

Madison's Central Business Improvement District (BID) Downtown Plan Subcommittee –Report and Recommendations

Approved by the BID Board, February 2, 2012

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Executive Summary:

The BID will focus its comments mainly on Key 2 and the State Street/Capitol Square retail district, while recognizing that what happens in the rest of downtown affects the central district, as do larger issues such as density, building heights, generalized land use, and the balance between preservation and innovation.

- Retaining and attracting retail is about hard numbers (population, households, income) rather than wishes and desires of residents. The projected additional residents, workers & median income benchmarks in the Plan are not enough to support the current downtown businesses, or to bring the kind of retail downtown residents want. While business and leisure visitors are vital to a vibrant and economically strong downtown, it's especially important to build the downtown resident households and worker populations because they are a more stable customer base for retail. The Plan needs to encourage more density of certain types of housing (family, professional, executive) and employers (office space). There needs to be more flexibility in height limits to help achieve this.
- BID supports the [Smart Growth Greater Madison](#) and [Downtown Madison Inc.](#) recommendations regarding density, flexibility, land use, building heights, setbacks and stepbacks, balancing preservation with innovation, and strengthening the city's economic engine.
- State Street and the Capitol Square have always been dynamic, and must be encouraged to evolve just as retail, uses and users evolve.
- The Plan must support a flexible mix of local, regional and national retail, and a mix of store sizes and types, including medium and larger footprints in the center of other retail.
- To attract neighborhood-serving retail and general goods and services, we need to significantly increase the market of residents and workers with disposable income in the central downtown.
- Prescribing building uses (e.g., reserving first floor for retail) will not encourage retail, entertainment, and smaller scale active urban uses. Retail follows the market, it doesn't lead.
- Shopping areas must become distinctive "experience" destinations to survive. Food, entertainment and cultural organizations are the new anchors for retail.
- Parking, safety, cleanliness, maintenance, wayfinding, signage are central for retail districts. A positive, convenient customer experience is critical.
- Retail opportunities will not "arise." Downtown Madison must compete for retailers—locally, nationally and with surrounding communities.
- The city has opportunities for action now to support retail retention and recruitment: continuing to improve parking supply and customer experience; enhancing/expanding downtown cleaning, maintenance, and landscaping (little things matter); creating a handbook for small businesses; and continuing to improve process and customer service for small business permitting.

I. About Madison's Central Business Improvement District (BID)

Madison's Central BID is a special assessment district that encompasses the greater State Street and Capitol Square areas. It includes some 220 commercial properties and 370 retail, restaurant, entertainment and service businesses, a mix of locally-owned, regional and national.

Creation of a Business Improvement District was a key recommendation of the 1999 State Street Strategic Plan, which recognized that the central retail, restaurant and entertainment/cultural district was a special place for downtown, city, and region, and needs focused attention and effort to keep it thriving and dynamic.

The aim of the BID is to increase the vitality and health of the district and promote business within it. Our constituents are commercial property and retail, restaurant, entertainment, hospitality and service business owners in the district, and their customers, both residents and visitors. The BID works to create a rising tide and bigger market for these businesses and the district as a whole, and also advocates for the needs and interests of the District. BID programs include the marketing efforts such as the Downtown Madison Map & Guide, cooperative advertising programs, visitor services through the Downtown Ambassador program, and physical environment enhancements such as holiday lighting and landscaping/planting efforts.

II. Focus of BID input

Among various organizations commenting on the Downtown Plan, the Business Improvement District is uniquely positioned to provide input on the retail aspects of the plan (retail in the broadest sense). Our recommendations will focus in most detail on Key 2 (economic development, retail, tourism) the Key 4 Downtown Core and State Street Districts, and on Key 8 (recreational, cultural and entertainment offerings).

At the same time, what happens in the rest of downtown affects the very central business district, and larger issues such as density, building heights, generalized land use, and the balance between preservation and innovation, are intertwined with the viability of the retail district. Thus, BID comments will also address these areas.

III. Downtown retail realities, trends and economics

Overall, the Subcommittee observed that that Plan would be strengthened by a more robust understanding of the retail industry in general and downtown retail in particular, and ***recommends that the sections of the Plan on retail, State Street and Downtown Core be better informed by downtown retail realities, economics, and trends.***

We offer the following based on current market data, research drawn from national retail consultants and the International Downtown Association, and the hands-on expertise of downtown business owners, property owners, and real estate professionals.

