



Downtown Madison Market Analysis

2007



Created in Partnership with:

Madison's Central Business Improvement District

Downtown Madison, Inc.

City of Madison

University of Wisconsin-Extension



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2007

Created in partnership with the Madison Central Business Improvement District, Downtown Madison, Inc., City of Madison, University of Wisconsin-Extension Dane County, and University of Wisconsin-Extension Center for Community and Economic Development

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Contents

	<u>Section</u>
Introduction	i
Descriptions of the Study Area's Primary Consumer Segments	1
Size and Shape of Downtown Madison's Trade Areas	2
Trade Area Demographic and Lifestyle Characteristics	3
Regional Economic Position of Downtown Madison	4
Needs and Perspectives of Business Operators	5
Analysis of Comparable City Downtowns	6
Opportunities to Enhance Downtown Madison's Economic Vitality	7

List of Tables, Figures, Maps and Appendices

Introduction

Table i.1 – Downtown Development 1996 to 2007

Map i.1 – Downtown Madison Study Area

Section 1 - Descriptions of the Study Area's Primary Consumer Segments

Table 1.1 – Spending by College Students on Entertainment and Leisure Activities

Table 1.2 – Spending by “Dorms to Diplomas” (College Students) ESRI Tapestry Segment

Table 1.3 – Current Enrollments at Madison area Colleges and Universities

Table 1.4 – Retail and Service Expenditures by UW-Madison Students

Table 1.5 – Frequencies and Types of Purchases Made by Downtown Office Workers

Table 1.6 – Employment by Industry for Employees Working in the Downtown Madison Study Area

Table 1.7 – Occupations of Employees Working in the Downtown Madison Study Area

Table 1.8 – Household Incomes of Employees Working in the Downtown Madison Study Area

Table 1.9 – Means of Transportation to Work for Employees Working in the Downtown Madison Study Area

Table 1.10 – Spending Potential of Employees Working in Downtown Madison

Table 1.11 – Items Typically Purchased by Tourists

Table 1.12 – Dane County and Downtown Madison Lodging Data, 2006

Table 1.13 – Estimated Dane County Travel Expenditures – by Category of Expenditure, 2006

Figure 1.1 – Destination/Leisure Brand, Message Statement and Target Markets

Figure 1.2 – Convention Initiative Brand, Message Statement and Target Markets

Figure 1.3 – Dane County Traveler Expenditures, 2006

Figure 1.4 – Dane County Lodging Guests by Purpose of Trip, 2006

Figure 1.6 – Spending by Visitors to the University of Wisconsin-Madison

Figure 1.7 – Description of the “Metro Renters” Tapestry Segment

Map 1.1 – Distribution of College Students in the Madison Area

Map 1.2 – Employee Concentrations in Downtown Madison

Map 1.3 – Downtown Madison Hotels and Visitor Traffic Generators

Map 1.4 – Distribution of New Housing Units Developed Between 1995 and 2007

Appendix 1A – Downtown Study Area Demographic Profile

Section 2 - Size and Shape of Downtown Madison's Trade Areas

Chart 2.1 – Commuting Distances for Downtown Employees

Map 2.1 – Sample Customer Origin Map

Map 2.2 – Place of Residence for Downtown Study Area Employees

Map 2.3 – Regional Drive Time Analysis

Map 2.4 – Primary and Secondary Destination Trade Area Boundaries

Appendix 2A - Madison Area Commercial Centers

Appendix 2B – Primary and Secondary Destination Trade Area Zip Codes

Section 3 - Trade Area Demographic and Lifestyle Characteristics

Table 3.1 – Population and Household Trends 1990 to 2007

Table 3.2 – Housing Tenure and Occupancy Rates (2007)

Table 3.3 – Mobility Rates (1995 to 2000)

Table 3.4 – Household Characteristics (2000)

Table 3.5 – Age Distribution (2007)

Table 3.6 – Race and Ethnicity Distribution (2007)

Table 3.7 – Income Characteristics in 2007

Table 3.8 – Educational Attainment for the Population Age 25 and Over (2000)

Table 3.9 – Occupations for the Employed Population Age 16 and Over (2007)

Table 3.10a – Community Tapestry Segments in the Primary Destination Trade Area (2007)

Table 3.10b – Top 5 Community Tapestry Segments in the Secondary Destination Trade Area (2007)

Table 3.10c – Top 5 Community Tapestry Segments in Dane County (2007)

Chart 3.1 – Income Distribution in 2006

Map 3.1 – Five-Year Mobility Rates (1995 to 2000)

Map 3.2 – Distribution of Households without a Car

Map 3.3 – Median Household Incomes by Census Block Group

Map 2.5 – College Educated Population by Census Block Group

Appendix 3A – Trade Area Demographic and Lifestyle Profile

Appendix 3B – Demographic and Lifestyle Profiles by 1, 3 and 5-mile Radii

Section 4 - Regional Economic Position of Downtown Madison

- Table 4.1 – Population Growth in Comparable MSAs and Central Cities 1970 to 2005
- Table 4.2 – Wage and Salary Employment Growth in Comparable MSAs 1970 to 2005
- Table 4.3 – Average Proprietor's Income in 2005
- Table 4.4 – Establishment Size in the Capital Region
- Table 4.5 – Non-Employers and Receipts by Industry in the Capital Region
- Table 4.6 – Top Twenty-five Industries in the Capital Region Based on Employment (2005)
- Table 4.7 – Top Twenty-five Industries in the Capital Region Based on Total Wages and Salaries (2005)
- Table 4.8 – Top Twenty-five Industries in the Capital Region Based on Location Quotients (2005)
- Table 4.9 – Top 50 Imported Goods and Services in the Capital Region (2003)
- Table 4.10 – Regional Occupation Structure for May 2005 – Madison MSA
- Table 4.11 – Regional Occupation Structure for May 2005 – Janesville MSA
- Table 4.12 – Educational Attainment in the Capital Region – 2000
- Table 4.13 – Educational Attainment Comparisons (2005)

- Chart 4.1 – Population Growth Trends 1970 to 2005
- Chart 4.2 – Employment Growth Trends 1970 to 2005
- Chart 4.3 – Annual Average Unemployment Rates 1990 to 2006
- Chart 4.4 – Per Capita Personal Income Trends 1970 to 2005
- Chart 4.5 – Trends in Average Wage per Job 1970 to 2005
- Chart 4.6 – Growth in the Number of Non-Farm Proprietors 1970 to 2005
- Chart 4.7 – Trends in Proprietor's Income 1970 to 2005
- Chart 4.8 – Potential Regional Connections among Agricultural, Manufacturing and Knowledge Industries
- Chart 4.9 – Change in Educational Attainment 1990 to 2000

- Map 4.1 – The Capital Region
- Map 4.2 – Downtown Madison's Regional Geographic Position
- Map 4.3 – Population Density Changes 1970 to 2004
- Map 4.4 – College Graduates in the Madison-Milwaukee-Chicago Triangle

Section 5 - Needs and Perspectives of Business Operators

- Table 5.1 – Competitiveness with other Shopping Destinations
- Table 5.2 – Traits that make Downtown Madison More Competitive
- Table 5.3 – Types of Challenges Facing Downtown Madison Businesses
- Table 5.4 – How Downtown Madison Business Operators Feel About Issues
- Table 5.5 – Use and Awareness of Incentive or Assistance Programs
- Table 5.6 – Preferences for Possible Downtown Improvements
- Table 5.7 – Usefulness of Downtown Resources
- Table 5.8 – Usefulness of Various Informational Topics

Section 6 - Analysis of Comparable City Downtowns

Table 6.1 – Ann Arbor Demographic Data
Table 6.2 – Largest Employers in Ann Arbor
Table 6.3 – Ann Arbor Housing Data
Table 6.5 – Ann Arbor Business Mix Environment Data
Table 6.4 – Ann Arbor Real Estate Data
Table 6.6 – Ann Arbor Visitor Industry
Table 6.7 – Austin Demographic Data
Table 6.8 – Largest Employers in Austin
Table 6.9 – Austin Housing Data
Table 6.10 – Austin Business Mix Environment Data
Table 6.11 – Austin Real Estate Data
Table 6.12 – Austin Visitor Industry
Table 6.13 – Boise Demographic Data
Table 6.14 – Largest Employers in Boise
Table 6.15 – Boise Housing Data
Table 6.16 – Boise Business Mix Environment Data
Table 6.17 – Boise Real Estate Data
Table 6.18 – Boise Visitor Industry
Table 6.19 – Boulder Demographic Data
Table 6.20 – Largest Employers in Boulder
Table 6.21 – Boulder Housing Data
Table 6.22 – Boulder Business Mix Environment Data
Table 6.23 – Boulder Real Estate Data
Table 6.24 – Boulder Visitor Industry
Table 6.25 – Lincoln Demographic Data
Table 6.26 – Largest Employers in Lincoln
Table 6.27 – Lincoln Housing Data
Table 6.28 – Lincoln Business Mix Environment Data
Table 6.29 – Lincoln Real Estate Data
Table 6.30 – Lincoln Visitor Industry

Appendix 6A: Comparison Tables

Section 7 - Opportunities to Enhance Downtown Madison's Economic Vitality

Map 7.1 – Potential Retail Clustering Plan for Downtown Madison's Retail Core

Appendix 7A – Appreciative Inquiry Findings, Bert Stitt & Associates, 2004

Appendix 7B - Spending Potential by Business Category

Data Disclaimer

This market analysis of downtown Madison relies on data purchased from private sources, secondary sources, and public data sets. The University of Wisconsin-Extension cannot be held responsible for the accuracy of this data or for decisions made resulting from the use of the data in this report.

Introduction

Downtown Madison is the geographic, cultural, government and knowledge center of the 90th largest metropolitan area in the nation. While downtown Madison has not experienced the economic decline faced by other city centers, downtown investment has continued to grow dramatically over the past decade. Recent large scale public improvement projects, construction on the UW-Madison Campus, a resurgence in downtown housing, and other private investment (Table i.1) has increased the economic vitality of downtown Madison. Between 2000 and 2005 alone, downtown Madison experienced \$522.2 million in new construction¹. The renewed public and private investment in downtown Madison has positioned it to maintain and expand its prominence in the regional, national, and international economy.



Monona Terrace Community and Convention Center and Downtown Madison viewed from Lake Monona
Photo Credit: Jeff Miller/UW-Madison

Despite the recent levels of investment, downtown Madison still faces a number of key economic restructuring challenges. Growing regional retail competition, a competitive suburban office market and varying public perceptions about downtown Madison are several on-going issues to be addressed through a strong partnership of business operators, property owners, downtown organizations, government entities and other downtown stakeholders. Recognizing the need to connect these various interests, Downtown Madison, Inc. in cooperation with the Madison Central Business Improvement District (BID) initiated the *Downtown Dynamic* business retention, expansion and recruitment program for Downtown Madison.

To support the Downtown Dynamic program, the following market analysis is conducted as an *educational program* in conjunction with the UW-Extension's Center for Community and Economic Development and UW-Extension Dane County. Financial support was also provided by the City of Madison's Department of Planning and Community and Economic Development.

¹ City of Madison, Office of Business Resources Downtown Construction Statistics

Table i.1 – Downtown Development 1996 to 2007*

Project	Primary Use
Monona Terrace	Conventions/Events
Fluno Center for Executive Education	Conventions/Meetings
Overture Center for the Arts	Cultural Events
Kohl Center	Sports/Events
Hilton Madison at Monona Terrace	Lodging
Block 89	Commercial
740 Regent Street	Commercial
22 E. Mifflin	Commercial
J.H. Findorff & Son Inc. Headquarters	Commercial
University Square	Residential/Commercial
Capitol West	Residential/Commercial
Metropolitan Place	Residential/Commercial
100 Wisconsin Ave./10 W. Mifflin	Residential/Commercial
4 th Ward Lofts	Residential
Lorraine	Residential
Tobacco Lofts at Findorff Yards	Residential
Capitol Point Condominiums	Residential
Nolen Shore Condominiums	Residential
Marina Condominiums	Residential
Union Transfer Condominiums	Residential
Meriter Main Gate	Residential
Bedford Court Condominiums	Residential
Ogg Hall (Dormitory)	Residential
Newell J. Smith Hall (Dormitory)	Residential
Embassy Apartments	Residential
Aberdeen Apartments	Residential
Palisade Apartments	Residential
Risser Justice Center	Government
Dane County Courthouse	Government

Compiled from Various Sources.

*Not intended to be all inclusive

Study Purposes

Economic restructuring is a continuous process involving a large number of downtown constituents. Downtown retention, expansion and recruitment efforts require addressing the needs of business operators, property owners and customers. However, downtown revitalization also involves educating and building the capacity of these stakeholders, as well as policy makers and economic development organizations. Given these objectives, the Downtown Madison Market Analysis is designed to provide market information needed for economic development efforts, while also developing the capacity and knowledge of individuals and organizations engaged in downtown revitalization. Accordingly, this market analysis may differ from other studies as it has an educational focus. Specific goals of the Downtown Madison Market Analysis include:

- *Create a clearinghouse of market data on downtown Madison* – The data assembled by the market analysis includes information on downtown customer segments, national downtown trends, and local market conditions relevant to business retention, expansion and recruitment efforts. The data clearinghouse is to be used by existing businesses seeking to better serve various consumer segments. Furthermore, this analysis can assist in recruiting new businesses and entrepreneurs by providing information that demonstrates the value of a downtown location. While the clearinghouse will allow the Madison Central BID and Downtown Madison, Inc. to become principal sources for downtown market information, the information in the market analysis can be used by commercial brokers and other private interests.
- *Develop the capacity of the Madison Central BID and Downtown Madison, Inc. to update and enhance market research on an ongoing basis* – The Downtown Madison Market Analysis is largely an effort to educate downtown stakeholders and build the capacity of the Central BID and Downtown Madison, Inc. While the market analysis examines current information on downtown consumer segments, the evolving nature of regional competition and changing customer preferences may require downtown Madison to make adjustments to its business mix and marketing strategies. The design of this study and data clearinghouse will allow for these organizations to update market information and perform additional research as necessary.
- *Explore specific business opportunities for downtown Madison* – The analysis provides a framework for examining expansion and recruitment opportunities by specific business category. Using the data assembled in the analysis, a systematic method is provided to help economic development organizations identify opportunities that could serve downtown consumer segments and/or enhance the downtown Madison business mix.
- *Examine downtown Madison's position in the regional economy* – Downtown Madison operates in a regional economy that impacts its economic vitality. In fact, many business location decisions are made on a regional basis before a specific site within a given region is determined. Consequently, the Capital Region's human capital, industry strengths, knowledge institutions, natural environment and quality of life provides aspects of competitive advantage that influence downtown Madison's position in the regional economy.
- *Assess the physical layout of downtown Madison and its corresponding impact on future development opportunities* – While the Downtown Madison Market Analysis is not a design study, the economic success of a downtown is inherently linked to its physical layout. Accordingly, the market analysis examines several opportunities and challenges to developing business clusters and creating linkages among downtown sub-districts and traffic generators.

As with many other central cities, downtown Madison faces a number of challenges regarding parking, public perceptions and commercial gentrification. While this market analysis recognizes that these factors impact downtown economic vitality, the scale of these issues suggests that they deserve separate, in-depth attention. Subsequently, the ad hoc Downtown Dynamic Study Advisory Committee recommended limiting the scope of this study to other market aspects related to business retention, expansion and recruitment.

Downtown Madison Study Area

The Downtown Madison Study Area is a one square mile region containing a diverse mix of commercial, residential, governmental and cultural uses (Map i.1). Specifically, the Downtown Study Area is bounded by Park Street, Lake Mendota, Blair Street, Lake Monona, Regent Street and Proudfit Street. While the Study Area encompasses the boundaries of the Madison Central Business Improvement District, the Study Area also recognizes that downtown Madison extends beyond the area served by the BID. Specifically, the Downtown Study Area boundaries are based on the input of the ad hoc Downtown Dynamic Study Advisory Committee, the presence of physical features and travel barriers, the location of Census Bureau enumeration units, and the geographic definition of downtown used by several community development organizations.

The following narrative provides a brief description of the Study Area and several of its key features. Specific features and uses found in downtown Madison are further detailed throughout the market analysis.

- *State Street Commercial Area* - The State Street Commercial Area is a six-block pedestrian shopping and entertainment district that links the University of Wisconsin to the Capitol Square. State Street includes approximately 250,000 square feet of commercial space occupied by a variety of independent and national retailers. State Street is also home to the recently opened Overture Center for the Arts; a 400,000 square foot cultural facility located on the east end of the commercial district. The State Street Commercial Area is currently undergoing a four-phase streetscape reconstruction project scheduled to be completed in summer 2008.

- *Capitol Square Area* - The Capitol Square Area encompasses the government centers for the State of Wisconsin, Dane County and the City of Madison. Specifically, the Capitol Square and its surrounding blocks are home to government facilities including the State Capital building, the Madison Municipal Building, the City-County Building, a variety of state office buildings, and numerous legal facilities. In addition to government functions, the Capitol Square Area encompasses a variety of class-A and class-B office space, cultural facilities (Madison Children's Museum and the Wisconsin Historical and Veteran's Museums), dining establishments, hotels, and retailers. The Capitol Square Area also includes the vibrant King Street Commercial District and is home to a variety of festivals and events such as the Dane County Farmers' Market, Concerts on the Square, Taste of Madison, and Art Fair on the Square.



Dane County Farmers' Market on the Capitol Square

Map i.1 – Downtown Madison Study Area



- *Lake Monona Shore* – The Lake Monona Shore includes the area along Lake Monona between North Shore Drive and Blair Street. Home to the Monona Terrace Community and Convention Center, the Lake Monona Shore area is partially buffered by state office buildings, rental housing units, and a growing number of condominium developments. The Lake Monona Shore area is transected by John Nolen Drive, providing downtown gateways from the Williamson Street commercial area to the northeast and from the Beltline highway to the south.
- *Western Study Area* - The Western Study Area is bounded by Lake Mendota to the north, Frances Street to the east, Regent Street to the south and Park Street to the west. UW-Madison facilities are the dominant features of the Western Study Area including academic facilities, the Memorial Union, and various residence halls. The Western Study Area is also home to the 17,000 seat Kohl Center which hosts sporting events and concerts. Additional features of Western Study Area include the 12-story, mixed use University Square re-development project, office space in the Regent Street Rail Corridor, and a southern downtown gateway from Park Street.
- *Lake Mendota Shore* – The Lake Mendota Shore area comprises the northeastern portion of the Study Area. Primarily residential in character, the Lake Mendota Shore area encompasses Langdon Street, and the Mansion Hill Historic District. However, the Lake Mendota Shore includes commercial establishments such as National Guardian Life, the Edgewater Hotel, Mansion Hill Inn, and companies located in the Verex Plaza building on East Gilman Street. The Lake Mendota Shore area contains the Gorman Street gateway, one of the primary eastern entrances to the Study Area.
- *Southern Study Area* – Similar to the Lake Mendota Shore, land use in the Southern Study Area is largely residential. While the Southern Study Area is dominated by rental units, this area is home to a number of recently developed condominium projects such as the 4th Ward Lofts, Bedford Court, and the Tobacco Lofts at Findorff Yards. A variety of retail, health care, and other commercial uses are also found along West Washington Avenue, and South Bedford Street.



The Memorial Union Terrace located on the UW-Madison Campus in the Western Study Area
Photo Credit: Jeff Miller/UW-Madison

Study Components

To achieve the study's goals and purposes, the Downtown Madison Market Analysis is segmented into seven sections examining various characteristics of the Downtown Study Area, downtown consumers, and regional economic conditions:

- *Section 1: Descriptions of the Study Area's Primary Consumer Segments* – Section 1 focuses on four market segments identified as keys to downtown economic vitality: downtown employees, college students, downtown residents and visitors. While these are not the only consumer groups important to downtown Madison, they do provide an important cross-section of groups that value the importance of enhancing the downtown as a place to live, work, and recreate. Residents of the broader Madison region comprise an additional downtown consumer segment and are examined separately in Section 3.
- *Section 2: Size and Shape of Downtown Madison's Trade Areas* – Section 2 examines existing customer shopping patterns, regional competition, and other market factors that impact the consumer drawing power of the Downtown Madison Study Area. The trade areas defined in this section will serve as one basis for further study of market conditions.
- *Section 3: Trade Area Demographic and Lifestyle Characteristics* – Section 3 compares demographic and psychographic characteristics of the consumers living in the downtown Madison trade areas, Dane County and the United States.
- *Section 4: Regional Economic Position of Downtown Madison* – The analysis of downtown Madison's position in the regional economy provides background economic and industry data on the Madison Metropolitan Statistical Area (MSA), and a broader eight-county region identified by the newly formed Regional Economic Development Entity (REDE). Section 4 provides key economic trends on the region's income, population, wages, labor force, and entrepreneurial activity. Section 4 also examines the region's industry structure for opportunities to capitalize on key driver industries and clusters.
- *Section 5: Needs and Perspectives of Business Operators* – Section 5 summarizes the results of a downtown business operator's survey conducted in Spring 2007. The survey examined business operator needs, challenges and perspectives relative to downtown Madison as a location to operate a business
- *Section 6: Analysis of Comparable City Downtowns* – To gain insight from other communities, Section 5 examines five selected downtowns to determine their vitality, business mix, and economic restructuring activities. The goal of this analysis is to not to mimic these communities, but rather to determine potential best practices in downtown revitalization. These downtowns were selected on the basis of their market size, the presence of a large university, their role as a government center, and other unique market characteristics. The five downtowns include Boulder, Colorado; Austin, Texas; Lincoln, Nebraska; Boise, Idaho; and Ann Arbor, Michigan.
- *Section 7: Opportunities to Enhance Downtown Madison's Economic Vitality* – Using the foundation of information in the preceding sections, Section 7 examines a series of opportunities and activities for enhancing downtown Madison's commercial environment and improving its contributions to the local and regional quality of life. These opportunities are based on the needs and desires of different consumer segments, the presence of established challenges, and emerging opportunities presented by regional economic development efforts.

Acknowledgements

The Downtown Madison Market Analysis builds upon past studies such as the *1999 State Street Corridor Commercial Market Study* prepared by Gibbs Planning Group, the previous work performed by Bert Stitt & Associates for the Downtown Dynamic program, and Northstar Economics' analysis of *University of Wisconsin-Madison's Economic Contribution to the Region*. The market analysis was developed as a grassroots educational effort with the assistance and support of the following organizations and individuals:

- Mary Carbine, Madison Central BID Executive Director and Susan Schmitz, President Downtown Madison, Inc.
- Bill Rizzo, UW-Extension Dane County Community & Economic Development Educator
- City of Madison Department of Planning and Community and Economic Development
- Downtown Madison business operators who provided customer origin data and completed the business operators survey
- Individuals in the comparable communities who were interviewed as part of the market analysis: Molly Alexander, Downtown Austin Alliance Associate Director; Jane Jenkins, Downtown Boulder BID Executive Director; Clay Carley, Downtown Boise Association; Susan Pollay, Ann Arbor Downtown Development Authority Executive Director; Polly McMullen, Downtown Lincoln Association President
- Graduate students at the University of Wisconsin-Madison Department of Urban and Regional Planning including Paul Hampton, Sarah Elliot, and Josh Clements
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- The ad hoc Downtown Dynamic Study Advisory Committee:

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University of Wisconsin-Extension Center for Community and Economic Development
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Descriptions of the Study Area's Primary Consumer Segments

College students, downtown workers, visitors, and downtown residents represent four consumer segments that strongly contribute to downtown Madison as a place to live, work and recreate. While residents living in the broader Madison region represent significant spending potential, these four consumer segments are primary users of downtown and represent captive markets for downtown businesses. Section 1 describes the size and characteristics of each of these consumer segments to better understand their market potential.

Downtown Madison establishments generate income through business-to-business sales and from local and non-local consumer expenditures. However, downtown Madison's college students, employees, visitors and residents spend significant amounts of time in the Downtown Study Area and greatly contribute to its economic vitality¹. The combined presence of these consumer segments also differentiates downtown Madison from other commercial areas in the region. Consequently, understanding national trends, purchasing preferences, and local characteristics attributed to each of these consumer segments may help in identifying new or expanded opportunities for downtown businesses. Residents living in the broader Madison region are also an important consumer segment and are analyzed separately in Section 3. Furthermore, business-to-business sales are examined in Section 4.

College Student Market Segment

College students tend to have high levels of disposable income and free time for buying basic goods and services, pursuing entertainment activities, and purchasing a range of discretionary items. As many of these purchases are made in the areas directly around college campuses, these students are a key market for many downtown Madison establishments. A downtown rich in employment prospects, residential units, and recreational amenities also provides opportunities for downtown businesses to capture student expenditures.

National Trends

More than half of all colleges and universities are located in urban centers and their immediate surroundings. Consequently, college students often represent considerable spending demand for downtown businesses. According to the *360 Youth College Explorer Study*, conducted by Harris Interactive, U.S. college students ages 18 to 24 have \$122 billion in spending power, including \$24 billion in discretionary spending². These figures translate to \$13,000 in annual spending per student, 19 percent of which is discretionary income (\$211 per month).

Many of the top purchases made by college students are technology-related devices and services, including computers, broadband Internet connections, stereos, cell phones and service plans, televisions, DVD players, digital cameras, MP3 players, and gaming systems. More importantly, these electronic goods and services are not simply one time purchases. Students continue to purchase technology products and services in order to update and replace obsolete items.

¹ See the introduction for a geographic definition of the Downtown Study Area.

² Based on the fall 2003 semester.

In addition to their discretionary income, college students average 11 hours per day of unscheduled time (i.e. time when they are not sleeping, working, studying or attending class). Not surprisingly, much of this free time is spent on pursuing entertainment and leisure activities. Nationally, students spent nearly \$3 billion annually on movies, DVDs, music, and video game purchases and rentals in 2003. Music sales comprised \$474 million in student spending, theater tickets accounted for \$658 million, and video games were responsible for \$341 million. Spending on in-home movies was also substantial, with \$600 million spent on purchasing DVD's, and another \$326 million spent on renting movies (Table 1.1). In addition to watching movies at home, the average student views more than ten movies per year at the theater. Frequent visits to the movie theater correspond to students spending \$70 annually on movie tickets, compared to \$32 for the general population.³

Table 1.1 – Spending by College Students on Entertainment and Leisure Activities

Spending Category	2003 Yearly Spending (millions)
Purchase Videos/DVDs	\$600
Purchase Music CDs/Tapes	\$474
Purchase Video Games (not including equipment)	\$341
Going to Movies	\$326
Movie Rentals	\$791

*Harris Interactive/360 Youth College Explorer Study; fall 2003*²

In addition to their discretionary spending, college students typically spend large amounts of money when returning to campus each fall. The third annual *National Retail Federation 2005 Back-to-College Consumer Intentions and Actions Survey*, conducted by BIGresearch, found that college students and their parents spent \$34.4 billion on “back-to-school” items in 2005, up 33.8 percent from 2004. Because of their proximity, the shopping destinations nearby campus are most desirable for college students and their parents when making back-to-college purchases. More than half (59.8 percent) of students purchase back-to-college merchandise at a college bookstore, 55.8 percent shop at discount stores, 41.0 percent at office supply stores, 36.1 percent at department stores, and 32.0 percent make back-to-college purchases online.⁴ *These purchasing patterns are particularly important when considering the downtown Madison has a limited number of establishments in these key retail categories.*

To further explore the national spending patterns of college students, market potential data from ESRI Business Information Solutions (ESRI BIS) TapestryTM market segmentation was used. One of the segments in the Tapestry system examines expenditure patterns for individuals living in households classified as “Dorms to Diplomas” (i.e. college students)⁵. Using research from Mediamark Research Inc., Tapestry provides a nationally-based Market Potential Index (MPI) that measures the potential that college students will purchase a product or service, or participate in an activity. *The U.S. index is 100. A value above 100 represents potential higher than the national level, while a value below 100 represents less potential.* Locally, the “Dorms to Diplomas” Tapestry category accounts for almost 90 percent of the Downtown Study Area’s population.

Table 1.2 summarizes many of the spending categories showing high Market Potential Indices among college students. Nationally, the spending potential data indicate that college students spend more money than the average U.S. consumer on products like designer jeans, laptops and electronics, movies, travel, and recreation. They prefer restaurants ranging from Chili’s to

³ Harris Interactive/360 Youth College Explorer Study; fall 2003.

<http://www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=835>

⁴ NRF 2005 *Back-to-College Consumer Intentions and Actions Survey*, conducted by BIGresearch; August 2004. <http://www.nrf.com/content/default.asp?folder=press/release2005 &file=btc0805.htm>

⁵ See Section 3 for more information on Community Tapestry

Bennigan's; and clothing stores such as Express, The Gap, Banana Republic, and The Limited. Note that the figures in Table 1.2 reflect national spending preferences and may differ from those of Madison's college students.

Table 1.2 - Spending by "Dorms to Diplomas" (College Students) ESRI Tapestry Segment

Spending Category	MPI	Spending Category	MPI
<i>Sample Purchases</i>		<i>Media</i>	
Bought men's designer jeans	238	Watches comedy central	250
Bought men's sweater	215	Watches VH1	255
Bought women's designer jeans	176	Read women's fashion magazine	224
Bought engagement ring	193	Public radio listeners	236
Drank beer	140	Radio format - rock	229
Bought adventure book	267	<i>Restaurants</i>	
Owens a laptop	241	Dined at Bennigan's	369
Owens a PDA	242	Dined at Boston Market	226
Purchased Sony Playstation	239	Dined at Little Caesar's	289
Purchased sofa bed	419	Dined at Chili's	212
Purchased office furniture	171	<i>Stores</i>	
Purchased cooking products	131	Shop at Banana Republic	369
Purchased bed/bath goods	113	Shop at Express	620
Purchased cell phone	147	Shop at The Gap	233
Purchased frozen pizza	130	Shop at Lerner	314
<i>Personal Care</i>		Shop at The Limited	387
Exercise at club 2+ /week	211	Shop at Old Navy	181
Diet Control to maintain weight	158	Shop at Target	138
Use nutrition/energy bar	168	Shop at Wal-Mart	97
Wear contacts	208	Shop at TJ Maxx	182
<i>Activities</i>		<i>Recreation</i>	
Went to bar/nightclub	204	Went backpacking on vacation	306
Went dancing	254	Foreign travel personal reasons	259
Dined out in past 12 months	78	Participated in aerobics	193
Went to movies in past 6 months	118	Participated in bowling	254
Attended musical performance	187	Participated in Frisbee	327
Played pool	235	Participated in jogging/running	282
Played chess	212	Participated in tennis	318
Did painting/drawing	186	Participated in downhill skiing	205

Source: ESRI, Tapestry Users Guide CD

Characteristics of Madison College Students

Dane County is home to more than 50,000 college students, with the largest enrollments at the University of Wisconsin-Madison, Madison Area Technical College and Edgewood College (Table 1.3). While other colleges and universities exist in Madison area, these institutions tend to have smaller enrollments, are geographically removed from downtown Madison, or focus on continuing educational programs. Madison's three largest colleges and universities are profiled below:

University of Wisconsin-Madison

UW-Madison is located adjacent to downtown Madison, anchoring the west end of State Street. As Wisconsin's largest university, the University of Wisconsin-Madison is home to more than 40,000 students in over 160 degree programs. The UW is divided into nine schools and colleges, offering more than 4,200 courses. University of Wisconsin-Madison is a nationally and internationally recognized research university. UW-Madison also serves area residents through its School of Continuing Education, as well as the cultural and athletic events that it hosts.

Of UW-Madison's 41,000-plus students, approximately 28,450 are enrolled as undergraduates, while 12,970 students are enrolled as graduate or professional students. Women represent slightly more than half of the student population (52.7 percent). The average age of the undergraduate student is 20.4 years and the average age of the graduate student is 29 years. UW-Madison serves a diverse population with students from all fifty states, as well as 134 other countries. Over 5 percent of the student population is Asian-American, 3 percent is Hispanic, and over 2.5 percent is African-American. In addition to the vast student population, UW-Madison also employs over 18,000 faculty and staff⁶.

Retail spending potential from UW-Madison college students is significant. Table 1.4 examines estimated regional expenditures by UW-Madison students as calculated by Northstar Economics. Expenditures at food, general merchandise, and eating and drinking establishments comprise the greatest share of student spending. However, other retail (books, music, sporting goods, etc.), clothing and apparel, and personal business services also

Table 1.3 – Current Enrollments at Madison area Colleges and Universities

Institution	Enrollment
University of Wisconsin-Madison	41,466
Madison Area Technical College	
Truax*	17,374
Downtown*	10,997
Commercial Ave.*	5,651
Edgewood College	2,646
Herzing College	527
Upper Iowa University Madison	N/A

*Note: Students attending classes at more than one campus are included in the total for each campus. Compiled from various sources.

Table 1.4 – Retail and Service Expenditures by UW-Madison Students

Category	Average Monthly Spending	Total Academic Year Spending
General Merchandise	\$68.45	\$23,884,244
Clothing & Apparel	\$41.83	\$14,595,073
Food	\$124.09	\$43,299,843
Furniture and Appliances	\$12.92	\$4,508,466
Other Retail	\$60.66	\$21,166,821
Eating & Drinking Establishments	\$68.92	\$24,049,404
Amusement	\$18.26	\$6,371,607
Vehicle & Repair Services	\$22.80	\$7,956,520
Personal & Business Services	\$36.08	\$12,590,558
Transportation	\$31.88	\$11,123,598
Dependent Care	\$16.06	\$5,604,688

Source: Northstar Economics. *University of Wisconsin-Madison's Economic Contribution to the Region*. June 2003.

⁶ Source: UW-Madison

account for significant student expenditures. Given the absence of certain retail categories desirable by students, such as general merchandise stores, it is suspected that a share of student expenditures is leaking to outlying shopping areas. *While the exact leakage is unknown, strengthening downtown Madison's retail mix in several of these high expenditure categories may help to capture additional student spending potential.*

Madison Area Technical College (MATC)

Founded in 1912, MATC is a nationally recognized community college serving the south-central Wisconsin area. MATC provides training for more than 100 careers, including such high tech fields such as biotechnology, broadcast captioning, electron microscopy, plastics technology, Internet development, computer networking and information technology security. Other varied programs include accounting, marketing, culinary arts, nursing, automotive technology, criminal justice-law enforcement and welding.

MATC is one of only three technical colleges in the state to offer a wide selection of liberal studies classes that transfer to four-year colleges and universities. MATC is the single largest source of students transferring to the University of Wisconsin-Madison and the UW System and is one of the state's leading providers of customized training for employers. MATC has three campuses in Madison, with the largest location, Truax, located near the airport (see Map 1.1).

The student population at MATC is 69 percent White, 5.5 percent Hispanic, 3.8 percent African American, and 2.6 percent Pacific Islander. More than half of the student population is female (54.5 percent), and over 60 percent of the students are between the ages of 18 and 39. Approximately 86 percent of the students attend MATC on a part-time basis⁷.

Edgewood College

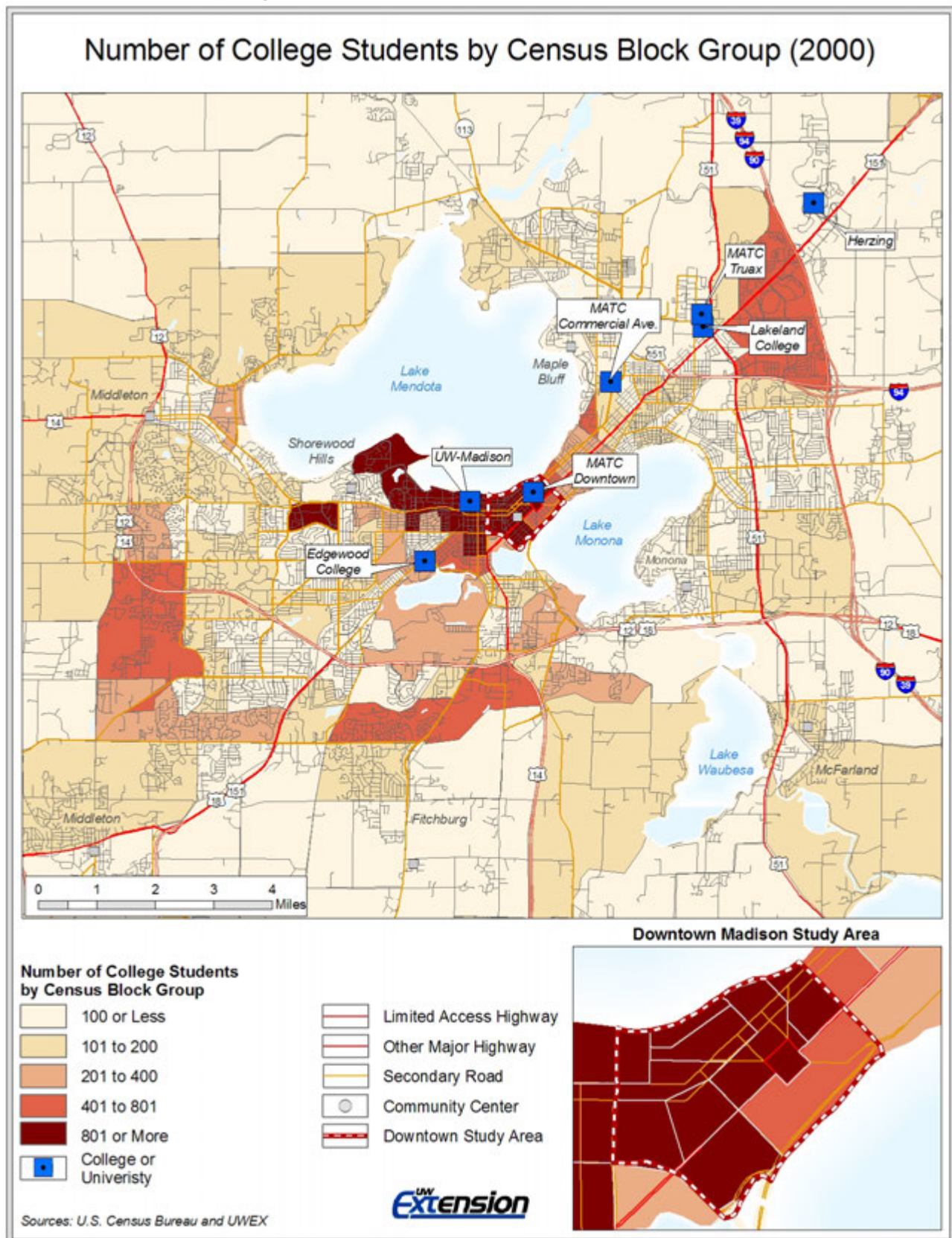
For more than 75 years, Edgewood College has been recognized as Madison's only independent liberal arts college. Rooted in the Dominican tradition, it offers more than 40 undergraduate degrees, as well as five master's programs. The student population at Edgewood College is comprised of 1900 undergraduates, and 500 graduate students. The 55-acre campus is located on the shores of Lake Wingra in a residential neighborhood on the west side of Madison⁸.

Map 1.1 further illustrates the locations of the region's colleges and universities as well as the residences of college students. Almost 30 percent (29.8 percent) of Dane County's 53,000 college students reside in the Downtown Study Area. A large number of college students also live on the western edge of downtown Madison. The proximity of these students and the location of UW-Madison suggest that college students are particularly important to businesses located in the western portion of the Downtown Study Area.

⁷ Source: Madison Area Technical College

⁸ Source: Edgewood College

Map 1.2– Distribution of College Students in the Madison Area



Study Area Employee Market Segment

Downtowns have long been recognized as the commercial centers of both cities and regions. While large companies, government institutions, and small businesses located in downtown Madison generate their own economic activity, these establishments also bring a stream of employees into the area, especially during the day time hours. Subsequently, employees create a captive audience for a large portion of the week and are key consumer segments for many downtown establishments.

National Trends

Recognizing the challenges of capturing worker spending, a recent study conducted by the International Council of Shopping Centers (ICSC) analyzed how the habits of office workers have changed between 1987 and 2003. Specifically, the study examined changing consumer preferences among office workers, as well as the impact of retail availability on employee shopping habits. Key findings include:

- In 2003, weekly lunch expenditures among downtown office workers were 20 percent higher than those reported by suburban office workers (\$26.80 versus \$22.50).
- The frequency for dining out during lunchtime has remained stable between 1997 and 2003, averaging 4.4 days per week.
- Office workers spend an average of \$7.10 on lunch when dining out.
- When compared to their suburban counterparts, downtown office workers are more likely to eat out (85 percent versus 76 percent), and also eat out more frequently. Fifty percent of downtown office workers eat out 4 out of 5 days, versus 38 percent of suburban office workers.
- The deli/grocery/carry-out business has surpassed sit-down and fast food restaurants in market share. Almost twice as many lunches were purchased at these types of convenience food shops in 2003 than in 1987 (up from 15 percent to 27 percent).
- The share of office workers shopping during their lunch hour (32 percent) has remained stable since 1987.
- The market share of lunches purchased at fast-food restaurants has remained at 16 percent since 1987, while the share from sit-down restaurants has decreased from 22 percent to 16 percent.
- The share of office workers who stop after work for dinner or drinks near their office has doubled since 1987 (an increase of 12 percent to 25 percent). The average weekly expenditure for these activities was \$44 per patron in 2003.
- Downtown, after-work entertainment activities have increased from 29 percent in 1987 to 35 percent in 2003.
- Use of public transportation has increased dramatically (43 percent in 1987 to 63 percent in 2003) among office workers in downtown areas with above average retail density.

While the preceding findings are not derived directly from an analysis of downtown Madison, they reiterate that downtown employees do not simply travel between their homes and offices each day. Downtown workers are spending money in the areas near their workplaces both during and after the workday. These nationwide behaviors leave downtowns poised to take advantage of the employee market and encourage even greater economic activity through the most appropriate retail offerings, entertainment options, and food/beverage outlets.

The aforementioned ICSC study also determined that if downtown retail offerings were similar to those near a worker's residence, 66 percent of office workers are more likely to shop closer to home than work. However, in downtowns offering superior retail shopping opportunities (typically located in large cities), nearly 40 percent of non-grocery shopping trips are made closer to work than home. In areas with weak retail options, only 24 percent of shopping trips are made closer to work. Furthermore, workers in downtown areas with abundant retail are twice as likely to shop over their lunch break, compared to workers in downtown areas with limited retail.

