

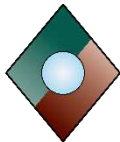
Interim Report:

Recommended Policies and Strategies

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

Recommended Policies and Strategies is an interim report in Madison’s downtown retail study, *Ensuring a Vibrant Downtown Retail Destination: A Retail Assessment and Strategy for Downtown Madison*. Its purpose, building on what’s been learned to date, is to frame the state of Madison’s downtown retail environment, and to recommend policies and strategies that have high potential for strengthening Madison’s downtown retail for the future.

The State of Downtown Retail

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

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

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

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

Downtown Retail Brand

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

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

A NOTE ON THE DEFINITION OF RETAIL

Writing about retail can be confusing, because the term “retail” can be used in different ways.

Definition 1. The real estate industry generally uses a broad definition of “retail” to include most of the kinds of businesses that are prevalent in shopping centers and business districts—including stores that sell physical goods, businesses that sell services (like yoga studios or hair stylists), and businesses that sell food and beverages (like bars and restaurants).

Definition 2. The term “retail” can more narrowly refer only to stores that sell physical goods. A “retail store”, by this definition, is a store that sells physical goods. Service businesses, and food and beverage businesses, are not retail stores in this sense.

This study. This study generally uses the broad definition of “retail” in its reports and presentations. However, where the term “retail store” is used, it refers to businesses that sell physical goods, as opposed to service businesses, and food and beverage businesses.

Core Issues

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

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

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

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

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

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

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

4. Erosion of storefront density, and loss of small spaces. Retail spaces are generally larger today than they were in decades past. This leads to pressure to adapt State Street’s small business spaces to make

them more inviting to a broader cross-section of retailers, or to accommodate the needs of particular retailers. And in fact, the number of small spaces has diminished over time.

But there’s a cost to this. Combining storefronts reduces the “density” of retail store offerings. It also degrades the small store brand of the street.

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

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

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

However, as is the case with bars and restaurants, there is an issue of balance. A core aspect of State Street’s identity and brand is associated with its local business character, so it is important to maintain that brand identity. National retailers will also tend to want bigger retail spaces, which undermines the retail density that makes for a great urban shopping street.

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

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

Policies and Strategies

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

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

All of the policies and strategies are recommended for consideration. They will be modified and prioritized through consultation w/ the City of Madison, its Downtown Coordinating Committee and the Business Improvement District Board. The refined policy and strategy recommendations will be captured in the final plan document, to be delivered in October, 2016.

Summary of Recommendations

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

State Street

RETAIL FOOTPRINT STRATEGIES

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

RETAIL VIBRANCY STRATEGIES

1. Widen the sidewalk pedestrian zone
2. Distribute food trucks along State Street to encourage people to walk
3. Discourage empty storefronts

4. Elevate standards for maintaining sidewalks and bus stop areas

STRATEGIES FOR ADDRESSING BARRIERS

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

Capitol Square

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

King Street

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

Downtown Madison

BUSINESS SUPPORT STRATEGIES

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

COORDINATION AND MARKETING STRATEGIES

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

RESIDENTIAL GROWTH STRATEGIES

1. Attract a more diverse household mix
2. Foster the development of retail that serves everyday household and personal needs

3. Consider adoption of an employer assisted housing program

Big Ideas

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

State Street

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

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

Maintaining and Expanding the Retail Footprint

Policies and strategies for strengthening the State Street retail district need to focus first on expanding and enhancing the physical footprint of retail stores and goods, through adding retail stores and building the retail presence.

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

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

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

1. Utilize historic preservation tools to preserve historic buildings as appropriate. The City should not hesitate to designate buildings that deserve historic status. These buildings provide unique, size appropriate spaces for retail stores, and contribute to the overall character of State Street as a shopping destination. Historic designation also makes resources available for building rehabilitation.

2. Set State Street district standards for storefront density, retail mix. This strategy reinforces the importance of the built environment to the retail area. The fine-grained storefront pattern is embedded in the physical dimensions of the building on State Street. And that development mix includes narrower

storefronts of 20 to 25 feet, which lend themselves to local retail stores over restaurants and bars, and national retailers.

