in the sections that follow.

State Street

RETAIL FOOTPRINT STRATEGIES

1. Establish State Street district standards for storefront density, retail mix
 - a. Restrict combining storefronts
 - b. Establish standards for new development, including requiring ground floor commercial and minimum storefront density

- c. Restrict food and beverage business expansion beyond 50% of block frontage
- 2. Encourage commercial businesses on 2nd floor, basement levels
- 3. Expand area of State Street business district, with similar development standards
- 4. Introduce micro-retail formats
- 5. Extend existing retail store presence into public areas—sidewalks, plazas, Capitol Square, Farmer’s Market
- 6. Utilize historic preservation tools to preserve historic buildings as appropriate

RETAIL VIBRANCY STRATEGIES

- 1. Widen the sidewalk pedestrian zone
- 2. Distribute food trucks along State Street to encourage people to walk
- 3. Elevate standards for maintaining sidewalks and bus stop areas

STRATEGIES FOR ADDRESSING BARRIERS

- 1. Loiterers and panhandlers
 - a. Utilize and activate public spaces
 - b. Visible police presence
 - c. Personal communication
- 2. Improve parking information and wayfinding
 - a. Evaluate internet information on downtown parking from a user experience perspective
 - b. Develop a downtown parking app
 - c. Incorporate parking areas in State Street district wayfinding infrastructure
- 3. Improve user experience of parking facilities
 - a. Evaluate existing parking facilities from a user perspective
 - b. Discount parking fees for retail purchases

Capitol Square

- 1. Develop a remodeling manual for retooling ground floor commercial spaces
- 2. Explore viable retail uses for existing commercial space
- 3. Experiment with creative uses of wide sidewalk space

King Street

- 1. Utilize historic preservation tools to preserve historic buildings as appropriate

- 2. Restrict or prohibit combining storefronts
- 3. Set district standards for storefront density.
- 4. Encourage commercial businesses on 2nd floor, basement levels
- 5. Extend development standards to 200 block of King Street

Downtown Madison

BUSINESS SUPPORT STRATEGIES

- 1. Maintain City programs that support renovation and façade improvements
- 2. Develop a program that provides free or low-cost architectural and merchandising consultation for retail store owners
- 3. Organize a business and property owner visitation program

COORDINATION AND MARKETING STRATEGIES

- 1. Play clearinghouse and coordination roles on behalf of the business community
- 2. Undertake research in support of business community
- 3. Play a role in attracting new businesses
- 4. Advance marketing of downtown retail areas

RESIDENTIAL GROWTH STRATEGIES

- 1. Attract a more diverse household mix
- 2. Foster the development of retail that serves everyday household and personal needs
- 3. Consider adoption of an employer assisted housing program

Big Ideas

- 1. Pursue strategies that help business owners buy their own buildings, or that foster community ownership of retail buildings
- 2. Utilize public finance tools to put local businesses on an equal playing field with national retailers in new development
- 3. Create a retail laboratory

State Street

State Street is the most unique feature in Madison’s downtown retail landscape. Because of its size, and its fine-grained storefront buildings, it offers a shopping experience that is unmatched elsewhere in the metropolitan area.

Its character as a unique and engaging shopping district has persisted through changes, but it is also in need of some buttressing. Respondents to the shopper survey showed less attachment to downtown shopping than they did to other downtown attractions and events.

Maintaining and Expanding the Retail Footprint

Policies and strategies for strengthening the State Street retail district start with expanding and enhancing the physical footprint of retail stores and goods, through adding retail stores, and finding additional ways to expand the retail presence.

It’s clear that the food and beverage businesses on State Street attract people to the area—many of whom go on to support the local retail stores. But beyond a certain point, the dilution of retail stores on State Street weakens its appeal for shopping, which may lead to a food-and-beverage dominated district. Moreover, while restaurants and bars can proliferate in a number of areas in downtown Madison, the only part of downtown Madison that has critical mass as a shopping district is State Street.

Preservation of a strong retail presence on State Street is most directly accomplished by taking steps to add retail stores, increasing the retail store density—and to increase the presence and visibility of retail goods in the area. This will serve to make the area a more attractive shopping district.

Six strategies are proposed to maintain and expand the State Street retail footprint.

1. Set State Street district standards for storefront density, retail mix. This strategy reinforces the importance of the built environment to the retail area. The fine-grained storefront pattern is embedded in the physical dimensions of the buildings on State Street. That development mix includes narrower storefronts of 20 to 25 feet, which biases the overall commercial mix toward retail stores over restaurants and bars, and toward locally created businesses over national retailers.

This study proposes preserving that mix through prohibiting or restricting the combination of existing storefronts, and setting standards for new development. Recommended standards for new

development includes providing ground floor commercial space fronting on all streets in the district. It could, for example, require at least one business storefront per 50 feet of linear frontage, of which at least 1/3 of storefronts should have a width of 25 feet or less.