NB: Retail in a broad sense refers to businesses selling goods and services directly to the consumer, including shops, restaurants, and service businesses such as banks or salons. Retail in a narrow sense refers to shops and stores (vs. restaurants or bars). Below, we are using retail to mean shops and stores (although most of the information applies more broadly to restaurants, etc., as well).

1) Attracting and retaining retail is about hard numbers and having enough customers, rather than wishes or desires of residents.

Retail follows; it doesn't lead. If your downtown does not have enough customers, you will not get the retail you want no matter how much you want it. Stores do not survive without the right number of potential customers, close enough, and with enough disposable income. In particular, small retailers

need “walk by,” “drive by” and “ride by” customer traffic. They cannot afford to advertise like the nationals.

As identified in the [2007 Downtown Market Analysis Study](#), visitors and students comprise major customers segments for downtown businesses, along with a small but growing population of non-student residents, and a downtown workforce comprised significantly of the public sector (which is contracting and has reduced disposable income, i.e., [State leads in government job cutting](#)).

Downtown business owners have described their market as a three legged stool: visitors, students, residents/workers (and by visitors, we mean visitors from other parts of the city and region as well as out-of-town). All three legs have to be strong for the district to survive, and a dip in any one market is destabilizing. The visitor and student markets are *not* steady and reliable. The student market is seasonal (largely absent 4 months of the year), and visitors are also seasonal and transient, or come here mainly for events instead of day-to-day shopping. These markets don't support basic goods and services desired by downtown residents.

To support neighborhood-serving businesses, you need a stable core resident population with enough disposable income, supplemented by a consistent daytime workforce with enough disposable income.

When selecting a site, most prospective retailers and brokers will look first at census numbers (before even starting a conversation with the city or downtown organizations). They will also look at the “trade area”, i.e., the region that generates the majority of customers for the commercial district, and gauge its relation to other commercial districts in the area. (They will also look at who the business co-tenants are, to see what kind of customer the area attracts, and if it's “their” customer.)

The most important data are population, households, and household income within a 1, 3 and 5 mile radius and/or the trade areas for the commercial district.

ESRI 2010 data show that the 1 mi. square Downtown Plan area has 24,009 people and 10,457 households. Due to the predominance of students, downtown's median HH income is \$18,304 (just above poverty level for a 3-person household), compared to the city of Madison median of \$54,761. The average downtown HH income is \$31,224.

(The Downtown Plan Benchmarks, p. 131, shows the median household income as \$21,332 which excludes group housing such as dorms. But that's not the figure prospective retailers or brokers will see; they will get reports from sources such as ESRI that include student housing.)

How does downtown Madison compare to peer cities, i.e., “college towns” with many students? Ann Arbor, Austin, Boise, Boulder and Lincoln are similar in size (with exception of Austin) and contain a major university, and in many cases state capitol. In comparison to their downtowns, downtown Madison ranks at the bottom in both average and median household incomes, lagging by anywhere from 20% to 240%.

How does downtown compare to other major Madison shopping areas?

- Within one mile of Hilldale Shopping Center, the median HH income is \$69,082 (277% higher than downtown's) and the average HH income is \$88,687(184% higher than downtown's).
- The Downtown Plan's forecasted “benchmark” 2020 median HH income for downtown is \$23,466 (excluding student group housing), which is 211% times less than Hilldale's projected 2015 median HH income of \$73,124.
- West Towne's primary trade area (which encompasses downtown) has more than double the households of downtown's primary trade area, with a 43% higher avg. HH income.
- East Towne primary trade area (which encompasses downtown) has 75% more households than downtown's primary trade area, with a 27% higher avg. HH income.

Here's what some national brands want before even considering locations, giving a sense of the disparity between what major retailers need and what downtown Madison has:

- Crate & Barrel (home furnishing): Trade area population with \$75,000 avg. HH income.
- Container Store (home and office organizational items): Population of 10 million within 10 miles, avg. HH income \$125,000
- J. Crew (casual upscale apparel for men, women, children): Population of 200,000 within 10 miles, avg. HH income \$75,000.