The presence of hospitality and entertainment establishments also affects where office workers socialize. When going out for drinks or dinner after work, office workers in downtown areas with ample retail *are more likely to stop closer to their office, than those working in downtowns with limited retail. Furthermore, 9 out of 10 office workers in downtown areas with ample retail offerings will walk to lunch compared to only 6 in 10 workers in areas with limited retail.*

In addition to dining and entertainment expenditures, downtown workers make purchases on apparel, home goods, toys, electronics, groceries/snacks, personal care, and cosmetics. Table 1.5 reports what percentage of downtown office workers make a retail purchase in any given week along with the type of goods purchased. As previously suggested, downtowns offering a desirable retail mix are more likely to be utilized by office workers during the day and after work, rather than make purchases closer to home. In particular, these options include convenience food stores for buying lunch, hospitality/entertainment options for after work, and an above average density of retail offerings that offer both destination and convenience shopping opportunities.

Table 1.5 - Frequencies and Types of Purchases Made by Downtown Office Workers

Type of Purchase	Percent of Workers Making a Purchase in a Given Week
Any Purchase	58%
Groceries	37%
Snacks/Incidentals	33%
Personal Care/Drug	31%
Apparel/Accessories	27%
Home Items	22%
Sports/Toys/Electronics	20%
Gifts/Cards	21%
Newspapers/Magazines	15%
Cosmetics/Perfume	10%

Source: ICSC, 2004

Characteristics of Downtown Madison Employees

Estimates from the 2000 Census Transportation Planning Package (CTPP) reported almost 33,000 people employed within the Downtown Study Area. These employee figures are based on the number of people working in the Downtown Study Area, as opposed to the number of jobs in downtown Madison (i.e. some workers may hold more than one job). As these figures are based on 2000 figures, the number of people working in downtown Madison and their characteristics have likely changed. For instance, the departure of Alliant Energy and other business relocations, expansions and contractions may have impacted downtown employment levels. Updated downtown employment figures will become available in late 2007.

Regardless of these potential changes, Downtown Madison is home to a significant number of employees who provide large spending potential for Study Area businesses. To better understand downtown employees, the following tables examine worker occupations, industries of employment, household incomes, means of transportation to work, and their spending potential. Employees working in downtown Madison are compared to those working in the State of Wisconsin and Dane County for context.

Most downtown Madison employees commute to work from outside of the Study Area. While many of these commuters travel short distances, approximately 43 percent of downtown Madison's employees live more than five miles from the Downtown Study Area⁹. Given the shopping opportunities presented to local and more-distant commuters, downtown Madison is faced with the challenge of keeping its employees downtown after working hours, while also encouraging them to spend more money during the day. In general, the more time spent by workers in and around their offices, the more likely they are to make purchases downtown.

Downtown Madison Employment by Industry

Table 1.6 examines the distribution of downtown employees by their industry of employment. Not surprisingly, public administration accounts for the highest share of downtown employment and reflects the presence of local, state and federal government employees working in the Downtown Study Area. The educational, health and social service industries comprise the second largest share of employment in downtown Madison. Employment concentrations in the health care and educational service industries are also found directly adjacent to the Study Area with the presence of UW-Madison, Meriter Hospital and other health care services located on South Park Street. Relative to Dane County and the state, downtown Madison also has a higher employment concentration in several other knowledge-based industries including information, and professional, scientific, management and administrative services.

Downtown Madison's importance as an entertainment and visitor destination is reflected its high share of employment in the arts, entertainment, recreation, accommodation and food service industries relative to the county and the state. While retail is also a key component of the downtown business mix, downtown Madison has a significantly lower share of employment in retail trade than either the state or Dane County. Downtown's smaller concentration of retail employment is explained by an absence of the department stores, big box retailers, and retail corporate headquarters (i.e. Famous Footwear) found in outlying areas.

Table 1.6 – Employment by Industry for Employees Working in the Downtown Madison Study Area

Industry	Downtown Study Area	Dane County	State of Wisconsin
Total	32,995	266,370	2,637,145
Agriculture, forestry, fishing & hunting and mining	0.2%	1.2%	2.8%
Construction	2.6%	5.9%	5.8%
Manufacturing	1.0%	11.5%	21.9%
Wholesale trade	0.2%	2.9%	3.2%
Retail trade	4.9%	10.6%	11.6%
Transportation and warehousing and utilities*	2.5%	3.3%	4.6%
Information	4.1%	3.2%	2.2%
Finance, insurance and real estate and rental and leasing	6.9%	9.4%	6.1%
Professional, scientific, management & admin. services	11.5%	9.4%	6.5%
Educational, health and social services	22.5%	24.7%	20.2%
Arts, entertain., recreation, accommodation & food svcs.	13.1%	6.6%	7.2%
Other services (except public administration)	3.9%	4.5%	4.1%
Public administration/armed forces	26.7%	6.9%	3.6%

Source: 2000 Census Bureau Transportation Planning Package

*Includes Alliant Energy's former downtown headquarters

⁹ The commuting patterns of downtown Madison workers are examined in Section 2 of this report.

Occupations of Downtown Madison Employees

Compared to both Dane County and the State of Wisconsin, downtown Madison has a higher share of employees working in office/administrative support, management, business, financial, computer, legal, arts, design, entertainment and other white-collar occupations (Table 1.7). These differences are to be expected given downtown Madison's concentration of employment in government, hospitality, and professional and technical service industries (see Table 1.6). Note that downtown Madison has a smaller percentage of employees in sales occupations than both Dane County and the State of Wisconsin. Again, these differences are partially attributed to a lack of large-scale retail employers such as big-box stores. Downtown Madison's smaller share of blue-collar occupations such as production and material moving workers reflects the relative lack of manufacturing and transportation industries in the Study Area.

Table 1.7 – Occupations of Employees Working in the Downtown Madison Study Area

Occupation	Downtown Study Area	Dane County	State of Wisconsin
Total Workers	32,995	266,370	2,637,145
Management	10.4%	9.0%	7.5%
Farmers and farm managers	0.1%	0.6%	1.6%
Business and financial operations specialists	7.7%	5.6%	3.9%
Computer and mathematical	6.0%	4.3%	1.9%
Architecture and engineering	1.4%	2.1%	1.9%
Life, physical and social science	2.0%	2.6%	0.9%
Community and social service	1.8%	1.6%	1.4%
Legal	5.6%	1.2%	0.7%
Education, training and library	7.8%	7.1%	5.6%
Arts, design, entertainment, sports and media	4.1%	2.6%	1.6%
Healthcare practitioners and technicians	2.8%	5.6%	4.6%
Healthcare support	1.2%	2.0%	2.3%
Protective service	3.8%	1.3%	1.5%
Food preparation and serving related	8.1%	4.2%	4.9%
Building and grounds cleaning & maintenance	3.0%	2.5%	2.8%
Personal care and service	1.8%	2.4%	2.4%
Sales and related	6.1%	9.9%	10.1%
Office and administrative support	19.6%	16.6%	15.1%
Farming, fishing, and forestry	0.1%	0.3%	1.0%
Construction and excavation	2.3%	4.5%	4.7%
Installation, maintenance and repairs	1.3%	3.2%	3.9%
Production	1.8%	6.6%	12.9%
Transportation and material moving	1.0%	4.3%	6.8%
Armed Forces	<0.1%	<0.1%	<0.1%

Source: 2000 Census Bureau Transportation Planning Package

Household Incomes of Downtown Madison Employees

Employees working in downtown Madison, Dane County and the State of Wisconsin live primarily in middle to upper-middle income households (i.e. \$60,000 to \$99,999). However, the household income distribution for employees working in downtown Madison differs somewhat from the county and the state (Table 1.8). Specifically, 17.3 percent of Study Area employees live in households with incomes above \$100,000 compared to 16.6 percent in Dane County and 13.9 percent in the state. *Conversely, 8.6 percent of Study Area workers live in households with incomes below \$15,000 compared to 4.6 percent in Dane County and 4.1 percent in the state. These differences likely reflect the household incomes of students working in the Downtown Study Area.*

Table 1.8 – Household Incomes of Employees Working in the Downtown Madison Study Area

Occupation	Downtown Study Area	Dane County	State of Wisconsin
Total Employees Living in Households*	31,690	262,620	2,608,880
Less than \$10,000	4.5%	2.3%	2.0%
\$10,000-\$14,999	4.1%	2.3%	2.1%
\$15,000-\$24,999	12.6%	10.7%	11.6%
\$25,000-\$34,999	10.5%	10.5%	11.1%
\$35,000-\$44,999	9.6%	11.1%	12.8%
\$45,000-\$59,999	9.5%	11.9%	13.2%
\$60,000-\$74,999	15.3%	17.0%	16.9%
\$75,000-\$99,999	16.7%	17.7%	16.4%
\$100,000-\$124,999	8.6%	8.2%	7.1%
\$125,000 or more	8.7%	8.4%	6.8%

Source: 2000 Census Bureau Transportation Planning Package

*Not all employees live in households

Means of Transportation to Work for Downtown Employees

While the majority of Study Area workers drive to work, downtown Madison employees are much more likely to carpool or use an alternate mode of transportation such as public transit, riding a bike, or walking (Table 1.9). The differences in these modes reflects the number of downtown employees that live near to their place of employment and the availability of multi-modal transportation opportunities in the urban core relative to other areas. Parking costs and availability could potentially impact these transit choices as well. While parking issues may be a potential disadvantage for some businesses seeking a downtown location, the availability of these transit choices is potentially a future competitive advantage for downtown Madison given the recent relative increases in gas prices.

Table 1.9 – Means of Transportation to Work for Employees Working in the Downtown Madison Study Area

Occupation	Downtown Study Area	Dane County	State of Wisconsin
Total Employees	32,995	266,370	2,637,145
Drove alone	56.0%	74.6%	79.4%
2 or more person carpool	14.2%	10.5%	9.8%
Bus or trolley bus	9.5%	3.6%	1.9%
Other Mass Transportation	0.0%	0.0%	0.0%
Bicycle	3.1%	1.6%	0.4%
Walked	15.7%	5.7%	3.8%
Other means	0.7%	0.6%	0.6%
Worked at home	0.7%	3.5%	4.0%

Source: 2000 Census Bureau Transportation Planning Package

Spending Potential of Downtown Study Area Employees

Spending potential estimates for downtown Madison office workers are listed in Table 1.10. These estimates are based on average annual downtown worker expenditures from the ICSC adjusted for local differences in household incomes and occupational structure. The ICSC analysis of office workers tracked retail-spending patterns in four categories: dining during lunch; dining and drinks after work; destination/intermediate goods; and convenience goods. Destination and intermediate goods are those typically found in a department store including apparel, home items, gifts, sporting goods, toys and electronics. Convenience goods include those items often purchased in a grocery or discount store (groceries, personal care products, snacks, cosmetics, etc.).

Note that the ICSC analysis compared retail spending of workers employed in downtowns with ample retail to those employed in downtowns with limited retail. As previously mentioned, workers employed in downtowns with ample retail tend to spend more than those workers located in downtowns with limited retail options. Given the current downtown Madison retail environment relative to the survey downtowns used by the ICSC, the spending patterns of workers in limited retail downtowns were used to create spending estimates for downtown Madison.

Combining the retail categories in Table 1.10, Downtown Study Area employees represent \$213.2 million in retail spending potential (including dining). Again, these estimates are partially based on employee spending patterns analyzed in other communities. If local spending patterns differ significantly in Madison, the figures in Table 1.10 will also change. Accordingly, these figures should only be used as guidelines. Furthermore, a share of these workers will also be residents of downtown Madison's trade areas. While these individuals represent a captive audience, spending potential from these workers will likely be included in other calculations of local consumer demand. Consequently, users of this information should use caution to not double-count these expenditures.

Table 1.10 – Spending Potential of Employees Working in Downtown Madison

Expenditure Category	Annual Spending Per Worker	Total Downtown Worker Spending Potential
Dining - Lunch	\$1,241	\$40,940,000
Dining – Dinner and Drinks	\$2,558	\$84,393,000
Destination and Intermediate Goods	\$2,066	\$68,172,000
Convenience Goods	\$596	\$19,663,700

Source: ICSC, 2004

Geographic Distribution of Downtown Employees

Capturing the spending potential represented by Downtown Study Area employees requires that businesses are accessible to employees. While an establishment's business hours affect accessibility, establishments also need accessible locations relative to places of employment. *Consumer behavior research has indicated that most employees will not travel more than a quarter-mile from their place of employment to purchase a good or service during working hours.* Accordingly, businesses seeking to capture the greatest amount of employee spending should consider a location within a quarter-mile of large employment centers. These location considerations may be particularly relevant for restaurants, personal services, convenience stores, health clubs and banking services.

To depict the distribution of downtown Madison employees, Map 1.2 examines the estimated number of employees within a quarter-mile of any point on the map. The highest employee concentrations are found in the area bound by East and West Wilson Street, South Butler

Map 1.2– Employee Concentrations in Downtown Madison



Visitor Market Segment

The visitor and tourist market is a vital component of urban economies. For many cities, tourism is one engine behind downtown revitalization, job creation, and re-investment. It is often the catalyst for a wide range of capital improvement projects and development opportunities such as transportation and infrastructure, hotels, retail, and entertainment-based facilities. Accordingly, many local governments, developers, investors, and business operators have recognized the importance of the visitor market segment to transforming their downtowns.¹⁰

National Trends

While tourism-related businesses are frequently small in scale, many cities have recently embarked on larger scale capital improvement projects such as convention centers, sports arenas, performing arts centers, historic preservation, and entertainment districts with varying degrees of success. While the tourism industry is often criticized for its lower wage and benefit structure, tourism and entertainment are critical components to boosting urban and regional economic vitality, attracting visitors, and enhancing the overall quality of life for area residents.¹¹ Furthermore, specific sectors in the tourism industry can pay high average earnings and return high levels of income to local proprietors.

Visitors can be segmented into business/convention travelers and leisure travelers. As many business and leisure attractions are found in urban areas, it is not surprising that the demand for travel into cities has greatly increased over the last few decades. Recognizing the importance of these visitors, the following discussion examines a number of primary and secondary elements driving the urban visitor market¹². *Note that each of these elements is also found in the Downtown Madison Study Area (Map 1.3). While each element is presented separately, these components also have a high degree of synergy and connectedness.*

- *Historic Districts* - Historic attributes of buildings, streetscapes, neighborhoods, and special landmarks emphasize the local character of an area. Historic districts are generally pedestrian-friendly with a mix of accessible attractions and amenities. Beyond their educational component, these districts also generate a sense of place and provide the urban visitor with memorable experiences. Historic character also helps to differentiate downtown Madison from more distant shopping centers.
- *Waterfronts* – For purposes of transportation, industry, or entertainment, urban waterfronts have always attracted people out of necessity or pleasure. More recently, cities and private investors have focused attention to waterfronts as they pose opportunities for tourism, economic, and community development. Downtown Madison's position on an isthmus offers a unique opportunity to use its waterfronts as part of the downtown visitor environment.
- *Convention Centers and Exhibition Halls* - Convention centers are often regarded as one of the staples of urban tourism. In some cities, up to forty percent of overnight visitors are attributed to convention attendees. Convention centers and exhibitions are perceived as year-round draws in which visitors spend an above average amount. Employment, publicity, image improvement, and urban regeneration are several of the tangible and intangible benefits that can justify the large financial investment and operating costs for these centers. However, this segment of the tourism industry also has experienced growing competition

¹⁰ Urban Land Institute "Transforming and Energizing Cities: Urban Tourism as Catalyst", 2005

¹¹ Tourism and Entertainment as a Local Economic Development Strategy, National League of Cities, 2000

¹² Derived from: Law, Christopher. *Urban Tourism: The Visitor Economy and the Growth of Large Cities*. London: Continuum. 2002.

over the past decade. In downtown Madison the Monona Terrace Community and Convention Center is a 250,000 square foot, five-level facility drawing more than 390,000 visitors annually.¹³ Meeting space is also available at a number of downtown hotels and University of Wisconsin facilities such as the Pyle Center, Lowell Center, and Fluno Center.

- *Festivals and Cultural Facilities* - Festivals and cultural events have become an increasingly popular avenue for cities to boost tourism. Festivals range in size and scale from annual events such as Art Fair on the Square, to more regular events such as those held at the Overture Center for the Arts or downtown's smaller performance venues. While these events are important, their impact on a city's tourism industry depends on the attendance, and the type of outside visitors attracted to downtown. In addition to the Overture Center other cultural facilities in Downtown Madison include the Madison Children's Museum, the Wisconsin Veteran's Museum, the Wisconsin Historical Museum and the Chazen Museum of Art.
- *Special Visitor Districts* - Special visitor districts are places where visitor attractions such as cultural, amusement, or sports facilities are clustered in one location. The creation and marketing of these districts can attract tourists, provide greater amenities for local residents, and facilitate urban renewal. Special visitor districts enable visitors to move easily from one attraction to another and can encourage more visitors due to their creation of a critical mass of attractions. As with many other cities its size, downtown Madison currently lacks a special visitor district.
- *Retail and Dining Facilities* - Although shopping and restaurants are regarded as a secondary element of tourism, these establishments are an important part of the visitor economy. The Travel Industry of America Association (TIA) ranked shopping first among the most popular leisure activities for national and international travelers in the U.S. Tourists spend approximately one-third of their total travel expenditures on shopping. Typical visitor purchases are listed in Table 1.11 by their frequency. Somewhat surprisingly, tourists are more likely to purchase clothing or shoes for themselves or others (77 percent) than a more traditional souvenir (49 percent). As shopping has become a leisure activity, a vibrant retail and dining mix is an increasingly important component to attracting visitors and capturing their spending potential.

Table 1.11 – Items Typically Purchased by Tourists

Category	Visitors Reporting a Purchase
Clothing or shoes	77%
Souvenirs	49%
Books or Music	42%
Specialty foods/beverages	41%
Kids toys	39%
Items/crafts, local or unique to destination	37%
Jewelry or accessories	36%
Home accessories or furnishings	23%
Home electronics	16%
Sports equipment	15%
Camera and/or equipment	15%
Artwork	15%
Luggage	9%
Camping equipment	7%

Source: Travel Industry of America Association


¹³ <http://www.mononaterrace.com/>

Characteristics of the Downtown Madison Visitor Market

The visitor market is a vital component of the Madison economy. It is served by various business categories including the hospitality industry (lodging, food service and other travel related services). In Madison, as in other cities, the visitor market is a growing segment that is supporting downtown revitalization, job creation, and re-investment. Travelers to the Madison area and downtown fall into three general categories:

- **Business** – These travelers represent a large portion of lodging demand in urban markets. They include individuals traveling on business who represent commercial, industrial, health care, higher education and governmental organizations. Peak business demand is usually experienced Monday through Thursday.
- **Pleasure (Leisure)** – These travelers may visit an area for a vacation, to attend sporting or social events, to shop, or to visit friends and relatives. They might be staying over simply because they are traveling to other destinations. Leisure travelers may be individuals, couples, families, or small groups. Figure 1.1 describes the Greater Madison Convention & Visitor Bureau's branding efforts that focus on this category.


Figure 1.1 – Destination/Leisure Brand, Message Statement and Target Markets

Destination/Leisure		
	Madison is an oasis of natural beauty, complemented by diverse recreational opportunities and a cultural sophistication unexpected in a destination of its size.	Cultural Tourists Active Tourists Women/Couples
	Madison is an easy weekend getaway. Primary Target Market: Women/Couples who live within a 5-hour drive. Educated professionals between the ages of 25-54 (focus on 45-54 segment), who travel without children.	Families LGBT

Source: Greater Madison Convention & Visitors Bureau

- **Meetings and Conventions** – These travelers consist of either leisure or business groups. Leisure groups can include attendees of special events, school activities, athletic events, and organized tours. Business-related group meetings are typically associated with conferences, board meetings, training programs, seminars, trade shows, and other gatherings. Figure 1.2 describes the Greater Madison Convention & Visitor Bureau's branding efforts that focus on this category.

Figure 1.2 – Convention Initiative Brand, Message Statement and Target Markets

Convention Initiative		
	Madison is a smart meeting destination that caters to meeting professionals and attendees intellectual and emotional needs. Given its educational and intellectual capacity, environmental sensitivity and love-at-first-sight appeal, Madison is a premier, mid-size convention destination.	Agri-business Engineering/Science Environmental/ Natural Resources Medical/Bio Sports

Source: Greater Madison Convention & Visitors Bureau

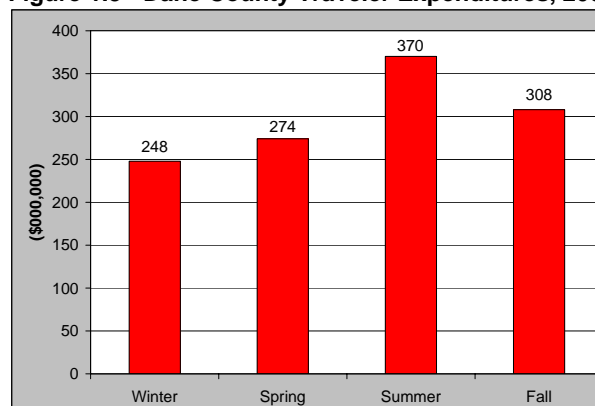
Based on these three segments, an economic impact analysis of traveler expenditures on Dane County was prepared by Davidson-Peterson Associates for the Greater Madison Convention and Visitors Bureau.¹⁴ The report examined traveler expenditures made in Dane County from December 2005 through November 2006. Key points relevant in understanding the visitor market and its impact on downtown Madison are presented below.

¹⁴ The Economic Impact of Expenditures by Travelers on Dane County, Calendar Year 2006. Prepared by Davidson-Peterson Associates, Kennebunk, ME

Travel Seasonality

The study estimates annual traveler expenditures of \$1.2 billion in Dane County distributed unequally among the seasons (Figure 1.3). Summer (June through August) was the busiest season for visitation while winter (December through February) was the slowest. While somewhat seasonal, the expenditure differential between slow (winter) and peak (summer) periods in Dane County was 0.67 to one. Statewide expenditures are more seasonal with a differential of 0.47 to one. Higher overall hotel occupancy levels coupled with more diverse visitor generators contribute to the smoothing of seasonality in the County.

Figure 1.3 - Dane County Traveler Expenditures, 2006



Source: Davidson-Peterson Associates

Lodging Industry Characteristics

Overnight lodging guests are the largest contributors to local tourism expenditures, outspending day-trippers, campers and visitors staying with friends and relatives by a ratio of two-to-one. In 2006, hotels (including motels, resorts and Bed & Breakfasts) had an average occupancy rate of 62 percent. Occupancy was lowest in the winter (54 percent) and highest in the summer (70 percent). The overall average daily room rate for Dane County hotels was \$90.03 during 2006.

Table 1.12 - Dane County and Downtown Madison Lodging Data, 2006

Lodging Attribute	Dane County	Downtown Madison	Downtown As Percent Of County
Lodging Properties	92	9	10%
Lodging Rooms	7,816	1,228	16%
Hotel Revenues	\$161 million	\$40 million	25%
Occupancy	62%	-	-
Average Daily Rate	\$90	-	-

Source: Davidson-Peterson and UW-Extension

Downtown Madison has nine hotels with 1,228 rooms (Map 1.3). Downtown hotels are estimated to generate higher revenues than other properties in the County because of their larger size, premium downtown room rates, and the presence of

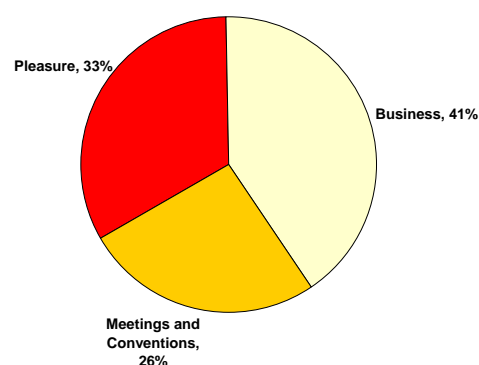
onsite food, beverage and banquet facilities. Accordingly, while downtown only accounts for 16 percent of available rooms, it likely captures a significantly larger share of hotel generated revenues.

Purpose of Trip- Lodging Guests

Lodging property managers report that two-thirds of their 2006 guests were traveling either for business (41 percent) or to attend meetings and conventions (26 percent). The remaining guests were traveling for pleasure (Figure 1.4).

Compared to Wisconsin, the Dane County had a larger share of its rooms occupied by business and meetings/convention attendees. In Dane County, business demand was significant year round. Meetings

Figure 1.4 - Dane County Lodging Guests by Purpose of Trip, 2006



Source: Davidson-Peterson Associates

and conventions are most significant during the fall months. The University and state government offices are likely important generators of business and meetings/convention room nights for downtown properties.

Estimated Traveler Expenditures by Category of Expenditure

More than half of Dane County's total estimated \$1.2 billion in travel expenditures in 2006 was spent on shopping (31 percent) and food (27 percent). Recreational expenditures accounted for one quarter of expenses (24 percent). Lodging expenditures and transportation accounted for the remainder of the County's 2006 traveler expenditures (13 percent and 7 percent respectively).

The Downtown Study Area's capture of traveler dollars was estimated for selected expenditure categories based on the ratio of downtown sales to County sales. Table 1.13 calculates an estimated downtown capture of \$18 million in shopping (retail sales), \$52 million in food (mostly restaurants), and \$161 million in lodging (hotels). Table 1.13 represents an initial attempt at measuring the tourism sensitive sales captured by downtown businesses. *It does not include transportation or recreation/other expenditures that are also made by visitors. Further, it does not reflect indirect economic benefits that result from visitor spending.*

Table 1.13 - Estimated Dane County Travel Expenditures – by Category of Expenditure, 2006

	<u>Dane County (\$)</u>	<u>Downtown Capture Rate</u>	<u>Downtown (\$)</u>
Shopping	364,240,000	5.0%	18,337,332
Food	310,160,000	16.8%	51,969,549
Lodging	161,110,000	24.9%	40,098,001
Transportation	82,730,000	-	-
Recreation/Other	282,190,000	-	-
Total Expenditures	1,200,431,047	-	-

Note: Downtown Capture Rate is based on the ratio of estimated downtown sales (retail, restaurants and hotels) to County sales. For this calculation, downtown is a 1-mile radius around the State Capitol.

Source: The Economic Impact of Expenditures by Travelers on Dane County - 2006. Davidson-Peterson Associate. Data extended to the Downtown Study Area by UW-Extension, CCED using InfoUSA business sales estimate, 2004.

Figure 1.6 – Spending by Visitors to the University of Wisconsin-Madison

The University of Wisconsin Madison generates a significant amount of visitors to the Dane County region. While not all of the expenditures made by these visitors are captured by downtown Madison establishments, the proximity of UW-Madison to the Downtown Study Area suggests its visitors have a large impact on many downtown businesses. A 2003 report by Northstar Economics, *University of Wisconsin-Madison's Economic Contribution to the Region*, estimated spending by visitors to UW-Madison in a variety of categories (i.e. lodging, dining, retail, transportation, etc.) within several visitor classifications relevant to downtown:

- *University Business* – University business includes a variety of visitor types such as position candidates, job placement interviews, business representatives, government representatives, sales people and technical advisors. These individuals generated almost 209,000 visit days and over \$17.4 million in spending.
- *Academic and Cultural* – These visitors include UW-Madison conference attendees, speakers, visiting scholars, prospective students, athletic camp attendees, continuing education students, music performances, and alumni visits. Academic and cultural visitors generated an estimated 943,400 visit days and over \$71.1 million in spending.
- *Athletic* – As football, men's basketball and men's hockey collect 98 percent of athletic ticket sales revenue, these three sports were used to estimate the visitor impact from UW-Madison athletics. These three sports generated almost \$26.3 million in direct economic impact from visitors living outside of the district. Given the proximity of the Kohl Center, spending from athletic visitors are particularly relevant for downtown Madison.
- *Visitors to Students* – Student visitors consist of two components: parents and friends. These visitors to students spent an estimated \$48.4 million.

Source: Northstar Economics. *University of Wisconsin-Madison's Economic Contribution to the Region*. June 2003.

Map 1.3 – Downtown Madison Hotels and Visitor Traffic Generators



Study Area Resident Market Segment

The resident market is an essential component to downtown revitalization. New downtown residents create a captive consumer market, signal investment, and increase safety perceptions. The demographic and lifestyle changes accompanying the resurgence in downtown housing are creating new opportunities for a variety of businesses. Given the growing importance of downtown residents, the following discussion provides an overview of downtown housing trends, and examines data on downtown Madison residents.

National Trends

Over the past twenty years, the number of people moving to downtowns has increased significantly. Downtown attributes driving these changes include architecturally distinct areas, rich cultural histories, and proximity to jobs, shopping, recreation, entertainment centers, and special services.¹⁵ Not surprisingly, the recent growth in downtown residential development has been a key to creating twenty-four hour downtowns and the shopping vibrancies found in many city centers.

According to a 2005 article from the Brookings Institution's *Living Cities Census Series*, "Downtown housing provides visible and tangible evidence of urban vitality that has important psychological and economic impacts. The occupation of vacant, centrally-located buildings, the increased presence of people on formerly empty streets, and investment in supportive commercial activities and amenities help bring additional market confidence to downtowns. New residents create a virtuous cycle of economic growth and development to the city as a whole."¹⁶ The cycle of downtown housing re-investment has driven a number of national housing trends relevant to downtown Madison:

- During the 1990s, downtown populations grew by 10 percent. The growth in downtown residents was a striking resurgence following 20 years of decline.
- Corresponding to a large number of downtown condominium projects, Downtown homeownership rates more than doubled between 1970 and 2000.
- Downtowns are more racially and ethnically diverse than 20 years ago.
- Downtowns tend to have a higher percentage of both young adults and college-educated residents than other urban areas, exurbs, and suburbs.
- Downtowns include some of the most and least affluent households of their cities and regions.¹⁷

Cities that have successfully pursued downtown housing offer a range of housing types that attract several demographic categories. Downtown rental housing often caters to those individuals who are attracted to the amenities of downtown living and unable to afford a single-family home or condo. Consequently, downtown renters are often new entrants to the labor pool or students. These young, often-educated individuals increasingly make residential decisions based on a lifestyle and are often drawn to downtowns with vibrant entertainment concentrations and a strong job market.¹⁸ Meeting the housing demands of this demographic requires providing a range of housing at varying levels of affordability and style.¹⁹

¹⁵ Moulton, Jennifer. "Ten Steps to a Living Downtown." The Brookings Institution, Center on Urban and Metropolitan Policy. October, 1999.

¹⁶ Birch, Eugenie. L. "Who Lives Downtown". *Living Cities Census Series*. The Brookings Institution. November 2005.

¹⁷ Ibid.

¹⁸ Leinberger, Christopher B. "Turning Around Downtown: Twelve Steps to Revitalization". Research Brief. The Brookings

In addition to students and recent graduates, downtowns have also attracted young professional singles and couples, empty nesters, and retirees. These demographic segments often demand owner-occupied housing types, but are less concerned with large living spaces and the local school districts. These middle and upper-income housing segments create responsible property owners and help to increase the local tax base without placing large demands on municipal services. Additionally, these residents require a different range of goods and services that can spark retail development in downtowns areas.²⁰

Need for Neighborhood-Serving Businesses

Downtown amenities such as dining establishments, entertainment facilities, parks, festivals, sporting events, museums and theaters all add to the attractiveness of downtown living. While these facilities enhance the quality of life for downtown residents, neighborhood-serving retail and services are also necessary to make a neighborhood more livable. Residential development creates a captive customer base for retail businesses such as grocery stores, pharmacies, and hardware stores. Downtown residents also support service businesses such as coffee shops, hair and personal care, fitness and dry cleaners. Other desirable services can include doctors, dentists, lawyers, financial services, veterinarians and other professional services.²¹

Providing neighborhood-serving retail goods and services within close proximity to downtown residents will provide multiple benefits and a higher quality of life to residents by promoting less driving, providing opportunities to interact with neighbors, and adding to the area's retail and service offerings. Furthermore, neighborhood-serving retail provides access to basic goods and services for children, the elderly, and households without cars. Access to these basic goods and services are particularly important for Downtown Madison given the number of households without cars in the Study Area. *To effectively provide these goods and services, neighborhood-serving retailers should not be located more than a 5-to-10 minute walk from downtown residents.*

Characteristics of Downtown Madison Residents

An unprecedented amount of housing development is happening throughout Downtown Madison in the form of new construction, historic renovation, and adaptive re-use. While housing is located throughout Downtown Madison, there are five neighborhoods directly surrounding the Study Area: the First Settlement, the Bassett, the Mansion Hill, the State/Langdon St., the Mifflin west, and the James Madison Park neighborhoods. These neighborhoods provide a mix of housing types, tenures, and price ranges. In addition to housing, these neighborhoods surrounding the Capitol are the heart of downtown Madison, and include with many entertainment and dining options.²²

- *The First Settlement* - The First Settlement neighborhood is at the intersection of two of Madison's five local historic districts and a National Register Historic District. This neighborhood seeks a high standard of developments in order to retain its historic character. In addition to being a residential area, this neighborhood is home to the Monona Terrace

Institution. March 2005.

¹⁹ "The young and the restless' are a key demographic to future of downtowns." *Downtown Idea Exchange*. Vol. 53, No. 5. March 1, 2006

²⁰ Leinberger, Christopher B. "Turning Around Downtown: Twelve Steps to Revitalization". Research Brief. The Brookings Institution. March 2005.

²¹ Beyard, Michael D., Michael Pawlukiewicz, and Alex Bond. "Ten Principles for Rebuilding Neighborhood Retail." Washington, D.C.: ULI – the Urban Land Institute, 2003.

²² <http://www.capitolneighborhoods.org>

and Convention Center. This neighborhood lies to the east of the Capitol, bounded by Martin Luther King Blvd, S. Blair St., and East Washington Ave.

- *The Bassett Neighborhood* - Located to the west of the Capitol, the Bassett neighborhood has witnessed a tremendous resurgence of resident interest and involvement. While there is much student housing, there is a growing number of permanent residents who are striving to continue to create an engaging and vital neighborhood. The historic Tobacco Warehouses located in this neighborhood have recently undergone an restoration, helping to preserve the historic nature of the neighborhood. This neighborhood is bounded by Martin Luther King Blvd, West Washington Ave, and Proudfit St.
- *The Mansion Hill Neighborhood* - This neighborhood to the west of the Capitol is bounded by N. Hamilton St, Langdon St., and State Street. It is characterized by the many large historic homes; and as such strives to preserve the historic nature of the neighborhood. This neighborhood hosts one of the many walking tours that many visitors undertake in when they visit downtown Madison.
- *The State/Langdon Neighborhood* - The State/Langdon Neighborhood is directly adjacent to the University of Wisconsin campus, and on the shores of Lake Mendota. It is bounded by Langdon Street, North Frances Street, and North Park Street. It is a unique district because most of the residents are students and are therefore transient; however, there are some residents who have lived in the neighborhood for years. Langdon Street is well known for the many fraternity and sorority houses which line the street. It is a neighborhood characterized by the vibrant shopping, entertainment, and dining options found along State Street, as well as the Memorial Union, where it is a Madison tradition to sit and gaze out upon Lake Mendota.
- *Mifflin West Neighborhood* - The Mifflin West Neighborhood is bounded by State St., West Washington Ave, and N. Frances St. This neighborhood boasts a mix of owner-occupied housing, student housing, as well as entertainment options. The recent construction of the Overture Center for the Arts provides a focal point for the neighborhood.
- *James Madison Park Neighborhood* - Named for the historic park that provides a place where members of the community and visitors can relax and enjoy Lake Mendota, this neighborhood is primarily residential, though there is a growing little market center located along Johnson St. There is a mixture of owner-occupied and rental housing, characterized primarily by two and three-story houses.

Perspectives of Downtown Residents

The Downtown Dynamic conducted a three-session discussion on downtown issues in the spring of 2006. There were 17 participants, all living in a private residence or condo. Although not indicative of the entire downtown population, their views offer important consumer preferences.

- Respondents value downtown Madison for its proximity to the UW and to government, its high level of walk-ability, neighborhood feel, cultural diversity, and its varied architecture.
- Respondents would consider moving away from downtown because of noise, lack of high tech, high property taxes, safety and vandalism concerns, lack of yard space, expensive housing, and because it is too conservative.
- Suggestions included improving the safety and cleanliness of the business district, promoting more bike and pedestrian friendly areas, as well as increasing road maintenance in general.
- Respondents would like a flower stand, pet supply store, and grocery store added downtown.

Sources: *Downtown Dynamic*

While these neighborhoods include a diverse population, residents of downtown Madison are dominated by several demographic characteristics. Not surprisingly, downtown Madison's population is dominated by college students. In 2000, over 72 percent of downtown residents were enrolled in an undergraduate or graduate program. Consequently, a large share (76.6 percent) of downtown residents are between the ages of 15 and 24 and tend to have per capita incomes below the national average. The presence of these college students also contributes to downtown Madison's large share of non-family households, individuals living in group quarters (dorms) and its high mobility rate (i.e. resident turnover). Detailed demographic characteristics of downtown Madison residents are included in Appendix 1A.

Despite the dominance of college students, resident characteristics are changing somewhat in downtown Madison. Specifically, downtown Madison is experiencing a growing population of individuals between the ages of 25 to 34, and residents aged 55 to 64 (see Appendix 1A). Corresponding to these changes is a growing number of owner-occupied housing units and large scale rental developments catering to young professionals and empty-nesters. Between 1995 and 2007, an estimated 1,800 new rental units have either been developed or are currently under construction. During the same time period, 1,340 new condominium units were added to downtown Madison through new construction, conversion from rental properties, or adaptive re-use. *Note that these housing units should not be correlated with population change as these projects may have displaced existing housing structures, have varying occupancy levels, and vary in the number of individuals per household.* The locations of these new housing units are depicted on Map 1.4.

The 24,000 residents of downtown Madison have estimated retail (excluding auto) and restaurant spending potential of approximately \$96 million, distributed by category in Appendix 7B. This amount reflects spending potential and must be used in combination with reasonable market share capture rates.

Figure 1.7 – Description of the “Metro Renters” Tapestry Segment

Metro Renters - Tapestry Segment 27

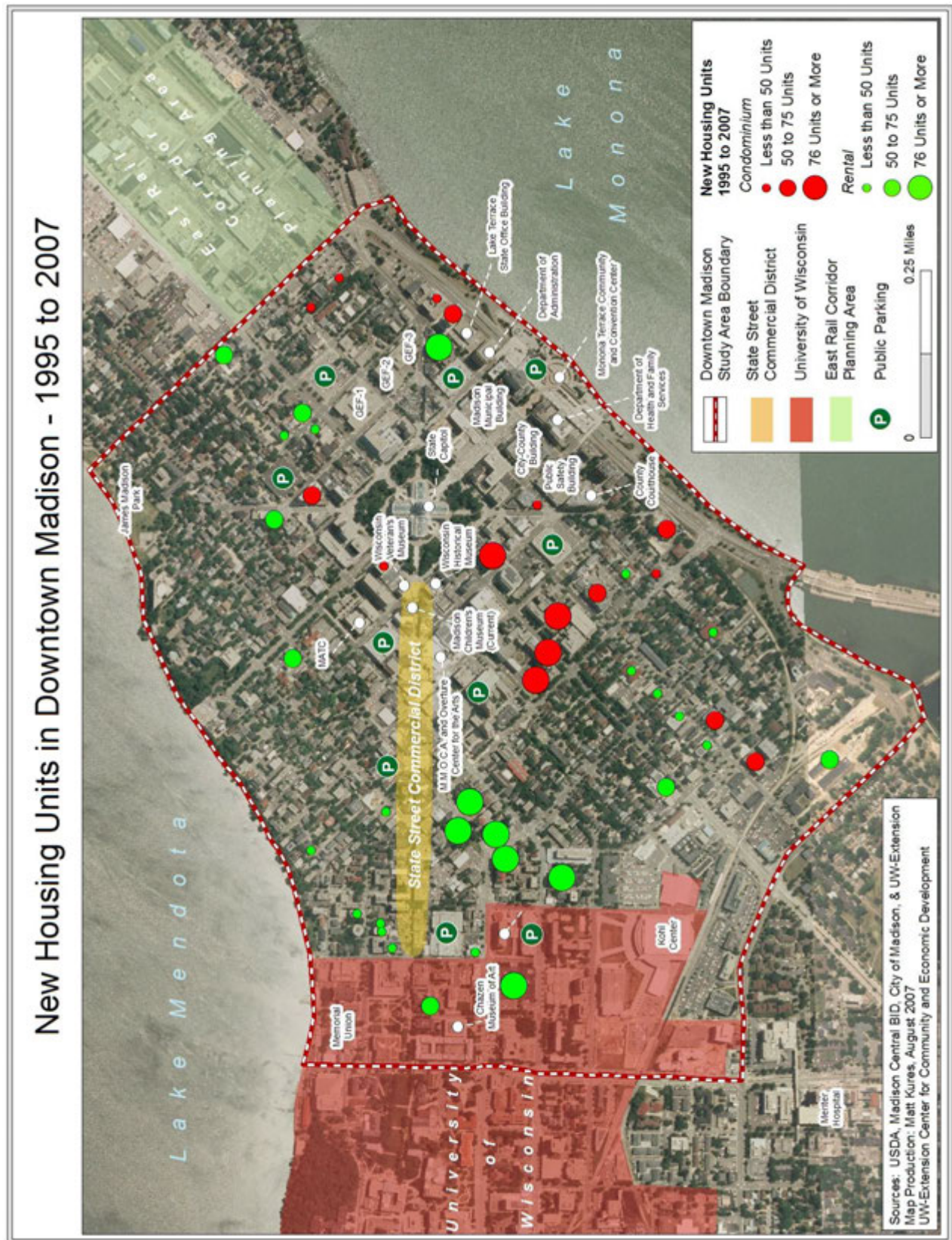
In addition to the “Dorms to Diplomas” Tapestry segment previously mentioned in this section, so-called “Metro Renters” comprise another notable share of the downtown population (see page 1-2 for information on the Dorms to Diplomas market segment). According to ESRI, residents in the Metro Renter Tapestry segment are young (approximately 30 percent are in their twenties), well-educated singles beginning their professional careers in the largest cities such as New York, Chicago, and Los Angeles.

Their median household income has been increasing faster than most market segments. A majority are renters, often in older high-rise units. They live alone or share with roommates.

Metro Renters spend money on themselves, buying women's designer jeans, ski apparel, and workout clothing. They enjoy time with friends and entertain at home. For leisure, they attend rock concerts, go to the movies, and go dancing. They play racquetball and tennis, practice yoga, work out regularly, ski, and jog. Surfing the Internet is an important part of their lives; they go online to search for jobs, listen to the radio, and order airline and concert tickets. These individuals are 91 percent more likely to shop at The Gap and 89 percent more likely to make purchases at Macy's. The Metro Renter segment is less likely to shop at more traditional retailers such as J.C. Penney and Wal-Mart.

