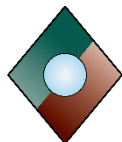


# Interim Report: Retail Vitality Assessment

Ensuring a Vibrant Downtown Retail Destination:  
A Retail Assessment and Strategy for Downtown Madison

Prepared for:  
City of Madison, WI  
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# Introduction and Executive Summary

## Purpose

The retail vitality assessment is one of three analyses designed to assist Downtown Madison stakeholders to better understand the current and future retail dynamics in the downtown, and in particular along State Street and in the Capitol Square/King Street areas.

It 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 they stop short of proposing specific remedies to address issues and challenges.

## 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 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.

This Retail Vitality Assessment borrows from the insights and methodologies developed by Streetsense, and its Vibrant Streets program. Learn more at: [vibrantstreets.com](http://vibrantstreets.com).

**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.

## 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 numbers of retailers (vs restaurants and bars), locally owned stores, and 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

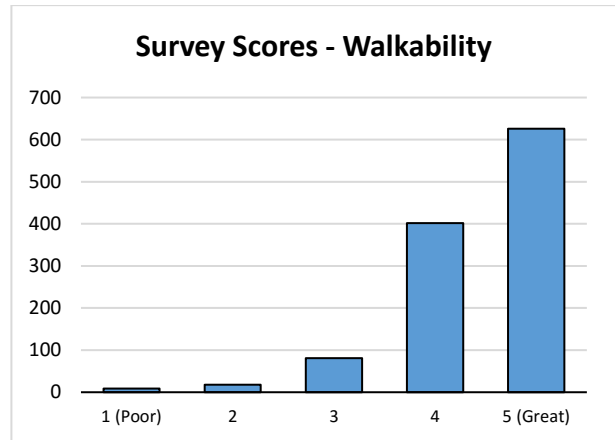
Walkability is a characteristic that is hard to define in specific terms. People might say they know it when they experience it. A walkable environment feels like a comfortable outdoor corridor, with continual commercial offerings and visual interest. It simply draws you in and along.

**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?

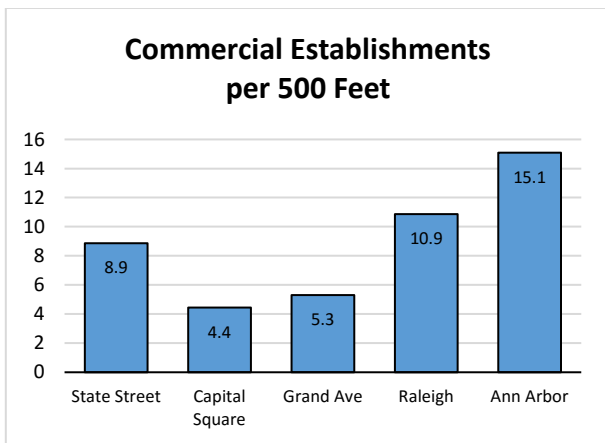
An additional indicator of walkability is store density. The most vibrant and activated retail streets tend to have a lot of stores in a short distance. This can be thought of as “fine-grained” retail. A test for this could be phrased:

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

## Walkability Indicators

<b>Sidewalks</b>	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.
<b>Outdoor Eating</b>	Outdoor dining areas are abundant.
<b>Trees &amp; Streetlights</b>	Streetlights and trees are frequently and regularly spaced.
<b>Establishment Density</b>	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.

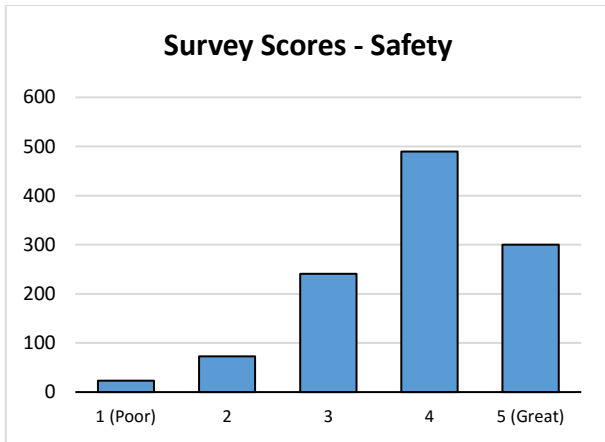
- ◆ What steps should be taken to preserve or expand the pedestrian zone on State Street's sidewalks?
- ◆ Are there ways to build on success, and add to the establishment density on State Street and/or Capitol Square?