In addition, “especially in the retail and restaurant world, [it is common that] initial deals must be incentivized in some way. A downtown is in competition with other metro area locations or with other downtowns, and prospective investors will be confronting attractive offers requiring some sweetening of the pot.” [International Downtown Association, Research Brief – January 2012.](#)

(For sources and more detail, see [BID Downtown Market Data](#) presented to the Economic Development Committee Downtown Plan Subcommittee.)

a) About department stores

The Downtown Plan identifies a department store as the kind of retail option desired by downtown residents, and an opportunity for additional retail development. But as shown by the comparison to the above shopping centers, downtown has nowhere near the population or income (current or as projected in the Downtown Plan) to attract one, especially because downtown is already within the trade areas for existing department stores, which are already struggling and looking to reinvent themselves to stay viable.

“Department stores are facing considerable disadvantages. ‘For 30 years, department stores have been shrinking as a percentage of retail.’” (Stephen Hoch, Wharton marketing professor, [“Can J.C. Penney's New CEO Reinvent the Department Store?”](#)). At the 2011 International Downtown Association conference, an international retail consultant described department stores as “boat anchors.” (John Williams, J.C. Williams Group).

Also, department stores don't pay rent, or much of it. They are generally built as part of a shopping center development. They get free or nominal rent because they are supposed to anchor the other 200,000 SF leasable retail space, and they do large amounts of advertising that brings people to all the other stores. Would there be ongoing (10-20 yrs) of funding for “free” rent for a department store in downtown Madison?

Some department and general merchandise stores (Target, JC Penny) are trying out “city versions” of stores, with a 50,000-80,000 SF footprint (as opposed to 100,000-175,000), but in major metropolitan markets (not in small city downtowns with very low avg. HH incomes which are already in the trade areas of existing department and general merchandise stores). They usually want to go into new construction in the middle of other retail co-tenants, not off on side streets.

b) About grocery stores

The Downtown Plan identifies more and larger grocery stores as the kind of retail option desired by downtown residents, and an opportunity for additional retail development.

Grocery operators usually consider their trade area to be one to five miles (3 mi avg.) in circumference, although some retailers define the trade area by drive time or other means. Within the 1 mile square area of downtown plan area, there are two grocery stores – Capital Centre Foods and Fresh Madison Market. The Willy St. Co-op is about 1.75 miles from Capitol Square, and Trader Joe's is just under 2 miles from the Capitol Square.

Downtown Birmingham AL (city population 212,237) is getting its first grocery store with 5,000 residents and 80,000 workers (compare to downtown Madison with 24,000 residents and 33,000 workers, already served by 4 grocery stores). While grocery stores are taking another look at downtown sites, the deals are often highly incentivized. Tacoma WA (city pop. 199,600) is getting its first downtown grocery store in 40 years, and the developer offered financial incentives to the store, plus offers free one-hour parking for those making a purchase above \$10. (“Attracting grocery stores to city centers,” [Downtown Idea Exchange](#), Jan. 2012.)

2) How big is big? How small is small? Understanding store sizes.

Much of the Downtown Plan addresses building mass and scale, and makes recommendations about sizes of retail spaces and types of stores, without addressing store footprints. The following typical store sizes (in square feet) will give reference points for BID retail recommendations.

| | |
|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 1,500 SF– avg. State Street, “Main Street” store | 10,000 - 40,000 SF – Crate & Barrel |
| 4,500 SF – The North Face (Hilldale) | 20,000 – 35,000 SF: Bed, Bath & Beyond |
| 5,000 - 6,000 SF – Typical J. Crew | 20,000 – 45,000 SF: Best Buy (existing stores, now trying to downsize) |
| 7,000 SF – typical minimum destination* retail (apparel, home furnishings), e.g., downtown Fontana, 8,000 SF | 65,000 SF – standard new grocery store |
| 10,500 SF – Anthropologie (Hilldale) | 128,000 – 135,000 SF – full line Target (new “City Targets” in major metro areas: 60,000-100,000 SF) |
| 11,000 – 13,000 SF – Typical Trader Joe’s | 160,000 SF – Macy’s Hilldale** |
| 12,000 SF – Urban Outfitters on State St. | 200,000 SF – Woodman’s |
| 13,000 SF – chain drugstore | 250,000 SF – Wal-Mart supercenter |
| 25,000 SF – full-line Old Navy (existing stores, now trying to downsize) | |

*Destination retail draws people from outside the immediate area. It’s usually relatively larger, and has what it takes (product, variety, inventory) to motivate people to make a special trip.