Sources: ESRI and UW-Extension

Map 1.4 – Distribution of New Housing Units Developed Between 1995 and 2007



Conclusions

The preceding information on college students, downtown workers, visitors, and downtown residents creates a foundation of consumer information that will be used to examine future opportunities for business retention, expansion and recruitment. While the consumer information in Section 1 is intended to be descriptive in nature, several important conclusions are listed below. Other potential market segments residing in the greater Madison region also provide significant opportunities and will be examined in Section 3.

- College students tend to have large amounts of disposable income and leisure time. Consequently, students often spend money on technology/electronic goods and services, entertainment options, and basic consumer goods like snack foods and beverages. Students tend to spend more than average U.S. consumers on products like designer clothing, computers, movies, travel, and recreation. When considering these purchasing preferences and comparing them to the downtown Madison retail offerings, a number of retail gaps are apparent. Specifically, downtown Madison lacks a number of apparel retailers favored by college students, a movie theater, and stores with a large selection of electronics products. Furthermore, downtown Madison is missing both a traditional department store (i.e. Macy's) and a general merchandise store (i.e. Target), two retail categories frequently used by students for back-to-school shopping. A niche grocer (i.e. Willy Street Coop), housewares, and a greater office product selection (independent or branded) may also match the preferences of this consumer segment. Consequently, downtown Madison is likely experiencing a notable amount of student expenditures leaking to other shopping districts.
- When marketing downtown Madison to existing and prospective college students, consider the communication methods used by many individuals in this age group. Marketing strategies could include using outlets such as Podcasts, MySpace pages and so-called "Google bombing" efforts about downtown Madison and its retailers. The National Main Street Center's March 2007 issue of *Main Street News* provides a primer for marketing downtowns through podcasting.
- Downtown Madison's employees have an estimated \$213.3 million in annual retail spending potential. Many of downtown Madison's workers live in middle to upper-middle income households, tend to work in white-collar, knowledge-driven occupations, and are more likely to commute using alternate modes of transportation. While these employees create an important captive consumer segment, capturing worker expenditures requires being accessible in terms of location (i.e. less than a quarter mile) and in terms of store hours. Stores closing before 6:30 p.m. somewhat limit their opportunity to capture downtown employee expenditures.
- Hospitality and entertainment options are important considerations for capturing downtown employee spending potential. Specifically, downtown office workers tend to eat out for lunch more frequently than their suburban counterparts do. Furthermore, the percent of office workers stopping after work for entertainment has increased dramatically since 1987.
- According to lifestyle segmentation information, there are two primary market segments living in the downtown Study Area. The largest segment is "Dorms to Diplomas" (almost 90 percent of the Study Area), while the second largest segment is "Metro Renters" (10 percent of the study area), a group that is made up of young, well-educated singles, beginning their

professional careers. A more detailed analysis of the Metro Renters market segment reveals that many of their tastes and preferences also overlap with those of the Dorms to Diplomas market segment shown in Table 1.2. These similar tastes and preferences may create an intersection of opportunities for several business categories (i.e. entertainment, apparel, and electronics.)

- Residential development creates a customer base for neighborhood-serving retail businesses such as grocery stores, pharmacies, and hardware stores. Downtown residents also support service businesses such as hair and personal care, fitness, dry cleaners, and movie rental establishments. Vital downtown professional services include doctors, dentists, financial services and veterinarians. The growing number of owner-occupied housing units in downtown Madison may provide future opportunities for these business categories. The number of new downtown housing units (over 3,100) should also be showcased on business recruitment materials as a source of investor confidence and growth in downtown Madison.
- Based on the visitor data presented, there may be opportunities to increase downtown Madison's capture of visitor expenditures:
 1. Downtown Madison's commercial districts are conveniently located near the largest and most significant area visitor destinations. Downtown's isthmus location and walkability to many of these attractions provide a strategic advantage for capturing visitor spending.
 2. Unlike the resident, office worker or student segments, visitors often seek opportunities for non-essential spending while away from home. As their spending is sometimes based on impulse, spending levels are often made in relation to the selection and availability of stores, restaurants and hotels. In other words, the greater the concentration of visitor-serving businesses, the greater the capture of visitor spending.
 3. While \$18 million in estimated downtown Madison visitor retail spending may appear significant, it reflects a low 5 percent capture rate (see Table 1.13). This capture rate, based on downtown retail sales divided by county retail sales, suggests that there may be opportunity to capture significantly more discretionary spending through enhanced retail offerings and concentrations.
 4. Enhancements to the downtown retail mix should recognize the importance of non-essential shopping behavior of this market segment. Convenience and lifestyle goods are important, as are educational and experiential shopping and dining opportunities. Such enhancements could be made while building synergy with other downtown businesses so that the character and uniqueness of downtown Madison are maintained.

Appendix 1A – Downtown Study Area Demographic Profile

Demographic Category	Downtown Madison	Dane County	United States
1990 Total Population	22,202	367,085	248,709,873
2000 Total Population	22,168	426,526	281,421,906
2000 Group Quarters	6,450	15,807	7,778,633
2007 Total Population	24,339	475,924	306,348,230
2000 - 2007 Annual Growth Rate	1.4%	1.7%	1.3%
2012 Total Population	25,564	505,908	325,526,398
1990 Households	8,012	142,786	91,947,410
2000 Households	8,780	173,484	105,480,101
2000 Average Household Size	1.79	2.37	2.59
2007 Households	10,239	198,558	115,337,039
2007 Average Household Size	1.75	2.32	2.59
2000 - 2007 Annual Growth Rate	2.4%	2.1%	1.3%
2012 Households	11,030	213,136	122,830,665
2012 Average Household Size	1.73	2.30	2.58
2000 Families	499	100,856	71,787,347
2000 Average Family Size	2.20	2.97	3.14
2007 Families	527	111,857	77,236,852
2007 Average Family Size	2.09	2.92	3.14
2012 Families	525	116,791	81,160,731
2012 Average Family Size	2.05	2.92	3.15
2000 Housing Units	9,075	180,398	115,904,641
Owner Occupied Housing Units	2.6%	55.4%	60.2%
Renter Occupied Housing Units	94.1%	40.8%	30.8%
Vacant Housing Units	3.2%	3.8%	9.0%
2007 Housing Units	10,676	208,487	128,035,492
Owner Occupied Housing Units	2.8%	56.8%	61.3%
Renter Occupied Housing Units	93.1%	38.4%	28.8%
Vacant Housing Units	4.1%	4.8%	9.9%
2012 Housing Units	11,626	226,473	137,008,608
Owner Occupied Housing Units	2.7%	56.0%	61.1%
Renter Occupied Housing Units	92.2%	38.1%	28.6%
Vacant Housing Units	5.1%	5.9%	10.3%
Per Capita Income			
2000	\$11,342	\$24,985	\$21,587
2007	\$14,848	\$32,736	\$27,916
2012	\$17,271	\$40,150	\$33,873
Median Household Income			
2000	\$15,317	\$49,201	\$42,164
2007	\$18,163	\$62,378	\$53,154
2012	\$21,065	\$73,343	\$62,503

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 1A – Downtown Study Area Demographic Profile

Demographic Category	Downtown Madison	Dane County	United States
2000 Household by Income			
Total Households in Income Base	8,773	173,710	105,539,122
<\$15,000	49.1%	11.2%	15.8%
\$15,000 - \$24,999	21.4%	10.7%	12.8%
\$25,000 - \$34,999	10.7%	11.8%	12.8%
\$35,000 - \$49,999	10.2%	17.1%	16.5%
\$50,000 - \$74,999	5.8%	23.4%	19.5%
\$75,000 - \$99,999	1.5%	12.8%	10.2%
\$100,000 - \$149,999	0.8%	8.8%	7.7%
\$150,000 - \$199,999	0.0%	2.1%	2.2%
\$200,000 +	0.5%	2.1%	2.4%
Average Household Income	\$23,651	\$60,402	\$56,644
2007 Household by Income			
Total Households in Income Base	10,239	198,558	115,335,842
<\$15,000	42.5%	8.4%	12.0%
\$15,000 - \$24,999	20.3%	7.4%	9.9%
\$25,000 - \$34,999	13.2%	8.6%	10.3%
\$35,000 - \$49,999	10.6%	14.4%	14.7%
\$50,000 - \$74,999	8.6%	21.0%	19.5%
\$75,000 - \$99,999	2.8%	16.9%	12.8%
\$100,000 - \$149,999	1.4%	15.0%	12.3%
\$150,000 - \$199,999	0.2%	4.4%	4.2%
\$200,000 +	0.4%	3.8%	4.2%
Average Household Income	\$27,274	\$77,450	\$73,126
2012 Household by Income			
Total Households in Income Base	11,029	213,136	122,829,470
<\$15,000	37.3%	7.0%	10.1%
\$15,000 - \$24,999	19.5%	5.8%	8.2%
\$25,000 - \$34,999	13.7%	6.6%	8.7%
\$35,000 - \$49,999	12.2%	12.0%	12.9%
\$50,000 - \$74,999	10.3%	19.7%	18.6%
\$75,000 - \$99,999	3.5%	15.1%	13.1%
\$100,000 - \$149,999	2.4%	21.2%	16.0%
\$150,000 - \$199,999	0.5%	6.1%	5.6%
\$200,000 +	0.5%	6.6%	6.8%
Average Household Income	\$31,607	\$94,233	\$88,685
2000 Specified Renter Occupied Housing Units by Contract Rent			
Total	8,545	72,708	35,199,502
With Cash Rent	99.1%	98.2%	94.8%
No Cash Rent	0.9%	1.8%	5.2%
Average Rent	\$597	\$616	\$565

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 1A – Downtown Study Area Demographic Profile

Demographic Category	Downtown Madison	Dane County	United States
2000 Owner Occupied Housing Units by Value			
Total Units	235	99,923	69,816,513
< \$50,000	0.0%	2.2%	14.9%
\$50,000 - \$99,999	13.6%	10.9%	29.6%
\$100,000 - \$149,999	18.3%	40.0%	21.8%
\$150,000 - \$199,999	39.6%	25.2%	13.4%
\$200,000 - \$299,999	17.9%	14.6%	11.2%
\$300,000 - \$499,999	5.1%	5.5%	6.1%
\$500,000 - \$999,999	5.5%	1.2%	2.3%
\$1,000,000+	0.0%	0.3%	0.6%
Average Home Value	\$208,894	\$172,430	\$151,910
2000 Population by Age			
Total Population	22,168	426,526	281,421,906
0 - 4	0.4%	6.1%	6.8%
5 - 9	0.2%	6.3%	7.3%
10 - 14	0.2%	6.5%	7.3%
15 - 19	22.8%	7.7%	7.2%
20 - 24	51.3%	10.3%	6.7%
25 - 34	13.3%	16.0%	14.2%
35 - 44	4.8%	16.4%	16.0%
45 - 54	2.9%	14.1%	13.4%
55 - 64	1.3%	7.2%	8.6%
65 - 74	0.8%	4.7%	6.5%
75 - 84	0.9%	3.3%	4.4%
85+	1.1%	1.3%	1.5%
18+	99.0%	77.4%	74.3%
Median Age	22.6	33.2	35.3
2007 Population by Age			
Total Population	24,339	475,924	306,348,230
0 - 4	0.3%	5.9%	6.9%
5 - 9	0.1%	5.7%	6.5%
10 - 14	0.1%	5.8%	6.8%
15 - 19	20.3%	7.7%	7.1%
20 - 24	56.3%	11.1%	7.0%
25 - 34	11.7%	14.2%	13.2%
35 - 44	3.8%	14.7%	14.4%
45 - 54	2.9%	15.2%	14.6%
55 - 64	1.5%	10.2%	10.8%
65 - 74	0.7%	4.6%	6.3%
75 - 84	0.9%	3.3%	4.4%
85+	1.2%	1.5%	1.9%
18+	99.1%	78.8%	75.6%
Median Age	22.6	34.7	36.7

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 1A – Downtown Study Area Demographic Profile

Demographic Category	Downtown Madison	Dane County	United States
2012 Population by Age			
Total Population	25,564	505,908	325,526,398
0 - 4	0.3%	6.0%	6.9%
5 - 9	0.1%	5.3%	6.3%
10 - 14	0.1%	5.7%	6.5%
15 - 19	19.3%	7.0%	6.8%
20 - 24	57.5%	11.7%	7.1%
25 - 34	11.6%	14.1%	13.0%
35 - 44	3.5%	13.4%	13.1%
45 - 54	2.9%	14.8%	14.8%
55 - 64	1.7%	11.9%	12.3%
65 - 74	0.8%	5.3%	6.8%
75 - 84	0.9%	3.1%	4.2%
85+	1.3%	1.7%	2.1%
18+	99.2%	79.5%	76.3%
Median Age	22.6	35.2	37.6
2000 Population by Sex			
Males	53.5%	49.5%	49.1%
Females	46.5%	50.5%	50.9%
2007 Population by Sex			
Males	53.1%	49.5%	49.2%
Females	46.9%	50.5%	50.8%
2012 Population by Sex			
Males	52.9%	49.5%	49.2%
Females	47.1%	50.5%	50.8%
2000 Population by Race/Ethnicity			
Total Population	22,167	426,526	281,421,906
White Alone	85.8%	89.0%	75.1%
Black Alone	4.3%	4.0%	12.3%
American Indian Alone	0.3%	0.3%	0.9%
Asian or Pacific Islander Alone	6.2%	3.5%	3.8%
Some Other Race Alone	1.4%	1.4%	5.5%
Two or More Races	1.9%	1.8%	2.4%
Hispanic Origin	3.7%	3.4%	12.5%
Diversity Index	31.1	25.8	54.6
2007 Population by Race/Ethnicity			
Total Population	24,339	475,924	306,348,230
White Alone	80.7%	86.3%	72.7%
Black Alone	5.6%	4.8%	12.6%
American Indian Alone	0.4%	0.3%	0.9%
Asian or Pacific Islander Alone	9.1%	4.7%	4.5%
Some Other Race Alone	2.0%	1.8%	6.5%
Two or More Races	2.2%	2.0%	2.8%
Hispanic Origin	5.1%	4.3%	15.0%
Diversity Index	40.2	31.2	59.3

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 1A – Downtown Study Area Demographic Profile

Demographic Category	Downtown Madison	Dane County	United States
2012 Population by Race/Ethnicity			
Total Population	25,565	307,050	325,526,398
White Alone	76.8%	78.0%	71.1%
Black Alone	6.5%	7.6%	12.7%
American Indian Alone	0.4%	0.4%	0.9%
Asian or Pacific Islander Alone	11.5%	8.4%	4.9%
Some Other Race Alone	2.5%	3.0%	7.3%
Two or More Races	2.4%	2.7%	3.1%
Hispanic Origin	6.1%	6.8%	16.8%
Diversity Index	46.3	45.8	62.3
2000 Population Age 3 and Over by School Enrollment			
Total	22,115	263,126	270,076,176
Enrolled in Nursery/Preschool	0.1%	1.7%	1.8%
Enrolled in Kindergarten	0.0%	1.0%	1.5%
Enrolled in Grade 1-8	0.1%	8.9%	12.5%
Enrolled in Grade 9-12	1.0%	4.6%	6.1%
Enrolled in College	64.9%	13.9%	5.3%
Enrolled in Grad/Prof School	7.7%	4.3%	1.2%
Not Enrolled in School	26.2%	65.6%	71.6%
2000 Population Age 25 and Over by Educational Attainment			
Total	5,627	168,987	182,211,639
Less than 9th Grade	1.5%	2.8%	7.5%
9th - 12th Grade, No Diploma	6.3%	4.7%	12.1%
High School Graduate	14.5%	18.4%	28.6%
Some College, No Degree	18.7%	19.5%	21.0%
Associate Degree	4.9%	7.9%	6.3%
Bachelor's Degree	29.4%	26.8%	15.5%
Master's/Prof/Doctorate Degree	24.6%	19.9%	8.9%
High School Graduate or Higher	92.1%	92.5%	80.3%
Bachelor's Degree or Higher	54.0%	46.7%	24.4%
2000 Population Age 15 and Over by Sex and Marital Status			
Total	22,055	228,663	221,148,671
Females	46.7%	51.1%	51.6%
Never Married	40.4%	19.7%	12.4%
Married, not Separated	3.8%	21.9%	26.9%
Married, Separated	0.2%	0.7%	1.3%
Widowed	0.8%	3.2%	5.4%
Divorced	1.4%	5.6%	5.6%
Males	53.3%	48.9%	48.4%
Never Married	45.0%	21.9%	14.6%
Married, not Separated	6.1%	22.1%	27.5%
Married, Separated	0.4%	0.5%	0.9%
Widowed	0.4%	0.7%	1.2%
Divorced	1.4%	3.8%	4.2%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 1A – Downtown Study Area Demographic Profile

Demographic Category	Downtown Madison	Dane County	United States
2000 Population Age 16+ by Emp. Status			
Total	22,056	341,422	217,168,077
In Labor Force	63.7%	75.0%	63.9%
Civilian Employed	57.7%	72.1%	59.7%
Civilian Unemployed	5.8%	2.9%	3.7%
In Armed Forces	0.2%	0.1%	0.5%
Not in Labor Force	36.3%	25.0%	36.1%
2007 Population Age 16+ in Labor Force			
Civilian Employed	89.7%	95.0%	93.4%
Civilian Unemployed	10.3%	5.0%	6.6%
2012 Population Age 16+ in Labor Force			
Civilian Employed	89.8%	95.1%	93.9%
Civilian Unemployed	10.2%	4.9%	6.1%
2000 Females Age 16+ by Employment Status and Age of Children			
Total	10,299	173,995	112,185,795
Own Children < 6 Only	0.2%	7.5%	7.5%
Employed/in Armed Forces	0.1%	5.4%	4.4%
Unemployed	0.0%	0.2%	0.3%
Not in Labor Force	0.0%	1.9%	2.7%
Own Children <6 and 6-17 Only	0.0%	5.2%	6.4%
Employed/in Armed Forces	0.0%	3.7%	3.6%
Unemployed	0.0%	0.1%	0.3%
Not in Labor Force	0.0%	1.4%	2.5%
Own Children 6-17 Only	0.2%	15.8%	17.2%
Employed/in Armed Forces	0.2%	13.7%	12.4%
Unemployed	0.0%	0.2%	0.6%
Not in Labor Force	0.1%	1.9%	4.3%
No Own Children <18	99.6%	71.4%	68.9%
Employed/in Armed Forces	59.2%	46.0%	33.8%
Unemployed	3.8%	1.7%	2.2%
Not in Labor Force	36.6%	23.6%	32.9%
2007 Employed Pop. Age 16+ by Industry			
Total	13,886	274,624	141,590,232
Agriculture/Mining	0.7%	1.1%	1.7%
Construction	1.2%	5.7%	8.0%
Manufacturing	2.1%	8.3%	10.7%
Wholesale Trade	1.1%	2.9%	3.4%
Retail Trade	13.0%	11.3%	11.6%
Transportation/Utilities	1.3%	2.9%	4.9%
Information	3.9%	2.5%	2.3%
Finance/Insurance/Real Estate	3.7%	9.6%	7.4%
Services	69.4%	49.8%	45.1%
Public Administration	3.7%	5.9%	4.8%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 1A – Downtown Study Area Demographic Profile

Demographic Category	Downtown Madison	Dane County	United States
2007 Employed Population Age 16+ by Occupation			
Total	13,885	274,624	141,590,232
White Collar	67.1%	70.9%	60.2%
Management/Business/Financial	6.1%	15.5%	13.6%
Professional	31.2%	30.5%	21.3%
Sales	14.4%	10.9%	11.5%
Administrative Support	15.4%	14.0%	13.8%
Services	25.4%	13.2%	16.5%
Blue Collar	7.5%	15.9%	23.3%
Farming/Forestry/Fishing	0.4%	0.3%	0.6%
Construction/Extraction	1.0%	4.3%	6.6%
Installation/Maintenance/Repair	0.7%	2.9%	3.9%
Production	1.6%	4.4%	6.3%
Transportation/Material Moving	3.8%	4.0%	5.9%
2000 Workers Age 16+ by Means of Transportation to Work			
Total	12,317	242,542	128,279,228
Drove Alone - Car, Truck, or Van	29.1%	74.1%	75.7%
Carpooled - Car, Truck, or Van	4.4%	9.5%	12.2%
Public Transportation	9.6%	4.2%	4.7%
Walked	48.2%	6.2%	2.9%
Other Means	6.7%	2.2%	1.2%
Worked at Home	2.1%	3.8%	3.3%
2000 Workers Age 16+ by Travel Time to Work			
Total	12,316	242,542	128,279,228
Did not Work at Home	97.9%	96.2%	96.7%
Less than 5 minutes	6.6%	3.5%	3.3%
5 to 9 minutes	19.3%	12.8%	10.7%
10 to 19 minutes	44.0%	36.2%	29.8%
20 to 24 minutes	12.6%	17.2%	14.0%
25 to 34 minutes	10.5%	17.4%	18.4%
35 to 44 minutes	1.7%	3.6%	5.7%
45 to 59 minutes	1.2%	2.6%	7.2%
60 to 89 minutes	1.5%	1.6%	5.0%
90 or more minutes	0.6%	1.3%	2.7%
Worked at Home	2.1%	3.8%	3.3%
Average Travel Time to Work (in min)	15.5	19.9	25.5
2000 Households by Vehicles			
Total Households	8,780	173,484	105,480,101
No Vehicles	40.7%	8.0%	10.3%
1	44.1%	35.6%	34.2%
2	10.8%	41.6%	38.4%
3	2.4%	11.1%	12.5%
4	1.0%	2.7%	3.4%
5+	1.0%	1.0%	1.3%
Average Number of Vehicles Available	0.8	1.7	1.7

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 1A – Downtown Study Area Demographic Profile

Demographic Category	Downtown Madison	Dane County	United States
2000 Households by Type			
Total Households	8,780	173,484	105,480,101
Family Households	5.7%	58.1%	68.1%
Married-couple Family	3.6%	47.1%	51.7%
With Related Children	0.4%	22.3%	24.8%
Other Family (No Spouse)	2.1%	11.1%	16.4%
With Related Children	0.5%	7.5%	10.7%
Non-family Households	94.3%	41.9%	31.9%
Householder Living Alone	57.3%	29.4%	25.8%
Householder Not Living Alone	37.0%	12.5%	6.1%
Households with Related Children	0.9%	29.8%	35.5%
Households with Persons Age 65+	4.7%	15.8%	23.4%
2000 Households by Size			
Total	8,780	173,484	105,480,101
1 Person Household	57.3%	29.4%	25.8%
2 Person Household	23.4%	35.3%	32.6%
3 Person Household	9.8%	15.0%	16.5%
4 Person Household	5.3%	13.2%	14.2%
5 Person Household	2.6%	4.9%	6.6%
6 Person Household	1.1%	1.4%	2.5%
7+ Person Household	0.5%	0.7%	1.8%
2000 Households by Year Householder Moved In			
Total	8,780	173,484	105,480,101
Moved in 1999 to March 2000	66.5%	26.2%	19.9%
Moved in 1995 to 1998	24.6%	30.2%	28.9%
Moved in 1990 to 1994	4.0%	15.5%	16.1%
Moved in 1980 to 1989	3.3%	13.3%	15.6%
Moved in 1970 to 1979	0.7%	8.0%	9.9%
Moved in 1969 or Earlier	0.9%	6.7%	9.7%
2000 Housing Units by Units in Structure			
Total Housing Units	9,074	180,398	115,904,641
1, Detached	3.7%	53.6%	60.3%
1, Attached	0.6%	5.1%	5.6%
2	7.3%	5.7%	4.3%
3 or 4	11.9%	6.5%	4.7%
5 to 9	11.0%	7.6%	4.7%
10 to 19	15.1%	6.8%	4.0%
20+	50.2%	13.4%	8.6%
Mobile Home	0.0%	1.3%	7.6%
Other	0.1%	0.0%	0.2%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Size and Shape of Downtown Madison's Trade Areas

Section

2

Section 2 analyzes the extent and shape of downtown Madison's various trade areas. The trade area boundaries defined here will serve as the basis for additional analyses throughout this report.

A trade area is the geographic region that generates the majority of customers for a given establishment or commercial district. A downtown commercial district typically has several trade areas of varying size that are influenced by its critical mass of establishments, the mix of existing businesses, downtown employee commuting patterns, convenience and accessibility perceptions, and its proximity to competition. Examining these factors relative to downtown Madison provides insight into the size and shape of potential trade areas for the Downtown Study Area¹.

Note that each individual business in downtown Madison has a unique trade area. The distinct trade area for an establishment will depend on factors ranging from the type of business, to the variety of products and services sold. However, several general categories of businesses have different relative levels of consumer drawing power. More specifically, certain business types will only attract local customers, while other categories have the potential to draw customers from throughout a broader region. These business categories include:

- *Convenience Businesses* – Convenience businesses sell goods and services that consumers purchase with minimal effort and often at the most accessible store. Convenience goods are characterized by relatively low costs and frequent purchases with gasoline and groceries being the most obvious examples. The size of the Downtown Study Area and the nature of convenience shopping patterns will greatly influence the number and variety of potential convenience trade areas for downtown businesses. For example, the trade area for a convenience business located in the eastern portion of the study area could differ significantly from that of a convenience business located in the western portion. *Given the number of potential convenience trade areas for downtown businesses, this analysis does not attempt to create an overall convenience trade area for downtown Madison. Businesses focusing on convenience goods and services should consider their potential trade area on a case-by-case basis.*
- *Destination Businesses* – Destination businesses offer goods and services that consumers typically purchase after comparing price, quality, and brands. Automobiles, furniture, and appliances are examples of destination goods. Other retailers offering a unique product mix or consumer draw are also considered destination-type businesses. *Destination-type businesses are the primary focus of this trade area analysis.*
- *Intermediate Businesses* – Intermediate businesses sell goods and services having characteristics of both destination and convenience purchases. While consumers will spend some time comparison-shopping, the amount of time doing so is typically minimal and the purchase is usually made close to home. Examples of intermediate goods and services are pharmacies, hardware items, banking, and dry cleaning. *Given the potential drawing power of these businesses, intermediate-type establishments are considered in the trade area analysis, but to a lesser extent than destination businesses.*

¹ See the introduction for the geographic definition of the Downtown Madison Study Area.

In recognizing the potential influences on regional shopping patterns, the following factors are considered when defining the destination trade areas for downtown Madison:

- *Current drawing power of businesses and attractions in the Downtown Study Area* – The drawing power of downtown businesses and other traffic generators (i.e. cultural facilities) provides insight into the distance that local and regional residents will travel.
- *Commuting patterns of employees working in the Downtown Madison Study Area* – Downtown employees represent a captive consumer segment for large portions of each workday. Commuting patterns of these employees provide insight into possible connections to downtown relative to other shopping opportunities throughout the region.
- *Location, size and retail mix of competing commercial centers* – Other regional shopping opportunities with a strong retail mix compete with downtown Madison and impact the shopping habits of local and regional residents.

Drawing Power of Existing Businesses and Attractions

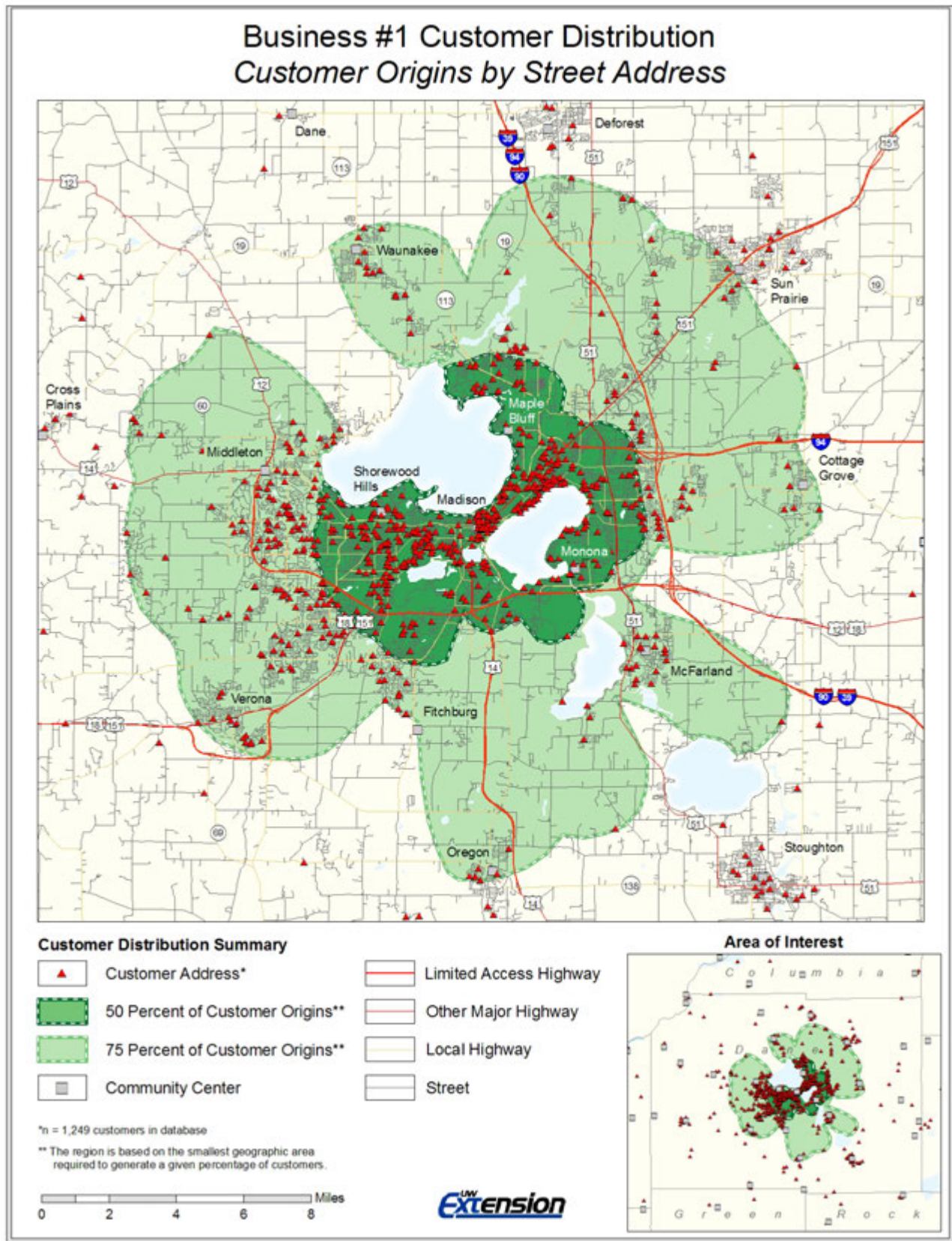
The drawing power of individual downtown businesses and attractions provides insight into the potential size and shape of trade areas for downtown Madison. To evaluate the drawing power of individual establishments, customer locations (street addresses and zip codes) were provided by a mix of ten downtown businesses and attractions. While the individual businesses are not identified to maintain their confidentiality, these businesses comprise a mix of intermediate and destination-type goods and services, as well as several key non-retail attractions. Information from each business was mapped and analyzed using Geographic Information Systems (GIS). Map 2.1 shows a sample map of a business' customers and its subsequent drawing power.

For destination and intermediate-type businesses, the region that generates 50 percent of customers often constitutes the primary trade area. Furthermore, the area that generates an additional 25 percent of customers (or 75 percent of total customers) represents the secondary trade area. While each downtown business in the sample has unique primary and secondary trade areas, several general patterns emerge as a result of the customer origin analysis:

- Most of the downtown businesses and attractions analyzed attract 50 percent of their customers within five-miles or less from their locations. Many of the businesses also tended to generate 75 percent of their customers within a distance of 12 miles or less.
- Not surprisingly, downtown Madison's geographic position on an isthmus influences customer travel patterns for most businesses. Specifically, downtown businesses generate fewer customers from the region northwest of downtown Madison due to the travel barrier created by Lake Mendota.
- Most of the businesses examined in this analysis generated customers from distances greater than those previously used to define downtown Madison's primary and secondary trade areas². However, previous definitions of downtown Madison's trade areas incorporated the drawing power of convenience and neighborhood-serving establishments as well as destination-type businesses.

² See the 1999 State Street Corridor Commercial Market Study prepared by Gibbs Planning Group for one alternate definition of primary and secondary trade areas.

Map 2.1 – Sample Customer Origin Map



Employee Origins

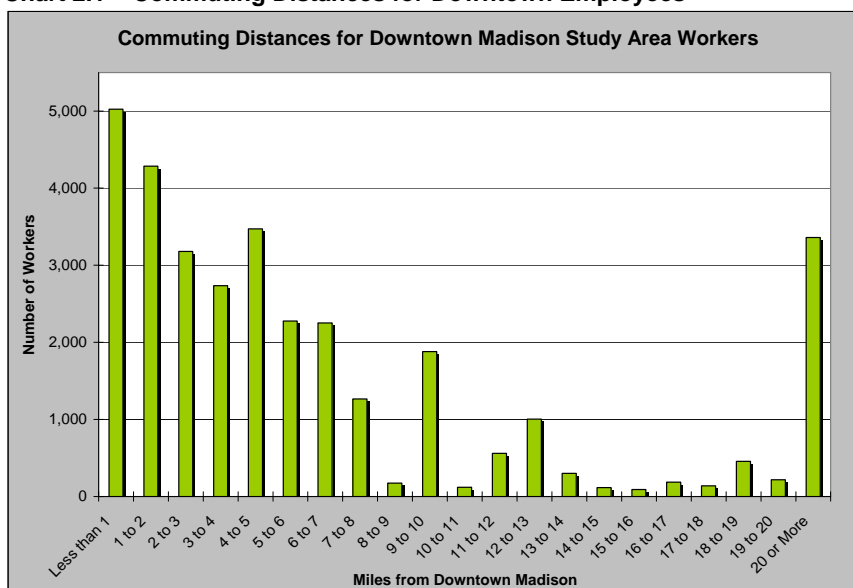
Study Area employees represent one of the key consumer segments for downtown Madison businesses. Analyzing the commuting patterns of downtown workers provides an additional perspective on regional connections to downtown Madison. However, the presence of downtown workers does not guarantee that these individuals will shop in downtown Madison. The International Council of Shopping Centers (ICSC) recently studied the shopping habits of downtown office workers. The ICSC study concluded that if downtown retail offerings were similar to those near a worker's residence, 66 percent of office workers are more likely to shop closer to home than work. In markets offering superior retail shopping opportunities, nearly 40 percent of non-grocery shopping trips are made closer to work than home. *Alternatively, only 24 percent of shopping trips are made closer to work in downtowns with weak retail options.*³ Consequently, an analysis of commuting patterns into downtown Madison must also consider the distribution of other regional shopping destinations.

Year 2000 estimates from the U.S. Census Bureau showed almost 33,000 employees working in the Downtown Madison Study Area⁴. Map 2.2 depicts the places of residences for these downtown workers throughout Madison and the broader region. Approximately 55 percent of these workers live in the City of Madison with concentrations on the Isthmus, near west and southwest portions of the city. Other concentrations of downtown employees are located in and around the communities of Verona, Fitchburg, Oregon, Cottage Grove and McFarland. Aggregating employee residences by county shows that approximately 90 percent of downtown Madison workers live in Dane County, while an additional 7.5 percent reside in the adjacent counties of Columbia, Dodge, Green, Iowa, Jefferson, Rock and Sauk.

To further depict the influence of downtown Madison as a place of employment, Chart 2.1 summarizes the distances between the Study Area and downtown workers' places of residence. Approximately 57 percent of downtown workers live within five miles of the Downtown Madison Study Area. Approximately 20 percent of these workers live more than ten miles away.

While these travel distances show the influence of downtown Madison on the regional labor market, the commuting patterns shown on Map 2.2 suggest that many employees (and their families) have a range of shopping opportunities near their residences. Specifically, many of these employees reside within relative proximity to the large commercial districts around East Towne Mall, Greenway Station and West Towne Mall. The recent renovation and expansion of Hilldale creates additional shopping and entertainment opportunities for workers residing on Madison's West Side, while proposed retail

Chart 2.1 – Commuting Distances for Downtown Employees



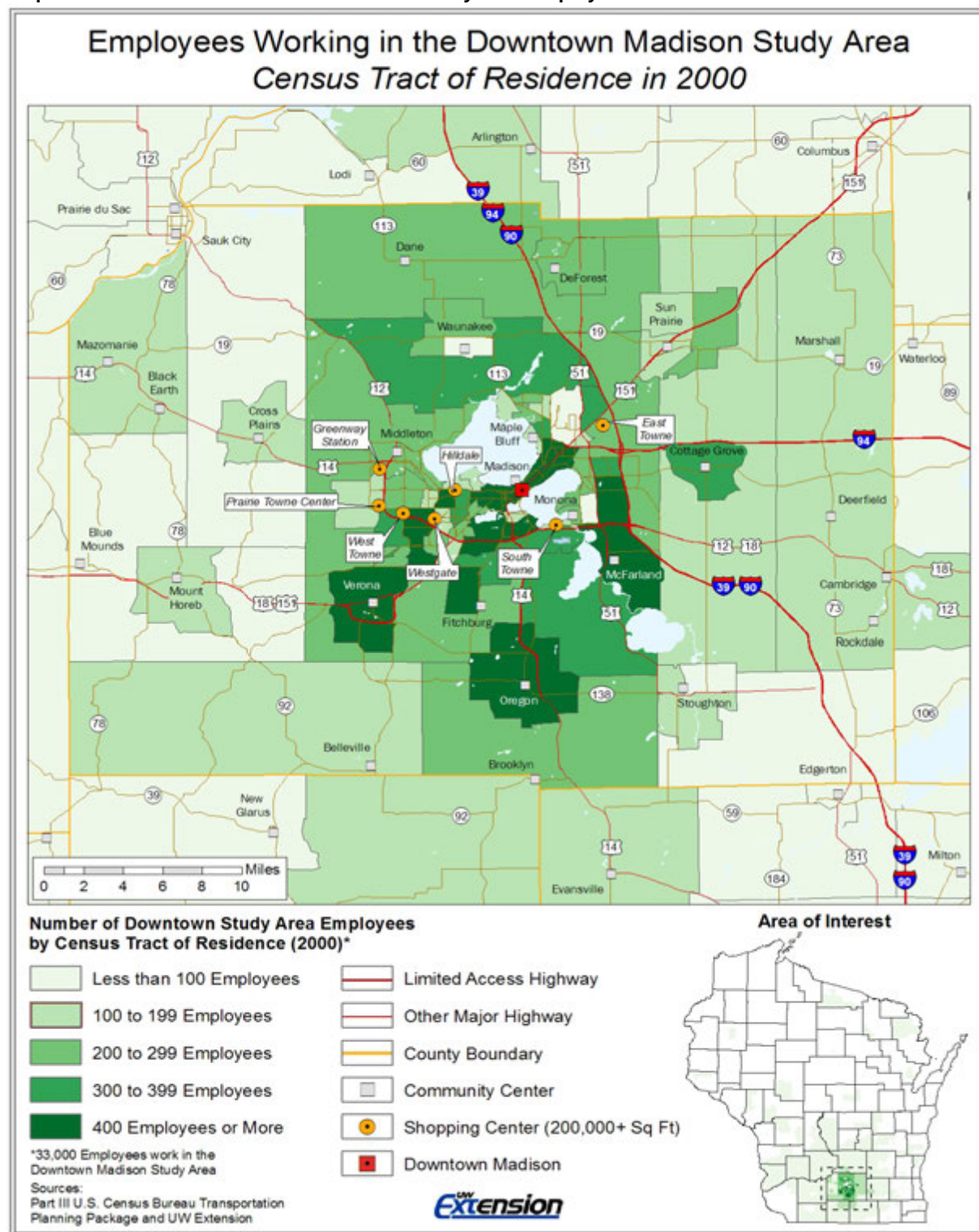
Source: Census Transportation Planning Package and UW-Extension

³ International Council of Shopping Centers. *Office Worker Retail Spending Patterns*. ICSC, 2004.

⁴ Details on the study area employees are examined later in this report.

developments in Sun Prairie and Fitchburg create additional competition for workers residing in these communities (see Appendix 2A for more information on regional shopping opportunities). Accordingly, many individuals working in the Study Area will likely have a more limited influence on the drawing power of downtown Madison. *Targeted strategies that accommodate the needs of downtown workers could aid in capturing the large spending potential represented by Study Area employees and are examined in Section 7 of this report.*

Map 2.2 – Place of Residence for Downtown Study Area Employees

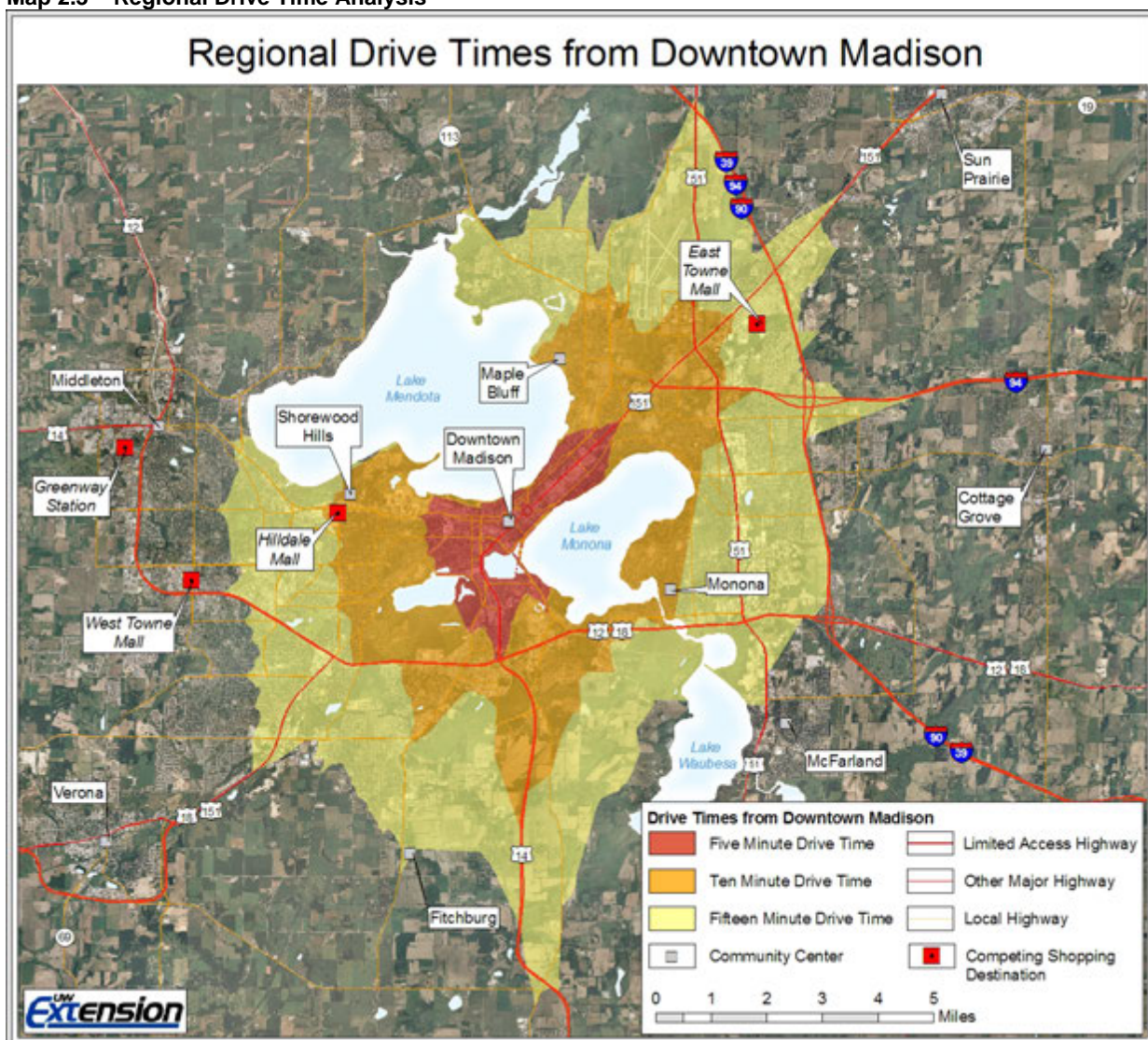


Location of Competing Commercial Centers

Downtown Madison's primary competition is from the regional shopping destinations around East Towne Mall, Hilldale Mall, West Towne Mall, and Greenway Station. While other shopping opportunities create regional competition (See Appendix 2A), these four shopping centers and their surrounding commercial areas have a critical mass and retail and entertainment mixes that compete most directly with downtown Madison. Drive time analysis is used to analyze five, ten, and fifteen-minute travel times into downtown Madison and examine the geographic separation from these surrounding shopping destinations.