This study proposes preserving that mix through prohibiting or restricting the combination of existing storefronts, and setting standards for new development. Recommended standards for new development includes providing ground floor commercial space fronting on all streets in the district. It should provide at least one business storefront per 50 feet of linear frontage, of which at least 1/3 of storefronts shall have a width of 25 feet or less.

A direct approach is also appropriate to the issue of business mix, especially given that bars and restaurants can

thrive in a number of locations downtown. Restricting food and beverage uses to ½ of the ground floor block frontage in the State Street business district is respectful of the current retail climate, while setting a

RETAIL FOOTPRINT STRATEGIES

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

limit on the creeping retail conversion that could occur in the future.

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

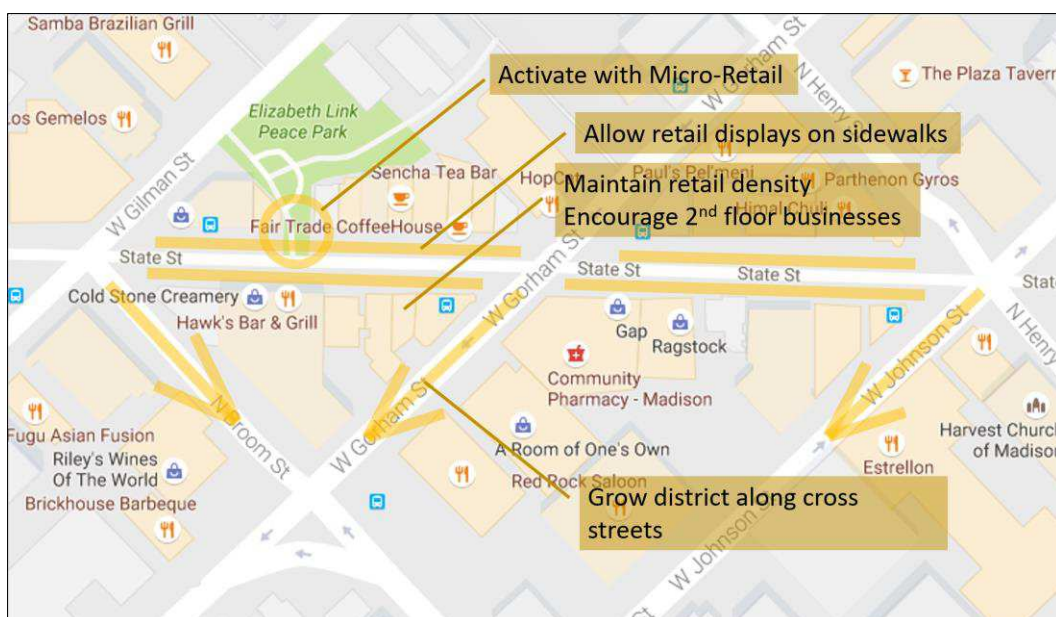
4. Expand area of State Street business district, with similar development standards. Existing rents on State Street are conveying the message that there's a strong demand for commercial space in the area. Expanding the State Street Business district is a way to get more of everything. The exact boundaries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

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

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

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

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



Other opportunities for micro-retail should be considered, including retail carts on the streets and sidewalks.

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

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

Opportunities should be explored for bringing State Street retail stores into other areas. There’s no reason why they couldn’t be part of the micro-retail mix in the public plazas along State Street. Are there State Street retail tents in the weekly farmer’s market? Maybe there should be a State Street on Capitol Square event on an occasional basis, which brings a product mix from State Street retail stores to an arcade of retail products on Martin Luther King Boulevard, or other parts of Capitol Square.

Retail Vibrancy

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

RETAIL VIBRANCY STRATEGIES

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

1. Widen the sidewalk pedestrian zone. State Street benefits from its generous sidewalk widths. In practice, however, outdoor seating at some of the restaurant spaces takes up the majority of the sidewalk width, and the pedestrian zone is restricted to 6 to 7 feet wide.