**A 160,000 SF store would be 400' x 400', i.e., 16 or 20 State Street storefronts combined frontage x 400' deep.

In the wake of the Great Recession, many “big box” chains and department stores have started to shrink average store footprints to reflect the growing importance of multi-channel shopping and adapt to urban settings [in major markets such as Los Angeles, Chicago, Seattle or San Francisco]. [Big-Box Giants Downsize to Drive Productivity with Smaller, Urban Stores.](#)

Because of all the overbuilding, customer choice, the Internet and other factors, the footprint of future stores will be smaller. Big box retailers will downsize, smaller outlets will gain customers, department stores will lease their unneeded space to others.” (Robin Lewis, Vice President Retail Consulting, Goldman Sachs, [“Expert: Retailers will downsize”](#)).

“J. C. Penney’s new leader has a vision for tomorrow’s shopping experience. . . . Within four years, he said, the stores would be completely redone, each divided into about 100 small boutiques with a service center that he called “town square” at the center.” [J.C. Penney to Revise Pricing Methods and Limit Promotions](#)

3) Retail needs to be clustered together to succeed.

In general, retail needs to be concentrated with critical mass (this is why there are “shopping centers”). Other than neighborhood convenience uses (convenience store, small grocery, coffee shops), isolated retail locations (i.e., first floors of “mixed use” buildings) are unlikely to succeed and are difficult to lease. (And, without enough resident population, even convenience retail can’t succeed.)

As identified in the 2007 Downtown Market Analysis Study, downtown Madison could benefit from business clustering and placement strategies. Appropriate business location decisions encourage cross-shopping opportunities, avoid potential commercial conflicts, and reduce business turnover, as well as assist existing businesses seeking to expand or relocate within downtown Madison.

4) Downtowns need to be distinctive.

To be a successful shopping destination, downtowns need to offer critical mass of unique and distinctive shopping choices. Customers will not bypass a mall (or forgo online shopping) to go downtown for the same stores and experiences. This does not mean completely avoiding national (or international) brands or familiar shopping choices, but rather, offering enough *distinctive* shopping choices and experiences.

5) The magic is in the mix.

Downtowns benefit from a good mix of:

- Local, regional, and national retail
- Store sizes
- Familiarity and distinctiveness in shopping choices

For the past five years the business mix in the BID has remained about 85% locally owned, 5% regional, and 10% national brands, so it’s important to note that downtown is not being “taken over by chains,” and locals are not being “driven out” by national brands.

A good mix is critical to sustaining one of downtown Madison’s major assets—our distinctive, small, locally owned businesses. National brands do more than add stability and familiarity, as the Downtown Plan describes – they can be unique (Urban Outfitters, Title Nine), they sell things that people want, they have depth of inventory to serve customers, and they can add marketing power and draw customer traffic, acting as anchors to support the local, independent co-tenants. Regionals combine distinctiveness and local flavor with a track record that can offer stability.

“If you want sustainable downtown retail, you need to sell the goods and services that people want, and serve community desires. If your community wants a national brand, it *should* be in your sustainable, walkable downtown, not at the mall. It will bring people to downtown. Driving out to malls or power centers is not sustainable.” (Gibbs, CNU, 2011)

6) It’s all about the experience.

Retail areas of all kinds face great challenges in the age of online shopping, globalization, and fierce discounting. To support bricks and mortar retail in an age of online shopping, downtowns (and businesses) need to offer an experience.

“Food and Restaurants are the new anchors for retail.” (John Williams, J.C. Williams Group, International Downtown Association Conference 2011).

“Retailers should make it experiential.” (Midge McCauley, Downtown Works, International Downtown Association Conference 2011).

"To entice customers now, retailers must offer an experience to draw customers in and keep them coming back . . . Huge shopping malls, for example, likely won't survive unless they become entertainment destinations . . . People don't have to go there with the Internet now. What's going to make them go there? It has to be some social experience." (Robin Lewis, Vice President Retail Consulting, Goldman Sachs, "[Expert: Retailers will downsize](#)").

"Keep it fun, entertaining and interesting: Over the past 25 years many downtowns have become hubs for entertainment, culture and sports. To remain competitive and continue to attract a young and diverse workforce, fortifying and expanding downtowns' experiential attractions will be critical." ("[Top Global Trends Affecting Downtowns](#)," Progressive Urban Management Associates, 2011).

The good news for downtown Madison is that food and entertainment (including arts & culture, visitor destinations) are the new anchors. However, a challenge is that these are not shopping anchors. People are not necessarily coming with the intent to shop, they may be coming to eat, socialize, or go to events. We need to capture their attention, convert them into shoppers, and get them to come back, so it's critical that their overall downtown experience (from parking to cleanliness to wayfinding to visibility of storefronts, etc.) be superior.