Reflecting the travel barriers previously shown in the customer origin analysis, the drive times around downtown Madison show the geographic barriers created by Lake Mendota and Lake Monona (Map 2.3). The five-minute drive time area around downtown Madison includes the Isthmus, Madison's near west side, and the areas around Monona Bay and South Park Street. The five-minute drive time area also separates downtown Madison somewhat from competing commercial centers. The ten-minute drive time surrounding the Study Area includes Maple Bluff, Monona, and Madison's west, east, and south sides. Many residents living within a ten-minute drive time are also within proximity to Hilldale Mall and East Towne Mall. A fifteen-minute drive time around downtown Madison includes most of the City of Madison and portions of Fitchburg.

Map 2.3 – Regional Drive Time Analysis



Conclusions

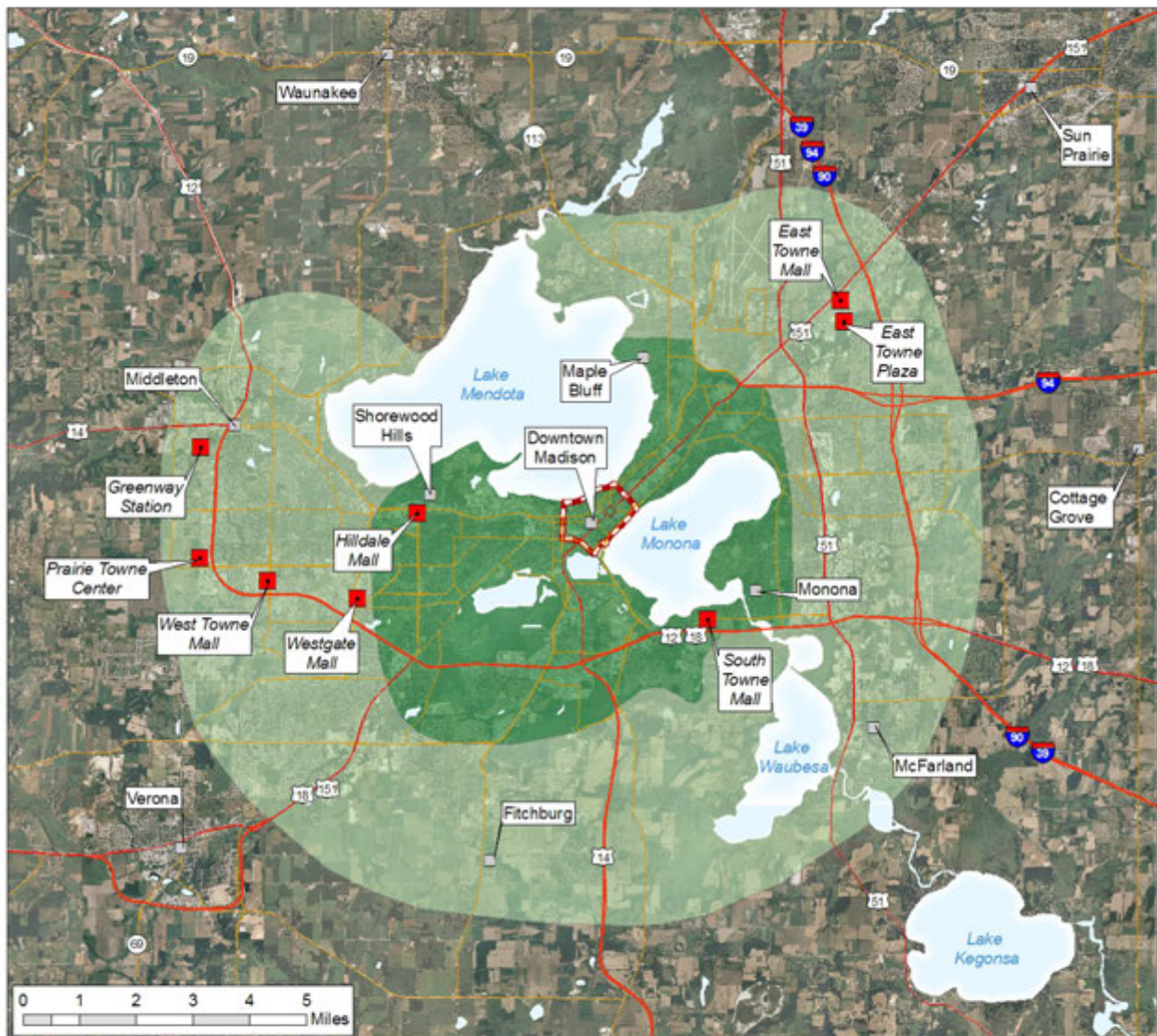
The preceding analyses of downtown customer origins, commuting patterns, and competing shopping centers illustrate the complex task of defining trade areas for downtown Madison. However, the results from these analyses provided insights for constructing primary and secondary destination trade areas for downtown Madison. These trade areas are depicted on Map 2.4 and will be used throughout the remainder of this study. Again, these trade areas reflect the destination-type drawing power of the *overall* Downtown Study Area; not the trade areas of individual businesses. Furthermore, the boundaries of these trade areas are considered to be fluid in nature. Specifically, customers within these trade areas will travel to other shopping destinations, while customers from outside the trade areas may shop at downtown Madison businesses. *Given the variety in potential trade areas, individual businesses with a unique draw may want to consider conducting an independent trade area analysis. Convenience-type businesses will also want to construct their own trade areas.*

While no individual data set was used to construct downtown Madison's destination trade areas, the size and shape of these trade areas were informed by the results of the preceding analyses:

- The primary destination trade area partially considers those geographic areas that tended to generate 50 percent of the customers for existing Study Area businesses. The secondary destination trade area partly reflects many of the areas that produced 75 percent of the customers for the sample downtown businesses.
- Given the physical travel barriers facing the Downtown Study Area, the northwest extents of the primary and secondary trade areas are limited. While Lake Monona also creates a travel barrier to the southeast, the customer origin analysis and the drive time analysis suggest that customers in Monona are more likely to be patrons of downtown Madison businesses.
- The primary destination trade area is partially based on the area that best separates downtown Madison from the region's competing shopping destinations. Note that the primary and secondary trade areas for downtown Madison will overlap the trade areas for many of these other competing shopping destinations. Furthermore, the retail mixes in several of these shopping centers have out-positioned downtown Madison in a variety of retail categories (apparel, general merchandise, home furnishings, etc.). Accordingly, continued efforts to build downtown Madison's retail and entertainment mix will be needed to increase the Study Area's ability to attract shoppers from greater distances. Furthermore, Appendix 2B lists zip codes that are located in the primary and secondary destination trade areas and can be used for targeted marketing and advertising efforts.
- Several outlying communities, such as Verona, Sun Prairie and Cottage Grove, are not included in the primary or secondary trade areas. The results of the customer origin analysis and the drive time analysis did not provide enough evidence for the inclusion of these communities. However, these communities did generate customers for many downtown businesses. Furthermore, the proximity of many suburban communities, combined with downtown Madison's central location in Dane County, suggests that the county could be considered a tertiary trade area for a number of downtown Madison businesses. Consequently, demographic and economic data for Dane County is provided in the subsequent sections of this market analysis for interested businesses.

Map 2.4 – Primary and Secondary Destination Trade Area Boundaries

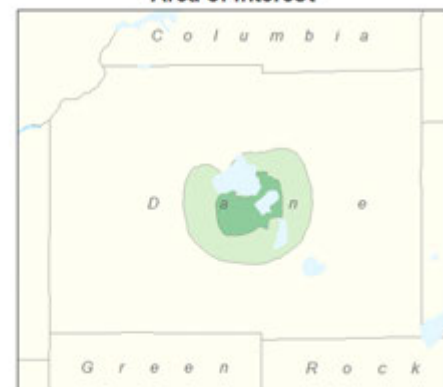
Downtown Madison Primary and Secondary Destination Trade Areas



- Primary Destination Trade Area
- Secondary Destination Trade Area
- Community Center
- Shopping Center of 200,000 Sq Ft or More
- Downtown Madison Study Area
- Limited Access Highway
- Other Major Highway
- Local Highway

UW
Extension

Area of Interest



Appendix 2A - Madison Area Commercial Centers

In an effort to properly understand downtown Madison's position among Madison area commercial offerings it is important to be aware of the surrounding retail nodes and developments. The list below presents the major commercial centers and expected future developments in the area.

West Towne Mall Area - Madison

<i>Type of Development</i>	Regional shopping mall surrounded by retail, hospitality and office
<i>Total Square Feet of Retail Space</i>	915,000 (mall only)
<i>Major Anchors</i>	Boston Store, Steve and Barry's, Sears, JC Penny, Dick's Sporting Goods
<i>Surrounding Retailers</i>	Numerous other big-box and medium-box stores; office, electronics, family clothing, books, sports equipment, grocery, and discount general merchandise
<i>Key Features</i>	Major retail center located immediately off the Beltline. Most national retailers entering the Madison market choose to locate near East Towne and/or West Towne.
<i>Distance from Downtown</i>	7.0 miles
<i>Comments</i>	West Towne Mall is the primary retail area for Madison's west side and the western suburbs.

East Towne Mall Area - Madison

<i>Type of Development</i>	Regional shopping mall surrounded by retail, hospitality and office
<i>Total Square Feet of Retail Space</i>	840,000 (mall only)
<i>Major Anchors</i>	Boston Store, Gordman's, Sears, JC Penny, Dick's Sporting Goods, Barnes and Noble
<i>Important Non-Mall Stores</i>	Numerous other big-box and medium-box stores; electronics, home furnishings, clothing, footwear, sports equipment, bath and linen, and home center.
<i>Key Features</i>	Major retail center located immediately off interstate 94. Most national retailers entering the Madison market choose to locate near East Towne and/or West Towne.
<i>Distance from Downtown</i>	7.25 miles
<i>Comments</i>	East Towne Mall is the primary retail area for east Madison and the eastern suburbs.

Monroe Street - Madison

<i>Type of Development</i>	Traditional main street retail corridor
<i>Major Anchors</i>	Trader Joes
<i>Key Features</i>	Monroe Street is a traditional urban neighborhood that offers various residential offerings, convenience retail and boutique retail.
<i>Distance from Downtown</i>	2.0 miles
<i>Comments</i>	Many of the boutique shops and restaurants are very popular among the residents of the Monroe neighborhood.

Appendix 2A - Madison Area Commercial Centers

Greenway Station - Middleton

<i>Type of Development</i>	Lifestyle Center
<i>Total Square Feet of Retail Space</i>	285,000
<i>Major Anchors</i>	Linens n' Things, Marshalls, Michaels
<i>Other Important Stores</i>	Ann Taylor Loft, Chico's, Christopher and Banks, Maurice's
<i>Key Features</i>	Large retail "campus" that resembles an outdoor mall with up-scale retail offerings. The retail center includes retail, restaurants and lodging. The surrounding area includes more lodging and extensive office space. Greenway station is also the site of Middleton's weekend farmer's market.
<i>Distance from Downtown</i>	7.5 miles
<i>Comments</i>	Greenway Station's air of sophistication and up-scale retail offerings make it a destination retail area.

Hilldale Mall - Madison

<i>Type of Development</i>	Mixed-Use – Retail, Residential, and Entertainment
<i>Total Square Feet of Retail Space</i>	approx. 518,000 when completed
<i>Major Anchors</i>	Macy's, Sundance Theater, Metcalf's Market (Sentry), Whole Foods (future)
<i>Key Features</i>	Hilldale is a mixed-use conversion of a dated shopping mall. The area includes a simulated "main street" retail environment as well as numerous restaurants, an art house theater, condominiums and hotel space.
<i>Distance from Downtown</i>	3.5 miles
<i>Comments</i>	The transformation to a mixed-use development and its relative "newness" make Hilldale attractive retail space in the City. The complex provides downtown residents a convenient up-scale shopping destination.

Prairie Towne Center - Madison

<i>Type of Development</i>	Power Center – General Merchandise, Grocery, Clothing, Bath and Linen
<i>Major Anchors</i>	Target, Copps, Bed Bath and Beyond, Old Navy
<i>Key Features</i>	Prairie Towne is a collection of big-box stores on the edge of Madison. The retail center is supported by surrounding restaurants and other retail offerings.
<i>Distance from Downtown</i>	10.6 miles
<i>Comments</i>	Prairie Towne is located approximately two miles from West Towne Mall, and therefore acts as an extension of the West Towne Mall shopping area.

Westgate Mall /Odana Road - Madison

<i>Type of Development</i>	Collection of strip developments and indoor mall
<i>Major Anchors</i>	TJ Max, Dunham Sports, Westgate Art Cinema
<i>Key Features</i>	Numerous unique retail offerings and restaurant options.
<i>Distance from Downtown</i>	5.4 miles
<i>Comments</i>	The Westgate/Odana area's biggest draws are its movie screens and its mix of convenience and destination retailers.

Appendix 2A - Madison Area Commercial Centers

Fitchburg Super Target (Orchard Point) – first phase completed

<i>Type of Development</i>	Big Box – General Merchandise, Grocery, Pharmacy
<i>Total Square Feet of Retail Space</i>	185,000
<i>Major Anchors</i>	Super Target
<i>Key Features</i>	The Super Target anchors an 80 acre development called Orchard Point. The area has room for more “medium-boxes” and supporting retail.
<i>Distance from Downtown</i>	9.2 miles
<i>Comments</i>	The target market for the Super Target will be residents in Fitchburg, Verona and far South West Madison.

Williamson Street / Atwood Avenue - Madison

<i>Type of Development</i>	Busy retail corridor with a distinct atmosphere
<i>Major Anchors</i>	Willy Street Coop
<i>Key Features</i>	The Willy Street area is best known for its unique social atmosphere and the collection of retail and restaurant offerings that support that atmosphere.
<i>Distance from Downtown</i>	1.5 miles
<i>Comments</i>	Because of the area's proximity to downtown and the University, it is a popular destination for young professionals and college students. This population gives the corridor vibrant, consistent street level activity.

Downtown Sun Prairie

<i>Type of Development</i>	Downtown retail district; new mixed-use development
<i>Major Anchors</i>	Mostly boutique establishments
<i>Key Features</i>	The area offers the charm of a historic downtown with modern mixed-use development
<i>Distance from Downtown</i>	15 miles
<i>Comments</i>	Downtown Sun Prairie offers residents of the area the opportunity to do retail shopping without traveling to Madison

Union Corners –Madison (under construction)

<i>Type of Development</i>	Mixed-Use – Residential (apartments), Retail
<i>Total Square Feet of Retail Space</i>	12 acre site (square feet unknown)
<i>Major Anchors</i>	Undecided
<i>Key Features</i>	Union Corners will be a large multi-building, mixed-use development in an east side neighborhood that has seen little urban infill.
<i>Distance from Downtown</i>	3.5 miles
<i>Comments</i>	The development will extend the East Towne Mall Corridor farther west down East Washington Avenue.

Appendix 2A - Madison Area Commercial Centers

Wal-Mart Supercenter - Monona (nearing completion)

<i>Type of Development</i>	Big Box
<i>Total Square Feet of Retail Space</i>	150,000 – 200,000 square feet
<i>Key Features</i>	Super Wal-Mart sells groceries, merchandise and pharmaceuticals
<i>Distance from Downtown</i>	4.5 miles
<i>Comments</i>	This Super Wal-Mart will be following numerous design guidelines in order to locate in this urban area. It is the first Wal-Mart Supercenter in the Madison area.

Tribeca Village - Middleton (proposed)

<i>Type of Development</i>	Mixed-Use – Office, Residential, Retail, Hospitality
<i>Total Square Feet of Retail Space</i>	326,000
<i>Major Anchors</i>	Unknown; one big-box store
<i>Key Features</i>	Dense urban, “main street” environment anchored by one big-box retailer. Surrounding structures will house a mix of office, housing, supporting retail and one hotel.
<i>Distance from Downtown</i>	7.5 miles
<i>Comments</i>	Tribeca Village will be located with easy access to Hwy 12 and high visibility. It is being built in a market that is located near Greenway Station, and the planned Costco development.

The West End - Verona (proposed)

<i>Type of Development</i>	Mixed-Use – Office, Retail, Residential, Hospitality, Entertainment
<i>Total Square Feet of Retail Space</i>	480,000
<i>Major Anchors</i>	Undecided
<i>Key Features</i>	Large mixed-use, “main street” environment in Verona.
<i>Distance from Downtown</i>	12.5 miles
<i>Comments</i>	Still in the planning phase

Appendix 2B – Primary and Secondary Destination Trade Area Zip Codes

The following zip codes are located in either the primary or secondary trade area. Note that several of these zip codes represent P.O. boxes and that zip codes change over time. Direct mail marketing establishments can assist in refining this list.

Zip Code	Primary City	Secondary City
53558	McFarland	-
53562	Middleton	Madison
53701	Madison	-
53702	Madison	-
53703	Madison	-
53704	Madison	-
53704	Madison	Maple Bluff
53705	Madison	-
53705	Madison	Shorewood Hills
53706	Madison	-
53707	Madison	-
53708	Madison	-
53711	Madison	Fitchburg
53713	Madison	Monona
53714	Madison	Monona
53715	Madison	-
53716	Madison	Monona
53717	Madison	-
53718	Madison	-
53719	Madison	Fitchburg
53725	Madison	-
53726	Madison	-
53744	Madison	-
53774	Madison	-
53777	Madison	-
53778	Madison	-
53779	Madison	-
53782	Madison	-
53783	Madison	-
53784	Madison	-
53785	Madison	-
53786	Madison	-
53787	Madison	-
53788	Madison	-
53789	Madison	-
53790	Madison	-
53791	Madison	-
53792	Madison	-
53793	Madison	-
53794	Madison	-

Trade Area Demographic and Lifestyle Characteristics

The downtown Madison trade areas defined in Section 2 encompass a diverse population with varying incomes, ages, races, and occupations.

The demographic and lifestyle characteristics of these trade area residents provide valuable information for analyzing local spending potential, purchasing preferences and marketing strategies.

To assist in understanding the tastes and preferences of regional consumers, the following tables compare demographic traits for the primary and secondary destination trade areas, Dane County and the United States. Comparing demographics within each of these geographic areas can differentiate local consumers and may identify potential customer niches. Demographic and lifestyle characteristics are derived from a variety of public and private datasets, including ESRI Business Information Solutions (ESRI BIS) and the 2000 Decennial Census. The most current demographic information is used whenever possible and the figures produced by these sources may differ from other published estimates. In addition to the following narrative, comprehensive demographic and lifestyle characteristic tables are included in Appendix 3A. Demographics and lifestyles for 1-mile, 3-mile and 5-mile radii are included in Appendix 3B for those national or regional retailers desiring demographics in this standard format. *Note that the demographics for each geographic area are not mutually exclusive. The secondary destination trade area includes the figures from the primary destination trade area. Similarly, figures for Dane County contain the numbers from the primary and secondary destination trade areas.*

Population and Household Trends

In terms of total population growth, Dane County was one of the nation's 125 fastest growing counties between 2000 and 2006¹. While the county's growth is fueling new consumer demand, much of this population growth has occurred outside of the primary trade area. From 1990 to 2007, the primary destination trade area increased by 5,600 residents, compared to more than 44,000 residents in the secondary trade area, and almost 109,000 individuals in Dane County. However, the smaller population growth is to be expected as the primary trade area is mostly comprised of areas that have been built out for decades. Consequently, most of the primary trade area's population growth has occurred through infill development. Moreover, a large share of primary trade area's population growth has occurred in and directly adjacent to downtown Madison (see Section 1 for Study Area population trends).

Table 3.1 – Population and Household Trends 1990 to 2007

Population and Households	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
1990 Population (Census)	131,166	248,546	367,085	248,709,873
2000 Population (Census)	133,057	271,712	426,526	281,421,906
2007 Population (Estimate)	136,782	292,664	475,924	306,348,230
2000 – 2007 Annual Change	0.4%	1.1%	1.7%	1.3%
1990 Households (Census)	55,591	101,399	142,786	91,947,410
2000 Households (Census)	57,613	116,516	173,484	105,480,101
2007 Households (Estimate)	60,844	129,267	198,558	115,337,039
2000 – 2007 Annual Change ²	0.8%	1.6%	2.1%	1.3%

Source: ESRI Business Information Solutions and U.S. Census Bureau

Percentages may not total 100.0% due to rounding

¹ U.S. Census Bureau Population Estimates Program

² Compared to population trends, households have grown at faster rates primarily due to declining average household sizes both locally and nationally.

Housing Tenure and Occupancy Rate

Occupancy rate relates the percentage of housing units that were occupied during a given year, while housing tenure characterizes the differences between owner-occupied and renter-occupied housing units. Housing tenure and occupancy rate figures are useful in analyzing the potential for a variety of different home-related products and services. Note that the number of housing units in Table 3.2 will vary as new housing developments are added to the existing inventory. Occupancy rates will also vary throughout the region.

In contrast to the secondary trade area, Dane County and the nation, renter occupied housing is the primary trade area's dominant housing type. Over a quarter of these renter occupied units are located in the Downtown Study Area, with other concentrations of rental housing found throughout the UW-Madison campus, the Isthmus, and the southern portion of the primary destination trade area. Nationally, renters tend to spend a higher proportion of their income on dining out, alcoholic beverages, and apparel.

Despite the percentage of renter-occupied housing units, the primary trade area encompasses several concentrations of owner-occupied units on Madison's near west side, near east side, and in Monona. Furthermore, the number of owner-occupied housing units has increased in the Downtown Study Area as new condominium projects have been developed (see Section 1). Consequently, downtown demand for local goods and services typically purchased by home owners should also grow. Specifically, homeownership directly correlates with increased expenditures on home furnishings, home improvement, and appliances.

Table 3.2 – Housing Tenure and Occupancy Rates (2007)

Geographic Area	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
Total Housing Units	64,066	135,881	208,487	128,035,492
Owner Occupied Housing Units	36.7%	48.3%	56.8%	61.3%
Renter Occupied Housing Units	58.3%	46.8%	38.4%	28.8%
Vacant Housing Units	5.0%	4.9%	4.8%	9.9%

Source: ESRI Business Information Systems (ESRI BIS)

Percentages may not total 100.0% due to rounding

Mobility Rates

Mobility rates examine the frequency of resident turnover or churn. The high mobility of our society (especially in urban areas) often poses a challenge for small businesses and downtown business districts trying to build customer recognition and relationships. Consequently, mobility rates will affect both the need for and frequency of marketing activities. As shown in Table 3.3, mobility rates are classified by the type and relative distance of population movements. The category "Lived in same house in 1995" includes all residents who did not move between 1995 and 2000. In contrast, the category "Lived in different house in 1995" reports those people who moved during the same period. This category is subdivided into people who moved within the same county, people who moved from different counties in Wisconsin, people who moved from a different state, and individuals who moved from abroad.

The primary destination trade area, the secondary destination trade area and Dane County have mobility rates well above the national average. With almost two-thirds (65.5 percent) of the households moving between 1995 and 2000, mobility rates are particularly high within the primary destination trade area. Largely driven by UW-Madison enrollment, a notable share of these households moved to the Study Area from outside of Dane County and the State of Wisconsin. While these mobility rates are based on year 2000 figures, the primary destination trade area has a large number of renters and college students. These residents are among the most mobile demographic segments and partly drive the mobility rates depicted in Table 3.3. Consequently, the primary destination trade area should continue to experience high mobility rates as long as these demographic categories are present in large numbers. Given these figures, downtown businesses seeking to serve these consumer segments likely will require consistent marketing and outreach efforts. The Madison Central BID should also consider the mobility of these segments when marketing the Downtown Study Area.

Table 3.3 – Mobility Rates (1995 to 2000)

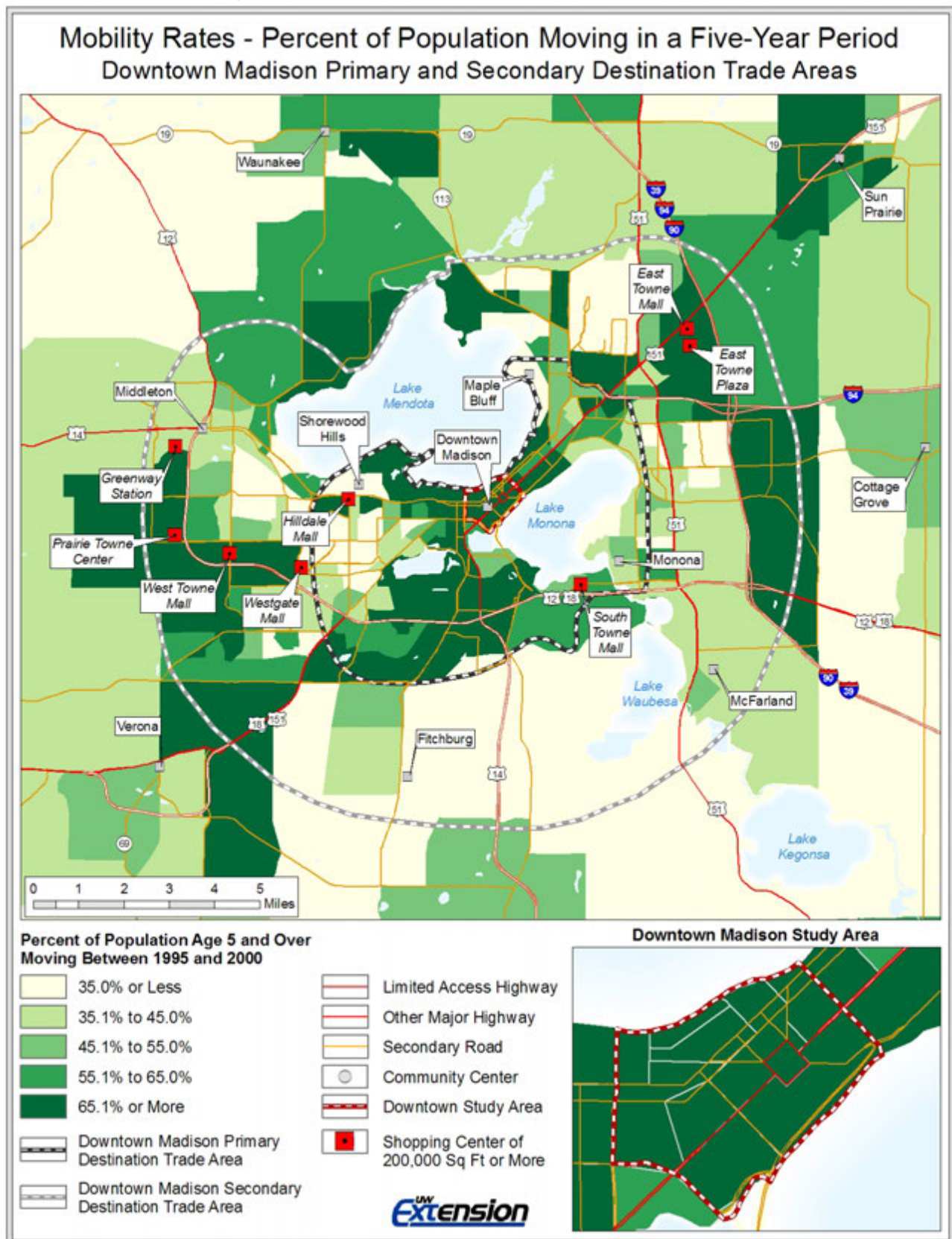
Geographic Area	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
Population Age 5 and over (2000)	127,069	257,040	401,058	262,375,152
Lived in same house in 1995	33.2%	41.2%	46.1%	54.1%
Lived in different house in 1995	66.8%	58.8%	53.9%	45.9%
Same county in 1995	26.8%	29.3%	29.7%	24.9%
Different Wisconsin County	17.6%	12.6%	10.8%	9.7%
Different County, different state	16.3%	12.7%	10.5%	8.4%
Lived Elsewhere in 1995	6.1%	4.2%	2.9%	2.9%
Households Moving in Between 1995 and 2000	65.5%	60.3%	56.4%	48.8%

Source: U.S. Census Bureau – Summary File 3

Percentages may not total 100.0% due to rounding

To further examine resident turnover, Map 3.1 depicts mobility rates in the Madison region between 1995 and 2000. Many of the Census block groups in the primary destination trade area show mobility rates greater than 65 percent (i.e. more than 65 percent of the population moved between 1995 and 2000). Many of these high mobility areas surround downtown Madison and reflect student residences and other areas dominated by renter-occupied housing. Neighborhoods with high mobility rates are also found in the secondary trade area. Newer housing developments near the secondary trade area's far east and far west sides have partially driven the mobility rates in these areas.

Map 3.1 – Five-Year Mobility Rates (1995 to 2000)



Household Composition

Households can be composed of people living alone, families with or without children, single parent households, or a number of unrelated people living together. The differences in these household structures are indicators for identifying several retail and restaurant opportunities. For instance, households with younger children point to demand for fast-food, toys, children's apparel, child care and other goods and services desirable to kids. In contrast, households without children typically have more disposable income available for home furnishings, dining out, and travel. The household composition comparisons shown in Table 3.4 suggest a number of key differences within the primary destination trade area:

- Non-family households (60.5 percent) are the dominant household type in the primary destination trade area. These non-family households include single-person households (39.7 percent) and unrelated individuals living together (20.8 percent). Many of these non-family households include college students, but dorm residents or other individuals living in group quarters are not included in these figures. While the characteristics of these single-person households will vary, these households on average tend to have higher levels of income available for many discretionary goods and services such as food away from home.
- The primary destination trade area has a low percentage of households with children (19.0 percent). While the secondary trade area and Dane County have higher percentages of households with children, capturing sizeable demand from these households will require offering unique retail attractions and overcoming perceptions about convenience often attributed to downtown Madison.

Table 3.4 – Household Characteristics (2000)

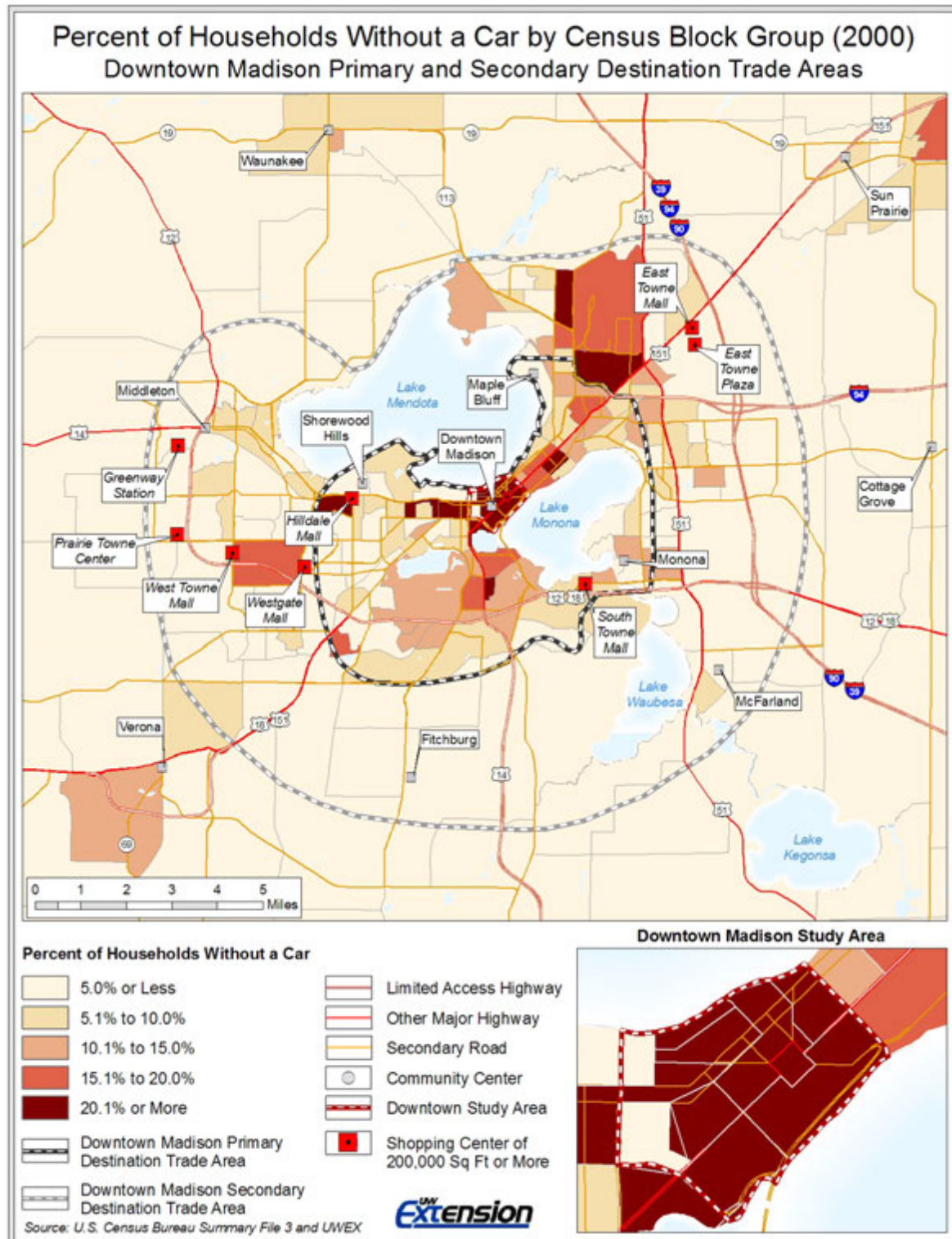
Households by Type and Size	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
Total	57,613	116,516	173,484	105,480,101
Family Households	39.5%	50.2%	58.1%	68.1%
Married-couple Family	29.4%	39.2%	47.1%	51.7%
With Related Children	12.6%	17.4%	22.3%	24.8%
Other Family (No Spouse)	10.1%	11.0%	11.1%	16.4%
With Related Children	6.4%	7.3%	7.5%	10.7%
Non-family Households	60.5%	49.8%	41.9%	31.9%
Householder Living Alone	39.7%	34.2%	29.4%	25.8%
Householder Not Living Alone	20.8%	15.6%	12.5%	6.1%
Households with Related Children	19.0%	24.7%	29.8%	35.5%
Households with Persons 65+	13.6%	15.1%	15.8%	23.4%
1 Person Household	39.7%	34.2%	29.4%	25.8%
2 Person Household	33.1%	35.2%	35.3%	32.6%
3 Person Household	12.8%	13.9%	15.0%	16.5%
4 Person Household	8.8%	10.8%	13.2%	14.2%
5 or More Person Household	5.6%	5.9%	7.0%	10.9%
2000 Average Household Size	2.11	2.22	2.37	2.59
Vehicle Availability by Household				
No Vehicles	15.9%	10.4%	8.0%	10.3%
1	45.7%	41.1%	35.6%	34.2%
2	30.3%	37.7%	41.6%	38.4%
More than 2	8.2%	10.8%	14.8%	17.2%
Avg. Number of Vehicles Available	1.3	1.5	1.7	1.7

Source: U.S. Census Bureau and ESRI BIS

Percentages may not total 100.0% due to rounding

An additional characteristic of the primary destination trade area is a higher share of households without vehicles (15.9 percent), compared to Dane County (8.0 percent) and the nation (10.3 percent). As suggested by Map 3.2, large shares of these households without vehicles are located in and adjacent to the Downtown Study Area. These non-vehicle households potentially provide a captive consumer market for many downtown establishments.

Map 3.2 – Distribution of Households without a Car



Age Distribution

Age is an important predictor of consumer spending patterns. Table 3.5 compares age distributions among the primary and secondary destination trade areas, Dane County and the United States. Within the primary and secondary destination trade areas, the two largest age cohorts are residents ages 20 to 24 and ages 25 to 34. These two age groups comprise almost 40 percent of the primary trade area's residents and 31 percent of the secondary trade area population (compared to 20.2 percent in the nation). These residents ages 20 to 34 include college students and younger workers, both in and out of the labor force.

While some of these younger residents have children, the trade area household compositions suggest that a portion of these individuals are single or live in households without children. Consequently, many of these younger residents and college students may have higher shares of disposable income. These younger households and college students typically exhibit above average spending patterns on personal services, alcoholic beverages, entertainment, home electronics, apparel, footwear, telephone services, and food away from home. Most members of this age group either rent or have purchased their first home. Furthermore, many residents in these age cohorts have either active educational expenses or are repaying student loans.

Residents ages 45 to 54 and are also an important demographic segment for downtown Madison businesses. The population ages 45 to 54 is the third largest age cohort in the primary and secondary trade areas, as well as the largest overall segment in Dane County. Households headed by individuals ages 45 to 54 tend to have the highest household income and subsequently have the highest household expenditures in many product and service categories. Households headed by this age group spend the most on food at home and household furnishings. This age cohort also spends more on reading, entertainment, and education than most other age groups.

The age 55 to 64 consumer group is a final age cohort noteworthy to downtown Madison. While these individuals comprise a smaller share of the population, households with individuals age 55 to 64 are a growing consumer segment in downtown Madison (and other downtowns) as empty nesters and retirees are increasingly choosing downtown residences. Nationally, households headed by individuals age 55 to 64 spend at an annual rate nine percent higher than any age group and have a high median net worth. When compared to all households, expenditures by the 55 to 64 age group are particularly high in full service restaurants (27 percent higher), coffee (40 percent higher), wine (54 percent higher) and new cars (30 percent higher).

Table 3.5 – Age Distribution (2007)

Age Category	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
Total Population	136,782	292,664	475,924	306,348,230
0 - 4	4.2%	5.2%	5.9%	6.9%
5 - 9	3.6%	4.8%	5.7%	6.5%
10 - 14	3.6%	4.8%	5.8%	6.8%
15 - 19	10.4%	8.1%	7.7%	7.1%
20 - 24	23.2%	14.4%	11.1%	7.0%
25 - 34	16.7%	16.4%	14.2%	13.2%
35 - 44	11.3%	13.4%	14.7%	14.4%
45 - 54	11.7%	14.0%	15.2%	14.6%
55 - 64	7.4%	9.6%	10.2%	10.8%
65 - 74	3.3%	4.4%	4.6%	6.3%
75 - 84	3.0%	3.3%	3.3%	4.4%
85+	1.6%	1.5%	1.5%	1.9%
Median Age (years)	27.5	32.5	34.7	36.7

Source: ESRI Business Information Systems (ESRI BIS)

Percentages may not total 100.0% due to rounding

Race and Ethnicity

Race and ethnicity are commonly misunderstood demographic categories. Race, as noted by the U.S. Census Bureau, reflects self-identification by people according to the race or races with which they most closely identify. Accordingly, racial categories are socio-political in nature and reflect both racial *and* national-origin groups. While most racial categories are straightforward in description, Hispanic or Latino origin often causes confusion with its Census definition. Hispanic or Latino origin can be viewed as the heritage, nationality group, lineage, or country of birth for the person or the person's parents or ancestors before their arrival in the United States. Therefore, people who identify their origin as Spanish, Hispanic or Latino, may be of any race.

The “diversity index” provides one method for examining ethnic diversity and measures the probability that two people from the same area will be from different race/ethnic groups. The lower diversity index figures for the two trade areas and Dane County show that these areas somewhat less diverse than the national average (Table 3.6). Discounting the United States, the primary trade area has the largest racial diversity among the other areas shown in Table 3.6. Residents who identify themselves as Asian or Pacific Islanders, Black, or of Hispanic origin largely contribute to the diversity of the primary trade area.

Many commercial districts surrounded by racially diverse populations have built niches around ethnic-focused retail and service establishments. As many of these niches center on convenience goods and services, ethnic-based business districts typically draw from a smaller geographic area. National Avenue in Milwaukee is one example of a comprehensive neighborhood commercial district serving local Latino consumers. Similar, but smaller-scale ethnic-focused business districts exist in parts of Madison (including South Park Street). While the Downtown Madison Study Area may not have the critical mass of ethnically diverse consumers necessary to create a similar niche, downtown businesses should recognize the area's diverse population as important consumer segments.

Table 3.6 –Race and Ethnicity Distribution (2007)

Population by Race/Ethnicity	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
Total Population	136,782	292,664	475,924	306,348,230
White Alone	76.6%	80.9%	86.3%	72.7%
Black Alone	8.0%	6.8%	4.8%	12.6%
American Indian Alone	0.4%	0.4%	0.3%	0.9%
Asian or Pacific Islander Alone	9.0%	6.9%	4.7%	4.5%
Some Other Race Alone	3.2%	2.5%	1.8%	6.5%
Two or More Races	2.8%	2.5%	2.0%	2.8%
Hispanic Origin	7.0%	5.8%	4.3%	15.0%
Diversity Index	47.8	40.9	31.2	59.3

Source: ESRI BIS and U.S. Census Bureau

Percentages may not total 100.0% due to rounding

Income

Income is positively correlated with expenditures on many product categories and is one indicator of spending power. However, income should not be used as the only indicator for the market's purchasing power and spending preferences. Other demographic characteristics, population density, and the lifestyle segmentation data presented later in this section, also provide insight into resident purchasing potential. Both average and median household incomes in the primary trade area are below their respective national averages (Table 3.7). The lower average and median household incomes in the primary trade area are partially driven by a higher percentage of households with incomes under \$35,000 (Chart 3.1). As suggested earlier, many of these lower income households contain college students with higher levels of disposable income. Accordingly, the spending potential of these individuals is not properly described by their income levels.