## 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?

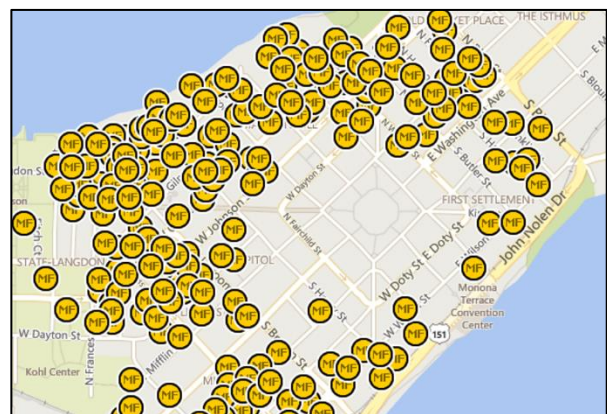
- ◆ Does your street have pedestrian level lighting that illuminates the sidewalk?
- ◆ Does your principal retail street feel safe to local residents? What about visitors?

### Safety Indicators

<b>Crime Rate</b>	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.
<b>Nearby Residential</b>	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.
<b>Pedestrian Level Lighting</b>	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.
<b>Perception of Safety</b>	Downtown Madison is perceived as fairly safe with some important caveats.

The following map shows the density of residential development in the vicinity of State Street and Capitol Square.

### Multifamily (MF) Property Locations



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 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

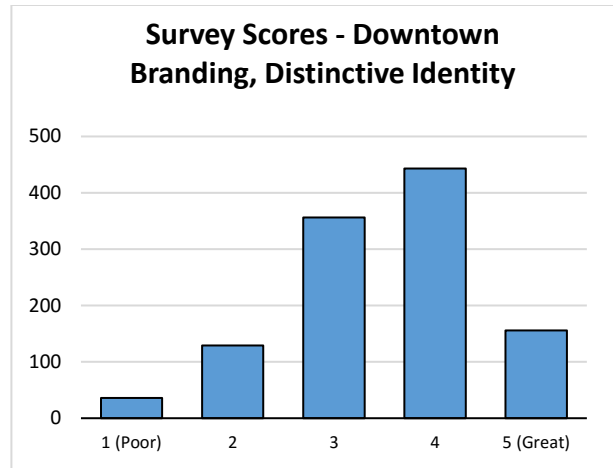
Successful retail streets have a recognizable visual character that is memorable and vivid.

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

<b>Building Architecture &amp; Materials</b>	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.
<b>Streetscaping</b>	On State Street and Capitol Square, the streetscaping contributes to the patterning in the public realm that makes the areas distinctive
<b>Building Accessories</b>	Building accessories such as awnings or signage don’t seem to be intentional unifying elements in the downtown retail areas.
<b>Marketing/ Branding Programs</b>	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.

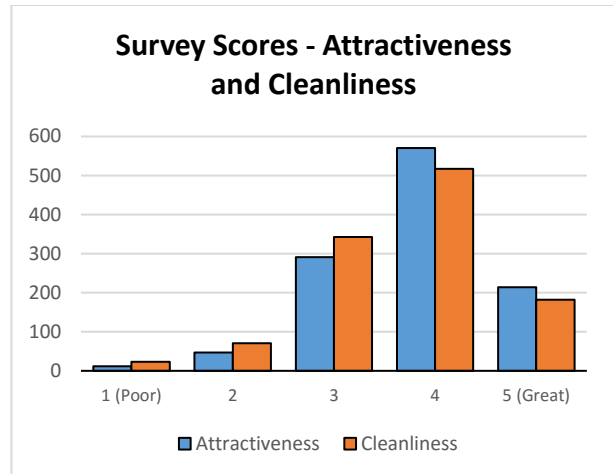
The care of the public realm is a shared responsibility of the City of Madison, the Business Improvement District, and individual business owners.

**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?

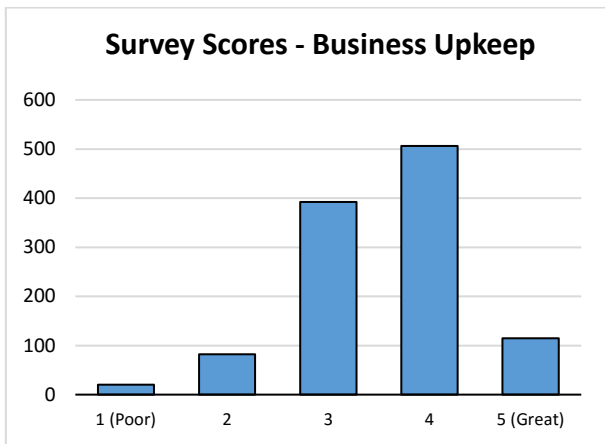
Ideally each business carries its own weight in contributing to an attractive and unique set of retail and restaurant offerings, and the business community has a shared high standard for appearance and upkeep.