A direct approach is also appropriate to the issue of business mix, especially given that bars and restaurants can thrive in a number of locations downtown. Restricting food and beverage uses to ½ of the ground floor block frontage in the State Street business district is respectful of the current retail climate, while setting a limit on the creeping retail conversion that could occur in the future.

2. Utilize historic preservation tools to preserve historic buildings as appropriate. The City should not hesitate to pursue National Register listing for buildings that deserve historic status. These buildings provide unique, size appropriate spaces for retail stores, and contribute to the overall character of State Street as a shopping destination. Historic

RETAIL FOOTPRINT STRATEGIES

1. Establish State Street district standards for storefront density, retail mix
 - a. Restrict combining storefronts
 - b. Establish standards for new development, including requiring ground floor commercial and minimum storefront density
 - c. Restrict food and beverage business expansion beyond 50% of block frontage
2. Encourage commercial businesses on 2nd floor, basement levels
3. Expand area of State Street business district, with similar development standards
4. Introduce micro-retail formats
5. Extend existing retail store presence into public areas—sidewalks, plazas, Capitol Square, Farmer’s Market
6. Utilize historic preservation tools to preserve historic buildings as appropriate

designation also makes resources available for building rehabilitation.

3. Encourage commercial businesses on 2nd floor, basement levels. One way to increase vibrancy and business density is to encourage commercial businesses on 2nd floors and in basements. Not all buildings lend themselves to this. And sometimes retail stores don't do well in those settings, but other commercial businesses may. But whether the space is occupied by a restaurant, yoga studio, or retail store, it adds additional interest and vibrancy to the district.

4. Expand area of State Street business district, with similar development standards. Existing rents on State Street are conveying the message that there's a strong demand for commercial space in the area. Expanding the State Street Business district is a way to get more of everything. The exact boundaries would need to be determined carefully, but allowing the district to extend 200 feet or so to the north along streets that intersect State Street, as appropriate, and perhaps 500 feet or more along streets to the south, would add physical space, and energy, to the business district. It would invite additional investment to the area. It would provide additional opportunities for local businesses to be situated, at a somewhat lower price point (and that in turn might lower retail store rents on State Street). It could provide an outlet for the new restaurants and bars that are drawn to State Street. And it might provide opportunities for some additional national retail anchors.

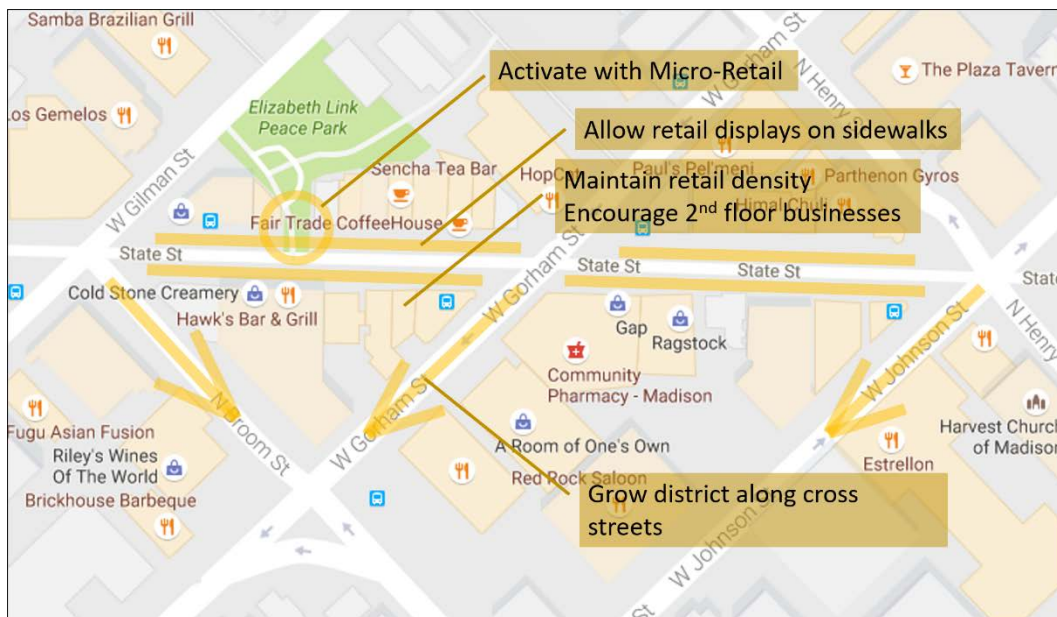
Expectations and standards in the expanded area should be the same as on State Street, so that it serves to reinforce and expand the brand, with new choices and energy, rather than diminish the brand.

The footprint of the Business Improvement District should be expanded correspondingly.