Table 3.7 – Income Characteristics in 2007

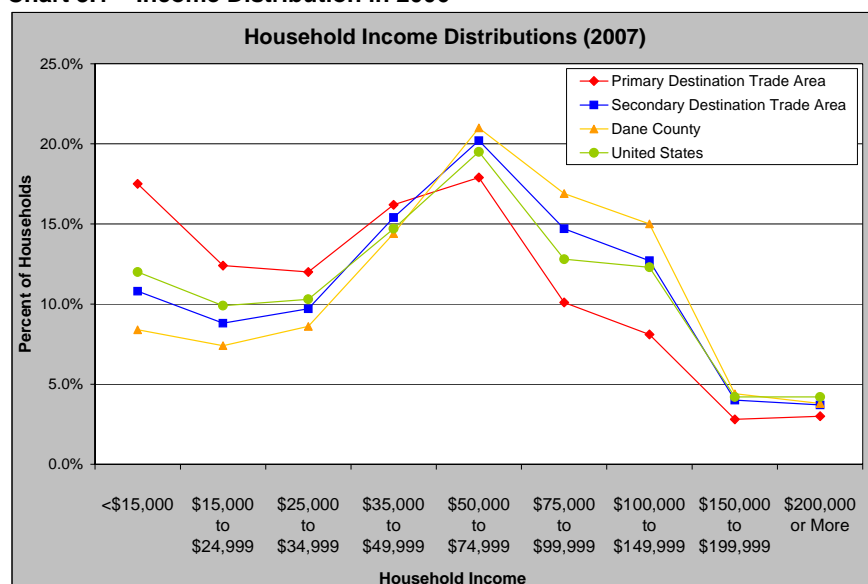
Geographic Area	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
Total Households in Income Base	60,842	129,268	198,558	115,335,842
<\$15,000	17.5%	10.8%	8.4%	12.0%
\$15,000 - \$24,999	12.4%	8.8%	7.4%	9.9%
\$25,000 - \$34,999	12.0%	9.7%	8.6%	10.3%
\$35,000 - \$49,999	16.2%	15.4%	14.4%	14.7%
\$50,000 - \$74,999	17.9%	20.2%	21.0%	19.5%
\$75,000 - \$99,999	10.1%	14.7%	16.9%	12.8%
\$100,000 - \$149,999	8.1%	12.7%	15.0%	12.3%
\$150,000 - \$199,999	2.8%	4.0%	4.4%	4.2%
\$200,000 +	3.0%	3.7%	3.8%	4.2%
Average Household Income	\$59,001	\$72,282	\$77,450	\$73,126
Median Household Income	\$42,100	\$55,600	\$62,378	\$53,154

Source: ESRI Business Information Systems (ESRI BIS)

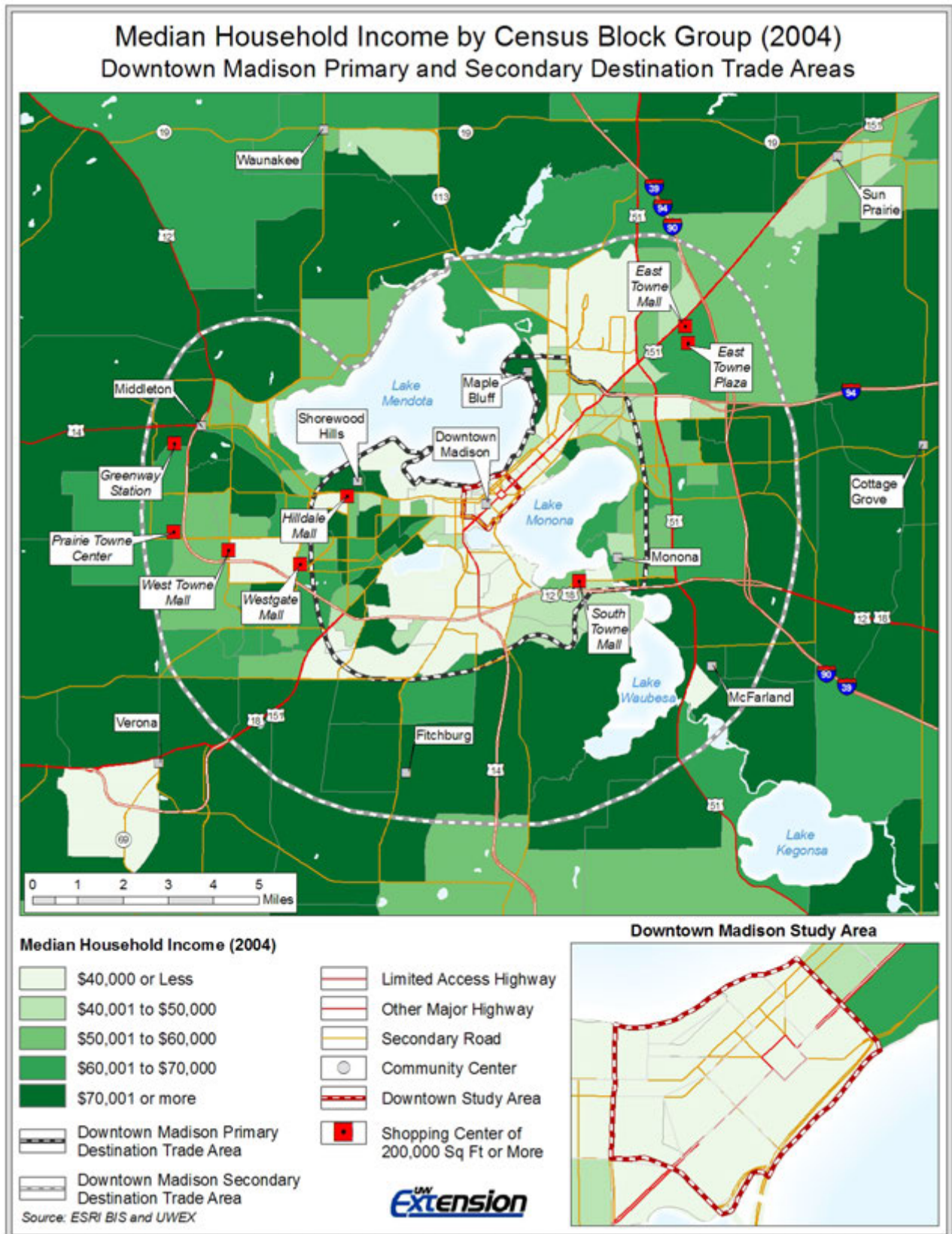
Percentages may not total 100.0% due to rounding

In contrast to the primary trade area, the secondary trade area and Dane County have median household incomes above the national average. Many of these higher income households are located in the eastern, western, and southern portions of the secondary trade area (Map 3.3). Other areas with high median incomes include the west side of the primary trade area, Maple Bluff, and suburban areas surrounding the secondary trade area. While most of these higher income households have access to a variety of shopping opportunities, these households represent a potentially important consumer segment for a number of downtown businesses and attractions.

Chart 3.1 – Income Distribution in 2006



Map 3.3 – Median Household Incomes by Census Block Group



Educational Attainment and Occupation

Examining educational attainment levels and occupations provides an alternative method for determining the socio-economic status of an area. As income usually increases with advancing educational attainment or white-collar employment, many businesses focus on income levels rather than education. Exceptions can include bookstores, various restaurants and certain apparel stores. A number of these store types assess the number of college-educated individuals or white-collar employees in the trade area.

Dane County and the primary and secondary destination trade areas have exceptionally high educational attainments. In the year 2000, 51.1 percent of the primary trade area residents age 25 and over had obtained a college degree compared to just 24.4 percent in the nation (Table 3.8). Similar educational disparities exist among the United States, secondary trade area and Dane County. The high educational attainment figures may suggest that the aforementioned median household incomes should be higher. However, educational attainment rates are only for those individuals ages 25 and over and do not include a large percentage of undergraduate students that are included in the income figures. Furthermore, UW-Madison reported 8,800 graduate students and 2,600 professional students enrolled in 2006 with average ages of 29.5 and 25.8 respectively³. While these 11,400 individuals are included in the college education attainment figures, they may also have lower household incomes. Regional educational attainment is further examined in Section 4.

Table 3.8 – Educational Attainment for the Population Age 25 and Over (2000)

Geographic Area	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
Total	74,682	168,987	269,998	182,211,639
Less than 9th Grade	3.4%	2.8%	2.9%	7.5%
9th - 12th Grade, No Diploma	5.5%	4.7%	4.9%	12.1%
High School Graduate	16.5%	18.4%	22.3%	28.6%
Some College, No Degree	17.3%	19.5%	20.3%	21.0%
Associate Degree	6.1%	7.9%	8.9%	6.3%
Bachelor's Degree	27.3%	26.8%	24.8%	15.5%
Master's/Prof/Doctorate Degree	23.8%	19.9%	15.8%	8.9%
High School Degree or Higher	91.0%	92.5%	92.1%	80.3%
Bachelor's Degree or Higher	51.1%	46.7%	40.6%	24.4%

Source: U.S. Census Bureau – Summary File 3

Percentages may not total 100.0% due to rounding

Map 3.4 (following page) examines the distribution of college-educated residents in the primary and secondary trade areas. High concentrations of college graduates are found on the Isthmus and in the Downtown Study Area. Furthermore, many census block groups located in the western portions of the primary and secondary trade area have college educational attainments more than double the national average.

3 UW-Madison Data Digest 2006-2007. Office of Budget, Planning and Analysis. Available at: <http://www.bpa.wisc.edu/datadigest/DataDigest2006-2007.pdf>

Map 3.4– College Educated Population by Census Block Group

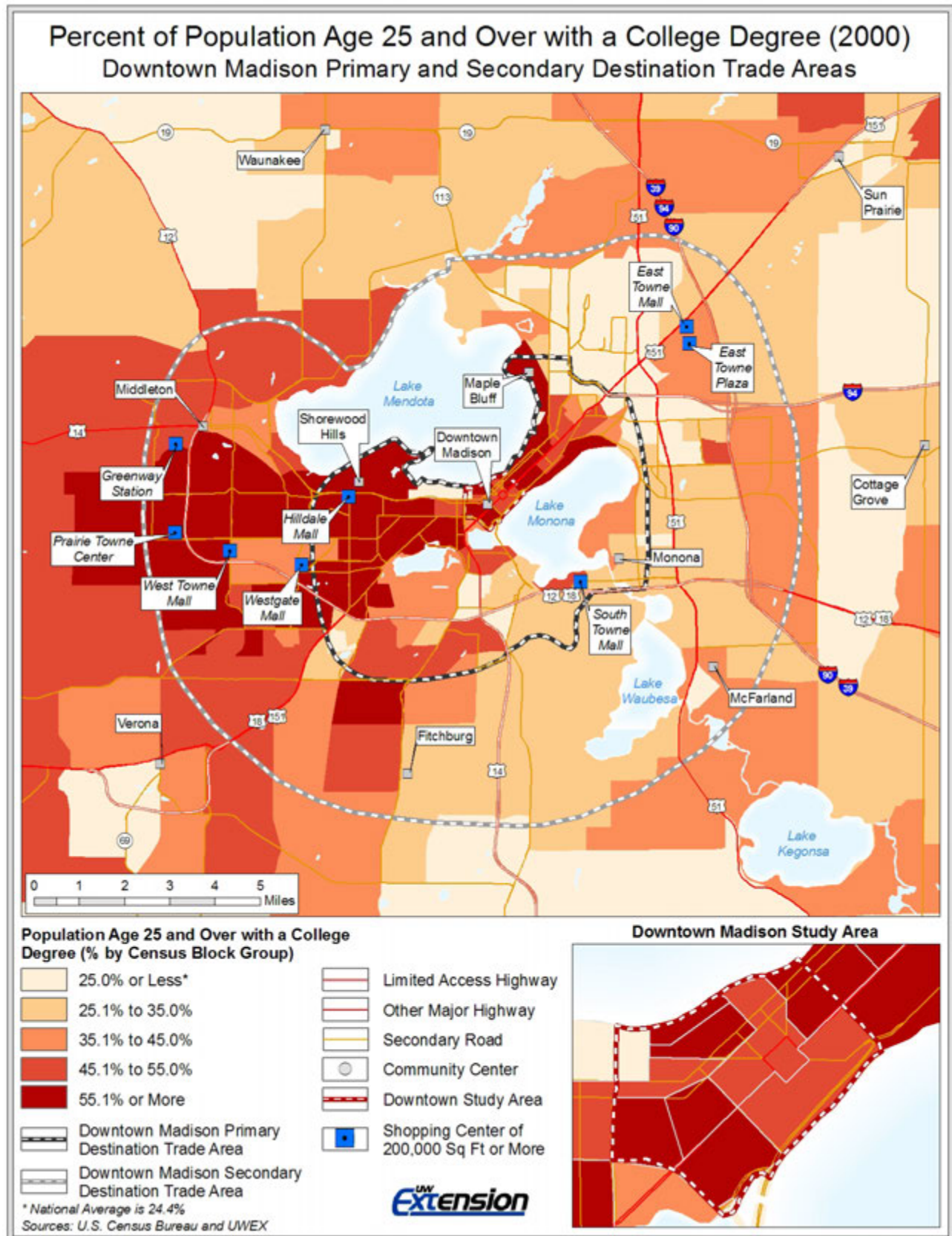


Table 3.9 examines the occupation distributions for the two trade areas, Dane County and the nation. Note that the figures in Table 3.9 are reported for residents of these areas and may differ from the occupational distributions for individuals employed in these areas. That is, individuals living in the primary destination may be employed elsewhere, and workers living in other areas may be employed in the primary destination trade area. Regional occupational distribution is further examined in Section 4.

The high educational attainments of the trade areas and Dane County are also reflected in their respective occupational distributions. Specifically, these areas have exceptionally high shares of individuals employed in occupations often requiring higher education such as professional positions (Table 3.9). In contrast, the trade areas and Dane County have a smaller share of employees in all of the blue collar occupational categories.

Table 3.9 – Occupations for the Employed Population Age 16 and Over (2007)

Geographic Area	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
Total	78,217	170,550	274,624	141,590,232
White Collar	72.1%	73.1%	70.9%	60.2%
Management/Business/Financial	11.3%	14.4%	15.5%	13.6%
Professional	37.7%	34.4%	30.5%	21.3%
Sales	10.4%	10.9%	10.9%	11.5%
Administrative Support	12.7%	13.4%	14.0%	13.8%
Services	16.5%	14.1%	13.2%	16.5%
Blue Collar	11.3%	12.8%	15.9%	23.3%
Farming/Forestry/Fishing	0.2%	0.1%	0.3%	0.6%
Construction/Extraction	2.3%	2.9%	4.3%	6.6%
Installation/Maintenance/Repair	1.7%	2.2%	2.9%	3.9%
Production	3.6%	3.9%	4.4%	6.3%
Transportation/Material Moving	3.5%	3.6%	4.0%	5.9%

Source: ESRI Business Information Systems (ESRI BIS)

Percentages may not total 100.0% due to rounding

Consumer Classification and Lifestyle Segmentation

While demographics provide basic background on local consumers, lifestyle segmentation information can provide additional insight into trade area residents. More specifically, lifestyle segmentation systems attempt to predict specific buying habits and preferences of consumers. One specific lifestyle segmentation system, Community Tapestry™, was purchased from ESRI Business Information Solutions to provide useful information about local households. Tapestry data is available for individual neighborhoods for the entire country. Consumers are classified into 65 demographic and behaviorally distinct segments. The segments are based on types of neighborhoods (urban, suburban, rural); the residents' socio-economic status (age, income, occupation, type and value of residence); and their buying behaviors and preferences. Tapestry data is updated regularly using various national and local data sources. Tables 3.10a, 3.10b, and 3.10c report the top five Community Tapestry segments found in the primary destination trade area, secondary destination trade area, and Dane County respectively. The complete Community Tapestry segment distribution is listed in Appendix 3A.

Table 3.10a – Community Tapestry Segments in the Primary Destination Trade Area (2007)

Tapestry Number and Category	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
Population (2007)	136,783	292,665	475,924	306,348,230
63 Dorms to Diplomas	26.2%	12.3%	7.5%	0.7%
22 Metropolitans	14.5%	10.2%	6.6%	1.0%
39 Young and Restless	10.1%	5.2%	3.4%	1.1%
27 Metro Renters	9.3%	4.3%	2.7%	0.9%
14 Prosperous Empty Nesters	7.0%	5.1%	3.4%	1.7%

Table 3.10b – Top 5 Community Tapestry Segments in the Secondary Destination Trade Area (2007)

Tapestry Number and Category	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
Population (2007)	136,783	292,665	475,924	306,348,230
16 Enterprising Professionals	0.0%	13.2%	9.1%	1.5%
63 Dorms to Diplomas	26.2%	12.3%	7.5%	0.7%
22 Metropolitans	14.5%	10.2%	6.6%	1.0%
28 Aspiring Young Families	3.8%	6.9%	5.7%	2.3%
13 In Style	0.5%	6.3%	7.8%	2.3%

Table 3.10c – Top 5 Community Tapestry Segments in Dane County (2007)

Tapestry Number and Category	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
Population (2007)	136,783	292,665	475,924	306,348,230
06 Sophisticated Squires	0.0%	4.1%	10.5%	3.1%
16 Enterprising Professionals	0.0%	13.2%	9.1%	1.5%
13 In Style	0.5%	6.3%	7.8%	2.3%
63 Dorms to Diplomas	26.2%	12.3%	7.5%	0.7%
12 Up and Coming Families	0.1%	2.1%	7.3%	3.7%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

The primary destination trade area's predominant lifestyle segment is *Dorms to Diplomas*, which comprises 26.2 percent of the trade area's population. The Dorms to Diplomas lifestyle segment encompasses many of the college students living in and around the Downtown Study Area. The primary trade area's second and third largest lifestyle segments are *Metropolitans* and *Young and Restless* respectively. These two segments reflect many of the primary trade area's younger residents and households without children. Combined, the three largest lifestyle segments comprise 50.8 percent of the primary trade area's population.

In contrast, the secondary trade area and Dane County have a large number of lifestyle segments with each one comprising a relatively small percentage of the population. The secondary destination trade area contains 27 different Community Tapestry segments, with the largest segment accounting for only 13.2 percent of the area's population. Similarly, Dane County includes 32 distinct Community Tapestry categories, with the largest one encompassing just 9.1 percent of the county's population.

Given the number and diversity of lifestyle segments present, detailed descriptions of each segment are not listed in this analysis. However, descriptions of each Tapestry Segment are available at <http://www.esri.com/library/brochures/pdfs/community-tapestry-handbook.pdf> or on the accompanying Community Tapestry CD. *Note that the descriptions of each Tapestry segment (as written by ESRI Business Information Systems) reflect the typical national household in each category. Local consumer characteristics will likely vary somewhat from these descriptions.*

In addition to the broad category descriptions available from ESRI, a database describing detailed consumer purchasing patterns is available on the Community Tapestry CD that accompanies this report. Spending patterns on the CD are expressed using a market potential index (MPI). Various MPI's examine a wide range of retail, service, entertainment and psychographic categories to determine a person's propensity for purchasing products or participating in activities. A market potential index is based on a U.S. average of 100. For each consumer category a value above 100 shows that a Tapestry segment is more likely than the national average to purchase a product or service. Conversely, a value below 100 suggests that a Tapestry segment is less likely than average to purchase a product. The MPI information may be useful to existing businesses interested in examining new product line opportunities, or other information related to their customers. *Given the depth of the MPI information, the Madison Central BID may want to consider making the Community Tapestry data information available to existing and prospective businesses in the Downtown Study Area.*

While the Community Tapestry information provides a wide range of consumer insights, caution should be used in placing too much emphasis on lifestyle segmentation data. While lifestyle segmentation systems are a useful tool, research shows that they often misrepresent urban and inner city areas. *Studies from the Brookings Institution and the Helen Bader Foundation have found these systems to portray some urban residents in a negative manner and underestimate spending potential⁴. Therefore, the lifestyle segmentation data should not be used as the sole indicator of future business potential.*

⁴ Quinn, Lois M. and Jon Pasasarat. "Confronting Anti-Urban Marketing Stereotypes: A Milwaukee Economic Development Challenge". UW-Milwaukee Employment and Training Institute, June 2001.

Quinn, Lois M. and Jon Pasasarat. "Exposing Urban Legends: The Real Purchasing Power of Central City Neighborhoods". Brookings Institution Center on Urban and Metropolitan Policy, June 2001.

Conclusions

Resident characteristics of the primary and secondary destination trade areas depict a population diverse in both demographics and lifestyles. The preceding information can be used in developing collateral materials for business retention, expansion and recruitment efforts, as well as marketing the Downtown Madison Study Area. Consequently, the demographic information in this section is intended to be shared with existing and potential business owners, elected officials, and other downtown stakeholders. Again, Appendix 3B contains demographic characteristics for 1-mile, 3-mile and 5-mile radii around the center of the Downtown Study Area. Demographics for specific downtown buildings and sites may also be available through the Location One Information System (LOIS) in certain instances (<http://www.forwardwi.com/section2/Find-a-Site-or-Building>).

While the preceding figures and discussion will inform specific economic restructuring opportunities examined in Section 7 of this report, several broad conclusions regarding local demographics and lifestyles are summarized below:

- Despite population increases in the Downtown Study Area, most of Dane County's rapid population growth has occurred outside of the primary destination trade area. Consequently, most of the new consumer demand from population growth has occurred in areas that currently generate fewer customers for downtown Madison. Given these population trends, the Downtown Study Area and downtown businesses are faced with several options for capturing additional consumer demand:
 1. *Minimize sales leakage from current downtown market segments by better serving the needs of downtown employees, residents, students and visitors.* Strategies for reducing leakage can include filling demand gaps, uniform store hours, and developing marketing activities that build greater customer recognition of downtown retailers among these market segments. Several specific strategies for capturing additional demand are explored in Section 7.
 2. *Increase the drawing power of the Downtown Study Area.* Given the region's distribution of destination shopping opportunities, customers living at greater distances need a compelling reason to shop in downtown Madison. While convenience, accessibility and parking will be challenges for most downtowns, developing a critical mass of stores around commercial niches may help to differentiate downtown Madison from other shopping destinations in the region. Again, specific niches will be examined in Section 7.
- Renter-occupied housing units are the dominant housing type in the primary trade area. Nationally, renters tend to spend a higher proportion of their income on dining out, alcoholic beverages, and apparel. However, the number of downtown owner-occupied units has been increasing steadily. As the homeownership increases in downtown Madison, the demand for home furnishings and home improvement may also increase.
- Driven by the mobility of college students, residents and younger workers in the labor force, the primary destination trade area has a high overall mobility rate. Furthermore, a large percentage of new residents to the primary trade area previously lived outside either Dane County or the State of Wisconsin. Downtown businesses seeking to serve these consumer segments likely will require consistent marketing and outreach efforts. Resident mobility rates should also be considered when marketing the overall Downtown Madison Study Area.

- Non-family households (60.5 percent) are the dominant household type in the primary destination trade area. While the characteristics of these households will vary, non-family households on average tend to have higher levels of discretionary income available for many goods and services, especially dining out.
- While the primary destination trade area has a low percentage of households with children (19.0 percent), downtown Madison has the potential to be a destination for families given its cultural facilities and events. Attractions and retail targeting families properly located in the 100 and 200 blocks of State Street and the Mifflin St./Carroll St. portions of the Square could create a critical mass of establishments and build synergy with current family traffic generators (i.e. new Madison Children's Museum site, the Overture Center for the Arts, family-oriented events on the Square and Capitol Kids). Directing family-oriented establishments to this area would also avoid potentially incompatible uses with the campus end of State Street.
- Within the primary and secondary destination trade areas, the two largest age cohorts are residents ages 20 to 24 and ages 25 to 34. These two age groups comprise almost 40 percent of the primary trade area's residents and 31 percent of the secondary trade area population (compared to 20.2 percent in the nation). These residents ages 20 to 34 include college students and younger workers. Many of these younger workers and college students may have higher shares of disposable income and exhibit above average spending patterns on personal services, alcoholic beverages, entertainment, home electronics, apparel, footwear, telephone services, and dining out.
- The population ages 45 to 54 and ages 55 to 64 are two additional age cohorts important to downtown Madison. While these age cohorts comprise a smaller population in the primary and secondary trade areas, the 45 to 54 age group is the largest population segment in Dane County. Furthermore, the 55 to 64 age group is increasingly choosing downtowns as their places of residence both nationally and in downtown Madison. Finally, households headed by these two age groups tend to have the highest household incomes and have greater expenditure levels on many products and services.
- Both average and median household incomes in the primary trade area are below their respective national averages. These lower incomes are partially driven by an above average percentage of households with incomes under \$35,000. A number of these lower income households contain college students with higher levels of disposable income. While Section 1 provides some insight into the national purchasing power of college students, future survey research may be needed to understand the true demand generated by students residing in and around downtown Madison.
- The Community Tapestry lifestyle segmentation data shows a diverse range of consumer segments. While this information may be useful to some businesses, caution should be used in placing too much emphasis on lifestyle segmentation data. Research suggests that lifestyle segmentation data often underestimates the true spending potential of urban markets. Consequently, the lifestyle segmentation data should not be used as the sole indicator of future business potential.

Appendix 3A – Trade Area Demographic and Lifestyle Profile

Demographic Category	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
1990 Total Population	131,166	248,546	367,085	248,709,873
2000 Total Population	133,057	271,712	426,526	281,421,906
2000 Group Quarters	11,740	13,544	15,807	7,778,633
2007 Total Population	136,782	292,664	475,924	306,348,230
2000 - 2007 Annual Growth Rate	0.4%	1.1%	1.7%	1.3%
2012 Total Population	140,687	307,050	505,908	325,526,398
1990 Households	55,591	101,399	142,786	91,947,410
2000 Households	57,613	116,516	173,484	105,480,101
2000 Average Household Size	2.11	2.22	2.37	2.59
2007 Households	60,844	129,267	198,558	115,337,039
2007 Average Household Size	2.06	2.16	2.32	2.59
2000 - 2007 Annual Growth Rate	0.8%	1.6%	2.1%	1.3%
2012 Households	63,288	137,201	213,136	122,830,665
2012 Average Household Size	2.04	2.14	2.30	2.58
2000 Families	22,751	58,491	100,856	71,787,347
2000 Average Family Size	2.84	2.89	2.97	3.14
2007 Families	22,095	61,731	111,857	77,236,852
2007 Average Family Size	2.80	2.83	2.92	3.14
2012 Families	21,778	63,094	116,791	81,160,731
2012 Average Family Size	2.79	2.82	2.92	3.15
2000 Housing Units	60,102	121,251	180,398	115,904,641
Owner Occupied Housing Units	36.9%	47.3%	55.4%	60.2%
Renter Occupied Housing Units	59.0%	48.8%	40.8%	30.8%
Vacant Housing Units	4.1%	3.9%	3.8%	9.0%
2007 Housing Units	64,066	135,881	208,487	128,035,492
Owner Occupied Housing Units	36.7%	48.3%	56.8%	61.3%
Renter Occupied Housing Units	58.3%	46.8%	38.4%	28.8%
Vacant Housing Units	5.0%	4.9%	4.8%	9.9%
2012 Housing Units	67,420	145,920	226,473	137,008,608
Owner Occupied Housing Units	35.3%	47.3%	56.0%	61.1%
Renter Occupied Housing Units	58.5%	46.7%	38.1%	28.6%
Vacant Housing Units	6.1%	6.0%	5.9%	10.3%
Per Capita Income				
2000	\$21,489	\$24,684	\$24,985	\$21,587
2007	\$27,251	\$32,293	\$32,736	\$27,916
2012	\$32,624	\$39,524	\$40,150	\$33,873
Median Household Income				
2000	\$34,541	\$44,091	\$49,201	\$42,164
2007	\$42,100	\$55,600	\$62,378	\$53,154
2012	\$48,873	\$65,095	\$73,343	\$62,503

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 3A – Trade Area Demographic and Lifestyle Profile

Demographic Category	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
2000 Household by Income				
Total Households in Income Base	57,642	116,730	173,710	105,539,122
<\$15,000	20.9%	13.8%	11.2%	15.8%
\$15,000 - \$24,999	15.7%	12.2%	10.7%	12.8%
\$25,000 - \$34,999	14.0%	12.9%	11.8%	12.8%
\$35,000 - \$49,999	16.6%	17.3%	17.1%	16.5%
\$50,000 - \$74,999	16.2%	20.8%	23.4%	19.5%
\$75,000 - \$99,999	7.2%	10.9%	12.8%	10.2%
\$100,000 - \$149,999	5.9%	7.9%	8.8%	7.7%
\$150,000 - \$199,999	1.5%	2.1%	2.1%	2.2%
\$200,000 +	1.9%	2.1%	2.1%	2.4%
Average Household Income	\$48,134	\$56,703	\$60,402	\$56,644
2007 Household by Income				
Total Households in Income Base	60,842	129,268	198,558	115,335,842
<\$15,000	17.5%	10.8%	8.4%	12.0%
\$15,000 - \$24,999	12.4%	8.8%	7.4%	9.9%
\$25,000 - \$34,999	12.0%	9.7%	8.6%	10.3%
\$35,000 - \$49,999	16.2%	15.4%	14.4%	14.7%
\$50,000 - \$74,999	17.9%	20.2%	21.0%	19.5%
\$75,000 - \$99,999	10.1%	14.7%	16.9%	12.8%
\$100,000 - \$149,999	8.1%	12.7%	15.0%	12.3%
\$150,000 - \$199,999	2.8%	4.0%	4.4%	4.2%
\$200,000 +	3.0%	3.7%	3.8%	4.2%
Average Household Income	\$59,001	\$72,282	\$77,450	\$73,126
2012 Household by Income				
Total Households in Income Base	63,289	137,201	213,136	122,829,470
<\$15,000	15.1%	9.0%	7.0%	10.1%
\$15,000 - \$24,999	10.6%	7.0%	5.8%	8.2%
\$25,000 - \$34,999	10.3%	7.6%	6.6%	8.7%
\$35,000 - \$49,999	15.1%	13.1%	12.0%	12.9%
\$50,000 - \$74,999	19.1%	20.0%	19.7%	18.6%
\$75,000 - \$99,999	10.4%	13.5%	15.1%	13.1%
\$100,000 - \$149,999	11.7%	18.3%	21.2%	16.0%
\$150,000 - \$199,999	3.4%	5.3%	6.1%	5.6%
\$200,000 +	4.5%	6.1%	6.6%	6.8%
Average Household Income	\$70,090	\$87,729	\$94,233	\$88,685
2000 Specified Renter Occupied Housing Units by Contract Rent				
Total	35,440	59,083	72,708	35,199,502
With Cash Rent	98.8%	98.6%	98.2%	94.8%
No Cash Rent	1.2%	1.4%	1.8%	5.2%
Average Rent	\$602	\$620	\$616	\$565

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 3A – Trade Area Demographic and Lifestyle Profile

Demographic Category	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
2000 Owner Occupied Housing Units by Value				
Total Units	22,177	57,393	99,923	69,816,513
< \$50,000	3.5%	2.3%	2.2%	14.9%
\$50,000 - \$99,999	16.9%	12.6%	10.9%	29.6%
\$100,000 - \$149,999	37.8%	41.7%	40.0%	21.8%
\$150,000 - \$199,999	21.3%	23.4%	25.2%	13.4%
\$200,000 - \$299,999	12.1%	12.9%	14.6%	11.2%
\$300,000 - \$499,999	6.5%	5.8%	5.5%	6.1%
\$500,000 - \$999,999	1.7%	1.1%	1.2%	2.3%
\$1,000,000+	0.3%	0.3%	0.3%	0.6%
Average Home Value	\$168,459	\$168,315	\$172,430	\$151,910
2000 Population by Age				
Total Population	133,057	271,712	426,526	281,421,906
0 - 4	4.5%	5.4%	6.1%	6.8%
5 - 9	4.0%	5.2%	6.3%	7.3%
10 - 14	4.0%	5.4%	6.5%	7.3%
15 - 19	10.3%	8.2%	7.7%	7.2%
20 - 24	21.2%	13.8%	10.3%	6.7%
25 - 34	18.1%	17.4%	16.0%	14.2%
35 - 44	13.0%	14.9%	16.4%	16.0%
45 - 54	11.3%	13.6%	14.1%	13.4%
55 - 64	5.4%	6.9%	7.2%	8.6%
65 - 74	3.8%	4.6%	4.7%	6.5%
75 - 84	3.1%	3.4%	3.3%	4.4%
85+	1.3%	1.2%	1.3%	1.5%
18+	85.0%	80.8%	77.4%	74.3%
Median Age	27.9	31.6	33.2	35.3
2007 Population by Age				
Total Population	136,782	292,664	475,924	306,348,230
0 - 4	4.2%	5.2%	5.9%	6.9%
5 - 9	3.6%	4.8%	5.7%	6.5%
10 - 14	3.6%	4.8%	5.8%	6.8%
15 - 19	10.4%	8.1%	7.7%	7.1%
20 - 24	23.2%	14.4%	11.1%	7.0%
25 - 34	16.7%	16.4%	14.2%	13.2%
35 - 44	11.3%	13.4%	14.7%	14.4%
45 - 54	11.7%	14.0%	15.2%	14.6%
55 - 64	7.4%	9.6%	10.2%	10.8%
65 - 74	3.3%	4.4%	4.6%	6.3%
75 - 84	3.0%	3.3%	3.3%	4.4%
85+	1.6%	1.5%	1.5%	1.9%
18+	86.0%	81.9%	78.8%	75.6%
Median Age	27.5	32.5	34.7	36.7

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 3A – Trade Area Demographic and Lifestyle Profile

Demographic Category	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
2012 Population by Age				
Total Population	140,687	307,050	505,908	325,526,398
0 - 4	4.3%	5.3%	6.0%	6.9%
5 - 9	3.1%	4.3%	5.3%	6.3%
10 - 14	3.2%	4.7%	5.7%	6.5%
15 - 19	9.5%	7.3%	7.0%	6.8%
20 - 24	25.6%	15.5%	11.7%	7.1%
25 - 34	16.0%	15.6%	14.1%	13.0%
35 - 44	10.1%	12.8%	13.4%	13.1%
45 - 54	10.8%	13.3%	14.8%	14.8%
55 - 64	8.9%	11.2%	11.9%	12.3%
65 - 74	3.9%	5.1%	5.3%	6.8%
75 - 84	2.7%	3.0%	3.1%	4.2%
85+	1.8%	1.7%	1.7%	2.1%
18+	87.1%	82.8%	79.5%	76.3%
Median Age	27.2	32.9	35.2	37.6
2000 Population by Sex				
Males	49.9%	49.3%	49.5%	49.1%
Females	50.1%	50.7%	50.5%	50.9%
2007 Population by Sex				
Males	50.0%	49.5%	49.5%	49.2%
Females	50.0%	50.5%	50.5%	50.8%
2012 Population by Sex				
Males	50.1%	49.6%	49.5%	49.2%
Females	49.9%	50.4%	50.5%	50.8%
2000 Population by Race/Ethnicity				
Total Population	133,057	271,712	426,526	281,421,906
White Alone	81.5%	84.8%	89.0%	75.1%
Black Alone	6.5%	5.6%	4.0%	12.3%
American Indian Alone	0.4%	0.4%	0.3%	0.9%
Asian or Pacific Islander Alone	6.6%	5.0%	3.5%	3.8%
Some Other Race Alone	2.5%	2.0%	1.4%	5.5%
Two or More Races	2.5%	2.3%	1.8%	2.4%
Hispanic Origin	5.4%	4.5%	3.4%	12.5%
Diversity Index	39.7	33.8	25.8	54.6
2007 Population by Race/Ethnicity				
Total Population	136,782	292,664	475,924	306,348,230
White Alone	76.6%	80.9%	86.3%	72.7%
Black Alone	8.0%	6.8%	4.8%	12.6%
American Indian Alone	0.4%	0.4%	0.3%	0.9%
Asian or Pacific Islander Alone	9.0%	6.9%	4.7%	4.5%
Some Other Race Alone	3.2%	2.5%	1.8%	6.5%
Two or More Races	2.8%	2.5%	2.0%	2.8%
Hispanic Origin	7.0%	5.8%	4.3%	15.0%
Diversity Index	47.8	40.9	31.2	59.3

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 3A – Trade Area Demographic and Lifestyle Profile

Demographic Category	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
2012 Population by Race/Ethnicity				
Total Population	140,687	307,050	505,908	325,526,398
White Alone	73.0%	78.0%	84.3%	71.1%
Black Alone	9.0%	7.6%	5.4%	12.7%
American Indian Alone	0.4%	0.4%	0.4%	0.9%
Asian or Pacific Islander Alone	10.9%	8.4%	5.7%	4.9%
Some Other Race Alone	3.8%	3.0%	2.1%	7.3%
Two or More Races	2.9%	2.7%	2.1%	3.1%
Hispanic Origin	8.2%	6.8%	5.1%	16.8%
Diversity Index	53.0	45.8	35.3	62.3
2000 Population Age 3 and Over by School Enrollment				
Total	129,614	263,126	411,561	270,076,176
Enrolled in Nursery/Preschool	1.4%	1.7%	1.8%	1.8%
Enrolled in Kindergarten	0.8%	1.0%	1.2%	1.5%
Enrolled in Grade 1-8	6.6%	8.9%	10.8%	12.5%
Enrolled in Grade 9-12	3.6%	4.6%	5.3%	6.1%
Enrolled in College	23.3%	13.9%	10.0%	5.3%
Enrolled in Grad/Prof School	6.7%	4.3%	3.1%	1.2%
Not Enrolled in School	57.7%	65.6%	67.8%	71.6%
2000 Population Age 25 and Over by Educational Attainment				
Total	74,682	168,987	269,998	182,211,639
Less than 9th Grade	3.4%	2.8%	2.9%	7.5%
9th - 12th Grade, No Diploma	5.5%	4.7%	4.9%	12.1%
High School Graduate	16.5%	18.4%	22.3%	28.6%
Some College, No Degree	17.3%	19.5%	20.3%	21.0%
Associate Degree	6.1%	7.9%	8.9%	6.3%
Bachelor's Degree	27.3%	26.8%	24.8%	15.5%
Master's/Prof/Doctorate Degree	23.8%	19.9%	15.8%	8.9%
High School Graduate or Higher	91.0%	92.5%	92.1%	80.3%
Bachelor's Degree or Higher	51.1%	46.7%	40.6%	24.4%
2000 Population Age 15 and Over by Sex and Marital Status				
Total	116,683	228,663	346,794	221,148,671
Females	50.3%	51.1%	50.9%	51.6%
Never Married	25.2%	19.7%	16.2%	12.4%
Married, not Separated	16.8%	21.9%	25.5%	26.9%
Married, Separated	0.6%	0.7%	0.6%	1.3%
Widowed	2.7%	3.2%	3.3%	5.4%
Divorced	4.8%	5.6%	5.2%	5.6%
Males	49.7%	48.9%	49.1%	48.4%
Never Married	27.8%	21.9%	18.6%	14.6%
Married, not Separated	17.1%	22.1%	25.5%	27.5%
Married, Separated	0.5%	0.5%	0.5%	0.9%
Widowed	0.6%	0.7%	0.7%	1.2%
Divorced	3.7%	3.8%	3.8%	4.2%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 3A – Trade Area Demographic and Lifestyle Profile

Demographic Category	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
2000 Population Age 16+ by Emp. Status				
Total	115,577	225,872	341,422	217,168,077
In Labor Force	70.7%	73.8%	75.0%	63.9%
Civilian Employed	66.6%	70.4%	72.1%	59.7%
Civilian Unemployed	4.0%	3.3%	2.9%	3.7%
In Armed Forces	0.1%	0.1%	0.1%	0.5%
Not in Labor Force	29.3%	26.2%	25.0%	36.1%
2007 Population Age 16+ in Labor Force				
Civilian Employed	93.0%	94.2%	95.0%	93.4%
Civilian Unemployed	7.0%	5.8%	5.0%	6.6%
2012 Population Age 16+ in Labor Force				
Civilian Employed	93.0%	94.3%	95.1%	93.9%
Civilian Unemployed	7.0%	5.7%	4.9%	6.1%
2000 Females Age 16+ by Employment Status and Age of Children				
Total	58,222	115,526	173,995	112,185,795
Own Children < 6 Only	6.0%	6.9%	7.5%	7.5%
Employed/in Armed Forces	4.1%	4.8%	5.4%	4.4%
Unemployed	0.2%	0.3%	0.2%	0.3%
Not in Labor Force	1.6%	1.8%	1.9%	2.7%
Own Children <6 and 6-17 Only	2.9%	4.0%	5.2%	6.4%
Employed/in Armed Forces	1.8%	2.7%	3.7%	3.6%
Unemployed	0.1%	0.1%	0.1%	0.3%
Not in Labor Force	1.0%	1.2%	1.4%	2.5%
Own Children 6-17 Only	8.9%	12.9%	15.8%	17.2%
Employed/in Armed Forces	7.1%	10.9%	13.7%	12.4%
Unemployed	0.2%	0.2%	0.2%	0.6%
Not in Labor Force	1.6%	1.9%	1.9%	4.3%
No Own Children <18	82.2%	76.1%	71.4%	68.9%
Employed/in Armed Forces	51.9%	49.1%	46.0%	33.8%
Unemployed	2.5%	2.0%	1.7%	2.2%
Not in Labor Force	27.8%	25.0%	23.6%	32.9%
2007 Employed Pop. Age 16+ by Industry				
Total	78,217	170,551	274,624	141,590,232
Agriculture/Mining	0.5%	0.5%	1.1%	1.7%
Construction	3.0%	3.9%	5.7%	8.0%
Manufacturing	5.8%	6.9%	8.3%	10.7%
Wholesale Trade	2.0%	2.4%	2.9%	3.4%
Retail Trade	10.6%	11.1%	11.3%	11.6%
Transportation/Utilities	2.0%	2.6%	2.9%	4.9%
Information	2.8%	2.7%	2.5%	2.3%
Finance/Insurance/Real Estate	6.4%	8.8%	9.6%	7.4%
Services	61.6%	54.8%	49.8%	45.1%
Public Administration	5.4%	6.2%	5.9%	4.8%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 3A – Trade Area Demographic and Lifestyle Profile