Pedestrian zones should allow for a couple to pass another couple. They should make it comfortable for a party to stop and look in a shop window without holding up people that want to walk past.

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

2. Distribute food trucks along State Street to encourage people to walk. People like to peruse the offerings of food trucks, and that drives pedestrian traffic along a street. To encourage walking along State Street, food trucks should be assigned locations along the street.

3. Discourage empty storefronts. Empty storefronts reduce retail density, and can be taken as a sign of disinvestment. State Street business and property owners should promote good neighbor standards which include an expectation of leasing vacant space promptly. If needed, public regulations can be adopted which levy a fee for allowing an extended vacancy.

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

Addressing Barriers

Some of the core issues identified in this study are addressed through the strategies above, under the headings: Expanding the Retail Footprint, and Retail Vibrancy.

Two additional barriers to customer support deserve focused attention. They relate to the panhandling and loitering that occurs in the district, and the perception that parking is difficult.

1. Loitering and panhandling.

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

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

- ◆ **Utilize and activate public spaces.** The Constitution guarantees freedom of assembly, so regulatory approaches to loitering have recently been struck down. We propose that public space be programmed in ways that are semi-permanent, and that advance retail goals as described above. A gateway to State Street that is populated with micro-retail vendors will

extend a more inviting welcome to shoppers than current conditions.

After retail hours, the same spaces might transition to expanded restaurant locations. It might be fun to encourage activities such as live music, karaoke, or trivial pursuit nights to take place in public view.

- ◆ **Visible police presence.** The visible presence of city police walking in the area can offer a sense of comfort and security to reluctant shoppers.

◆ **Personal communication.**

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

people who make their livelihood on the street.

2. Improve parking information and wayfinding.

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

- ◆ **Evaluate internet information on downtown parking from a user experience perspective.** While we can't control the internet, most information on downtown parking is provided by organizations who are stakeholders in this

STRATEGIES FOR ADDRESSING BARRIERS

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

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

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

improvements are proposed under downtown marketing strategies below. District maps should include the location of parking facilities.

3. Improve user experience of parking facilities.

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

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

Capitol Square

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

Businesses such as banks, which generate little pedestrian traffic, take up large stretches of the existing frontage.

Despite its disadvantages as a retail area, the Capitol Square area is a net contributor to the downtown retail landscape. The storefronts are occupied. They host a range of good restaurants, and some retail stores. Downtown offices, hotels and commercial businesses generate a good level of pedestrian traffic, which activates the sidewalk environment, and offers a pool of potential customers for retail stores and restaurants across downtown.

Capitol Square will not achieve the retail vibrancy of State Street. But it could contribute more to the commercial energy of downtown. The following strategies both address and take advantage of Capitol Square's unique building and sidewalk environment.

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

CAPITOL SQUARE STRATEGIES

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

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

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

- ◆ An indoor **public market** would be a great complement to Madison's famous Farmer's Market, a 4-season downtown

draw, and a contributor to the cluster of specialty food businesses downtown.

- ◆ A **retail bazaar** focused on the local art or ethnic/international communities (or both) would offer another opportunity for micro-retailers.
- ◆ A **retail laboratory** could be set up to conduct action-oriented retail research and experimentation, and/or provide space for pop-up retailers.

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

King Street

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

1. Utilize historic preservation tools to preserve historic buildings as appropriate. The City should not hesitate to designate buildings that deserve historic status. Historic designation makes resources available for preservation and renovation and strengthens the character of the area that drives its attractiveness as a destination.

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

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

to provide at least one business storefront per 50 feet of linear frontage, of which at least 1/3 of storefronts shall have a width of 25 feet or less.