7) *It's all about convenience.*

One of biggest retail trends – make it easy, save the customer time. (John Williams, J.C. Williams Group, International Downtown Association Conference 2011).

"The prototypical shopper of today is busy woman who hates shopping. She's a single mom or working mom from a 2-income family. She shops after 5pm on way home from work. She wants predictability and only shops where she knows she can get items she wants. She often shops (or pre-shops) online. Now, shoppers are time starved and spend more \$ in less time per visit. The key is to provide convenience – shopper must be able to park nearby, run in, get what they need efficiently." (Robert Gibbs, "Retail Planning Principles for Cities, CNU 2011).

It's important to note that more and more shopping is done on evenings and weekends – when people are not working and when they are socializing or going to events or entertainment– instead of during traditional work-week times.

8) *Little things matter – a lot.*

To attract customers, downtowns need to be clean, well-maintained, safe, and convenient. Parking must be easy to find, convenient, and the parking experience superior. Excellent wayfinding is also key. Storefronts and signs can't be obscured.

One of the single most accurate predictors of urban retail success is on-street metered parking space. (Robert Gibbs, "Retail Planning Principles for Cities, CNU 2011).

There is an "8 second rule." It takes 8 seconds to walk past the average storefront, 8 seconds of exposure to convince shopper to come in (4 seconds if your door is in the middle of your storefront). If sidewalks are overly designed and cluttered or storefronts blocked – you can't capture walk by (or drive by) traffic. (Gibbs, CNU, 2011)

A successful shopping area must be clean and freshly maintained. This communicates safety, higher value, and better service. Little things matter. (Gibbs, CNU, 2011)

Visitors reported that top "destination influencers" in selecting Madison included cleanliness and safety. Among convention and meeting planners, top perceptions of Madison included "clean" and "safe." (Destination 2020, Greater Madison Convention & Visitor Bureau, 2008.)

The next professional, working and "creative" classes will increasingly be dominated by young women. . . . Studies have shown women spend more time than men in shopping, socializing, grooming, child rearing

and other household activities. . . . Downtowns must look for ways to appeal to young women in all facets of the downtown experience, including physical improvements, environmental stability (i.e. clean and safe), mixed-use living options, retail and entertainment offerings. ([“Top Global Trends Affecting Downtowns,”](#) Progressive Urban Management Associates, 2011).

Women want good lighting, they want to see the front door of the shop from the car, they want smooth services, they will look for closest parking space.” (Gibbs, CNU, 2011).

9) Businesses’ experience with the city must be positive and efficient.

“Retail businesses talk to each other . . . You cannot have a nightmare with the city permitting process.” (“Nuts and Bolts of Retail Recruitment: Case Examples,” International Downtown Association Conference, 2011.)

“So often we hear developers and tenants alike telling us that cities claiming they want to revitalize are in fact working against this goal with onerous public approval policies that discourage investment and construction.” [International Downtown Association, Research Brief – January 2012.](#)

[BID Board Recommendations, Development Process Improvement Initiative, August 2010](#)

IV. BID Input and Recommendations

1) GENERAL

a) BID supports the [Smart Growth Greater Madison](#) and [Downtown Madison Inc.](#) recommendations regarding density, flexibility, land use, building heights, setbacks and steepbacks, balancing preservation with innovation, and strengthening the city’s economic engine.

The BID agrees that having an economically viable and growing Downtown benefits the entire community. The BID supports goals of increased tax base, expanded business development, a solid retail sector, an engaging Downtown environment, and an inviting destination for visitors and tourists (tourism being one of the basic sectors identified in the city’s Economic Development plan).

However, the projected additional residents, workers and median income benchmarks in the Plan are nowhere near enough to support current downtown retail, bring the kind of retail downtown residents want in a walkable, urban environment, or achieve the above goals.

The Plan needs to encourage more density of certain types of housing (family, professional, executive) and employers (office space) to enable a more stable retail market of residents and workers with disposable income. There needs to be more flexibility in height limits to achieve this. Because downtown is on an isthmus and the available land mass is constrained, buildings need to “go up.” Central city density is also more sustainable than sprawl. Along with Smart Growth and DMI, BID believes there can be more flexibility, density and innovation without threatening downtown assets such as viewsheds, character, and livability.