Demographic Category	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
2007 Employed Population Age 16+ by Occupation				
Total	78,217	170,550	274,624	141,590,232
White Collar	72.1%	73.1%	70.9%	60.2%
Management/Business/Financial	11.3%	14.4%	15.5%	13.6%
Professional	37.7%	34.4%	30.5%	21.3%
Sales	10.4%	10.9%	10.9%	11.5%
Administrative Support	12.7%	13.4%	14.0%	13.8%
Services	16.5%	14.1%	13.2%	16.5%
Blue Collar	11.3%	12.8%	15.9%	23.3%
Farming/Forestry/Fishing	0.2%	0.1%	0.3%	0.6%
Construction/Extraction	2.3%	2.9%	4.3%	6.6%
Installation/Maintenance/Repair	1.7%	2.2%	2.9%	3.9%
Production	3.6%	3.9%	4.4%	6.3%
Transportation/Material Moving	3.5%	3.6%	4.0%	5.9%
2000 Workers Age 16+ by Means of Transportation to Work				
Total	75,225	156,434	242,542	128,279,228
Drove Alone - Car, Truck, or Van	56.7%	69.1%	74.1%	75.7%
Carpooled - Car, Truck, or Van	9.6%	9.8%	9.5%	12.2%
Public Transportation	9.4%	6.3%	4.2%	4.7%
Walked	16.0%	8.5%	6.2%	2.9%
Other Means	5.5%	3.2%	2.2%	1.2%
Worked at Home	2.9%	3.2%	3.8%	3.3%
2000 Workers Age 16+ by Travel Time to Work				
Total	75,227	156,436	242,542	128,279,228
Did not Work at Home	97.1%	96.8%	96.2%	96.7%
Less than 5 minutes	3.6%	3.2%	3.5%	3.3%
5 to 9 minutes	14.3%	13.2%	12.8%	10.7%
10 to 19 minutes	44.7%	42.6%	36.2%	29.8%
20 to 24 minutes	15.7%	17.1%	17.2%	14.0%
25 to 34 minutes	11.8%	13.5%	17.4%	18.4%
35 to 44 minutes	2.2%	2.4%	3.6%	5.7%
45 to 59 minutes	1.9%	2.1%	2.6%	7.2%
60 to 89 minutes	1.6%	1.7%	1.6%	5.0%
90 or more minutes	1.2%	1.1%	1.3%	2.7%
Worked at Home	2.9%	3.2%	3.8%	3.3%
Average Travel Time to Work (in min)	17.9	18.4	19.9	25.5
2000 Households by Vehicles				
Total Households	57,613	116,516	173,484	105,480,101
No Vehicles	15.9%	10.4%	8.0%	10.3%
1	45.7%	41.1%	35.6%	34.2%
2	30.3%	37.7%	41.6%	38.4%
3	6.0%	8.3%	11.1%	12.5%
4	1.5%	1.8%	2.7%	3.4%
5+	0.7%	0.7%	1.0%	1.3%
Average Number of Vehicles Available	1.3	1.5	1.7	1.7

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 3A – Trade Area Demographic and Lifestyle Profile

Demographic Category	Primary Destination Trade Area	Secondary Destination Trade Area	Dane County	United States
2000 Households by Type				
Total Households	57,613	116,516	173,484	105,480,101
Family Households	39.5%	50.2%	58.1%	68.1%
Married-couple Family	29.4%	39.2%	47.1%	51.7%
With Related Children	12.6%	17.4%	22.3%	24.8%
Other Family (No Spouse)	10.1%	11.0%	11.1%	16.4%
With Related Children	6.4%	7.3%	7.5%	10.7%
Non-family Households	60.5%	49.8%	41.9%	31.9%
Householder Living Alone	39.7%	34.2%	29.4%	25.8%
Householder Not Living Alone	20.8%	15.6%	12.5%	6.1%
Households with Related Children	19.0%	24.7%	29.8%	35.5%
Households with Persons Age 65+	13.6%	15.1%	15.8%	23.4%
2000 Households by Size				
Total	57,613	116,516	173,484	105,480,101
1 Person Household	39.7%	34.2%	29.4%	25.8%
2 Person Household	33.1%	35.2%	35.3%	32.6%
3 Person Household	12.8%	13.9%	15.0%	16.5%
4 Person Household	8.8%	10.8%	13.2%	14.2%
5 Person Household	3.5%	4.0%	4.9%	6.6%
6 Person Household	1.3%	1.2%	1.4%	2.5%
7+ Person Household	0.8%	0.7%	0.7%	1.8%
2000 Households by Year Householder Moved In				
Total	57,613	116,516	173,484	105,480,101
Moved in 1999 to March 2000	36.1%	30.2%	26.2%	19.9%
Moved in 1995 to 1998	29.4%	30.1%	30.2%	28.9%
Moved in 1990 to 1994	11.4%	14.1%	15.5%	16.1%
Moved in 1980 to 1989	11.1%	12.4%	13.3%	15.6%
Moved in 1970 to 1979	5.4%	6.7%	8.0%	9.9%
Moved in 1969 or Earlier	6.7%	6.5%	6.7%	9.7%
2000 Housing Units by Units in Structure				
Total Housing Units	60,129	121,308	180,398	115,904,641
1, Detached	36.7%	45.0%	53.6%	60.3%
1, Attached	2.2%	4.7%	5.1%	5.6%
2	8.0%	5.6%	5.7%	4.3%
3 or 4	9.9%	7.6%	6.5%	4.7%
5 to 9	9.9%	9.5%	7.6%	4.7%
10 to 19	9.2%	8.5%	6.8%	4.0%
20+	22.9%	18.0%	13.4%	8.6%
Mobile Home	1.1%	1.0%	1.3%	7.6%
Other	0.0%	0.0%	0.0%	0.2%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 3A – Trade Area Demographic and Lifestyle Profile

Community Tapestry™ Category	Primary Destination Trade Area		Secondary Destination Trade Area		Dane County		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Population (2007)	136,782	100.0%	292,664	100.0%	475,924	100.0%	306,348,230	100.0%
L1. High Society	6,104	4.5%	32,162	11.0%	87,559	18.4%	42,368,301	13.8%
01 Top Rung	0	0.0%	0	0.0%	0	0.0%	2,367,216	0.8%
02 Suburban Splendor	0	0.0%	7,913	2.7%	15,193	3.2%	6,049,511	2.0%
03 Connoisseurs	3,761	2.7%	4,984	1.7%	4,984	1.0%	4,329,623	1.4%
04 Boomburbs	0	0.0%	0	0.0%	4,387	0.9%	7,805,856	2.5%
05 Wealthy Seaboard Suburbs	1,304	1.0%	1,304	0.4%	1,304	0.3%	4,635,305	1.5%
06 Sophisticated Squires	0	0.0%	11,971	4.1%	50,075	10.5%	9,418,444	3.1%
07 Exurbanites	1,039	0.8%	5,990	2.0%	11,616	2.4%	7,762,346	2.5%
L2. Upscale Avenues	2,477	1.8%	70,639	24.1%	133,483	28.0%	42,070,824	13.7%
09 Urban Chic	1,362	1.0%	1,362	0.5%	1,362	0.3%	3,772,899	1.2%
10 Pleasant-Ville	0	0.0%	0	0.0%	0	0.0%	5,823,475	1.9%
11 Pacific Heights	0	0.0%	0	0.0%	0	0.0%	2,330,804	0.8%
13 In Style	751	0.5%	18,513	6.3%	36,929	7.8%	7,044,483	2.3%
16 Enterprising Professionals	0	0.0%	38,486	13.2%	43,139	9.1%	4,442,166	1.5%
17 Green Acres	0	0.0%	0	0.0%	32,890	6.9%	10,016,067	3.3%
18 Cozy and Comfortable	364	0.3%	12,278	4.2%	19,163	4.0%	8,640,930	2.8%
L3. Metropolis	19,843	14.5%	29,838	10.2%	31,448	6.6%	16,341,234	5.3%
20 City Lights	0	0.0%	0	0.0%	0	0.0%	3,214,058	1.0%
22 Metropolitans	19,843	14.5%	29,838	10.2%	31,448	6.6%	3,043,226	1.0%
45 City Strivers	0	0.0%	0	0.0%	0	0.0%	2,490,123	0.8%
51 Metro City Edge	0	0.0%	0	0.0%	0	0.0%	3,228,476	1.1%
54 Urban Rows	0	0.0%	0	0.0%	0	0.0%	1,151,702	0.4%
62 Modest Income Homes	0	0.0%	0	0.0%	0	0.0%	3,213,649	1.0%
L4. Solo Acts	33,972	24.8%	43,466	14.9%	45,199	9.5%	15,609,951	5.1%
08 Laptops and Lattes	1,015	0.7%	1,015	0.3%	1,015	0.2%	2,218,714	0.7%
23 Trendsetters	0	0.0%	0	0.0%	0	0.0%	2,749,220	0.9%
27 Metro Renters	12,688	9.3%	12,688	4.3%	12,688	2.7%	2,644,552	0.9%
36 Old and Newcomers	6,486	4.7%	14,505	5.0%	15,287	3.2%	4,686,188	1.5%
39 Young and Restless	13,783	10.1%	15,258	5.2%	16,209	3.4%	3,311,277	1.1%
L5. Senior Styles	11,372	8.3%	20,409	7.0%	22,909	4.8%	32,161,091	10.5%
14 Prosperous Empty Nesters	9,640	7.0%	14,982	5.1%	15,974	3.4%	5,182,252	1.7%
15 Silver and Gold	0	0.0%	0	0.0%	0	0.0%	2,295,605	0.7%
29 Rustbelt Retirees	354	0.3%	1,956	0.7%	3,464	0.7%	5,827,558	1.9%
30 Retirement Communities	1,378	1.0%	2,970	1.0%	2,970	0.6%	3,463,884	1.1%
43 The Elders	0	0.0%	0	0.0%	0	0.0%	1,227,790	0.4%
49 Senior Sun Seekers	0	0.0%	501	0.2%	501	0.1%	3,058,979	1.0%
50 Heartland Communities	0	0.0%	0	0.0%	0	0.0%	6,000,289	2.0%
57 Simple Living	0	0.0%	0	0.0%	0	0.0%	3,645,110	1.2%
65 Social Security Set	0	0.0%	0	0.0%	0	0.0%	1,459,624	0.5%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 3A – Trade Area Demographic and Lifestyle Profile

Community Tapestry™ Category	Primary Destination Trade Area		Secondary Destination Trade Area		Dane County		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
L6. Scholars & Patriots	41,689	30.5%	41,689	14.2%	41,689	8.8%	5,551,422	1.8%
40 Military Proximity	0	0.0%	0	0.0%	0	0.0%	1,206,710	0.4%
55 College Towns	5,822	4.3%	5,822	2.0%	5,822	1.2%	2,297,006	0.7%
63 Dorms to Diplomas	35,867	26.2%	35,867	12.3%	35,867	7.5%	2,047,706	0.7%
L7. High Hopes	9,854	7.2%	26,642	9.1%	33,534	7.0%	11,782,872	3.8%
28 Aspiring Young Families	5,198	3.8%	20,244	6.9%	27,136	5.7%	6,942,792	2.3%
48 Great Expectations	4,656	3.4%	6,398	2.2%	6,398	1.3%	4,840,080	1.6%
L8. Global Roots	8,503	6.2%	9,931	3.4%	10,809	2.3%	29,981,309	9.8%
35 International Marketplace	0	0.0%	0	0.0%	0	0.0%	4,764,383	1.6%
38 Industrious Urban Fringe	0	0.0%	0	0.0%	0	0.0%	6,048,479	2.0%
44 Urban Melting Pot	0	0.0%	0	0.0%	0	0.0%	2,151,826	0.7%
47 Las Casas	0	0.0%	0	0.0%	0	0.0%	3,773,002	1.2%
52 Inner City Tenants	8,503	6.2%	9,931	3.4%	10,809	2.3%	4,416,933	1.4%
58 NeWest Residents	0	0.0%	0	0.0%	0	0.0%	3,729,606	1.2%
60 City Dimensions	0	0.0%	0	0.0%	0	0.0%	2,835,512	0.9%
61 High Rise Renters	0	0.0%	0	0.0%	0	0.0%	2,261,568	0.7%
L9. Family Portrait	186	0.1%	8,419	2.9%	37,110	7.8%	27,536,986	9.0%
12 Up and Coming Families	186	0.1%	6,190	2.1%	34,881	7.3%	11,191,922	3.7%
19 Milk and Cookies	0	0.0%	2,229	0.8%	2,229	0.5%	6,571,722	2.1%
21 Urban Villages	0	0.0%	0	0.0%	0	0.0%	3,505,732	1.1%
59 Southwestern Families	0	0.0%	0	0.0%	0	0.0%	3,979,996	1.3%
64 City Commons	0	0.0%	0	0.0%	0	0.0%	2,287,614	0.7%
L10. Traditional Living	2,783	2.0%	9,470	3.2%	27,015	5.7%	25,706,118	8.4%
24 Main Street, USA	1,221	0.9%	7,181	2.5%	23,112	4.9%	7,790,672	2.5%
32 Rustbelt Traditions	1,562	1.1%	2,289	0.8%	2,289	0.5%	8,304,864	2.7%
33 Midlife Junction	0	0.0%	0	0.0%	1,614	0.3%	6,801,030	2.2%
34 Family Foundations	0	0.0%	0	0.0%	0	0.0%	2,809,552	0.9%
L11. Factories & Farms	0	0.0%	0	0.0%	1,813	0.4%	28,767,421	9.4%
25 Salt of the Earth	0	0.0%	0	0.0%	1,813	0.4%	8,380,874	2.7%
37 Prairie Living	0	0.0%	0	0.0%	0	0.0%	3,125,589	1.0%
42 Southern Satellites	0	0.0%	0	0.0%	0	0.0%	8,201,277	2.7%
53 Home Town	0	0.0%	0	0.0%	0	0.0%	4,360,095	1.4%
56 Rural Bypasses	0	0.0%	0	0.0%	0	0.0%	4,699,586	1.5%
L12. American Quilt	0	0.0%	0	0.0%	3,356	0.7%	28,018,234	9.1%
26 Midland Crowd	0	0.0%	0	0.0%	3,356	0.7%	11,555,327	3.8%
31 Rural Resort Dwellers	0	0.0%	0	0.0%	0	0.0%	4,449,659	1.5%
41 Crossroads	0	0.0%	0	0.0%	0	0.0%	4,776,337	1.6%
46 Rooted Rural	0	0.0%	0	0.0%	0	0.0%	7,236,911	2.4%
66 Unclassified	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 3B - Demographic and Lifestyle Profiles by 1, 3 and 5-mile Radii

Demographic Category	One-Mile Radius	Three-Mile Radius	Five-Mile Radius	United States
1990 Total Population	29,530	89,972	177,157	248,709,873
2000 Total Population	30,339	90,531	178,514	281,421,906
2000 Group Quarters	8,790	11,473	12,646	7,778,633
2007 Total Population	32,698	93,184	182,959	306,348,230
2000 - 2007 Annual Growth Rate	1.1%	0.4%	0.4%	1.3%
2012 Total Population	34,116	95,789	187,880	325,526,398
1990 Households	10,504	36,501	73,511	91,947,410
2000 Households	11,473	37,628	76,781	105,480,101
2000 Average Household Size	1.88	2.10	2.16	2.59
2007 Households	13,064	39,987	80,860	115,337,039
2007 Average Household Size	1.83	2.04	2.11	2.59
2000 - 2007 Annual Growth Rate	2.0%	0.9%	0.8%	1.3%
2012 Households	13,961	41,674	83,951	122,830,665
2012 Average Household Size	1.82	2.02	2.09	2.58
2000 Families	898	12,518	34,433	71,787,347
2000 Average Family Size	2.44	2.86	2.86	3.14
2007 Families	899	12,104	33,765	77,236,852
2007 Average Family Size	2.30	2.80	2.81	3.14
2012 Families	881	11,885	33,407	81,160,731
2012 Average Family Size	2.25	2.78	2.80	3.15
2000 Housing Units	11,854	39,293	80,002	115,904,641
Owner Occupied Housing Units	4.2%	30.7%	43.3%	60.2%
Renter Occupied Housing Units	92.3%	65.0%	52.7%	30.8%
Vacant Housing Units	3.4%	4.3%	4.0%	9.0%
2007 Housing Units	13,619	42,168	85,008	128,035,492
Owner Occupied Housing Units	4.3%	30.4%	43.4%	61.3%
Renter Occupied Housing Units	91.6%	64.4%	51.7%	28.8%
Vacant Housing Units	4.1%	5.2%	4.9%	9.9%
2012 Housing Units	14,711	44,483	89,254	137,008,608
Owner Occupied Housing Units	4.1%	29.1%	42.0%	61.1%
Renter Occupied Housing Units	90.8%	64.6%	52.0%	28.6%
Vacant Housing Units	5.1%	6.3%	5.9%	10.3%
Per Capita Income				
2000	\$11,304	\$19,241	\$22,423	\$21,587
2007	\$14,930	\$24,335	\$28,596	\$27,916
2012	\$17,368	\$28,903	\$34,413	\$33,873
Median Household Income				
2000	\$16,181	\$30,314	\$37,784	\$42,164
2007	\$19,157	\$36,488	\$46,500	\$53,154
2012	\$22,050	\$42,072	\$53,767	\$62,503

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Note: Radii are based on distances from the intersection of State Street and West Dayton Street

Appendix 3B - Demographic and Lifestyle Profiles by 1, 3 and 5-mile Radii

Demographic Category	One-Mile Radius	Three-Mile Radius	Five-Mile Radius	United States
2000 Household by Income				
Total Households in Income Base	11,458	37,786	76,882	105,539,122
<\$15,000	47.0%	25.8%	18.0%	15.8%
\$15,000 - \$24,999	20.2%	17.0%	14.4%	12.8%
\$25,000 - \$34,999	11.4%	13.5%	13.7%	12.8%
\$35,000 - \$49,999	11.0%	15.7%	17.3%	16.5%
\$50,000 - \$74,999	6.7%	13.7%	18.6%	19.5%
\$75,000 - \$99,999	1.7%	6.2%	8.3%	10.2%
\$100,000 - \$149,999	1.4%	5.2%	6.2%	7.7%
\$150,000 - \$199,999	0.2%	1.4%	1.6%	2.2%
\$200,000 +	0.4%	1.7%	1.9%	2.4%
Average Household Income	\$24,962	\$43,878	\$50,680	\$56,644
2007 Household by Income				
Total Households in Income Base	13,065	39,989	80,862	115,335,842
<\$15,000	40.6%	22.0%	14.9%	12.0%
\$15,000 - \$24,999	19.7%	14.2%	11.2%	9.9%
\$25,000 - \$34,999	12.7%	12.2%	11.2%	10.3%
\$35,000 - \$49,999	12.0%	15.6%	16.2%	14.7%
\$50,000 - \$74,999	8.9%	15.5%	19.4%	19.5%
\$75,000 - \$99,999	3.3%	8.7%	11.9%	12.8%
\$100,000 - \$149,999	1.8%	6.9%	9.3%	12.3%
\$150,000 - \$199,999	0.4%	2.4%	2.9%	4.2%
\$200,000 +	0.5%	2.5%	3.0%	4.2%
Average Household Income	\$29,010	\$52,921	\$62,750	\$73,126
2012 Household by Income				
Total Households in Income Base	13,961	41,673	83,951	122,829,470
<\$15,000	35.7%	19.0%	12.7%	10.1%
\$15,000 - \$24,999	19.1%	12.5%	9.4%	8.2%
\$25,000 - \$34,999	13.0%	10.9%	9.3%	8.7%
\$35,000 - \$49,999	13.1%	14.6%	14.8%	12.9%
\$50,000 - \$74,999	10.9%	17.6%	19.8%	18.6%
\$75,000 - \$99,999	3.9%	8.8%	11.9%	13.1%
\$100,000 - \$149,999	2.9%	10.0%	13.7%	16.0%
\$150,000 - \$199,999	0.7%	2.9%	3.7%	5.6%
\$200,000 +	0.7%	3.8%	4.7%	6.8%
Average Household Income	\$33,630	\$62,320	\$74,916	\$88,685
2000 Specified Renter Occupied Housing Units by Contract Rent				
Total	10,971	25,584	42,052	35,199,502
With Cash Rent	99.2%	99.0%	98.7%	94.8%
No Cash Rent	0.8%	1.0%	1.3%	5.2%
Average Rent	\$607	\$605	\$596	\$565

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Note: Radii are based on distances from the intersection of State Street and West Dayton Street

Appendix 3B - Demographic and Lifestyle Profiles by 1, 3 and 5-mile Radii

Demographic Category	One-Mile Radius	Three-Mile Radius	Five-Mile Radius	United States
2000 Owner Occupied Housing Units by Value				
Total Units	491	12,022	34,696	69,816,513
< \$50,000	1.6%	3.8%	3.3%	14.9%
\$50,000 - \$99,999	9.2%	16.1%	16.7%	29.6%
\$100,000 - \$149,999	28.3%	34.4%	43.7%	21.8%
\$150,000 - \$199,999	37.1%	22.8%	19.3%	13.4%
\$200,000 - \$299,999	14.1%	13.1%	10.0%	11.2%
\$300,000 - \$499,999	6.7%	7.5%	5.2%	6.1%
\$500,000 - \$999,999	3.1%	1.9%	1.3%	2.3%
\$1,000,000+	0.0%	0.3%	0.4%	0.6%
Average Home Value	\$192,514	\$174,532	\$160,955	\$151,910
2000 Population by Age				
Total Population	30,338	90,528	178,514	281,421,906
0 - 4	0.6%	3.8%	4.9%	6.8%
5 - 9	0.4%	3.3%	4.6%	7.3%
10 - 14	0.4%	3.3%	4.6%	7.3%
15 - 19	22.8%	12.5%	9.2%	7.2%
20 - 24	49.7%	27.3%	17.3%	6.7%
25 - 34	13.2%	18.1%	17.3%	14.2%
35 - 44	5.0%	11.7%	13.9%	16.0%
45 - 54	3.4%	9.8%	12.4%	13.4%
55 - 64	1.5%	4.3%	6.4%	8.6%
65 - 74	1.0%	2.7%	4.6%	6.5%
75 - 84	1.0%	2.2%	3.5%	4.4%
85+	1.0%	1.0%	1.3%	1.5%
18+	98.1%	87.7%	83.1%	74.3%
Median Age	22.6	25.0	30.0	35.3
2007 Population by Age				
Total Population	32,698	93,182	182,957	306,348,230
0 - 4	0.5%	3.5%	4.6%	6.9%
5 - 9	0.3%	2.8%	4.1%	6.5%
10 - 14	0.3%	2.9%	4.1%	6.8%
15 - 19	20.7%	12.2%	9.3%	7.1%
20 - 24	54.6%	29.8%	19.1%	7.0%
25 - 34	11.6%	17.0%	15.8%	13.2%
35 - 44	4.0%	10.0%	12.1%	14.4%
45 - 54	3.4%	10.2%	12.9%	14.6%
55 - 64	1.7%	5.9%	8.6%	10.8%
65 - 74	0.8%	2.4%	4.2%	6.3%
75 - 84	0.9%	2.0%	3.6%	4.4%
85+	1.1%	1.2%	1.7%	1.9%
18+	98.4%	88.7%	84.3%	75.6%
Median Age	22.6	24.8	29.8	36.7

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Note: Radii are based on distances from the intersection of State Street and West Dayton Street

Appendix 3B - Demographic and Lifestyle Profiles by 1, 3 and 5-mile Radii

Demographic Category	One-Mile Radius	Three-Mile Radius	Five-Mile Radius	United States
2012 Population by Age				
Total Population	34,116	95,789	187,879	325,526,398
0 - 4	0.5%	3.5%	4.7%	6.9%
5 - 9	0.3%	2.5%	3.6%	6.3%
10 - 14	0.3%	2.6%	3.8%	6.5%
15 - 19	19.8%	11.4%	8.5%	6.8%
20 - 24	55.9%	32.3%	21.0%	7.1%
25 - 34	11.4%	15.9%	15.4%	13.0%
35 - 44	3.7%	9.0%	10.9%	13.1%
45 - 54	3.3%	9.6%	12.0%	14.8%
55 - 64	1.9%	7.1%	10.4%	12.3%
65 - 74	0.9%	2.9%	4.7%	6.8%
75 - 84	0.9%	1.9%	3.2%	4.2%
85+	1.1%	1.3%	1.9%	2.1%
18+	98.5%	89.6%	85.4%	76.3%
Median Age	22.6	24.6	29.6	37.6
2000 Population by Sex				
Males	52.6%	50.7%	49.6%	49.1%
Females	47.4%	49.3%	50.4%	50.9%
2007 Population by Sex				
Males	52.3%	50.8%	49.7%	49.2%
Females	47.7%	49.2%	50.3%	50.8%
2012 Population by Sex				
Males	52.2%	50.8%	49.8%	49.2%
Females	47.8%	49.2%	50.2%	50.8%
2000 Population by Race/Ethnicity				
Total Population	30,339	90,530	178,515	281,421,906
White Alone	84.7%	81.6%	82.7%	75.1%
Black Alone	4.3%	5.9%	6.4%	12.3%
American Indian Alone	0.3%	0.4%	0.4%	0.9%
Asian or Pacific Islander Alone	7.3%	7.3%	5.8%	3.8%
Some Other Race Alone	1.5%	2.5%	2.2%	5.5%
Two or More Races	2.0%	2.3%	2.5%	2.4%
Hispanic Origin	3.6%	5.4%	5.0%	12.5%
Diversity Index	32.7	39.4	37.5	54.6
2007 Population by Race/Ethnicity				
Total Population	32,699	93,183	182,958	306,348,230
White Alone	79.4%	76.8%	78.1%	72.7%
Black Alone	5.5%	7.2%	7.9%	12.6%
American Indian Alone	0.4%	0.4%	0.4%	0.9%
Asian or Pacific Islander Alone	10.5%	9.8%	7.9%	4.5%
Some Other Race Alone	2.0%	3.1%	2.9%	6.5%
Two or More Races	2.3%	2.6%	2.7%	2.8%
Hispanic Origin	4.9%	6.8%	6.5%	15.0%
Diversity Index	41.6	47.2	45.4	59.3

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Note: Radii are based on distances from the intersection of State Street and West Dayton Street

Appendix 3B - Demographic and Lifestyle Profiles by 1, 3 and 5-mile Radii

Demographic Category	One-Mile Radius	Three-Mile Radius	Five-Mile Radius	United States
2012 Population by Race/Ethnicity				
Total Population	34,116	95,789	187,879	325,526,398
White Alone	75.3%	73.3%	74.7%	71.1%
Black Alone	6.4%	8.1%	8.9%	12.7%
American Indian Alone	0.4%	0.4%	0.4%	0.9%
Asian or Pacific Islander Alone	13.1%	11.8%	9.6%	4.9%
Some Other Race Alone	2.4%	3.6%	3.4%	7.3%
Two or More Races	2.4%	2.7%	2.9%	3.1%
Hispanic Origin	5.8%	7.8%	7.6%	16.8%
Diversity Index	47.6	52.2	50.5	62.3
2000 Population Age 3 and Over by School Enrollment				
Total	30,248	88,663	173,285	270,076,176
Enrolled in Nursery/Preschool	0.2%	1.2%	1.5%	1.8%
Enrolled in Kindergarten	0.0%	0.6%	1.0%	1.5%
Enrolled in Grade 1-8	0.4%	5.2%	7.6%	12.5%
Enrolled in Grade 9-12	1.2%	3.0%	4.0%	6.1%
Enrolled in College	63.2%	31.6%	18.5%	5.3%
Enrolled in Grad/Prof School	7.9%	8.0%	5.4%	1.2%
Not Enrolled in School	27.0%	50.3%	62.0%	71.6%
2000 Population Age 25 and Over by Educational Attainment				
Total	7,977	45,467	106,130	182,211,639
Less than 9th Grade	2.6%	3.6%	3.5%	7.5%
9th - 12th Grade, No Diploma	6.2%	5.0%	5.8%	12.1%
High School Graduate	14.8%	13.7%	19.1%	28.6%
Some College, No Degree	17.7%	15.7%	18.7%	21.0%
Associate Degree	5.0%	5.7%	7.0%	6.3%
Bachelor's Degree	29.8%	28.9%	25.2%	15.5%
Master's/Prof/Doctorate Degree	23.8%	27.4%	20.6%	8.9%
High School Graduate or Higher	91.1%	91.4%	90.6%	80.3%
Bachelor's Degree or Higher	53.6%	56.3%	45.8%	24.4%
2000 Population Age 15 and Over by Sex and Marital Status				
Total	29,978	81,555	153,553	221,148,671
Females	47.8%	49.4%	50.7%	51.6%
Never Married	40.3%	29.1%	22.4%	12.4%
Married, not Separated	5.0%	14.0%	19.0%	26.9%
Married, Separated	0.2%	0.5%	0.6%	1.3%
Widowed	0.8%	1.9%	3.2%	5.4%
Divorced	1.5%	3.9%	5.4%	5.6%
Males	52.2%	50.6%	49.3%	48.4%
Never Married	43.7%	31.7%	25.0%	14.6%
Married, not Separated	6.2%	14.7%	19.2%	27.5%
Married, Separated	0.4%	0.5%	0.5%	0.9%
Widowed	0.3%	0.4%	0.7%	1.2%
Divorced	1.5%	3.3%	3.9%	4.2%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Note: Radii are based on distances from the intersection of State Street and West Dayton Street

Appendix 3B - Demographic and Lifestyle Profiles by 1, 3 and 5-mile Radii

Demographic Category	One-Mile Radius	Three-Mile Radius	Five-Mile Radius	United States
2000 Population Age 16+ by Emp. Status				
Total	29,948	80,983	151,985	217,168,077
In Labor Force	63.7%	70.2%	71.0%	63.9%
Civilian Employed	57.0%	65.7%	67.2%	59.7%
Civilian Unemployed	6.6%	4.4%	3.8%	3.7%
In Armed Forces	0.1%	0.1%	0.1%	0.5%
Not in Labor Force	36.3%	29.8%	29.0%	36.1%
2007 Population Age 16+ in Labor Force				
Civilian Employed	89.4%	92.9%	93.3%	93.4%
Civilian Unemployed	10.6%	7.1%	6.7%	6.6%
2012 Population Age 16+ in Labor Force				
Civilian Employed	89.5%	92.9%	93.3%	93.9%
Civilian Unemployed	10.5%	7.1%	6.7%	6.1%
2000 Females Age 16+ by Employment Status and Age of Children				
Total	14,328	40,080	77,234	112,185,795
Own Children < 6 Only	0.6%	5.0%	6.4%	7.5%
Employed/in Armed Forces	0.4%	3.4%	4.4%	4.4%
Unemployed	0.0%	0.1%	0.3%	0.3%
Not in Labor Force	0.1%	1.5%	1.7%	2.7%
Own Children <6 and 6-17 Only	0.1%	2.3%	3.6%	6.4%
Employed/in Armed Forces	0.1%	1.3%	2.3%	3.6%
Unemployed	0.0%	0.1%	0.2%	0.3%
Not in Labor Force	0.0%	0.8%	1.1%	2.5%
Own Children 6-17 Only	0.6%	7.2%	10.4%	17.2%
Employed/in Armed Forces	0.3%	5.9%	8.5%	12.4%
Unemployed	0.0%	0.1%	0.2%	0.6%
Not in Labor Force	0.3%	1.3%	1.7%	4.3%
No Own Children <18	98.7%	85.6%	79.7%	68.9%
Employed/in Armed Forces	58.2%	54.8%	49.8%	33.8%
Unemployed	4.6%	2.9%	2.3%	2.2%
Not in Labor Force	35.9%	27.9%	27.6%	32.9%
2007 Employed Pop. Age 16+ by Industry				
Total	18,240	53,958	103,684	141,590,232
Agriculture/Mining	0.6%	0.5%	0.5%	1.7%
Construction	1.4%	2.5%	3.5%	8.0%
Manufacturing	2.2%	4.5%	6.6%	10.7%
Wholesale Trade	1.1%	1.6%	2.2%	3.4%
Retail Trade	12.5%	10.6%	10.7%	11.6%
Transportation/Utilities	1.2%	1.8%	2.4%	4.9%
Information	3.6%	3.0%	2.7%	2.3%
Finance/Insurance/Real Estate	4.0%	5.5%	7.2%	7.4%
Services	69.7%	65.3%	58.3%	45.1%
Public Administration	3.6%	4.7%	5.9%	4.8%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Note: Radii are based on distances from the intersection of State Street and West Dayton Street

Appendix 3B - Demographic and Lifestyle Profiles by 1, 3 and 5-mile Radii

Demographic Category	One-Mile Radius	Three-Mile Radius	Five-Mile Radius	United States
2007 Employed Population Age 16+ by Occupation				
Total	18,240	53,959	103,680	141,590,232
White Collar	68.6%	72.7%	71.0%	60.2%
Management/Business/Financial	6.5%	10.1%	12.1%	13.6%
Professional	32.6%	39.4%	35.2%	21.3%
Sales	14.1%	10.9%	10.3%	11.5%
Administrative Support	15.4%	12.3%	13.4%	13.8%
Services	23.9%	17.6%	16.0%	16.5%
Blue Collar	7.5%	9.7%	13.0%	23.3%
Farming/Forestry/Fishing	0.4%	0.3%	0.2%	0.6%
Construction/Extraction	1.3%	2.0%	2.7%	6.6%
Installation/Maintenance/Repair	0.7%	1.3%	2.1%	3.9%
Production	1.7%	2.8%	4.1%	6.3%
Transportation/Material Moving	3.5%	3.4%	3.9%	5.9%
2000 Workers Age 16+ by Means of Transportation to Work				
Total	16,444	51,826	100,086	128,279,228
Drove Alone - Car, Truck, or Van	30.7%	49.1%	61.7%	75.7%
Carpooled - Car, Truck, or Van	4.6%	8.5%	10.1%	12.2%
Public Transportation	9.7%	10.5%	8.3%	4.7%
Walked	45.5%	21.9%	12.4%	2.9%
Other Means	7.2%	6.9%	4.5%	1.2%
Worked at Home	2.3%	3.0%	3.0%	3.3%
2000 Workers Age 16+ by Travel Time to Work				
Total	16,444	51,824	100,086	128,279,228
Did not Work at Home	97.7%	97.0%	97.0%	96.7%
Less than 5 minutes	6.6%	4.0%	3.3%	3.3%
5 to 9 minutes	18.8%	15.2%	13.4%	10.7%
10 to 19 minutes	43.8%	44.6%	43.6%	29.8%
20 to 24 minutes	13.5%	15.3%	16.3%	14.0%
25 to 34 minutes	10.0%	11.6%	13.2%	18.4%
35 to 44 minutes	1.5%	2.0%	2.3%	5.7%
45 to 59 minutes	1.3%	1.8%	2.0%	7.2%
60 to 89 minutes	1.7%	1.6%	1.8%	5.0%
90 or more minutes	0.6%	1.0%	1.1%	2.7%
Worked at Home	2.3%	3.0%	3.0%	3.3%
Average Travel Time to Work (in min)	15.7	17.3	18.4	25.5
2000 Households by Vehicles				
Total Households	11,458	37,609	76,804	105,480,101
No Vehicles	37.7%	19.3%	13.8%	10.3%
1	43.6%	46.4%	43.6%	34.2%
2	13.1%	26.3%	33.4%	38.4%
3	3.4%	5.7%	6.9%	12.5%
4	1.2%	1.5%	1.6%	3.4%
5+	1.0%	0.8%	0.7%	1.3%
Average Number of Vehicles Available	0.9	1.3	1.4	1.7

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Note: Radii are based on distances from the intersection of State Street and West Dayton Street

Appendix 3B - Demographic and Lifestyle Profiles by 1, 3 and 5-mile Radii

Demographic Category	One-Mile Radius	Three-Mile Radius	Five-Mile Radius	United States
2000 Households by Type				
Total Households	11,473	37,628	76,781	105,480,101
Family Households	7.8%	33.3%	44.8%	68.1%
Married-couple Family	4.9%	24.8%	33.8%	51.7%
With Related Children	1.1%	10.9%	14.2%	24.8%
Other Family (No Spouse)	3.0%	8.5%	11.1%	16.4%
With Related Children	1.0%	5.2%	7.2%	10.7%
Non-family Households	92.2%	66.7%	55.2%	31.9%
Householder Living Alone	54.4%	41.3%	37.1%	25.8%
Householder Not Living Alone	37.8%	25.4%	18.1%	6.1%
Households with Related Children	2.0%	16.2%	21.4%	35.5%
Households with Persons Age 65+	5.0%	10.1%	15.5%	23.4%
2000 Households by Size				
Total	11,473	37,628	76,781	105,480,101
1 Person Household	54.4%	41.3%	37.1%	25.8%
2 Person Household	23.9%	31.7%	34.4%	32.6%
3 Person Household	10.2%	12.7%	13.4%	16.5%
4 Person Household	6.2%	8.6%	9.5%	14.2%
5 Person Household	3.3%	3.5%	3.6%	6.6%
6 Person Household	1.4%	1.3%	1.2%	2.5%
7+ Person Household	0.6%	0.9%	0.8%	1.8%
2000 Households by Year Householder Moved In				
Total	11,458	37,610	76,802	105,480,101
Moved in 1999 to March 2000	63.9%	41.8%	32.1%	19.9%
Moved in 1995 to 1998	25.2%	28.8%	28.8%	28.9%
Moved in 1990 to 1994	4.6%	10.0%	12.5%	16.1%
Moved in 1980 to 1989	4.3%	10.0%	11.9%	15.6%
Moved in 1970 to 1979	1.1%	4.6%	6.7%	9.9%
Moved in 1969 or Earlier	1.0%	4.9%	8.0%	9.7%
2000 Housing Units by Units in Structure				
Total Housing Units	11,883	39,276	80,008	115,904,641
1, Detached	5.8%	31.1%	43.1%	60.3%
1, Attached	1.1%	1.8%	2.7%	5.6%
2	8.7%	10.1%	6.7%	4.3%
3 or 4	12.0%	11.7%	8.6%	4.7%
5 to 9	10.5%	10.2%	9.7%	4.7%
10 to 19	15.2%	9.9%	8.6%	4.0%
20+	46.5%	24.2%	19.1%	8.6%
Mobile Home	0.1%	0.9%	1.4%	7.6%
Other	0.1%	0.0%	0.0%	0.2%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Note: Radii are based on distances from the intersection of State Street and West Dayton Street

Appendix 3B - Demographic and Lifestyle Profiles by 1, 3 and 5-mile Radii

Community Tapestry™ Category	One-Mile Radius		Three-Mile Radius		Five-Mile Radius		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Population (2007)	32,698	100.0%	93,184	100.0%	182,959	100.0%	306,348,230	100.0%
L1. High Society	0	0.0%	4,421	4.7%	9,304	5.1%	42,368,301	13.8%
01 Top Rung	0	0.0%	0	0.0%	0	0.0%	2,367,216	0.8%
02 Suburban Splendor	0	0.0%	0	0.0%	1,277	0.7%	6,049,511	2.0%
03 Connoisseurs	0	0.0%	2,180	2.3%	3,877	2.1%	4,329,623	1.4%
04 Boomburbs	0	0.0%	0	0.0%	0	0.0%	7,805,856	2.5%
05 Wealthy Seaboard Suburbs	0	0.0%	1,202	1.3%	1,304	0.7%	4,635,305	1.5%
06 Sophisticated Squires	0	0.0%	0	0.0%	915	0.5%	9,418,444	3.1%
07 Exurbanites	0	0.0%	1,039	1.1%	1,931	1.1%	7,762,346	2.5%
L2. Upscale Avenues	0	0.0%	0	0.0%	17,694	9.7%	42,070,824	13.7%
09 Urban Chic	0	0.0%	0	0.0%	1,362	0.7%	3,772,899	1.2%
10 Pleasant-Ville	0	0.0%	0	0.0%	0	0.0%	5,823,475	1.9%
11 Pacific Heights	0	0.0%	0	0.0%	0	0.0%	2,330,804	0.8%
13 In Style	0	0.0%	0	0.0%	1,782	1.0%	7,044,483	2.3%
16 Enterprising Professionals	0	0.0%	0	0.0%	4,631	2.5%	4,442,166	1.5%
17 Green Acres	0	0.0%	0	0.0%	0	0.0%	10,016,067	3.3%
18 Cozy and Comfortable	0	0.0%	0	0.0%	9,919	5.4%	8,640,930	2.8%
L3. Metropolis					22,809	12.5%	16,341,234	5.3%
20 City Lights	0	0.0%	16,950	18.2%	0	0.0%	3,214,058	1.0%
22 Metropolitans	0	0.0%	0	0.0%	22,809	12.5%	3,043,226	1.0%
45 City Strivers	0	0.0%	16,950	18.2%	0	0.0%	2,490,123	0.8%
51 Metro City Edge	0	0.0%	0	0.0%	0	0.0%	3,228,476	1.1%
54 Urban Rows	0	0.0%	0	0.0%	0	0.0%	1,151,702	0.4%
62 Modest Income Homes	0	0.0%	0	0.0%	0	0.0%	3,213,649	1.0%
L4. Solo Acts	2,879	8.8%	17,731	19.0%	38,880	21.3%	15,609,951	5.1%
08 Laptops and Lattes	0	0.0%	1,015	1.1%	1,015	0.6%	2,218,714	0.7%
23 Trendsetters	0	0.0%	0	0.0%	0	0.0%	2,749,220	0.9%
27 Metro Renters	2,879	8.8%	9,618	10.3%	12,688	6.9%	2,644,552	0.9%
36 Old and Newcomers	0	0.0%	2,274	2.4%	11,257	6.2%	4,686,188	1.5%
39 Young and Restless	0	0.0%	4,824	5.2%	13,920	7.6%	3,311,277	1.1%
L5. Senior Styles	0	0.0%	3,245	3.5%	17,631	9.6%	32,161,091	10.5%
14 Prosperous Empty Nesters	0	0.0%	2,987	3.2%	13,785	7.5%	5,182,252	1.7%
15 Silver and Gold	0	0.0%	0	0.0%	0	0.0%	2,295,605	0.7%
29 Rustbelt Retirees	0	0.0%	0	0.0%	1,956	1.1%	5,827,558	1.9%
30 Retirement Communities	0	0.0%	258	0.3%	1,394	0.8%	3,463,884	1.1%
43 The Elders	0	0.0%	0	0.0%	0	0.0%	1,227,790	0.4%
49 Senior Sun Seekers	0	0.0%	0	0.0%	496	0.3%	3,058,979	1.0%
50 Heartland Communities	0	0.0%	0	0.0%	0	0.0%	6,000,289	2.0%
57 Simple Living	0	0.0%	0	0.0%	0	0.0%	3,645,110	1.2%
65 Social Security Set	0	0.0%	0	0.0%	0	0.0%	1,459,624	0.5%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Note: Radii are based on distances from the intersection of State Street and West Dayton Street

Appendix 3B - Demographic and Lifestyle Profiles by 1, 3 and 5-mile Radii

Community Tapestry™ Category	One-Mile Radius		Three-Mile Radius		Five-Mile Radius		United States	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
L6. Scholars & Patriots	29,819	91.2%	41,689	44.7%	41,689	22.8%	5,551,422	1.8%
40 Military Proximity	0	0.0%	0	0.0%	0	0.0%	1,206,710	0.4%
55 College Towns	1,453	4.4%	5,822	6.2%	5,822	3.2%	2,297,006	0.7%
63 Dorms to Diplomas	28,366	86.8%	35,867	38.5%	35,867	19.6%	2,047,706	0.7%
L7. High Hopes	0	0.0%	3,237	3.5%	17,655	9.6%	11,782,872	3.8%
28 Aspiring Young Families	0	0.0%	1,909	2.0%	11,257	6.2%	6,942,792	2.3%
48 Great Expectations	0	0.0%	1,328	1.4%	6,398	3.5%	4,840,080	1.6%
L8. Global Roots	0	0.0%	5,911	6.3%	9,931	5.4%	29,981,309	9.8%
35 International Marketplace	0	0.0%	0	0.0%	0	0.0%	4,764,383	1.6%
38 Industrious Urban Fringe	0	0.0%	0	0.0%	0	0.0%	6,048,479	2.0%
44 Urban Melting Pot	0	0.0%	0	0.0%	0	0.0%	2,151,826	0.7%
47 Las Casas	0	0.0%	0	0.0%	0	0.0%	3,773,002	1.2%
52 Inner City Tenants	0	0.0%	5,911	6.3%	9,931	5.4%	4,416,933	1.4%
58 NeWest Residents	0	0.0%	0	0.0%	0	0.0%	3,729,606	1.2%
60 City Dimensions	0	0.0%	0	0.0%	0	0.0%	2,835,512	0.9%
61 High Rise Renters	0	0.0%	0	0.0%	0	0.0%	2,261,568	0.7%
L9. Family Portrait	0	0.0%	0	0.0%	197	0.1%	27,536,986	9.0%
12 Up and Coming Families	0	0.0%	0	0.0%	197	0.1%	11,191,922	3.7%
19 Milk and Cookies	0	0.0%	0	0.0%	0	0.0%	6,571,722	2.1%
21 Urban Villages	0	0.0%	0	0.0%	0	0.0%	3,505,732	1.1%
59 Southwestern Families	0	0.0%	0	0.0%	0	0.0%	3,979,996	1.3%
64 City Commons	0	0.0%	0	0.0%	0	0.0%	2,287,614	0.7%
L10. Traditional Living	0	0.0%	0	0.0%	7,169	3.9%	25,706,118	8.4%
24 Main Street, USA	0	0.0%	0	0.0%	4,880	2.7%	7,790,672	2.5%
32 Rustbelt Traditions	0	0.0%	0	0.0%	2,289	1.3%	8,304,864	2.7%
33 Midlife Junction	0	0.0%	0	0.0%	0	0.0%	6,801,030	2.2%
34 Family Foundations	0	0.0%	0	0.0%	0	0.0%	2,809,552	0.9%
L11. Factories & Farms	0	0.0%	0	0.0%	0	0.0%	28,767,421	9.4%
25 Salt of the Earth	0	0.0%	0	0.0%	0	0.0%	8,380,874	2.7%
37 Prairie Living	0	0.0%	0	0.0%	0	0.0%	3,125,589	1.0%
42 Southern Satellites	0	0.0%	0	0.0%	0	0.0%	8,201,277	2.7%
53 Home Town	0	0.0%	0	0.0%	0	0.0%	4,360,095	1.4%
56 Rural Bypasses	0	0.0%	0	0.0%	0	0.0%	4,699,586	1.5%
L12. American Quilt	0	0.0%	0	0.0%	0	0.0%	28,018,234	9.1%
26 Midland Crowd	0	0.0%	0	0.0%	0	0.0%	11,555,327	3.8%
31 Rural Resort Dwellers	0	0.0%	0	0.0%	0	0.0%	4,449,659	1.5%
41 Crossroads	0	0.0%	0	0.0%	0	0.0%	4,776,337	1.6%
46 Rooted Rural	0	0.0%	0	0.0%	0	0.0%	7,236,911	2.4%
66 Unclassified	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Note: Radii are based on distances from the intersection of State Street and West Dayton Street

Regional Economic Position of Downtown Madison

Section

4

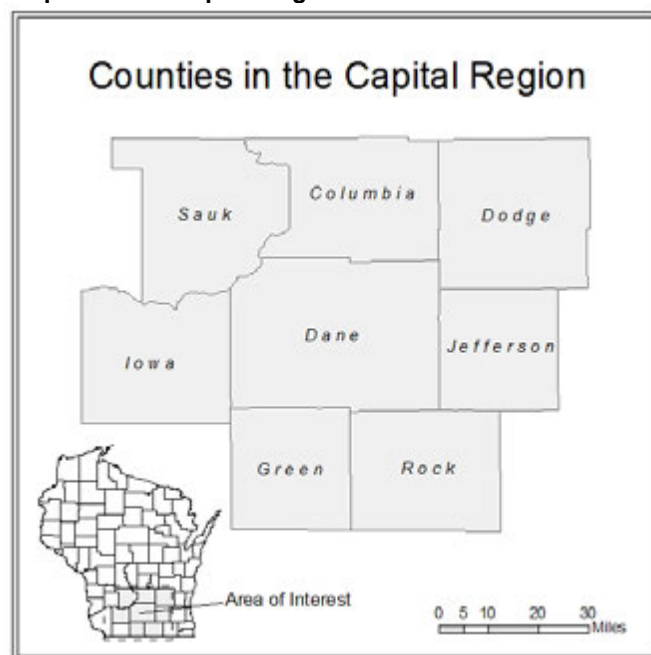
Opportunities and challenges facing downtown Madison are influenced by broader regional economic conditions. Understanding regional trends in population, income, entrepreneurial activity, employment, industry structure, and human capital provides context and background for the Downtown Madison Market Analysis. Examining regional economic conditions also supplies insight into possible economic development strategies that could be employed in downtown Madison.