5. Introduce micro-retail formats. Retail stores are not likely to recover commercial space from bars and restaurants very often in the current market. The economics of making that change are difficult after a commercial kitchen investment has occurred. But there is an opportunity to bolster retail density in a way that complements the bricks and mortar stores, and adds a new dimension to the State Street brand. That is through the introduction of micro-retail formats.

Retail kiosks are common in mall concourses, and there's no reason they can't be pursued in the State Street business district in a way that brings great creativity and variety to the district. Retail kiosks and carts can offer a way for Madison's artist community to have an expanded presence on State Street. Madison's ethnic and global immigrant communities can also be welcomed into the downtown through micro-retail opportunities.

The highest priority for introducing micro-retail are the public plazas that currently serve as comfortable locations for communities of loiterers. Animating these public spaces with a dynamic purpose can offer a transformed eastern gateway to State Street.



Other opportunities for micro-retail should be considered, including retail carts on the streets and sidewalks (taking care to maintain a 10 foot minimum pedestrian zone).

Micro-retail may raise competitive concerns on the part of bricks and mortar retail stores. We would judge the brand enhancement that occurs with the increased retail density and to outweigh its competitive impact. And concerns might also be mitigated through seeking a mix of micro-retail businesses that are somewhat distinct from existing stores. Micro-retail could be introduced incrementally, so that adjustments to product types or location can be made if necessary.

6. Extend existing retail store presence into public areas—sidewalks, plazas, Capitol Square, Farmer’s Market. There’s no reason why existing retail stores should be confined to their four walls. In the same way that restaurants spill onto sidewalk seating, retailers should not be prohibited from setting up sidewalk displays of their products if that would serve their business needs.

Opportunities should be explored for bringing State Street retail stores into other areas. In fact, they could have a presence alongside the micro-retailers in public plazas along State Street. If there are no State Street retail tents in the weekly farmer’s market, that could be explored. Maybe there should be a “State Street on Capitol Square” event on an occasional basis, which brings a product mix from State Street retail stores to an arcade of retail products on Martin Luther King Boulevard, or other parts of Capitol Square.

Retail Vibrancy

Many of the strategies discussed in other sections of this document contribute to retail vibrancy. The strategies proposed in this section relate to the quality of the public realm, and fostering walkability.

RETAIL VIBRANCY STRATEGIES

1. Widen the sidewalk pedestrian zone
2. Distribute food trucks along State Street to encourage people to walk
3. Elevate standards for maintaining sidewalks and bus stop areas

1. Widen the sidewalk pedestrian zone. State Street benefits from its generous sidewalk widths. In practice, however, outdoor seating at some of the restaurant spaces takes up the majority of the sidewalk width, and the pedestrian zone is restricted to a

width of 6 or 7 feet.

The pedestrian zone should allow for a couple to pass another couple. It should make it comfortable for a group to stop and look in a shop window without holding up people that want to walk past.

In dimensional terms, pedestrian zones should be maintained at a minimum of 10 feet, and outdoor seating reduced or reconfigured to accommodate that.

2. Distribute food trucks along State Street to encourage people to walk. People like to peruse the offerings of food trucks and food carts, and that drives pedestrian traffic along a street. To encourage walking along State Street, food trucks or carts should be assigned locations all along the street (taking care to maintain a 10 foot minimum pedestrian zone).

3. Elevate standards for maintaining sidewalks and bus stop areas. Public spaces on State Street can get unsightly and smelly overnight. These conditions were repeatedly noted in this study’s surveys and interviews as a barrier. Cleaning public spaces promptly needs to be a priority.

Addressing Barriers

Some of the barriers to retail vitality on State Street are addressed through the preceding strategies. But two barriers to customer support deserve additional focused attention. They relate to the panhandling and loitering that occurs in the district, and the perception that parking is difficult.

1. Loitering and panhandling. The prevalence of loitering and panhandling on State Street and in the rest of downtown Madison is associated with complex economic issues that go far beyond a retail analysis. And the personal and societal needs implied by people who spend so much time on the street call for our compassion and response on many levels.

Having said that, it's important to acknowledge that this population has a significant impact on the attractiveness of the area to shoppers. Their impact is heightened when they are asking for money, and when they congregate in public spaces over extended periods of time. This can make State Street feel to some like a gauntlet to be run, rather than a delightful attraction. Trusting that public sector, nonprofit and philanthropic partners are working to address underlying systemic issues, this study focuses on a few direct approaches that might ameliorate these impacts.

- ◆ **Utilize and activate public spaces.** The Constitution guarantees freedom of assembly, so regulatory approaches to loitering have recently been struck down. We propose that public space be programmed in ways that are semi-permanent, and that advance retail goals as described above. A gateway to State Street that is populated with micro-retail vendors will extend a more inviting welcome to shoppers than current conditions. After retail hours, the same spaces might transition to an expansion of restaurant

seating for certain restaurants. It might be fun to encourage activities such as live music, karaoke, or trivial pursuit to take place in public view.