Regarding historic preservation and districts, the BID believes that the Plan should focus on how to make the existing districts vibrant and unique, and leave future historic designation to a separate, bottom up, property owner-driven initiative using existing tools and processes. As an organization representing property owners, the BID needs to be at the table as any preservation initiatives within the district move forward. We are aware that some past initiatives that have not gone smoothly in terms of communication with central business district property owners. The BID is available as a resource to facilitate communication, education and dialogue on preservation issues with its constituent property owners.

b) State Street and the Capitol Square have always been dynamic, and must be encouraged to evolve just as retail, uses and users evolve. The sense of place in downtown is dynamic, not static, and a healthy downtown evolves and changes rather than staying the same.

c) The Plan needs a vision for downtown retail grounded in downtown retail realities, trends and economics. In Key 2, the retail section, we suggest a vision such as “Build on downtown’s strength as an experience destination offering distinctive shopping options while expanding neighborhood-serving retail, and support retention, expansion and recruitment of retail businesses that combines distinctiveness a track record and are best positioned for success in downtown markets of our size.”

d) The Plan must support a flexible mix of local, regional and national retail, and a mix of store sizes and types, including medium and larger footprints in the center of other retail. A disproportionate number of small stores is not healthy. Downtown will need spaces for existing retailers to expand (i.e., retention) as well as to attract local, regional and national retailers.

e) The way to encourage retail, entertainment, and smaller scale active urban uses is by increasing density of residential and daytime worker populations, not by dictating building uses. Retail and uses follow the market. Specific uses for specific spaces will not be viable economically unless there are markets for the businesses. The Plan should not prescribe retail uses for areas or first floors of buildings, nor prevent neighborhood retail from being established where the market warrants.

f) Retail opportunities will not “arise.” Downtown Madison must compete for retailers—locally, nationally and with surrounding communities

2) SPECIFIC

Key 2: Strengthen the Region’s Economic Engine

Focusing on the BID footprint of the central retail district, the BID supports priorities (p. 22):

- Retaining and expanding existing businesses;
- Growing local businesses;
- Addressing real or perceived disadvantages associated with Downtown;
- Creating a more complete Downtown retail environment.

The BID applauds the recognition that national brands and stores can be an important part of a strong and distinctive retail mix for downtown shopping districts (p. 22). The BID agrees that downtown offers a truly unique shopping experience, and recognizes that residents and others are looking for more retail choices (p. 31) The BID strongly supports Recommendation 27 to create additional affordable short term parking at suitable locations to support retail uses. The BID also supports the recognition of the importance of visitors and of building that downtown customer base (p. 33)

a) Downtown Edge Employment Centers (p. 25)

Replace lead sentence with one that reflects a positive vision and current opportunities for downtown.

~~Like most downtowns, there is less emphasis today on the central business district as the region's primary shopping and working destination. While downtown Madison has grown its place as a regional “experience,” entertainment and visitor destination, like most downtowns of today, it is no longer the sole shopping and working destination in the region, and must compete with other areas to attract employers, workers, and customers. Fortunately, downtowns are well-positioned to offer an urban environment attractive to young entrepreneurs: a sustainable, less resource-intensive life- and work-style that does not sacrifice entertainment, culture, recreation and livability.~~

b) Retail Recommendations (p. 31)

Objective 2.5: ~~Enhance the attractiveness of Downtown shopping and entertainment to Downtown workers, residents and visitors.~~ Replace with an objective that identifies a vision for downtown retail grounded in retail economics and trends, e.g., “Build on downtown’s strength as an experience destination offering distinctive shopping options while expanding neighborhood-serving retail.”

Suggested Additional Recommendation A: Support retention, expansion and recruitment of retail businesses that combines distinctiveness a track record and are best positioned for success in downtown markets of our size: specialty retail (local, regional, national); 2nd or 3rd locations for established independent retailers from similar markets; regional chainlets; bricks & mortar location for catalog/online retailers with strong Madison sales base; “one in a market” national brands and destination retail; and potential future possibilities for a city-scale department and/or general merchandise store. Round out with retail to serve basic and convenience needs.

Suggested Additional Recommendation B: Recognizing that food, entertainment, arts & culture and visitor destinations are the new retail anchors, foster strategic growth in innovative entertainment and “experience” offerings to develop downtown as an experience destination, particularly for young professionals and baby boomers. Rework policies such as the Alcohol License Density Ordinance which discourage rather than promote strategic growth of downtown as an experience destination.