4. Encourage commercial businesses on 2nd floor, basement levels. Commercial businesses on 2nd floors and in basements increase the interest and vibrancy of the area, whether the space is occupied by a

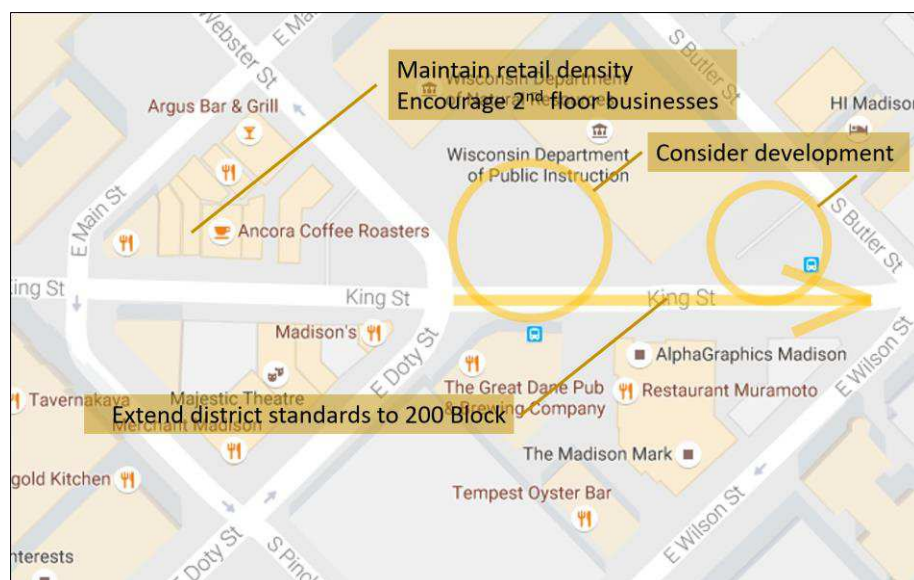
restaurant, yoga studio, or retail store.

5. Extend development standards to 200 block of King Street. We encourage extending King Street development standards to the 200 block of King Street, so that future changes on that block work toward extending the character of the district.

This would result in maintaining a minimum storefront density, if additional development occurs on the south side of the street. On the north side of the street, the City might consider whether new storefront development, compatible with the 100 block of King Street, might benefit the City of Madison more than the existing public plaza.

KING STREET STRATEGIES

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



Downtown Madison

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

Business Support

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

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

1. Maintain City programs that support renovation and facade improvements.

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

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

One barrier to upgrading retail space is lack of knowledge about how to proceed. Developing a renovation plan for a business is itself a cost. Providing low-cost architectural expertise can pay big dividends by leading to building improvements. The architectural consultant can work with the business and/or building owner to define an appropriate renovation and estimate its cost.

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

store, and increasing sales. Consideration should be given to providing free or low-cost merchandising consultation to business owners.

3. Organize a business and property owner visitation program.

The communication that occurs in visitation programs gives a business or property owner a sense of support, and it can build a collaborative spirit around district-wide activities. It is also a cost effective means of making business and property owners aware of the range of programs and services that may be beneficial to them. In addition to the programs described above, Madison undoubtedly has a range of technical

assistance resources that can guide business owners in their business development, staffing, accounting, marketing, and other aspects of business management.

A visitation program could be staffed in various ways, including with the staff of the City of Madison, its downtown business

organizations, and/or technical assistance providers.

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

Business District Coordination and Marketing

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

The organizational landscape is a little complex. There are several organizations whose purview is related to downtown Madison's business community. With clearly defined roles, that's not necessarily a problem. The Central Business Improvement District is the natural candidate for undertaking many of these responsibilities, and for playing a core coordinating

BUSINESS SUPPORT STRATEGIES

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

role. But certain strategies and tasks could certainly be undertaken by other entities—such as Downtown Madison Inc., or the Greater State Street Business Association—if desired. The strategies that follow will simply reference a business community coordinating organization.

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

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

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

- ◆ Those who market the area to prospective businesses lack important information on pedestrian traffic. We recommend conducting **pedestrian counts** at key intersections every few years.
- ◆ Maintaining current **market information** supports business recruitment, as well as activities related to marketing the area.
- ◆ As the number of people living downtown grows, the potential customer base for businesses becomes more diverse. Developing customer profiles that indicate likely shopping habits can inform business plans and encourage retail growth.

3. Play a role in attracting new businesses. Business organizations can play a meaningful role in the

recruitment of businesses that are compatible with the existing and desired character of the area. Potential roles include the following.