- ◆ **Visible police presence.** The visible presence of city police walking in the area can offer a sense of comfort and security to reluctant shoppers. Community policing strategies offer additional benefits by building relationships between police officers and the property

owners, business managers, and other people who regularly spend time in the area.

- ◆ **Relationship building and personal communication.** While an institutional prohibition is off the table, other forms of communication should be encouraged. One to one relationship building and communication is powerful. Restaurant and store managers should build a comfort level with meeting and speaking with the people that are panhandling on their doorsteps. There's no reason not to request that the activity be moved elsewhere. One can also communicate that the business is local, and that impacts on the business are felt personally. Honest communication will result in greater empathy in both

directions. And it will be taken into consideration by, and impact the behavior of, some people who make their livelihood on the street.

2. Improve parking information and wayfinding.

Parking was cited as a deterrent to shopping downtown by a third of shopping survey respondents. Building a new parking ramp would be expensive, and is not necessarily warranted, given that it is unusual for the existing parking ramps to fill up. This study focuses on less costly strategies that would improve the perception of parking ease and availability.

- ◆ **Evaluate internet information on downtown parking from a user experience perspective.** While we can't control the internet, most

STRATEGIES FOR ADDRESSING BARRIERS

1. Loiterers and panhandlers
 - a. Utilize and activate public spaces
 - b. Visible police presence
 - c. Personal communication
2. Improve parking information and wayfinding
 - a. Evaluate internet information on downtown parking from a user experience perspective
 - b. Develop a downtown parking app
 - c. Identify parking locations in State Street district wayfinding infrastructure
3. Improve user experience of parking facilities
 - a. Evaluate existing parking facilities from a user perspective
 - b. Discount parking fees for retail purchases

information on downtown parking is provided by organizations who are stakeholders in this effort. A user experience evaluation means evaluating the clarity and user-friendliness of information that is provided on downtown parking. It entails searching for downtown parking information using a range of plausible search terms, and proposing changes to the relevant websites that ensure that searches consistently lead to the highest quality information.

- ◆ **Develop a downtown parking app.** A downtown parking app could be designed that builds on a common map application platform, such as Google Maps. It might start with the user plugging in the destination. The app could show parking options on a map, offering real-time information on the number of spaces available in the parking facility. Once an option is selected, the app could revert to providing directions to the facility. The app might also help the user find his or her way back to the facility when it's time to leave the area.

- ◆ **Incorporate parking areas in State Street district wayfinding infrastructure.** Wayfinding improvements are proposed under downtown marketing strategies below. District maps should include the location of parking facilities.

3. Improve user experience of parking facilities.

Improvements to existing facilities can make a difference in lowering their barriers to use.

- ◆ **Evaluate existing parking facilities from a user perspective.** Simple cosmetic and lighting changes can make parking facilities more attractive as a short-term parking option for people.
- ◆ **Discount parking fees for retail purchases.** People love getting deals, and they hate paying for parking. Given that the parking ramps are a publicly owned asset, they can be tailored to incentivize retail activity. A voucher system could be developed to turn store purchases into a parking discount at the parking ramp.

Capitol Square

Capitol Square has not weathered the changing retail landscape as gracefully as State Street. It will be challenging to restore a vibrant retail mix. Many of those challenges are physical. Streets are single loaded (businesses on only one side of the street). Sidewalks are wider than needed. And much of the ground floor commercial space was designed for a type of retailer that no longer exists—with widths, depths, and ceiling heights that don't correspond well to modern retail typologies. Storefront density is low. Businesses such as banks, which generate little pedestrian traffic, take up large stretches of the existing frontage.

CAPITOL SQUARE STRATEGIES

1. Develop a remodeling manual for retooling ground floor commercial spaces
2. Explore viable retail uses for existing commercial space
3. Experiment with creative uses of wide sidewalk space

Despite its disadvantages as a retail area, the Capitol Square area is a net contributor to the downtown commercial landscape. The storefronts are occupied. They host a range of good restaurants, and some retail stores. Downtown offices, hotels and commercial businesses generate a good level of pedestrian traffic. That activates the sidewalk environment, and offers a pool of potential customers for retail stores and restaurants across downtown. Capitol Square will not achieve the retail vibrancy of State Street. But it could contribute more to the commercial energy of downtown. The following strategies both address and take advantage of Capitol Square's unique building and sidewalk environment.

1. Develop a remodeling manual for retooling ground floor commercial spaces. The ground floor commercial space in Capitol Square buildings is often too large to be attractive to retail businesses. An architectural evaluation of those spaces could explore designs for remodeling the spaces. It would identify some of the commercial space formats that are common in Capitol Square buildings, and present options for remodeling the spaces so that they would be more attractive for retail tenants. Options could include approaches to reducing the depth of spaces, and dividing large commercial storefronts into multiple retail spaces.