Downtown Madison is part of South Central Wisconsin's regional economy. Residents of the Downtown Study Area work in businesses throughout the region, while downtown Madison establishments employ a significant number of workers from surrounding communities. Downtown Madison businesses also purchase goods and services both in and outside of the Study Area, while exporting products and services to regional, national and international markets. Furthermore, downtown Madison has a prominent regional role as a center for government, entertainment, shopping, education, and culture. Consequently, the economic health of downtown Madison contributes to the prosperity of the broader regional economy.

While Madison's regional economy extends throughout Southern Wisconsin, the precise geographic boundaries used to define the region will likely differ from person to person. Recognizing that successful regional development efforts are often based on self-defined areas, the analyses in this section primarily consider the eight counties being served by the newly formed Regional Economic Development Entity (REDE). For the purposes of this analysis, these counties are referred to as the "Capital Region" (see Map 4.1). To provide context, a number of analyses in Section 4 examine conditions in the Capital Region relative to those of the Madison Metropolitan Statistical Area (MSA)¹, the State of Wisconsin and the nation. Several analyses also examine the Madison metro area relative to five comparison MSAs that are used in other portions of this market analysis²:

- Ann Arbor, MI MSA
- Austin-Round Rock, TX MSA
- Boise City-Nampa, ID MSA
- Boulder, CO MSA
- Lincoln, NE MSA

Map 4.1 – The Capital Region



¹ The Madison MSA includes Dane, Columbia, and Iowa counties.

² The rationale for comparing these metro areas to the Madison MSA is examined in Section 6 of this report. These metro areas provide additional context and are not intended to rank a given region's economic prosperity.

Framework for Understanding Downtown Madison's Position in the Capital Region

Regional economies derive sources of competitive advantage from a variety of human, social, industrial and geographic factors. Understanding these potential sources of competitive advantage can help downtown Madison recognize and further develop its position in the regional economy. Potential sources of competitive advantage in the local, national and international economy include:

- *Human capital* – The knowledge and skill levels of the region's labor force.
- *Research and educational institutions* – Colleges, universities, research centers, and K-12 school systems that drive innovation, train the labor force, and contribute to the regional quality of life.
- *Natural assets* – Natural assets can include natural resources, agricultural land, recreational amenities, and unique landscapes.
- *Industry Concentrations* - Regional industry agglomerations that differentiate a region's economy from other national and international competitors and diversify its economic base.
- *Physical and Information Infrastructure* – Transportation networks and communication infrastructure that facilitate information sharing and decrease travel friction costs.
- *Social capital* – Professional relationships and networks that aid in creating knowledge spillovers, connect employers with employees, and support entrepreneurial development.
- *Quality of Life* – While definitions for quality of life vary by person, the role of quality of life in the knowledge economy has been well documented. Talent and companies are mobile and are often attracted to areas with an appealing quality of life.

Using a number of these categories, the following analyses examine the Capital Region economy to determine how downtown Madison ties into various sources of regional competitive advantage. Note that the information in this section does not substitute for an in-depth regional economic or labor force analysis. Instead, the information in this section should be used to provide a background for broader economic development efforts in downtown Madison and to make economic information available to existing and prospective businesses.

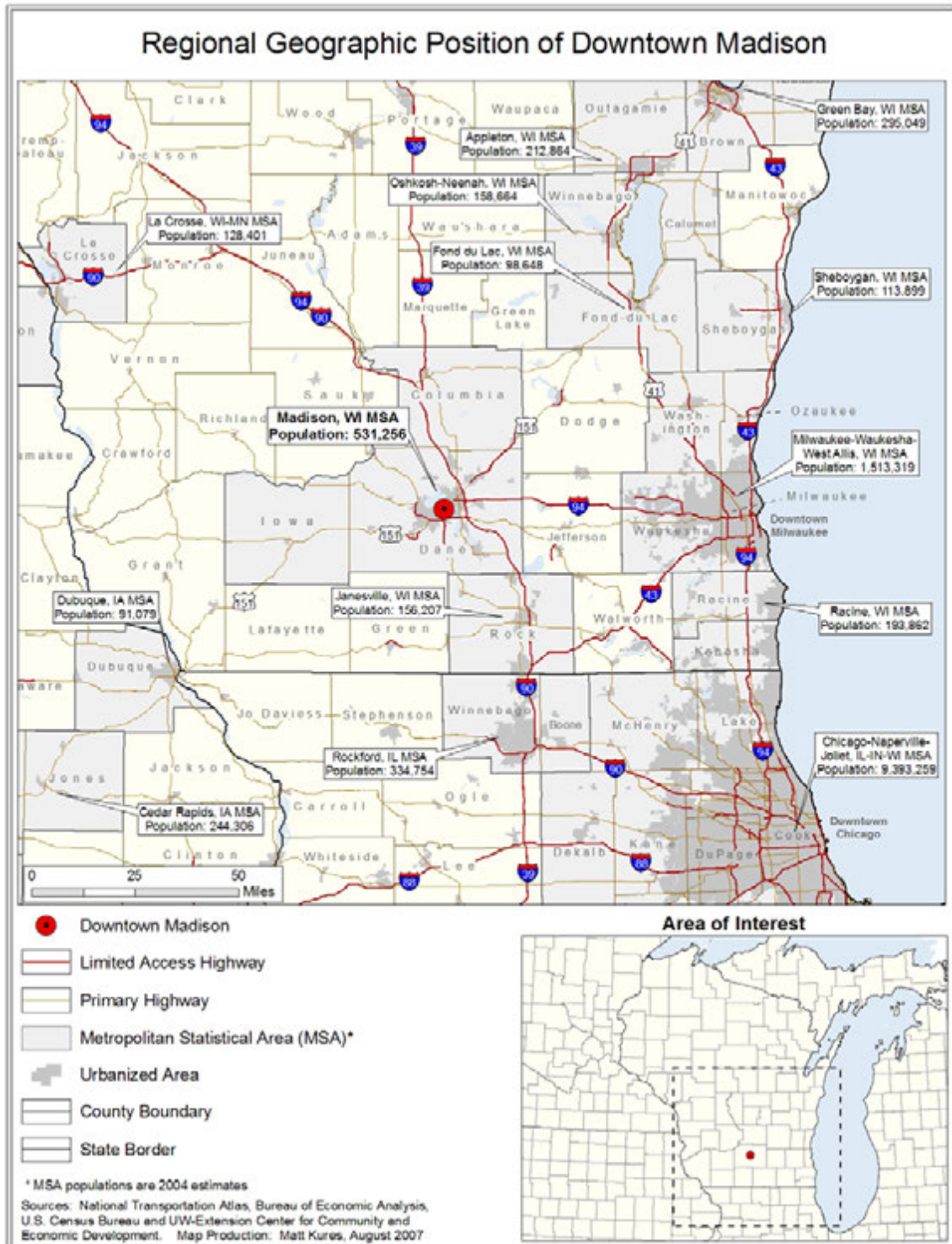
Geographic Position

Downtown Madison's geographic position has the potential to play a key role in its economic growth (Map 4.2). Downtown Madison is located in the center of the Capital Region and is within proximity to a variety of metro and rural areas throughout Southern and Central Wisconsin, as well as Northern Illinois. These areas provide access to a diverse range of industries, a large population base, and connections to other emerging regional economic development efforts (such as the New North in Northeast Wisconsin and the Milwaukee 7 in Southeast Wisconsin). Downtown Madison is also located within 75 miles of downtown Milwaukee and 150 miles from downtown Chicago. Downtown Madison's position relative to these two metro areas provides access to Wisconsin's largest metropolitan area, the nation's third largest metro area, several world-class research universities (UW-Madison, Northwestern University, and the University of Chicago), almost five percent of the nation's college graduates, and a wide range of cultural and natural amenities.

While downtown Madison is located in proximity to these areas, more formal efforts to create physical and economic connections among these regions are just beginning. Regional rail expansions among Madison, Milwaukee and Chicago are being considered. The M-2

Collaborative between the mayors of Madison and Milwaukee has been proposed as a way to better connect the two cities. State-led initiatives such as the *Working Lands Initiative* and the *Consortium on Bio-based Industries* have highlighted the potential roles of Milwaukee and Madison in agricultural-related economic development. However, continued efforts to connect these three metro areas will likely be necessary to fully realize the economic opportunities that could exist in the Madison-Milwaukee-Chicago triangle.

Map 4.2 – Downtown Madison’s Regional Geographic Position



Population, Employment, Income and Wage Trends

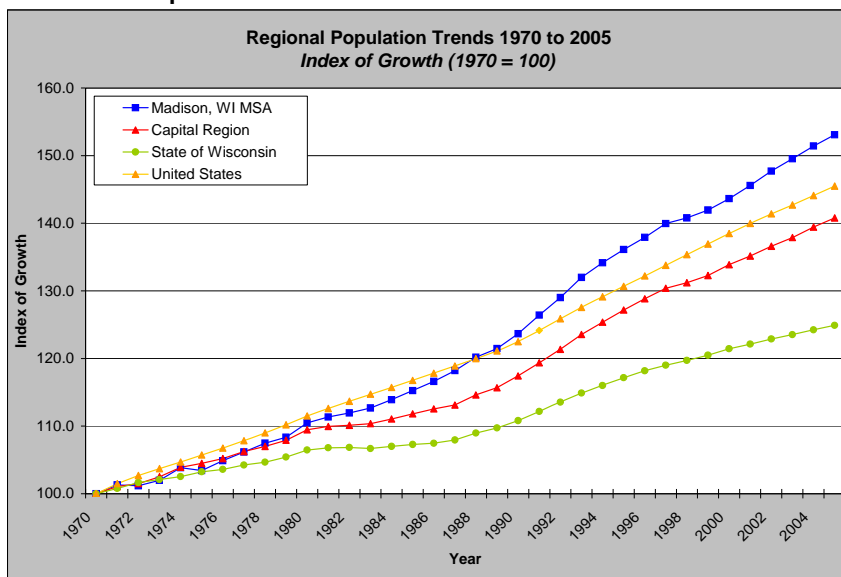
Economic opportunities and challenges facing downtown Madison are influenced somewhat by economic trends and conditions throughout the broader Capital Region. The following analyses do not necessarily examine sources of regional competitive advantage, but instead provide an overview of the basic economic measures of population, employment, income and wages. A number of these analyses employ an “index of growth.” An index of growth is a cumulative measure of change that calculates the percent difference in an economic variable between a given year and a starting year (1970 in this case)³. *Note that the most current data is used wherever possible and that figures may differ from other published sources.*

Population Trends

Chart 4.1 depicts population change between 1970 and 2005 in the Capital Region relative to the Madison MSA, the State of Wisconsin and the United States. With a population growth rate of 40.8 percent, the Capital Region grew at a slightly slower rate than the nation between 1970 and 2005. However, population change within the Capital Region has varied dramatically. Specifically, Dane County’s population grew by 167,000 residents between 1970 and 2005 and has largely driven the region’s overall population increase of 276,000 people. While Sauk County’s population also grew faster than the national average, the remaining counties in the Capital Region added residents at much slower rates.

Map 4.3 (following page) examines some of the regional variations in population growth. A large share of Dane County’s population increase has occurred at Madison’s periphery, both in the City of Madison and in surrounding communities. Map 4.3 also shows that downtown Madison has had a population increase between 1970 and 2004 (similar to other downtowns throughout the nation). Other regions, including several rural areas and neighborhoods around Maple Bluff, Monona and Madison, show population decreases. However, many of these areas experiencing a population decline also show an *increase* in the number of households. Growing numbers of empty nesters, single person households, and smaller family sizes in these neighborhoods contribute fewer people, but increase the number of households.

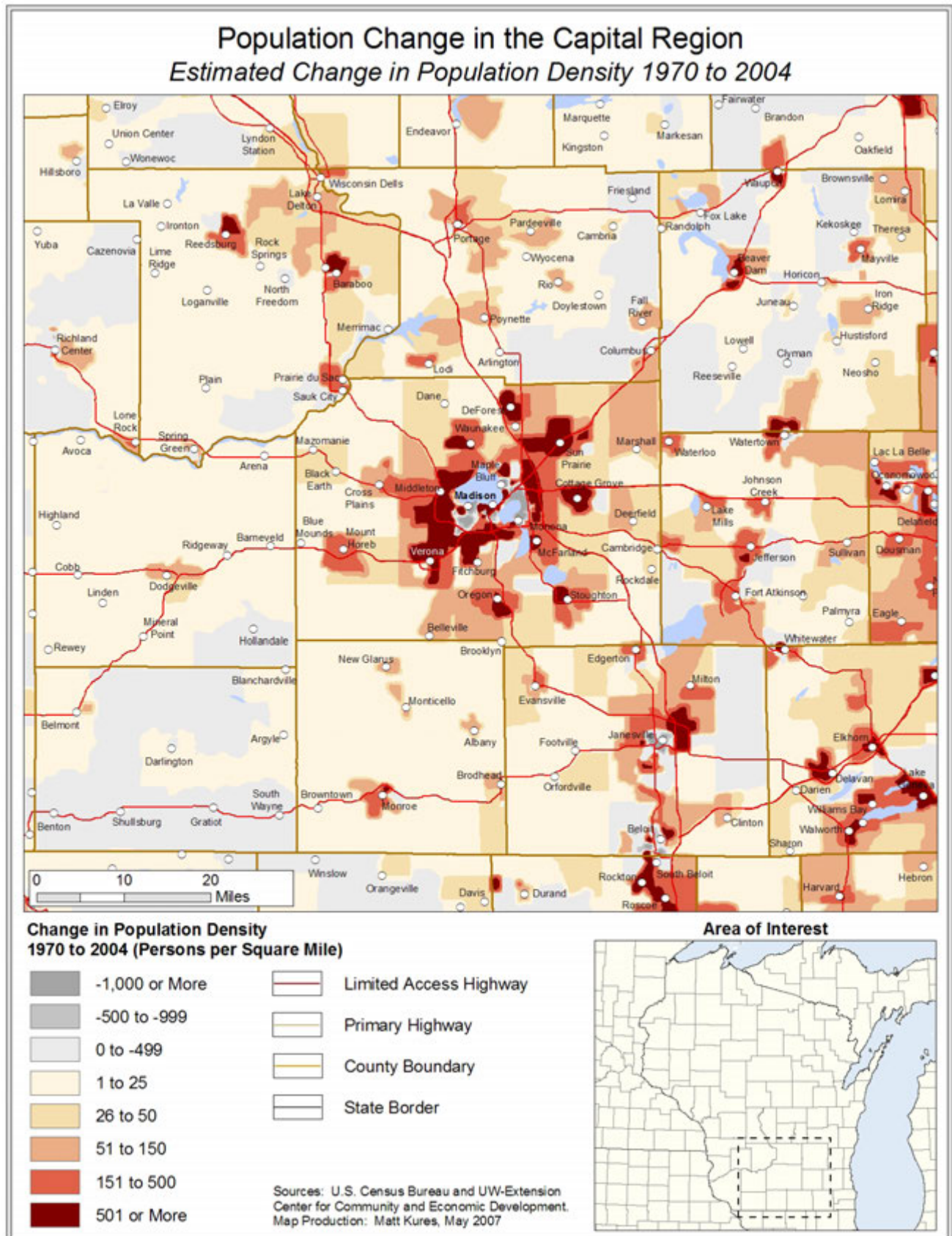
Chart 4.1 – Population Growth Trends 1970 to 2005



Source: Bureau of Economic Analysis: Regional Economic Information System

³ More information on using an index of growth is available at: <http://www.uwex.edu/ces/cced/dma/6.html>

Map 4.3 – Population Density Changes 1970 to 2004



Continuing the historical population trends shown by the Madison MSA and the Capital Region, the Wisconsin Department of Administration (DOA) projects significant additional population increases over the next 25 years. Between 2005 and 2030, the DOA predicts that the Capital Region will add more than 200,000 residents at a growth rate of 21.1 percent. In comparison, the State of Wisconsin's population is predicted to grow at a rate of 15.3 percent. Again, Dane County is projected to be key driver of this population change accounting for 60 percent of this projected population growth. These new residents could provide the area and downtown Madison with rising consumer demand over the next several decades.

To provide one final population perspective, Table 4.1 compares population growth rates in the Madison MSA to those of the five comparable MSAs previously mentioned. Table 4.1 also compares the population growth rates of each MSA's central city to examine the relationships between city and metro area population change. Both the Madison MSA and the City of Madison have grown faster than several of the comparison metro areas, but have not experienced the explosive growth seen in Austin, Boise, or Boulder. More importantly, the figures in Table 4.1 suggest that both the central cities and metropolitan areas have shared in regional population growth. *A number of studies have shown that suburban growth and city core population growth are strongly correlated. That is, the faster that a metro area's core grew, the faster its suburban areas grew. Conversely, the faster a metro area's city portion lost population, the slower its suburbs tended to grow*⁴. While not all growth has positive impacts, and growth is not necessarily equated with development, the figures in Table 4.1 suggest that healthy core cities, as well as healthy downtowns, are components of these dynamic comparison metro areas.

Table 4.1 - Population Growth in Comparable MSAs and Central Cities 1970 to 2005

Metropolitan Statistical Area (MSA) (Central City)	Region/MSA Population			Central City Population		
	1970	2005	% Change	1970	2005	% Change
Madison, WI MSA (Madison)	350,817	536,990	53.1%	173,258	221,545	27.9%
Ann Arbor, MI MSA (Ann Arbor)	234,226	342,124	46.1%	100,035	113,364	13.3%
Austin-Round Rock, TX MSA (Austin)	401,871	1,454,706	262.0%	251,808	691,263	174.5%
Boise City-Nampa, ID MSA (Boise)	192,885	545,141	182.6%	74,990	199,285	165.7%
Boulder, CO MSA (Boulder)	133,342	279,508	109.6%	66,870	91,351	36.6%
Lincoln, NE MSA (Lincoln)	183,265	281,440	53.6%	149,518	239,196	60.0%

Source: Bureau of Economic Analysis: Regional Economic Information System

MSAs are based on 2003 OMB definitions

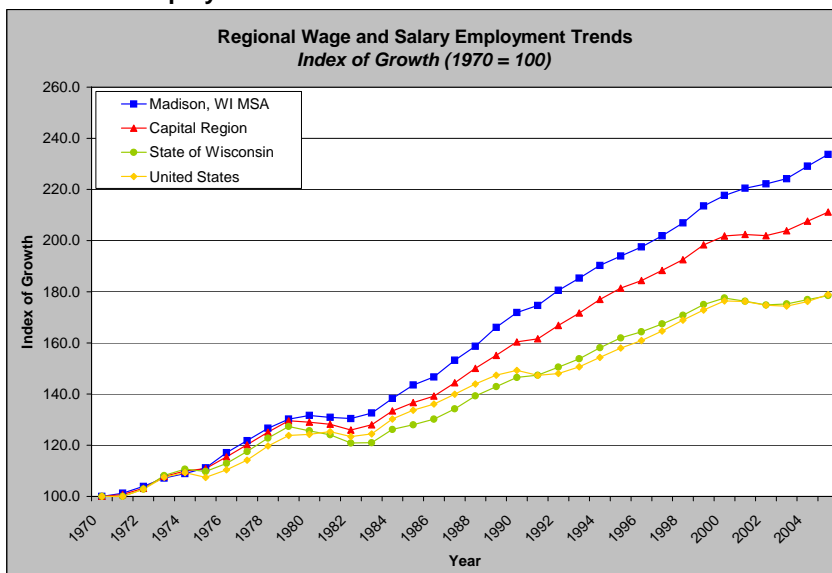
⁴ For a summary of this research see: Rappaport, Jordan. "The Shared Fortunes of Cities and Suburbs". *Federal Reserve Bank of Kansas City Economic Review*. Third Quarter, 2005.

Wage and Salary Employment Trends

Chart 4.2 shows employment indices of growth for the Capital Region relative to the Madison MSA, the State of Wisconsin, and the United States. Somewhat similar to the population trends shown in Chart 4.1, wage and salary employment in the Capital Region has grown faster than that of the state. However, unlike the Capital Region's population trends, wage and salary employment in the region has also grown at a faster rate than the nation during this time period.

In addition to these growth rates, the impact of more recent recessionary periods on the Madison MSA economy is also of interest. While Chart 4.2 suggests that the Madison metro area's employment growth rate slowed during the 1990-91 and 2001 recessions, it did not experience the job losses shown in Wisconsin and the nation. These employment trends are driven primarily by the large share of the metro area's employment found in Dane County and reiterate the strength of the local economy relative to national and international economic influences.

Chart 4.2 – Employment Growth Trends 1970 to 2005

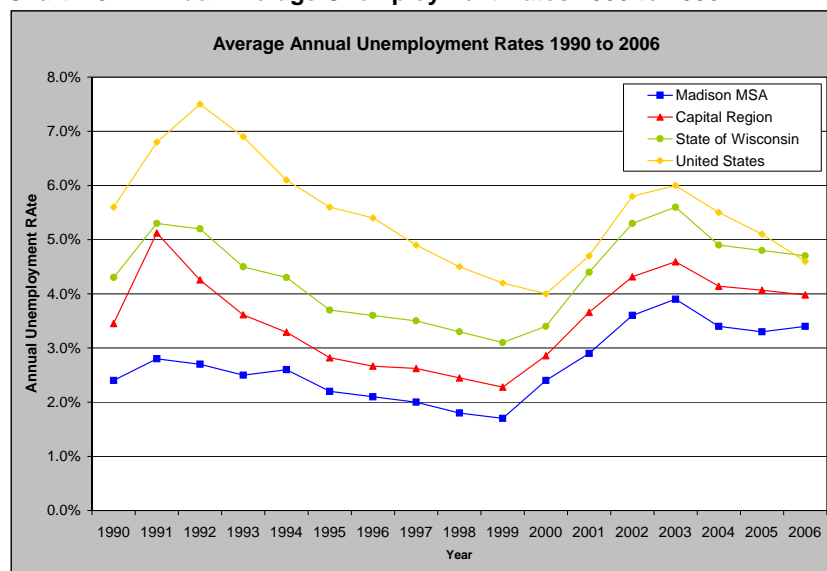


Source: Bureau of Economic Analysis: Regional Economic Information System

Note that the employment growth shown in Chart 4.2 does not track the type or quality of jobs created in the region. Furthermore, changes in industrial classification systems preclude a historical analysis in employment shifts by industry. However, current employment levels by three-digit NAICS industry categories are included in Appendix 4A at the end of this section.

Concurrent with the more recent employment trends shown in Chart 4.2 are the unemployment trends depicted in Chart 4.3. Throughout the 1990's, the Capital Region, the Madison MSA, and the state enjoyed low unemployment rates relative to the nation. While the 2001 recession marked a period of increasing unemployment in the nation, unemployment rates in the Capital Region and the MSA remain historically low relative to the nation. As with other employment measures, the Capital Region's combined unemployment rate is somewhat influenced by Dane County's low unemployment figures.

Chart 4.3 – Annual Average Unemployment Rates 1990 to 2006



Source: Wisconsin Department of Workforce Development - not seasonally adjusted

To compare employment trends in the comparison MSAs, Table 4.2 examines employment changes and unemployment rates for these metro areas. Employment trends in the comparison MSAs somewhat mirror the population trends previously shown in Table 4.1. Specifically, wage and salary employment in the Madison MSA has grown faster than the Lincoln and Ann Arbor metro areas, but slower than the growth rates of Austin, Boulder, and Boise. Additionally, none of the comparison metro areas have unemployment rates above the national average.

Table 4.2 – Wage and Salary Employment Growth in Comparable MSAs 1970 to 2005

Metropolitan Statistical Area (MSA)	Region/MSA Employment			
	1970	2005	Percent Change	Unemployment Rate (2006)
Madison, WI MSA	153,540	358,834	133.7%	3.4%
Ann Arbor, MI MSA	95,451	208,715	118.7%	4.6%
Austin-Round Rock, TX MSA	156,498	732,676	368.2%	4.1%
Boise City-Nampa, ID MSA	75,489	273,442	262.2%	3.0%
Boulder, CO MSA	46,594	169,127	263.0%	3.7%
Lincoln, NE MSA	83,116	173,816	109.1%	2.8%
State of Wisconsin	1,644,049	2,934,546	78.5%	4.7%
United States	78,797,000	140,967,000	78.9%	4.6%

Source: Bureau of Economic Analysis and Bureau of Labor Statistics

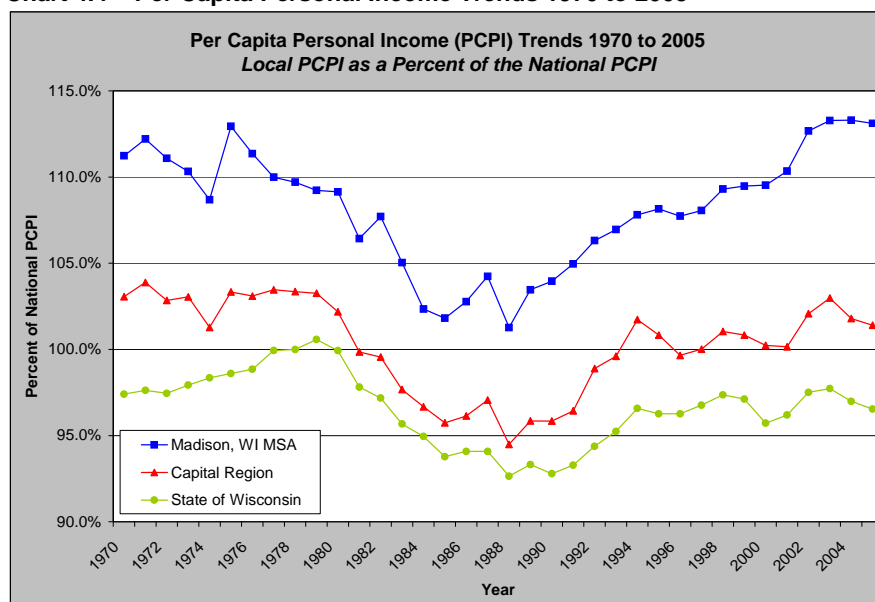
MSAs are based on 2003 OMB definitions

Personal Income and Wage Trends

Personal income trends provide an important measure of regional economic activity over time. Personal income consists of income that is received by persons from earnings and wages, government and business transfer payments, and dividends, rent and interest. When compared to state or national trends, it provides one indication of how well the region's economy is performing.

Chart 4.4 depicts per capita personal incomes for the Capital Region, the Madison MSA and the State of Wisconsin relative to the overall U.S. average between 1970 and 2005. Not surprisingly, per capita personal income in the Madison MSA has been higher than the nation and State of Wisconsin over this period. Despite a relative decline throughout the 1970's and 1980's, the Madison MSA's income has seen a steady increase over the last two decades and is now at one of its highest points relative to the nation in almost 30 years. Again, these per capita income trends are largely driven by Dane County. While the eight-county Capital Region currently has a PCI above the national average, many counties in the region have a per capita incomes below the nation's PCI.

Chart 4.4 – Per Capita Personal Income Trends 1970 to 2005

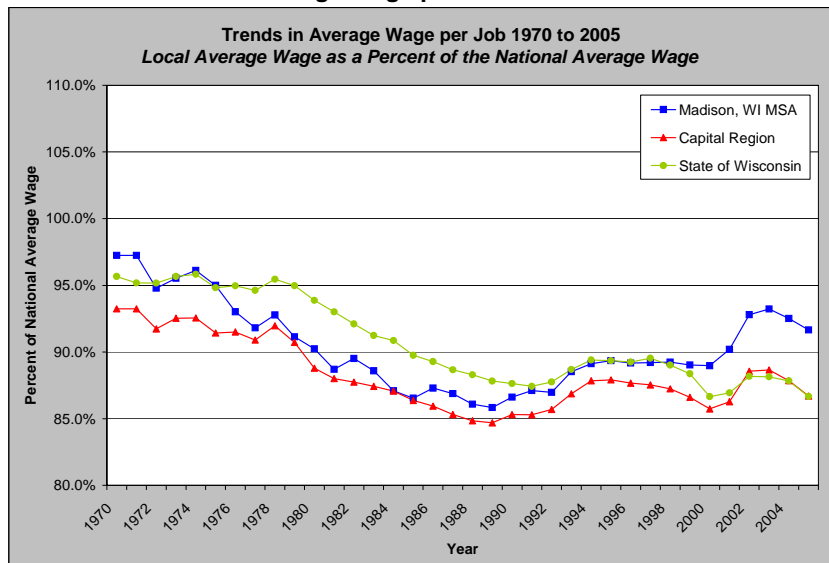


Source: Bureau of Economic Analysis: Regional Economic Information System

While income is derived from a variety of sources, wages and salaries are typically the largest components of a region's income. To depict trends in local wages and salaries, Chart 4.5 shows the average wage per job in the Capital Region, the Madison MSA, and the State of Wisconsin as a percentage of the national average wage per job. Despite recent wage increases, average wages in the region, MSA, and state have declined somewhat relative to the national average wage since the 1970's. However, average wage trends in the Capital Region differ somewhat from the trends in per capita personal income shown in Chart 4.4. Specifically, average wages in the Capital Region and the Madison MSA continued to decline relative to the nation while local per capita personal incomes grew slightly between a low in 1988 and more current levels in 2005. However, the impact of average wages on personal income are likely offset by increases in other income sources (such as investment or retirement income) and increasing labor participation rates over this period (i.e. more earners per household).

Again, changes in industrial classification systems preclude a longitudinal historical analysis of wage changes in different industry sectors. Current wages are listed by three-digit NAICS categories in Appendix 4A.

Chart 4.5 – Trends in Average Wage per Job 1970 to 2005



Source: Bureau of Economic Analysis: Regional Economic Information System

Entrepreneurial Activity

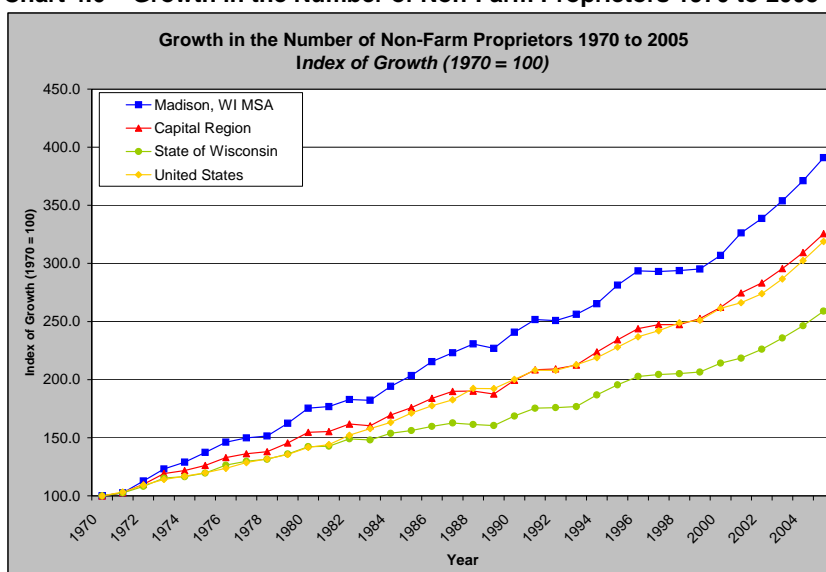
Many economic development efforts tend to place a priority on large scale industry attraction strategies. These attraction efforts frequently do not provide a large return on investment and ignore the economic potential of existing sources of human and social capital. In recognizing the limited potential of industry attraction efforts, many regions are implementing strategies that emphasize business retention and expand the local base of entrepreneurs. Research shows that entrepreneurs tend to start companies in the location where they have formed business networks, have knowledge of the business environment, and have access to resources. Universities are also potential sources of entrepreneurial growth through technology transfer opportunities and providing education prospects for current and future business owners. Consequently, fostering a local entrepreneurial climate in downtown Madison and the greater region is necessary to nurture social networks and connect entrepreneurs to needed resources.

Measuring entrepreneurial activity is difficult as the definition of an entrepreneur varies. However, common measures of entrepreneurial activity do exist and several of these are reported below. The number of self-employed people, or business proprietors, is perhaps the most basic measure of entrepreneurial activity. Between 1970 and 2005, the number of proprietors in the Capital Region increased by approximately 226 percent (Chart 4.6). In comparison, wage and salary employment increased by 111 percent (see Chart 4.2).

Despite an increase in the number of self-employed people, not all of these proprietors are the same. Some proprietors employ a large number of people as part of their businesses, while others operate a business to support a lifestyle or for secondary income. Nonetheless, these trends suggest that local business owners are a growing part of the regional economy.

Trends in proprietor's income provide additional perspectives on entrepreneurial activity. Proprietor's income is an important gauge of economic performance because it captures the income contributions of locally-owned businesses. Chart 4.7 shows changes in average proprietor's income between 1970 and 2005

Chart 4.6 – Growth in the Number of Non-Farm Proprietors 1970 to 2005



Source: Bureau of Economic Analysis (non-farm proprietors only)

Table 4.3 – Average Proprietor's Income in 2005

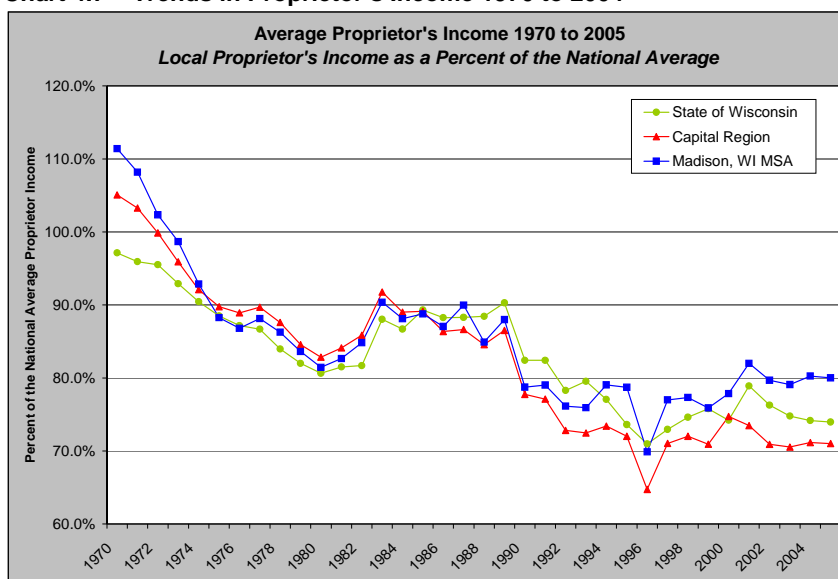
Metropolitan Statistical Area (MSA)	Average Proprietor's Income in 2005
Madison, WI	\$24,161
Ann Arbor, MI	\$29,934
Austin-Round Rock, TX	\$28,007
Boise City-Nampa, ID	\$34,042
Boulder, CO	\$26,085
Lincoln, NE	\$20,566
State of Wisconsin	\$22,335
United States	\$30,193

Source: Bureau of Economic Analysis (non-farm proprietors only)

relative to the national average proprietor's income. Reflecting the wage trends shown in Chart 4.2, average proprietor's income in the Capital Region, Madison MSA and the State of Wisconsin has dropped relative to the national average. While the MSA's average proprietor's income has rebounded somewhat over the last few years, it is still remains 20 percent below the national average. Table 4.3 also shows that average proprietor's income in the Madison MSA trails the proprietor's income in all of the comparison metro areas with the exception of Lincoln, Nebraska.

Local factors contributing to a lower average proprietor's income are unknown, but could include a locally larger share of lifestyle-type entrepreneurs, or fewer large, locally-owned companies relative to these other metro areas. Regardless of the reasons, downtown Madison and Capital Region have an opportunity to build the local entrepreneurial climate and further the capacity of small businesses in the area. While not all small business owners are entrepreneurs (or vice versa), the Capital Region is home to almost 18,000 micro-enterprises (firms with 1 to 9 employees), and almost 7,000 so-called second-stage companies (establishments with 10 to 99 employees) that might benefit from business development resources that target potential entrepreneurs (Table 4.4)

Chart 4.7 – Trends in Proprietor's Income 1970 to 2004



Source: Bureau of Economic Analysis (non-farm proprietors only)

As shown in Table 4.5 (on the following page), the Capital Region also encompassed almost 61,000 non-employers (sole proprietors) in 2005. These non-employers accounted for over \$2.8 billion in reported receipts and could represent a pool of potential entrepreneurs. While not all of these individuals will want to grow their business into larger ventures (nor should they), many of these non-employers operate in industries well-suited to a downtown location (retail trade, professional, technical and scientific services, information, etc.). Providing information on networks and business assistance resources may help to encourage these various sources of entrepreneurs to consider a downtown location.