Recommendation 23: Provide more convenient access to retail goods and services ~~creating and expanding retail nodes located near employment and residential use areas~~ through business clustering and placement strategies to build critical mass of contiguous retail, encourage cross-shopping opportunities, avoid potential commercial conflicts, and reduce business turnover.

Recommendation 24: Identify and support development of locations potentially suitable for retail uses requiring relatively larger floor areas (7,000 – 10,000 SF) which could attract additional types of Downtown shopping opportunities including destination retail. Uses such as a potential city-size department or general merchandise store, larger furniture/home furnishings/electronics retailer, or movie/entertainment complex would require 20,000 - 85,000 SF.

Recommendation 25: Seek to fill retail “gaps” voids in merchandise categories along defined primary retail streets, such as State Street, King Street and around the Capitol Square, where additional active uses, including restaurants, taverns and entertainment venues, can help create engaging pedestrian corridors.

Recommendation 26: ~~Encourage~~ Implement zoning flexibility to allow development of small, neighborhood-serving convenience uses where supported by the market and neighborhood needs. ~~at defined locations identified in this Downtown Plan.~~

Recommendation 27: Create additional affordable short term parking at suitable locations to support retail uses. BID SUPPORTS

Suggested Additional Recommendation C: Improve key elements of the downtown parking customer experience:

- Enhance and modernize city parking wayfinding (i.e., “trailblazing”) signage.
- Develop and market an integrated city parking validation system for downtown businesses (beyond the current coupon system).
- Explore implementation of tiered parking ticket rates (more forgiving to first-time offenders, higher penalties for repeat offenders) as recommended in the Carl Walker report “‘Best Practices’ for Marketing & Managing Downtown Parking” presented to Madison in 2005.
- Identify ways to improve cleanliness, lighting and safety of parking garages and lots.

Suggested Additional Recommendation D: Position downtown as quality urban and retail environment by expanding, and maintaining a standard of excellence for downtown safety, cleaning, maintenance, snow removal, and landscaping.

Suggested Additional Recommendation E: Position downtown and the city to compete for business retention, expansion and recruitment by continuing to improve process and customer service for small business permitting and by creating a city handbook for small businesses (permitting, licensing, signs, etc.).

c) Vibrant, Engaging Downtown Environment Recommendations (p. 32)

Recommendation 32: Maintain and expand locations for sidewalk cafes ~~and street vendors.~~

ADD RECOMMENDATION: Carefully consider strategic placement, number, and quality of street vendors so as not to adversely affect the economic vitality (not unfairly competing with in-line storefront retailers) and “lease-ability” of brick and mortar establishments.

Key 3: Ensure a Quality Urban Environment

a) Mixes of Land Use - Recommendation 41 (p. 39): ~~Concentrate ground floor commercial uses at mixed use neighborhood nodes identified in this Downtown Plan, rather than dispersing them throughout the area.~~ BID recommends striking recommendations for specific neighborhood retail “nodes” and rather implementing more overall flexibility. Neighborhood convenience retail will develop if the market can support it. There should be zoning flexibility to allow ground floor retail uses where supported by the market, but it should not be required of developments if the market does not support it.

b) Urban Forest Recommendations (p. 45)

ADD RECOMMENDATION: Carefully consider the type and placement of street trees on retail streets so as not to obstruct store entrances or visibility of storefronts or signage.

Key 4, Maintain Strong Neighborhoods and Districts

a) Downtown Core recommendations (p. 49)

Replace prescriptive language regarding uses for buildings and spaces (which may not be economically viable) with language that encourages desired uses. Again, the way to foster more retail and active urban uses is to develop the market and customer base, not by prescribing building uses.

Recommendation 56: ~~Reserve~~ Encourage non-residential uses, focusing on retail and entertainment uses, on the ground floor of street frontages around Capitol Square, and on King Street, South Pinckney Street, East Wilson Street, and the 100 blocks of West and East Main Streets. ~~for non-residential uses on the ground floor, focusing on retail and entertainment uses.~~

Recommendation 61: ~~Preserve~~ Encourage smaller scale, active urban uses, such as entertainment, restaurants, shopping and cultural activities, for “triangle (flatiron) blocks” at the corners of Capitol Square including flat iron buildings ~~for smaller scale, active urban uses, such as entertainment, restaurants, shopping and cultural activities.~~

b) State Street Recommendations (p. 50)

While this section rightly celebrates State Street as a premier street, lively, and vibrant, it a) does not recognize the economic fragility of businesses with an insufficient, unstable market that lacks enough residents and workers with enough disposable income, and b) places too much emphasis on keeping things the same, with an unhealthy concentration of very small commercial spaces.