2. Explore viable retail uses for existing commercial space. A different approach to the large ground floor commercial spaces in Capitol Square buildings is to recognize that the growth in the downtown residential market may have restored their retail viability to some extent. There may once again be demand to support mid-sized retail stores on Capitol Square. Of particular interest would be clothing stores (such as Kohl’s) or general merchandise stores (such as Target) that might meet the everyday needs of downtown households.

Capitol Square retail space may also be suitable for a new retail destination. Examples might include:

- ◆ An indoor **public market** would be a great complement to Madison’s famous Farmer’s Market. It would be a 4-season downtown draw, and would complement the cluster of specialty food businesses downtown.
- ◆ A **retail bazaar** focused on the local art or ethnic/international communities (or both) could be situated in a midsized Capitol Square commercial space. It would offer another opportunity for micro-retailers.
- ◆ A **retail laboratory** could be set up to conduct action-oriented retail research and experimentation, and/or provide space for pop-up retailers. This is discussed in more detail below.

3. Experiment with creative uses of wide sidewalk space. The expansive width of Capitol Square sidewalks affords an opportunity for playful experimentation. The sidewalks can host special events, micro-retail kiosks, or kiosks that serve as an extension of State Street retail stores. For example, if there is a Farmer’s Market on Martin Luther King Jr Boulevard on Wednesdays, perhaps there is a “State Street on the Square” day on Martin Luther King Jr Boulevard on Thursdays.

King Street

The 100 blocks of King Street and East Main Street lack the size and critical mass of State Street, yet they have a similar vibrancy. This is in large part due to their intact heritage of fine-grained historic storefront buildings. Maintaining the vibrancy of these blocks is closely associated with preserving the distinctive building fabric. Policies and strategies that advance this objective are similar to those for State Street.

1. Utilize historic preservation tools to preserve historic buildings as appropriate. The City should not hesitate to designate buildings that

deserve historic status. Historic designation makes resources available for preservation and renovation and strengthens the character of the area that drives its attractiveness as a destination.

2. Restrict or prohibit combining storefronts. The fine-grained business fabric is part of King Street’s unique character.

3. Set district standards for storefront density. The standards proposed for State Street would be applicable here as well. They could call for new

development to provide at least one business storefront per 50 feet of linear frontage, of which at

KING STREET STRATEGIES

1. Utilize historic preservation tools to preserve historic buildings as appropriate
2. Restrict or prohibit combining storefronts
3. Set district standards for storefront density.
4. Encourage commercial businesses on 2nd floor, basement levels
5. Extend development standards to 200 block of King Street

least 1/3 of storefronts shall have a width of 25 feet or less.

4. Encourage commercial businesses on 2nd floor, basement levels. Commercial businesses on 2nd floors

and in basements increase the interest and vibrancy of the area, whether the space is occupied by a restaurant, yoga studio, or retail store.

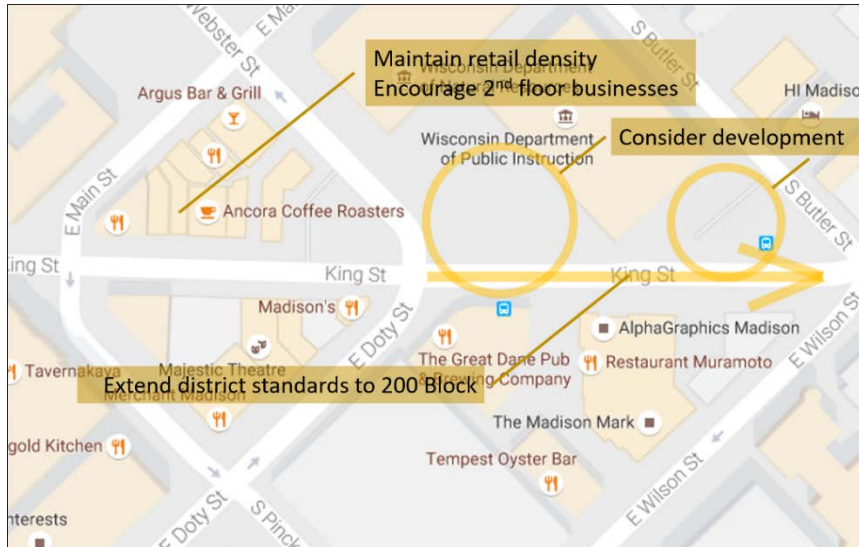
5. Extend development standards to 200 block of King Street.

We encourage extending King Street development standards to the 200 block of King Street, so that future changes on that

block work toward extending the character of the district.