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.

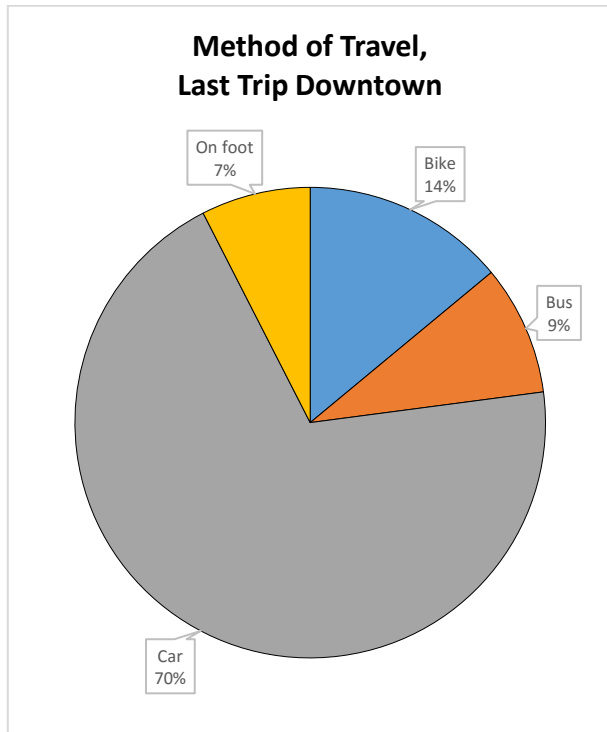
- ◆ Are there targeted strategies that might work to enlisting the participation of businesses that are most in need of improvements?
- ◆ Is there a role for a program that offers merchandising expertise to business owners to improve retail performance, while making the business a more attractive environment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

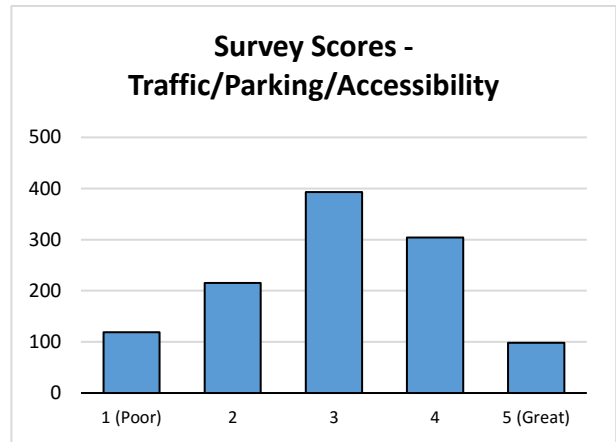
A vibrant retail area needs to be well served by transit or parking, and preferably by both. Madison retail areas, being on or near the isthmus, are in the path of good bus lines, but only 10% of shopping survey respondents came by bus the last time they came downtown. (Another 20% walked or biked.)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

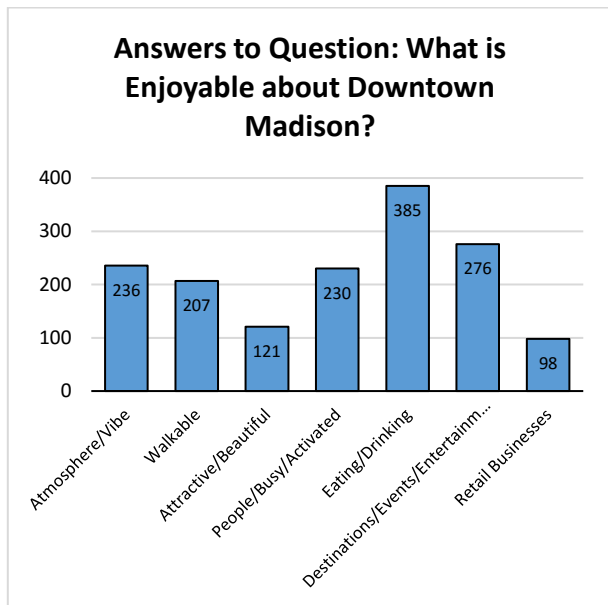
- ◆ What strategies should be pursued to attract positive energy to spaces that currently serve as refuges for loiterers?
- ◆ Are there more intensive social service approaches that can be helpful?
- ◆ Is there a way to build a cultural awareness within the loiterer and panhandler community of what respectful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

# 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

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.”