As recognized in the 1999 State Street Strategic Plan, “State Street is a highly dynamic district.” It must be encouraged and allowed to evolve just as retail, uses and users evolve. State Streets current

character was not its original character, and the street has not always consisted of only small, narrow commercial spaces. For example, if a Downtown Plan had been written in 1952 with the aim of keeping the commercial spaces and choices the same, it would need to encourage retention of large spaces for auto supply stores, a farm store, a gas/service station, paint stores, and “big box” stores (department stores were the original big boxes- everything under one roof).

Without more density of resident and worker customers with disposable income, and the ability to have larger commercial spaces, downtown cannot generate enough revenue to maintain State Street businesses and infrastructure at a high level, or to support expensive historic preservation or rehab of functionally obsolescent commercial spaces.

Objective 4.2. As a premier Madison destination, the State Street district should continue to encourage a vibrant, diverse, dynamic mix of uses and users, a human scale and unique sense of place, and evolution as a shopping, dining, entertainment and cultural destination. ~~existing character should be supported, with no major changes to the street’s function or scale envisioned. Ground floor spaces should be reserved for retail and eating/drinking establishments while additional office uses on upper floors should be considered. Many of the buildings are historic or architecturally significant and should be retained.~~

Recommendation 64: Support the retention, expansion, and establishment of a mix of locally owned, regional, national, and international ~~small~~ businesses; with a flexible range of business sizes including destination retail.

Recommendation 65: Support property owners who wish to Preserve and rehabilitate significant older structures, including flat iron buildings, especially through programs that make this economically feasible and that provide flexibility for innovative, adaptive re-use.

Key 6: Increase Transportation Choices

In general, BID recommends that this section be revisited after the city completes its Transportation Plan.

Regarding the concept of a potential circulator (p. 75), ensure that the route will be determined after appropriate study of population density and user origin/destination. It is important to the BID that any circulator connect the central downtown with customers. The map on p. 75 shows a potential circulator route that bypasses areas of residential population density, i.e., the north side of the Isthmus, Langdon, Mansion Hill, Johnson & Gorham corridors.

Key 7: Build on Historic Resources

Recommendation 175: Preserve triangle blocks and associated flatiron buildings and ensure that new development on parcels with acute angles follow that building form. **ADD CLARIFICATION:** Preserving the blocks does not preclude new development that follows the form.

Key 8: Expand Recreational, Cultural and Entertainment Offerings

This section focuses almost exclusively on the public and non profit sector (public parks, public art, art in city buildings, nonprofit museums and organizations), with only passing reference to private sector offerings such as coffeehouses or other entertainment or recreational venues. Especially given the trend of fiscal austerity in public budgets, the plan should more strongly emphasize private sector opportunities and how the city can encourage and foster strategic development of entertainment, culture, recreation and “experience” venues.

See suggested BID Retail Recommendations B, C, D and E (pp. 8-9 of this document) – implementing these recommendations will be among the most important things the city can do to position the downtown district for success as a regional cultural and entertainment destination, and to support entertainment, experience, arts & culture businesses.

Recommendation 186: Support existing downtown branding programs (e.g., University of Wisconsin, Business Improvement District, Greater Madison Convention & Visitors Bureau) ~~Create a branding program~~ for the cultural district that includes marketing, education, retail, entertainment, and wayfinding.

Recommendation 187: Seek to locate an urban multi purpose entertainment facility, which could include a cineplex, in the vicinity of State Street and the Capitol Square. NOTE: This is only possible if a) there is enough of a market demand, i.e., customers, and b) land use, building height and massing recommendations are flexible enough to allow a large entertainment complex (25,000 – 85,000 SF) in the State Street or Capitol Square area.

~~Recommendation 190: Develop an "Arts, Entertainment & Culture Business Plan" to encourage locally owned retail with cultural entrepreneurs and artists investing in the Downtown arts, culture, and entertainment corridor.~~ A downtown plan that fosters a vibrant, dense, urban core and lifestyle will attract the artists and entrepreneurs to create the art and business plans. The most appropriate and important role for the city is to foster entrepreneurship and support retail through its policies and services (see BID retail recommendations B, C, D and E on pp. 8-9). If this recommendation is retained in any form, replace "locally owned" with "a mix of local, regional and national retail."