This would result in maintaining a minimum storefront density, if additional development occurs on the south

side of the street. On the north side of the street, the City might consider whether new storefront development, compatible with the 100 block of King Street, might benefit the City of Madison more than the existing public plaza.



Downtown Madison

The policies and strategies that follow are broadly applicable to the downtown retail environment. They are not focused on a particular geographic area.

Business Support

The premise of these strategies is that it is worth marshalling and organizing resources to give every retail merchant the tools and resources that support him or her in running a financially successful business.

The City of Madison has a strong foundation of programs and support services, which can be utilized by downtown retailers. But there are opportunities to enhance these offerings in ways that are particularly supportive of retail store businesses.

BUSINESS SUPPORT STRATEGIES

1. Maintain City programs that support renovation and façade improvements
2. Develop a program that provides free or low-cost architectural and merchandising consultation for retail store owners
3. Organize a business and property owner visitation program

1. Maintain City programs that support renovation and façade improvements. Madison’s Retail Improvement Grant Program, and Façade

Improvement Grant Program, are effective mechanisms for supporting renovations and façade upgrades. The Retail Improvement Grant Program gives priority to retail stores on State Street.

2. Develop a program that provides free or low-cost architectural and merchandising consultation for retail store

owners. One barrier to upgrading retail space is lack of knowledge about how to proceed. Developing a renovation plan for a business is itself a cost. Providing low-cost architectural expertise can pay big dividends

by leading to building improvements. The architectural consultant can work with the business and/or building owner to define an appropriate renovation and estimate its cost.

Merchandising means arraying and displaying store products so that they are more appealing to shoppers, when viewed through the shop window, or from the store interior. It can encompass interior painting, decorating, and displays. Merchandising improvements can be low-cost interventions compared with building renovations. But they can have an outsized impact on drawing more customers into the store, and increasing sales. Consideration should be given to providing free or low-cost merchandising consultation to business owners.

3. Organize a business and property owner visitation program. The communication that occurs in visitation programs gives a business or property owner a sense of support, and it can build a collaborative spirit around district-wide activities. It is also a cost-effective means of making business and property owners aware of the range of programs and services that may be beneficial to them. In addition to the programs described above, Madison undoubtedly has a range of technical assistance resources that can guide business owners in their business development, staffing, accounting, marketing, and other aspects of business management.

A visitation program could be staffed in various ways, including with the staff of the City of Madison, its downtown business organizations, and/or technical assistance providers.

Some properties on State Street are seen as lagging with respect to their upkeep and appearance. In these instances, it may be helpful to have peer participation in the visitation, involving other members of the business and property owner community. The encouragement of peers can be a powerful motivator.

Business District Coordination and Marketing

There is a range of coordination and marketing activities that can benefit the downtown Madison retail community. The strategies outlined below represent some logical next steps that can be considered.

COORDINATION AND MARKETING STRATEGIES

1. Play clearinghouse and coordination roles on behalf of the business community
2. Undertake research in support of business community
3. Play a role in attracting new businesses
4. Advance marketing of downtown retail areas

The organizational landscape is a little complex. There are several organizations whose purview is related to downtown Madison's business community. With clearly defined roles, that's not necessarily a problem. The Central Business Improvement

District is the natural candidate for undertaking many of these responsibilities, and for playing a core coordinating role. But certain strategies and tasks could certainly be undertaken by other entities—such as Downtown Madison Inc., or the Greater State Street Business Association—if desired. The strategies that follow do not specify a lead organization.

1. Play clearinghouse and coordination roles on behalf of the business community. This role can encompass a range of activities.

- ◆ There is great value in simply maintaining an **up-to-date business inventory** in the downtown retail areas.
- ◆ A business community organization should serve as a clearinghouse in **disseminating information** from various sources that are of interest to the business community as a whole.
- ◆ A business community organization should promote the **coordination of business hours**. This would benefit the district by giving shoppers confidence that stores will be open when they choose to come downtown.

2. Undertake research in support of the business community. A number of ideas came up in local interviews for advancing business goals through information development.

- ◆ Those who market the area to prospective businesses lack important information on pedestrian traffic. We recommend conducting

pedestrian counts at key intersections every few years.

- ◆ Maintaining current market information supports business recruitment, and it supports efforts to market the area.
- ◆ As the number of people living downtown grows, the potential customer base for businesses becomes more diverse. Developing customer profiles that indicate likely shopping habits can inform business plans and support retail growth.

3. Play a role in attracting new businesses. Business organizations can play a meaningful role in the recruitment of new businesses that are compatible with the existing and desired character of the area. Potential roles include the following.