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 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.

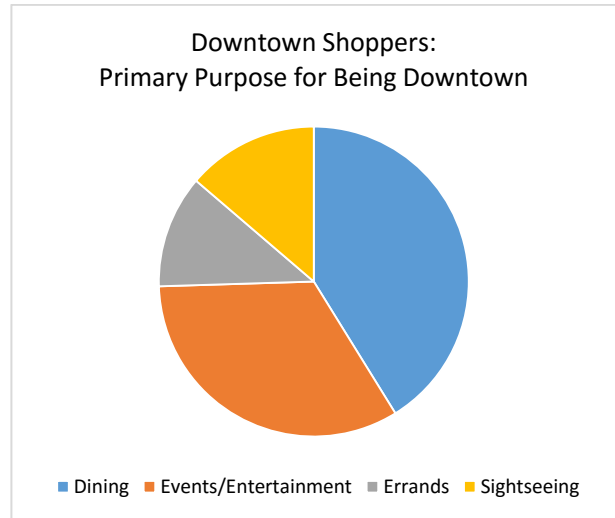


Source: Shopper Survey, Tangible Consulting Services

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.

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 retail businesses?
- ◆ 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.

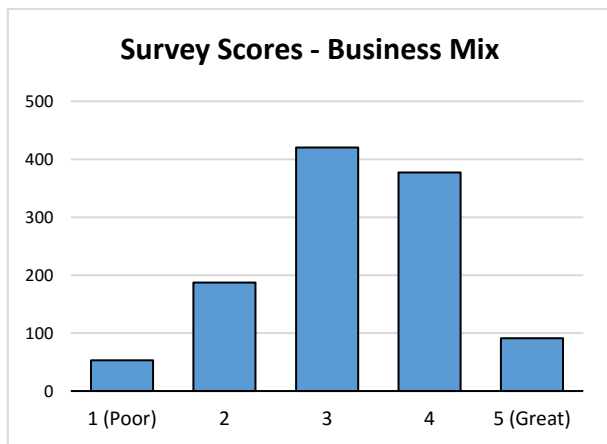
# Retail Mix

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 lack common ownership, and that makes it more difficult to be deliberate about 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?

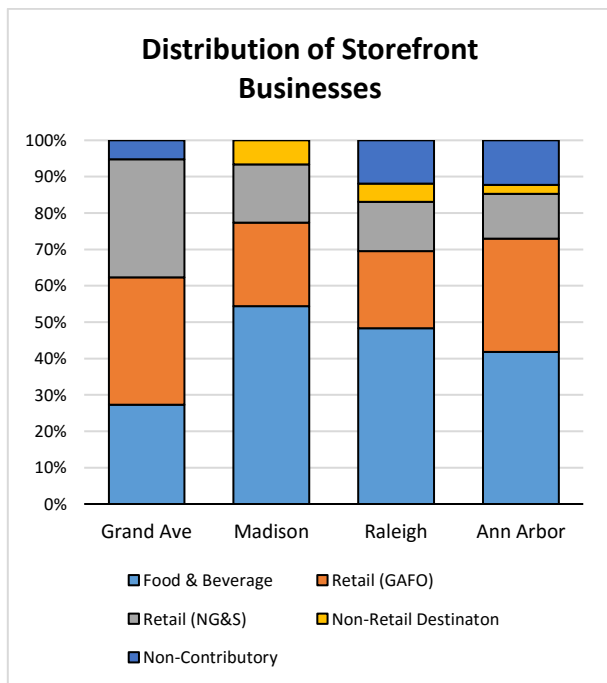
These questions will be further explored in the strategy phase of this study, along with considerations of organizational roles in tenanting and retail recruitment actions.

**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 distribution of storefront spaces between retail stores and restaurants on State Street and Capitol Square, and has compared that distribution to Grand Avenue in St Paul, and the core of the retail storefront district in two of the comparison cities that we are studying for this project—Raleigh and Ann Arbor. The result is illustrated in the following chart.



Source: Tangible Consulting Services

Retail stores are divided in the chart in two categories—GAFO and N&GS. GAFO stands for “General Merchandise, Apparel, Furnishings, and Other”—essentially meaning destination goods with a broader market area. NG&S stands for “Neighborhood Goods and Services”—which mean retail goods and services to satisfy local needs.

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 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 destination retail vs. stores that meet everyday household and personal needs.

For example, the following stores and store types 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 neighborhood needs can be located in other parts of downtown than State Street and Capitol Square there is, they don't represent the same kind of tradeoff with destination-oriented specialty shops.