- ◆ Business organizations can **keep collective objectives in the conversation** through consistent communications with developers and Stakeholders. This includes engaging in conversations about how the desired business mix bears on the development or tenanting of specific properties. This is a communication role, not a gatekeeper role. But its importance should not be underestimated.

◆ An **information piece for prospective retailers** should be developed which assembles the current market and other information that is most commonly of interest to prospective businesses that are evaluating a site.

- ◆ Consideration could also be given to engaging in **business recruitment** more directly. A downtown business organization could engage the services of a retail oriented broker to recruit businesses that would contribute to the desired business mix. It's important to bring property owners, real estate brokers, and retail businesses together around goals for a vibrant retail mix downtown.

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

- ◆ **Wayfinding and signage.** Design and implement wayfinding system, including mall-style physical business directories at multiple locations on State Street.
- ◆ **Downtown residents.** Create and distribute electronic or physical welcome packages for all new downtown residents.
- ◆ **Downtown event-goers.** Review the existing marketing mechanisms at the Convention Center and other downtown attractions. Take steps to strengthen this marketing.
- ◆ **Buy local.** Participate in a Madison-wide “Buy Local” campaign.

COORDINATION AND MARKETING STRATEGIES

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

- ◆ **Message promotion.** Search out and promote positive stories about downtown retail.
- ◆ **Downtown visitors.** Undertake an assertive marketing effort to capture back downtown visitors after improvements are made that address barriers related to parking and loiterer.

Downtown Housing

The growth in the residential population downtown is a game changer for the Madison's downtown retail environment. It represents an expanded market for existing retail businesses, and it provides support for new types of retail goods and services that may not have been viable in the past. Continued growth should be supported through land use and zoning policies, and through encouragement of the development community. The following policies and strategies would advance downtown residential growth.

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

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

Attracting an older demographic mix means building a different product. Older households are typically looking for more bedrooms, and more living room space to host guests, in comparison to young professionals. They also are more likely to find condominium buildings attractive.

RESIDENTIAL GROWTH STRATEGIES

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

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

Attracting a greater range of everyday goods and services is critical to encouraging more households to make the move downtown. Some cities have gone so far as to subsidize the construction of some key downtown retailers (such as a

general merchandise store like Target) in recognition of their role in attracting downtown population.

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

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

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

Big Ideas

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

1. Pursue strategies that help business owners buy their own buildings, or that foster community ownership of retail buildings.

Direct ownership of buildings by retail business owners is one of the mechanisms promoted by the Institute for Local Self-Reliance to buffer local business owners from market-driven rent increases, maintaining a concentration of local businesses. But it can be a challenge for a business owner, who may have a lot of resources tied up in inventory and working capital, to find additional resources to purchase his or her building. Public sector grant programs can be established to assist interested business owners, if this is seen as a priority. Or an intermediary organization can play a role, perhaps by acquiring the property, and then establishing a lease-to-own contract with the business owner.

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

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

2. Utilize public finance tools to put local businesses on an equal playing field with national retailers in new development. Lenders—who provide construction and permanent financing to developers—have an

enormous impact on the shape of new development through their loan requirements. Lender requirements push developers of mixed use development toward large ground-floor spaces and national retailers. They

simply see those tenants as a safer bet, even though national chains don't always pay higher rents than local businesses.

One way to take the pressure off of developers to secure name brand tenants for their ground floor space is to fashion a rent guarantee for small and local businesses. This could be backed by tax abatement, which would come into play only if and as

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

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

4. Add a downtown circulator. This is, of course, a capital intensive proposition, with many layers of complexity. So we introduce it cautiously, with full acknowledgement of our limited knowledge.

Having said that, a downtown circulator could play a role in tying together the Capitol Square and State Street areas, especially during cold weather months. Consideration could also be given to extending it into UW Madison, and down East Washington Avenue. A downtown circulator might support greater shopping on State Street during Farmer's Market events, and dinners on Capitol Square when UW sporting events bring fans into town. It could be introduced in a limited fashion at dates and times when it would have a high impact.

BIG IDEA STRATEGIES

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