- ◆ Business organizations can keep collective objectives in the conversation through consistent communications with developers and stakeholders. This includes engaging in conversations about how the desired business mix bears on the development or tenanting of specific properties. This is a communication role, not a gatekeeper role. But its importance should not be underestimated.
- ◆ An information piece for prospective retailers should be developed which assembles the current market and other information that is most commonly of interest to prospective businesses that are evaluating a site.
- ◆ Consideration could also be given to engaging in business recruitment more directly. A downtown business organization could engage the services of a retail oriented broker to recruit businesses that would contribute to the desired business mix. This occurs in some of the comparison retail districts studied in this project.

4. Advance the marketing of downtown retail areas. A range of strategies should be considered, including the following.

- ◆ Wayfinding and signage. Design and implement wayfinding system, including mall-

style physical business directories at multiple locations on State Street.

- ◆ Downtown residents. Create and distribute electronic or physical welcome packages for all new downtown residents.
- ◆ Downtown event-goers. Review the existing marketing mechanisms at the Convention Center and other downtown attractions. Take steps to strengthen this marketing.
- ◆ Buy local. Participate in a Madison-wide “Buy Local” campaign.
- ◆ Message promotion. Search out and promote positive stories about downtown retail.
- ◆ Downtown visitors. Undertake an assertive marketing effort to capture back downtown visitors after improvements are made that address barriers related to parking and loiterer.

Downtown Housing

RESIDENTIAL GROWTH STRATEGIES

1. Attract a more diverse household mix
2. Foster the development of retail that serves everyday household and personal needs
3. Consider adoption of an employer assisted housing program

The growth in the residential population downtown is a game changer for the Madison’s downtown retail environment. It represents an expanded market for existing retail businesses, and it provides support for new types of retail goods and services that may not have been viable in the

past. Continued growth should be supported through land use and zoning policies, and through encouragement of the development community. The following policies and strategies would advance downtown residential growth.

1. Attract a more diverse household mix. Most of the recent residential development is designed for students and young professionals. Strengthening the presence of older households will increase household expenditures, and it will encourage retailers to provide goods and services of interest to a broader market.

Madison leadership should reach out to developers that focus on other demographics. Empty nesters and retirees, in particular, may be a suitable target for residential outreach.

Attracting an older demographic mix means building a different product. Older households are typically looking for more bedrooms, and more living room

space to host guests, in comparison to young professionals. They also are more likely to find condominium buildings attractive.

2. Foster the development of retail that serves everyday household and personal needs. One of the limiting factors in promoting downtown Madison as a place to live is the scarcity of everyday retail businesses. While there are plenty of options for eating out and buying gifts, it's harder to find regular clothes, home furnishings and cookware, electronics, office supplies, and a range of other general merchandise.

Attracting a greater range of everyday goods and services is critical to encouraging more households to make the move downtown. Some cities have gone so far as to subsidize the construction of some key downtown retailers (such as a general merchandise store like Target) in recognition of their role in attracting downtown population.

3. Consider adoption of an employer assisted housing program. Employer assisted housing offers incentives for employees to live near their work. It's a win-win-win. Employers benefit from reduced tardiness and turnover. Employees benefit through ease of commutes, and the environment benefits because reduced travel means less carbon dioxide and contaminants in the atmosphere.

The most common form of the program is the provision of downpayment assistance for purchase of a home if it is within a certain distance of the workplace. Employer assistance is often matched by the local government, and in some cases by a third party.

Given downtown's job base, an employer assisted housing program that is subscribed to by downtown employers would be a demand booster for downtown housing.

Big Ideas

The strategies in this section are seen as bigger undertakings. They are offered for consideration because they have the potential to change the retail landscape in creative or impactful ways.

1. Pursue strategies that help business owners buy their own buildings, or that foster community ownership of retail buildings. Direct ownership of buildings by retail business owners is a mechanism promoted by the Institute for Local Self-Reliance to buffer local business owners from market-driven rent increases, and thus maintain a concentration of local businesses. But it can be a challenge for a business owner, who may have a lot of resources tied up in inventory and working capital, to find additional resources to purchase his or her building. Public sector grant programs can be established to assist interested business owners, if this is seen as a priority. Or an intermediary organization can play a role, perhaps by

acquiring the property, and then establishing a lease-to-own contract with the business owner.

Community ownership models are also entering the retail landscape. A community-based entity can be capitalized through community shareholders, with possible additional support from foundations or a kickstarter campaign. Once formed and capitalized, the community-based entity can pursue and purchase property like any other entity, and then lease the property to businesses that further the goals and objectives of the community.

Given the importance of State Street and the broader downtown Madison retail environment, there may be support for a community-based ownership entity in Madison to participate in downtown retail property ownership, and lease space in accordance with community and city goals for downtown retail.

BIG IDEA STRATEGIES

1. Pursue strategies that help business owners buy their own buildings, or that foster community ownership of retail buildings
2. Utilize public finance tools to put local businesses on an equal playing field with national retailers in new development
3. Create a retail laboratory

2. Utilize public finance tools to put local businesses on an equal playing field with national retailers in new development. Lenders—who provide construction and permanent financing to developers—have an enormous impact on the shape of new development through their loan requirements. Lender requirements push developers of mixed use buildings toward large ground-floor spaces and national retailers. They simply see those tenants as a safer bet, even though national chains don't always pay higher rents than local businesses.

One way to take the pressure off developers is to fashion a rent guarantee for new development that leases to small or local businesses. This could be backed by a tax abatement, or other public finance mechanism, which would come into play only if and as

needed. In cases where rents pan out as estimated, the financial contribution to a project would be low.

3. Create a retail laboratory. A retail laboratory could be set up to function as a clubhouse and resource library for business owners, to conduct action-oriented retail research and experimentation, and/or provide space for pop-up retailers. Retail today is less about purchasing the good and more about the social experience. A lab space could experiment with and showcase what new retail stores will look like in the near future. And a partnership with the University of Wisconsin Business School could add vitality to Capitol Square. This kind of future-oriented enterprise is in keeping with Madison's long-term destination retail success. Additional ideas for a retail laboratory are offered in an appendix below.

Implementation

Process Considerations

Implementation is often challenging, and strategies for preserving and strengthening downtown retail vitality will face challenges relating to:

- ◆ Consensus building
- ◆ Capacity limitations in terms of energy and staffing
- ◆ Financial limitations

To surmount challenges, and make progress on these important public goals, implementation will benefit from a structured process of a) prioritization of strategies, b) identification of potential barriers and ways to surmount those barriers, and c) adoption of responsibility for next steps. These processes have already begun over the last couple of months, through an Implementation Workshop exercise, followed by subsequent review and prioritization of strategies by both city staff and downtown business leadership. That process will continue after the completion of this plan.

Prioritization of strategies. Prioritization of strategies should consider several factors.

1. **Impact.** What policies and strategies would have the greatest impact?
2. **Low-hanging fruit.** Which policies and strategies might be quickly and easily accomplished, demonstrating visible progress?
3. **Energy.** Which policies and strategies are met with interest and enthusiasm by the parties that would implement them?

Strategic priorities will be different for different implementation actors.

Barriers and challenges. Practically any action faces challenges. It is outside of the existing comfort zone. It will require time and attention from personnel who are currently doing other things. It may require some funding that is not necessarily easy to come by. There may be concerns about legal authority, the likelihood of building consensus, or the implications of acting without complete consensus.

Because concerns carried “in the back of our minds” can be a hindrance to action, it can be helpful to make potential barriers and challenges explicit. Then avenues for surmounting challenges can be discussed, and it may be easier to move ahead with action. One of the purposes of the Implementation Workshop is to flush out such challenges and invite creative ideas for surmounting challenging.

Another key to surmounting challenges is the adoption of a strategy by someone in a leadership role. An implementation leader who clearly sees the importance of a strategic policy or action, and asserts an intent to make it happen, can sometimes get people working together to figure out how to get something done despite obstacles.

Responsibilities

The policies and strategies recommended in this study depend on multiple parties for their implementation. Among these, the downtown business community, and the City of Madison, play key roles. Madison is fortunate to have empowered organizations in both of these areas.

Business Community. The Madison Central Business Improvement District (BID) Board is already stepping up to take a leadership role in strategy implementation on the part of the downtown business community. It has taken time to review the proposed strategies and make recommendations on them to policy makers. And it has begun to determine roles for itself that it will shoulder in advancing the strategies. This collaborative and energetic spirit will make a great difference in advancing these goals and objectives.

The Central BID is the natural leader for furthering strategies which advance the branding of downtown retail, and the physical care and maintenance of the District.

City of Madison. The City of Madison also has the leadership and capacity to play an active implementation role. The Mayor has a clear understanding of the importance of downtown retail, and has been deeply invested in retail vitality for decades. He can make important things happen that

require public sector leadership. The community development staff are similarly experienced and capable, and provide important capacity for advancing this agenda.

The City will need to play a leadership role in the important strategies that preserve and strengthen the retail district's fine-grained building stock, and that govern the use of the streets and sidewalks.

Chapter End and Beginning

The City of Madison should feel rightly proud of its downtown retail areas, and what they contribute to the City's residents and visitors. It is to be congratulated

for having invited an evaluation of the downtown retail environment, and a menu of strategic approaches to strengthen it for the future. This proactive approach bodes well for the ongoing fortunes of the Capitol Square, State Street and King Street retail environments.

Whatever specific actions ensue from this beginning, the City and business community should feel confident in telling the story of its downtown storefront retail legacy. It can shine a positive light on the unique and attractive character of downtown retail, and on the collaborative new activities that are being undertaken to strengthen these areas, to the benefit of Madisonians and others.