Table 4.4 – Establishment Size in the Capital Region

Establishment Size	Number of Establishments	Percent of Establishments	Percent of Employment
1 - 4 employees	12,829	50.1%	5.0%
5 - 9 employees	5,047	19.7%	7.7%
10 - 19 employees	3,666	14.3%	11.3%
20 - 49 employees	2,466	9.6%	17.1%
50 - 99 employees	854	3.3%	13.4%
100 - 249 employees	529	2.1%	18.2%
250 - 499 employees	127	0.5%	9.9%
500 - 999 employees	52	0.2%	8.2%
1000+ employees	22	0.1%	9.2%
Totals	25,592	100.0%	100.0%

Source: U.S. Census Bureau County Business Patterns

Table 4.5 – Non-Employers and Receipts by Industry in the Capital Region (2005)

NAICS	Industry Description	Establishments	Total Receipts (1,000's)	Average Receipts
--	Total for all sectors	61,003	\$2,775,971	\$45,505
113-115	Forestry, fishing & hunting, & ag. support services	775	\$29,802	\$38,454
21-22	Mining, & Utilities	69	\$3,743	\$54,246
23	Construction	7,539	\$526,429	\$69,827
31-33	Manufacturing	1,074	\$54,597	\$50,835
42	Wholesale trade	1,066	\$84,500	\$79,268
44-45	Retail trade	7,703	\$227,164	\$29,490
48-49	Transportation and warehousing	2,007	\$151,966	\$75,718
51	Information	812	\$18,720	\$23,054
52	Finance and insurance	2,279	\$102,589	\$45,015
53	Real estate and rental and leasing	7,924	\$751,054	\$94,782
54	Professional, scientific, and technical services	9,159	\$325,500	\$35,539
56	Admin., support, waste management & remediation svcs.	3,031	\$69,474	\$22,921
61	Educational services	1,631	\$18,590	\$11,398
62	Health care and social assistance	4,964	\$126,520	\$25,488
71	Arts, entertainment, and recreation	3,345	\$58,148	\$17,384
72	Accommodation and food services	755	\$57,565	\$76,245
81	Other services (except public administration)	6,870	\$169,610	\$24,689

Source: U.S. Census Bureau Non-employer statistics

Regional Industry Overview

While population, employment and income trends provide important background on the direction of the region's economy, it is also necessary to understand the region's industry structure. Examining the area's key industries is vital to identifying an industry's economic impacts, creating potential industry cluster initiatives, and developing future economic and workforce development strategies. The following analysis provides a basic overview of the regional industry structure using the measures of employment, wages, and industry concentration (location quotients). The industry analyses are based on figures from the Quarterly Census of Employment and Wages (QCEW or ES-202)⁵. *Note that the intent of the following analysis is not to determine those industries that should receive the most attention or resources. Instead, the purpose is to highlight and examine downtown Madison's potential role in some of the region's key industries. Existing businesses and new business prospects may also desire information on the number of employees and the average wage in a given industry.* Additional industry information is available through the Department of Workforce Development's WORKnet website at: <http://worknet.wisconsin.gov/worknet/datablist.aspx?menuselection=da>

Table 4.6 and Table 4.7 on the following page examine the Capital Region's largest 25 industries based on total employment and total wages. A comprehensive list of employment and wages by industry is included in Appendix 4A. Examining the figures in these tables shows a number of industries that are important to both the overall region and downtown Madison:

- Not unlike many regions, the educational services industry accounts for the largest share of employment and wages in the Capital Region. With almost 47,000 employees, educational services include a variety of public and private educational institutions ranging from local school systems to colleges and universities. A notable share of these employees work at UW-Madison and are a large component of the downtown Madison economy.
- The hospitality industry is represented in Table 4.6 and Table 4.7 by food services and drinking places (NAICS 722) and accommodation (NAICS 722). As the employment figures in Tables 4.6 and 4.7 include both full and part-time employment, it is not surprising that these two industries are ranked highly in terms of total employment and have low average wages per job. While these industries do not account for the high levels of total wages shown by other industries, these hospitality employees are an important part of the regional and downtown entertainment, visitor, and cultural industry (as suggested in Section 1).
- With more than 20,000 employees, administrative and support services is a large employment category in the region and in downtown Madison. Similar to food services and drinking places, the low average earnings in the administrative and support service category partly reflect the part-time nature of many jobs in this industry.
- Public administration includes local, state and federal government operations and accounts for 7.0 percent of the region's employment and 8.0 percent of its total wages. As Downtown Madison is the home to the State Capitol, state office buildings, and local government facilities, public administration is a key employment sector. The location of these government facilities also provides proximity to local and state policy makers for businesses located in downtown Madison.

⁵ The QCEW data represent the number of covered workers who worked during, or received pay for, the pay period that included the 12th day of the month. Covered private industry employment includes most corporate officials, executives, supervisory personnel, professionals, clerical workers, wage earners, piece workers, and part-time workers. The data set excludes proprietors, the self-employed, unpaid family members, and certain farm and domestic workers.

- Several of the region's larger private employment sectors with high average earnings have a significant presence in downtown Madison. Professional and technical services, credit intermediation and related activities, and management of companies and enterprises account for 6.6 percent of the region's total employment and 10 percent of the region's wages. Many businesses included in these categories are important tenants in downtown Madison.
- The remaining categories in Table 4.6 and Table 4.7 are a mix of health care, retail and wholesale trade, construction, services, and manufacturing industries. While many of these remaining industries do not have a large presence in downtown Madison, they provide a large amount of income to workers in the region. Furthermore, many establishments in these industries are located adjacent to downtown Madison (such as health care) and could be key purchasers of professional and support services located in the Downtown Study Area.

Table 4.6 - Top Twenty-five Industries in the Capital Region Based on Employment (2005)

NAICS and Industry	Number of Employees	Percent of Total	Number of Businesses	Average Wage Per Job
611 Educational Services	46,934	9.1%	621	\$39,766
92 Public Administration	36,189	7.0%	591	\$40,804
722 Food Services And Drinking Places	35,428	6.9%	1,997	\$10,728
622 Hospitals	22,178	4.3%	23	\$44,559
561 Administrative And Support Services	19,855	3.9%	1,163	\$20,904
541 Professional And Technical Services	19,497	3.8%	2,397	\$54,501
621 Ambulatory Health Care Services	17,594	3.4%	1,087	\$51,005
524 Insurance Carriers & Related Activities	17,244	3.3%	684	\$48,720
238 Specialty Trade Contractors	15,358	3.0%	2,147	\$40,066
623 Nursing And Residential Care Facilities	13,030	2.5%	287	\$22,446
311 Food Manufacturing	12,066	2.3%	200	\$41,228
423 Merchant Wholesalers, Durable Goods	11,642	2.3%	810	\$44,350
454 Non-store Retailers	10,818	2.1%	108	\$33,286
452 General Merchandise Stores	10,079	2.0%	126	\$16,542
445 Food And Beverage Stores	10,003	1.9%	340	\$17,183
336 Transportation Equipment Manufacturing	9,734	1.9%	38	\$49,050
522 Credit Intermediation & Related Activity	9,307	1.8%	581	\$41,994
332 Fabricated Metal Product Manufacturing	9,250	1.8%	253	\$40,020
333 Machinery Manufacturing	9,165	1.8%	193	\$44,963
624 Social Assistance	9,143	1.8%	523	\$20,093
424 Merchant Wholesalers, Nondurable Goods	7,725	1.5%	532	\$41,275
236 Construction Of Buildings	7,523	1.5%	914	\$48,437
721 Accommodation	7,403	1.4%	285	\$14,481
323 Printing And Related Support Activities	6,585	1.3%	190	\$41,139
441 Motor Vehicle And Parts Dealers	6,441	1.3%	378	\$35,033
<i>All Industries</i>	515,253	100.0%	26,688	\$35,724

Source: 2005 Quarterly Census of Employment and Wages (ES-202), WI DWD and UW-Extension

Table 4.7 – Top Twenty-five Industries in the Capital Region Based on Total Wages and Salaries (2005)

NAICS and Industry	Total Wages (in 1000's)	Percent of Total	Number of Employees	Average Wage Per Job
611 Educational Services	\$1,866,365	10.1%	46,934	\$39,766
92 Public Administration	\$1,476,641	8.0%	36,189	\$40,804
541 Professional And Technical Services	\$1,062,605	5.8%	19,497	\$54,501
622 Hospitals	\$988,222	5.4%	22,178	\$44,559
621 Ambulatory Health Care Services	\$897,390	4.9%	17,594	\$51,005
524 Insurance Carriers & Related Activities	\$840,123	4.6%	17,244	\$48,720
238 Specialty Trade Contractors	\$615,333	3.3%	15,358	\$40,066
423 Merchant Wholesalers, Durable Goods	\$516,321	2.8%	11,642	\$44,350
311 Food Manufacturing	\$497,458	2.7%	12,066	\$41,228
336 Transportation Equipment Manufacturing	\$477,448	2.6%	9,734	\$49,050
561 Administrative And Support Services	\$415,042	2.3%	19,855	\$20,904
333 Machinery Manufacturing	\$412,089	2.2%	9,165	\$44,963
522 Credit Intermediation & Related Activity	\$390,840	2.1%	9,307	\$41,994
722 Food Services And Drinking Places	\$380,054	2.1%	35,428	\$10,728
551 Management Of Companies & Enterprises	\$377,252	2.0%	5,242	\$71,967
332 Fabricated Metal Product Manufacturing	\$370,185	2.0%	9,250	\$40,020
236 Construction Of Buildings	\$364,389	2.0%	7,523	\$48,437
454 Non-store Retailers	\$360,083	2.0%	10,818	\$33,286
424 Merchant Wholesalers, Nondurable Goods	\$318,847	1.7%	7,725	\$41,275
623 Nursing And Residential Care Facilities	\$292,474	1.6%	13,030	\$22,446
323 Printing And Related Support Activities	\$270,903	1.5%	6,585	\$41,139
511 Publishing Industries	\$260,702	1.4%	5,100	\$51,118
237 Heavy And Civil Engineering Construction	\$241,412	1.3%	4,217	\$57,247
326 Plastics & Rubber Products Manufacturing	\$234,902	1.3%	6,123	\$38,364
441 Motor Vehicle And Parts Dealers	\$225,649	1.2%	6,441	\$35,033
<i>All Industries</i>	<i>\$ 18,406,665</i>	<i>100.0%</i>	<i>515,253</i>	<i>\$35,724</i>

Source: 2005 Quarterly Census of Employment and Wages (ES-202), WI DWD and UW-Extension

Location Quotients

A location quotient (LQ) provides one measure for analyzing industry concentration and specialization in the Capital Region. A location quotient is calculated by comparing a given industry's share of total employment in the region to the same industry's share of overall national employment:

$$\begin{array}{l}
 \text{Location Quotient (LQ)} \\
 \text{for industry (i) in the} \\
 \text{Capital Region}
 \end{array}
 = \frac{\frac{\text{Industry (i) regional employment}}{\text{Total regional employment}}}{\frac{\text{Industry (i) national employment}}{\text{Total national employment}}}$$

The critical value for a location quotient is 1.0. An LQ of 1.0 means a region has the same proportion of local employment in an industry as the nation. An LQ greater than 1.0 means that the region's share of employment in a given industry is greater than its national share.

Conversely, an LQ less than 1.0 means the region's employment in an industry is below the national percentage. *Due to accuracy issues with employment data, location quotients between 0.75 and 1.25 are generally considered close enough to 1.0 not to be significantly different.*

A location quotient of 1.0 suggests that the local level of demand for that good or service is satisfied by local industries and consumers (supply equals demand). Consequently, location quotients greater than 1.0 are important as they suggest that a region has a specialization in a given industry. Given the assumption that local conditions and preferences are the same as those nationally, an LQ greater than 1.0 implies that the industry is producing more goods or services than can be consumed locally. Subsequently, these goods and services are exported out of the region and bring outside dollars into the area (i.e. they have an export-orientation). *Industries with a location quotient greater than 1.0 can also suggest an area of regional specialization.* In contrast, an LQ less than 1.0 suggests that local industries are not satisfying local demand (demand is greater than supply and the good or service must be imported to some degree).

Note that differences in local demand compared to national demand, or the efficiency of an industry within a region have the potential to skew the results of a location quotient analysis. Furthermore, the Capital Region should not seek to satisfy all local demand with local industries. Certain industries are best suited for other locations and are not feasible for the region. Nonetheless, location quotients serve as a basis for examining export industries and determining areas of specialization within the Capital Region.

Table 4.8 on the following page ranks the top 25 Capital Region industries in terms of location quotients. Similar to many counties and economic regions, the Capital Region's top industries by location quotient are a mix of production, retail and services. While these figures are reported for the aggregate region, employment concentrations may vary by county in the region. Variations by county can be viewed on national location quotient maps available on-line through the Center for Community and Economic Development at: <http://www.uwex.edu/ces/cced/industryclusterindex.html>. An example map for the food manufacturing industry is shown in Appendix 4B.

Several observations can be drawn from the location quotients shown in Table 4.8:

- Non-Store Retailers have the largest location quotient in the Capital Region. With almost 11,000 employees, this category includes Internet and catalog retailers such as Lands' End.
- Insurance has the highest location quotient of any industry category. The export orientation of this industry, combined with its high employment and income levels, shows the overall importance of the insurance industry on the regional economy.
- Manufacturing accounts for the six of the ten highest location quotients in the Capital Region. While several of these industries have experienced employment losses over the past several years, these manufacturing categories still employ a large number of workers and pay above average wages. While these industries are scattered throughout the Capital Region, they are important components of the regional economy. Several of these industries, such as food manufacturing (NAICS 311), printing and related support activities (NAICS 323) and plastics and rubber product manufacturing (NAICS 326) and could also have possible ties to industry clusters in the region and the State of Wisconsin. An example of the possible connections among businesses in an industry cluster and the potential ties to downtown Madison will be examined later in this section

- Several of the industries with large location quotients are smaller industries with lower employment levels (i.e. lessors, non-financial intangible assets). While these industries are important to the Capital Region, they are not large employers in the region's economy.
- The impact of agriculture in the Capital Region is shown in both production and value added aspects. Animal production (NAICS 112) partially includes the region's dairy producers while food manufacturing establishments (NAICS 311) are important purchasers of agricultural commodities. With over 12,000 employees, food manufacturing also is one of the region's largest employment categories.
- Somewhat surprisingly, several knowledge-based industry categories with high concentrations in downtown Madison do not have location quotients above 1.0 in the broader Capital Region. Specifically, the professional and technical services category has a regional location quotient of 0.71. Removing the influence of the outlying counties in the Capital Region, even Dane County has a location quotient of just 0.98 in professional and technical services. While professional and technical services include a diversity of business categories, several of these professional and technical services may represent sources of sales leakage from region.

Table 4.8 – Top Twenty-five Industries in the Capital Region Based on Location Quotients (2005)

NAICS Category and Description	Location Quotient	Total Employment	Average Wage per Job
454 Non-store Retailers	6.39	10,818	\$33,286
323 Printing And Related Support Activities	2.49	6,585	\$41,139
533 Lessors, Non-financial Intangible Assets	2.42	251	\$63,786
335 Electrical Equipment And Appliances	2.36	4,182	\$45,299
112 Animal Production	2.35	1,962	\$26,332
311 Food Manufacturing	2.03	12,066	\$41,228
524 Insurance Carriers & Related Activities	2.02	17,244	\$48,720
333 Machinery Manufacturing	2.02	9,165	\$44,963
326 Plastics & Rubber Products Manufacturing	1.91	6,123	\$38,364
332 Fabricated Metal Product Manufacturing	1.55	9,250	\$40,020
337 Furniture And Related Product Mfg	1.51	3,428	\$41,989
331 Primary Metal Manufacturing	1.47	2,730	\$48,236
487 Scenic And Sightseeing Transportation	1.41	159	\$16,268
511 Publishing Industries	1.41	5,100	\$51,118
336 Transportation Equipment Manufacturing	1.36	9,734	\$49,050
92 Public Administration	1.28	36,189	\$40,804
518 ISPs, Search Portals, & Data Processing	1.23	1,895	\$35,828
327 Nonmetallic Mineral Product Mfg	1.19	2,367	\$38,807
447 Gasoline Stations	1.18	4,116	\$15,742
813 Membership Organizations & Associations	1.17	6,198	\$28,666
236 Construction Of Buildings	1.16	7,523	\$48,437
484 Truck Transportation	1.12	6,035	\$36,641
444 Building Material & Garden Supply Stores	1.11	5,469	\$27,555
623 Nursing And Residential Care Facilities	1.08	13,030	\$22,446
451 Sporting Goods/Hobby/Book/Music Stores	1.08	2,771	\$14,772

Source: 2005 Quarterly Census of Employment and Wages (ES-202), WI DWD and UW-Extension

As previously suggested, industry clusters are an important source of regional competitive advantage. That is, the competitive advantage of a location does not usually arise in isolated companies, but in clusters of companies that represent critical masses of labor, information, relationships and infrastructure in a given field. More specifically, an industry cluster is a:

“geographic concentration of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (e.g. universities, standards agencies, trade associations) in a particular field that compete but also cooperate”⁶

While this analysis is *not* a comprehensive industry cluster analysis, a number of industry categories in the Capital Region could provide foundations for regional industry clusters. Furthermore, other industries in the region are part of broader industry cluster initiatives in the State of Wisconsin. These regional and statewide clusters could include health care, insurance, bio-technology, agriculture and food products, plastics, information technology, and medical devices. Subsequently, there will be many industries and establishments that are important to the region, but are not located in downtown Madison. However, if efforts are made to upgrade and support regional industry clusters, downtown businesses may also benefit as they are part of the value chain in several of these industry clusters through possible buy-sell linkages and supporting roles.

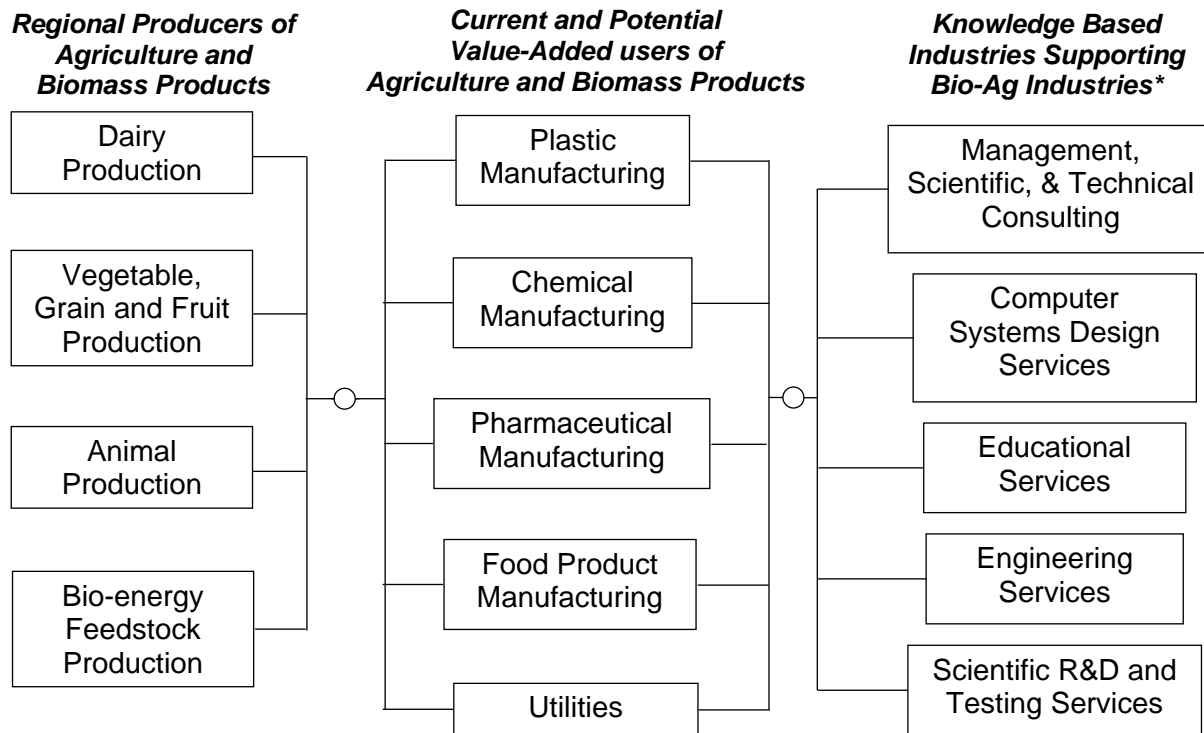
Chart 4.8 (on the following page) provides one example of industry cluster linkages and economic spillovers by depicting several of the potential intersections between agriculture and biotechnology, two of the state's cluster initiatives. As previously suggested, agriculture and other bio-related industries are components of the Capital Region's economy. The importance of these industries was also recognized by REDE, as agriculture and bio-technology (and their areas of convergence) are two of REDE's targeted industry sectors.

Agricultural production of grain, vegetables, dairy, and livestock is perhaps the most visible part of the agricultural economy. However, agricultural production is supported by a variety of complementary industries such as farm machinery sales and repair, transportation services (e.g. milk haulers), animal support services, and specialized financial and professional services. Furthermore, industries such as food product manufacturers depend on agricultural commodities as inputs to their own products. Food product manufacturers and other manufacturers of plastics, chemicals, wood products, and pharmaceuticals are potential value added users of agricultural products and could become important purchasers of agricultural commodities. Several of these industries have a large presence in the Capital Region as well as the broader Madison-Milwaukee-Chicago triangle.

The potential bio-ag value added industries shown in Chart 4.8 are also supported by a variety of scientific, research, technical and professional services, educational services, and manufacturing industries. Many of these professional and technical services are either concentrated in downtown Madison or could be future downtown tenants. Downtown Madison has available unique spaces, has proximity to UW-Madison and state agencies, and has access to a highly-skilled labor force that could further support these industries.

⁶ Porter, Michael E. *On Competition*. Boston: Harvard Business School Press, 1998.

Chart 4.8 – Potential Regional Connections among Agricultural, Manufacturing and Knowledge Industries



**Industries with a potential tie to downtown Madison*

Potential Gaps and Disconnects

When considering the structure of the regional economy it is important to recognize that it is part of a larger national and international economy. The connection between the local and non-local economy can be examined by analyzing the levels of regional imports and exports. The larger the share of exports compared to industry output, the more open the economy and the more dependent on the larger economy. More specifically, if a large share of industry output is exported out of the region, that industry is more dependent on the performance of the larger economy⁷.

Industry exports can also be a reflection of the industry's contribution to the regional economy. As previously mentioned, location quotients are measures of an industry's export orientation. A large location quotient tends to be an indicator of an industry exporting a larger proportion of its production out of the region. Sales of these exported goods are responsible for a flow of dollars back into the local economy and represent economic growth. As previously suggested, those sectors that have large location quotients and large exports (i.e. the export-base of the economy) are vital for their ability to bring money into the regional economy. These exporting sectors represent "injections" of money into the regional economy and injections can in turn spur economic growth.⁸

⁷ Shaffer, Ron, Deller, S., and Marcouiller, D. *Community Economics: Linking Theory to Practice*. Oxford, UK: Basil Blackwell, 2004.

⁸ Ibid

In addition to exports, industries can import goods and services to be used in their own production. For example, local companies may purchase insurance, advertising, or legal services from companies located outside of the region. These imports can be viewed as a “leakage” of economic activity from the region. Accordingly, when examining industry exports, it is important to consider the counteracting imports or leakages. *A comprehensive economic development policy must look at the promotion of exports while also seeking to minimize leakages.*⁹

While location quotients provide some perspective on those industries that may be bringing outside dollars into the Capital Region, an analysis of regional imports and exports can provide perspective on the estimated flow of dollars. An examination of imports and exports will assist in providing additional insights into “gaps” and “disconnects” in the local economy. Gaps and disconnects occur in the local economy where there are products and services with high levels of importation. More specifically:

- A *gap* in supply occurs when certain goods and services are simply not available within the Capital Region and must be purchased elsewhere. There are many reasons for gaps and certain gaps may actually be desirable in those industry categories the region has deemed to have a negative impact on the local economy and quality of life.
- A *disconnect* arises when a good or service is available locally, but consumers and businesses choose to purchase that service outside of the region. *Reasons for a disconnect include a lack of information within the business community, long standing partnerships between firms, unfavorable pricing policies, mistrust, or specialization or expertise of firms in a specific industry.*

To help identify possible gaps and disconnects in the Capital Region’s economy, Table 4.9 (on the following page) examines those goods or services with the 50 largest levels of imports. Goods and services may be imported by industries, private households, or public institutions. Many of the goods and services listed in Table 4.9 are primarily imported by private industry (e.g. plastics material and resin manufacturing). Others (such as the purchases of automobiles and trucks and hospital services) are primarily imported by private households. These estimates are derived from the IMPLAN input-output modeling system¹⁰. Note that the figures in Table 4.9 are from 2003 and represent the most current data at the time of this analysis. The actual import and export figures may have changed somewhat over the past several years.

Once gaps and disconnects have been identified, there may be opportunities for reducing the amount of imports within certain categories through “import substitution.” That is, there may be opportunities to reduce imports, by substituting goods and services produced by regional companies. These import substitution opportunities could ultimately suggest prospects for strengthening local businesses or for future business recruitment. ***As the figures reported in Table 4.9 are based on national purchasing patterns, these estimates should be used only to spark discussion and guide future research. If import substitution is pursued as an economic development strategy, opportunities will need to be confirmed with local primary research, such as a business owner survey or other interview methods. Businesses should not rely on the figures in Table 4.9 to make operational decisions.***

⁹ Ibid.

¹⁰ An overview of input-output modeling is available in: Shaffer, Ron, Deller, S., and Marcouiller, D. *Community Economics: Linking Theory to Practice*. Oxford, UK: Basil Blackwell, 2004.

Table 4.9 – Top 50 Imported Goods and Services in the Capital Region (2003)

Commodity	Total Imports	Total Exports
Motor vehicle parts manufacturing	\$1,650,376,590	\$123,877,410
Automobile and light truck manufacturing	\$1,563,114,750	\$2,043,959,260
Insurance agencies, brokerages, and related activities	\$1,024,030,760	\$-
Real estate	\$857,138,370	\$269,694,860
Petroleum refineries	\$826,260,130	\$-
Wholesale trade	\$804,408,200	\$199,998,520
Telecommunications	\$693,073,000	\$541,251,800
Monetary authorities and depository credit intermediaries	\$595,994,380	\$404,479,140
Animal (except poultry) slaughtering	\$521,846,070	\$7,805,920
Iron and steel mills	\$426,096,830	\$59,591,020
Insurance carriers	\$401,013,340	\$2,096,039,040
Management of companies and enterprises	\$383,261,600	\$64,496,320
Cut and sew apparel manufacturing	\$374,626,860	\$179,750
Securities, commodity contracts and investments	\$347,768,400	\$13,028,000
Air transportation	\$342,604,950	\$2,575,090
Semiconductors and related device manufacturing	\$319,214,170	\$10,172,020
Plastics material and resin manufacturing	\$291,260,680	\$86,528,310
Power generation and supply	\$285,510,650	\$75,176,570
Natural gas distribution	\$263,723,660	\$54,650
Legal services	\$263,709,230	\$6,047,520
Cattle ranching and farming	\$254,417,920	\$1,145,840
Advertising and related services	\$249,611,360	\$205,891,400
Paper and paperboard mills	\$248,731,370	\$24,744,460
Paperboard container manufacturing	\$243,277,630	\$58,413,180
Cable networks and program distribution	\$229,030,500	\$-
Aluminum sheet- plate- and foil manufacturing	\$223,743,120	\$10
Management consulting services	\$222,973,740	\$2,360,410
Funds- trusts- and other financial vehicles	\$221,618,560	\$10
Custom computer programming services	\$203,516,600	\$195,114,190
Architectural and engineering services	\$194,247,220	\$327,004,180
Pharmaceutical and medicine manufacturing	\$194,153,760	\$222,991,670
Automotive equipment rental and leasing	\$179,081,100	\$2,313,240
Soft drink and ice manufacturing	\$176,094,130	\$101,971,330
Non-depository credit intermediation & related activities	\$174,097,750	\$16,623,320
Data processing services	\$171,843,640	\$186,170,090
Automotive repair and maintenance (except car washes)	\$171,432,940	\$27,350
All other miscellaneous professional & technical svcs.	\$168,321,240	\$66,160
Hospitals	\$167,452,130	\$209,878,340
Food services and drinking places	\$163,766,770	\$282,323,790
Fruit and vegetable canning and drying	\$157,195,430	\$557,543,320
Non-comparable imports	\$156,256,470	\$-
Other ambulatory health care services	\$154,393,890	\$177,162,900
Soybean processing	\$147,744,960	\$-
Tire manufacturing	\$147,738,530	\$9,551,260
Office administrative services	\$143,918,840	\$-
Electronic computer manufacturing	\$140,679,670	\$140,970
Religious organizations	\$136,110,930	\$-
Accounting and bookkeeping services	\$134,053,560	\$860,440
Cigarette manufacturing	\$133,833,760	\$-
Audio and video equipment manufacturing	\$132,715,030	\$7,655,570

Source: IMPLAN 2003

Occupational Structure and Educational Attainment

As mentioned in the introduction to Section 4, human capital is increasingly recognized as a source of regional competitive advantage. Human capital measures in the form of occupations and educational attainment provide insight into a region's skills and knowledge. Consequently, a region's occupational structure and levels of educational attainment also impact the types of industries that are suited to a given region. Large numbers of college graduates and concentrations of occupations in engineering, life sciences, computers, and mathematics may be desirable for knowledge-based industries. In contrast, the presence of individuals with associate degrees or those who work in skilled production occupations may be targeted by manufacturing operations.

Given the growing role of human capital in the global economy, it is not surprising that many regions are beginning to target specific occupations rather than specific industries¹¹. Targeting occupations recognizes the skills that are necessary in aligning a region's industries with its pool of human capital. *For instance, individuals working in computer programming and support occupations can work in a wide variety of industries and may make a region desirable to a range of business types.* Given these trends, the remainder of Section 4 examines the region's occupation structure and its levels of educational attainment. Note that Section 4 does not include a full description of the region's labor force. Individuals interested in labor force data can find information on each county in the Capital Region from the Department of Workforce Development's Office of Economic Advisors at:

http://dwd.wisconsin.gov/oea/cp_pdf/cp_mainx.htm

Occupations

Table 4.10 examines the 2005 occupational structure for the Madison MSA, while Table 4.11 examines the occupational structure for the Janesville MSA (Rock County). As previously noted, the Madison MSA includes Columbia, Dane and Iowa counties. Unfortunately, current occupational data is not available for the remaining counties in the Capital Region as MSAs are the smallest geographic areas for which the Bureau of Labor Statistics reports occupational information.

Each occupational category in Tables 4.10 and 4.11 is reported by its share of regional employment, its average wage, and its location quotient. As suggested earlier in Section 4, a location quotient compares the local share of employment in an occupational category to the national share. If an occupational category has a location quotient of 1.0, then the occupation accounts for the same local share of employment as the national average. A location quotient above 1.0 shows that an occupation has greater share of employment in the region and suggests a concentration of a given occupation. Conversely, location quotients below 1.0 show a lower occupational share.

¹¹ For an overview of occupational analysis, see: Koo, Jun. "How to Analyze the Regional Economy with Occupation Data." *Economic Development Quarterly*. 19.4. November, 2005 pp 356-372.

Table 4.10 – Regional Occupation Structure for May 2005 – Madison MSA

Occupation Code	Occupation	Total Employment	Share of Employment	Location Quotient	Average Wage
00-0000	All	325,640	100.0%	1.0	\$38,340
11-0000	Management	13,190	4.1%	0.9	\$84,810
13-0000	Business and financial operations	18,550	5.7%	1.4	\$54,180
15-0000	Computer and mathematical	10,880	3.3%	1.5	\$60,150
17-0000	Architecture and engineering	5,950	1.8%	1.0	\$55,030
19-0000	Life, physical, and social science	9,510	2.9%	3.2	\$48,060
21-0000	Community and social services	4,030	1.2%	1.0	\$42,810
23-0000	Legal	2,120	0.7%	0.9	\$73,110
25-0000	Education, training, and library	19,030	5.8%	0.9	\$45,580
27-0000	Arts, design, entertainment, sports, & media	5,670	1.7%	1.3	\$39,960
29-0000	Healthcare practitioners and technical	17,620	5.4%	1.1	\$55,780
31-0000	Healthcare support	8,520	2.6%	1.0	\$26,440
33-0000	Protective service	4,500	1.4%	0.6	\$35,040
35-0000	Food preparation and serving related	25,910	8.0%	1.0	\$18,600
37-0000	Building and grounds cleaning & maintenance	10,330	3.2%	1.0	\$24,720
39-0000	Personal care and service	8,390	2.6%	1.1	\$22,360
41-0000	Sales and related	31,620	9.7%	0.9	\$33,160
43-0000	Office and administrative support	62,250	19.1%	1.1	\$30,060
45-0000	Farming, fishing, and forestry	670	0.2%	0.6	\$29,170
47-0000	Construction and extraction	13,930	4.3%	0.9	\$42,560
49-0000	Installation, maintenance, and repair	10,600	3.3%	0.8	\$38,460
51-0000	Production	23,210	7.1%	0.9	\$31,010
53-0000	Transportation and material moving	19,150	5.9%	0.8	\$28,780

Source: Bureau of Labor Statistics Occupational Employment Statistics (OES)

Table 4.11 – Regional Occupation Structure for May 2005 – Janesville MSA

Occupation Code	Occupation	Total Employment	Share of Employment	Location Quotient	Average Wage
00-0000	All	68,090	100.0%	1.0	\$34,250
11-0000	Management	1,770	2.6%	0.6	\$74,770
13-0000	Business and financial operations	1,830	2.7%	0.6	\$45,950
15-0000	Computer and mathematical	540	0.8%	0.3	\$51,060
17-0000	Architecture and engineering	760	1.1%	0.6	\$57,700
19-0000	Life, physical, and social science	360	0.5%	0.6	\$47,480
21-0000	Community and social services	680	1.0%	0.8	\$42,180
23-0000	Legal	140	0.2%	0.3	\$68,150
25-0000	Education, training, and library	4,140	6.1%	1.0	\$38,470
27-0000	Arts, design, entertainment, sports, & media	530	0.8%	0.6	\$37,300
29-0000	Healthcare practitioners and technical	3,480	5.1%	1.0	\$60,450
31-0000	Healthcare support	2,060	3.0%	1.2	\$24,070
33-0000	Protective service	1,090	1.6%	0.7	\$34,980
35-0000	Food preparation and serving related	6,190	9.1%	1.1	\$16,530
37-0000	Building and grounds cleaning & maintenance	1,910	2.8%	0.8	\$21,610
39-0000	Personal care and service	1,830	2.7%	1.1	\$18,570
41-0000	Sales and related	7,080	10.4%	1.0	\$29,850
43-0000	Office and administrative support	9,700	14.2%	0.8	\$27,670
45-0000	Farming, fishing, and forestry	120	0.2%	0.5	N/A
47-0000	Construction and extraction	3,170	4.7%	1.0	\$40,960
49-0000	Installation, maintenance, and repair	3,560	5.2%	1.3	\$40,640
51-0000	Production	10,380	15.2%	1.9	\$37,140
53-0000	Transportation and material moving	6,770	9.9%	1.4	\$28,300

Source: Bureau of Labor Statistics Occupational Employment Statistics (OES)

Examining the occupational figures in Table 4.10 and Table 4.11 show two largely different metro areas that reveal a number of important trends relevant to both the region and downtown Madison:

- The Madison MSA has concentrations of professional and technical white collar occupations while the Janesville MSA is more oriented toward blue-collar occupations in production, transportation, and maintenance. Similar differences are likely present in other counties surrounding the Madison MSA, and reflect the concentration of knowledge-driven industries present in Dane County relative to the manufacturing, agricultural and service-based industries located in adjacent areas. While these differences suggest local economies that are unrelated, these occupational structures are somewhat complementary as they match the different labor needs for diverse establishments in the Capital Region's industry clusters.
- While educational, training and library occupations have one of the largest employment shares in the Madison MSA, these occupations actually have a location quotient below 1.0. Given the presence of UW-Madison and other higher-educational institutions in the region, it may be surprising that the Madison MSA has a below average concentration of educational occupations. However, educational institutions employ a wide range of occupational types. For instance, UW-Madison employs professors, custodians, lawyers, food service workers, business managers and individuals working in most of the occupational categories in Table 4.10. *Consequently, it is important not to equate occupations with a single industry.*
- The Madison MSA has high location-quotients in several knowledge-based occupational categories. Business and financial operations, computer and mathematical operations, and healthcare practitioner and technical occupations all have location quotients above 1.0 and have average annual wages well above the MSA average wage. Life, physical and social science occupations have a particularly high location quotient (3.2) and reflect the concentration of employees working for UW-Madison, state agencies, non-profits and private industries related to the sciences. Many of the employees in these occupational categories work either in or around downtown Madison.
- The Madison MSA has a location quotient of 1.3 in arts, design, entertainment, sports and media occupations. Individuals engaged in these occupations may work for public institutions or private industries and are an important part of the downtown Madison cultural experience and the region's broader visitor and tourism industry.
- Office and administrative support, sales and related occupations, and food preparation and serving related occupations account for the three largest occupational categories in the Madison MSA. *While these occupational categories have wages below the MSA annual average wage, many of these occupations are part time in nature. Furthermore, these occupations contribute to the regional and downtown retail and hospitality industries.*

Educational Attainment

The following tables examine aspects of educational attainment in the Capital Region. Table 4.12 reports the highest level of educational attainment in 2000 for the population age 25 and over. Table 4.13 compares the percentage of the population with either a high school or college degree in the Capital Region relative to the comparison MSAs used throughout Section 4. In 2000, both the Madison MSA and the Capital Region had a higher percentage of college graduates and high school graduates than either the state or United States. When compared to the comparable MSAs, the Madison metro area had the third highest share of its population with a high school degree or higher and trailed only Ann Arbor and Boulder in terms its college educational attainment. While the purpose of these figures are not to rank the Madison MSA, the figures in Table 4.14 and Table 4.13 show that the region has a highly educated population relative to the nation and has educational attainments similar to the other comparison metropolitan areas.

Note that the educational attainments for the Capital Region and the Madison MSA are largely driven by the concentration of college graduates residing in Dane County. In 2000, almost 70 percent (68.8 percent) of the Capital Region's 112,000 college graduates resided in Dane County. Furthermore, the number of associate degrees in the Capital Region should not be overlooked. Associate degrees awarded by University of Wisconsin Colleges and the Wisconsin Technical College System provide skilled employees for many of the region's key industry sectors including health care, information technology, and advanced manufacturing.

Table 4.12 – Educational Attainment in the Capital Region - 2000

Highest level of Educational Attainment (Population Age 25+)	Capital Region	Madison MSA	Wisconsin	United States
Total	585,131	320,627	3,475,878	182,211,639
Less than 9th Grade	4.4%	3.2%	5.4%	7.5%
9th to 12th Grade, no diploma	7.8%	5.5%	9.6%	12.1%
High school graduate	31.8%	25.1%	34.6%	28.6%
Some college, no degree	20.5%	20.4%	20.6%	21.0%
Associate degree	8.0%	8.8%	7.5%	6.3%
Bachelor's degree	17.6%	22.8%	15.3%	15.5%
Graduate or professional	10.0%	14.2%	7.2%	8.9%
High School	87.9%	91.3%	85.1%	80.4%
College Degree	27.6%	36.9%	22.4%	24.4%

Source: 2000 American Community Survey – Figures are based on a 90 percent confidence interval

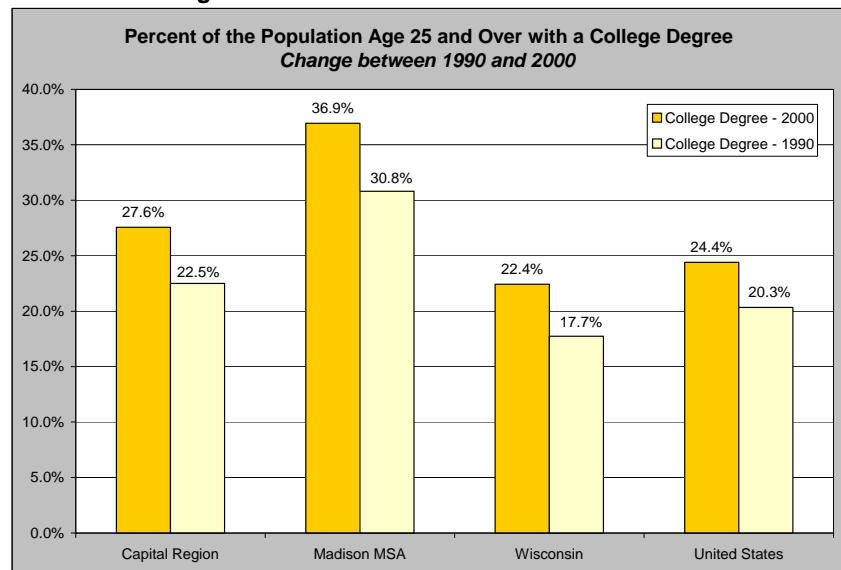
Table 4.13 – Educational Attainment Comparisons (2005)

Geographic Area	Population Age 25 and Over with a College Degree (%)	Population Age 25 and Over with a High School Degree (%)
Madison, WI MSA	40.5%	92.70%
Ann Arbor, MI MSA	52.4%	92.10%
Austin-Round Rock, TX MSA	39.1%	87.00%
Boise City-Nampa, ID MSA	26.5%	88.30%
Boulder, CO MSA	57.6%	94.10%
Lincoln, NE MSA	33.8%	93.20%
State of Wisconsin	25.0%	88.80%
United States	27.2%	84.20%

Source: 2005 American Community Survey – Figures are based on a 90 percent confidence interval

In addition to the trends shown in Tables 4.12 and 4.13, the percentage of college graduates in the Capital Region has increased from 22.5 percent in 1990 to an estimated 27.6 percent in 2000 (Chart 4.9). Similarly, the percent of college graduates in the Madison MSA increased from 30.8 percent in 1990 to 36.9 percent in 2000. The Madison MSA and Capital Region's rates of increase were faster than those shown by either the State or the United States. Again, these trends are largely driven by Dane County, but college educational attainment increases are also present in surrounding counties. While manufacturing and agriculture remain important to the region, the growing role of knowledge in the Capital Region's economy is reiterated by these educational trends.

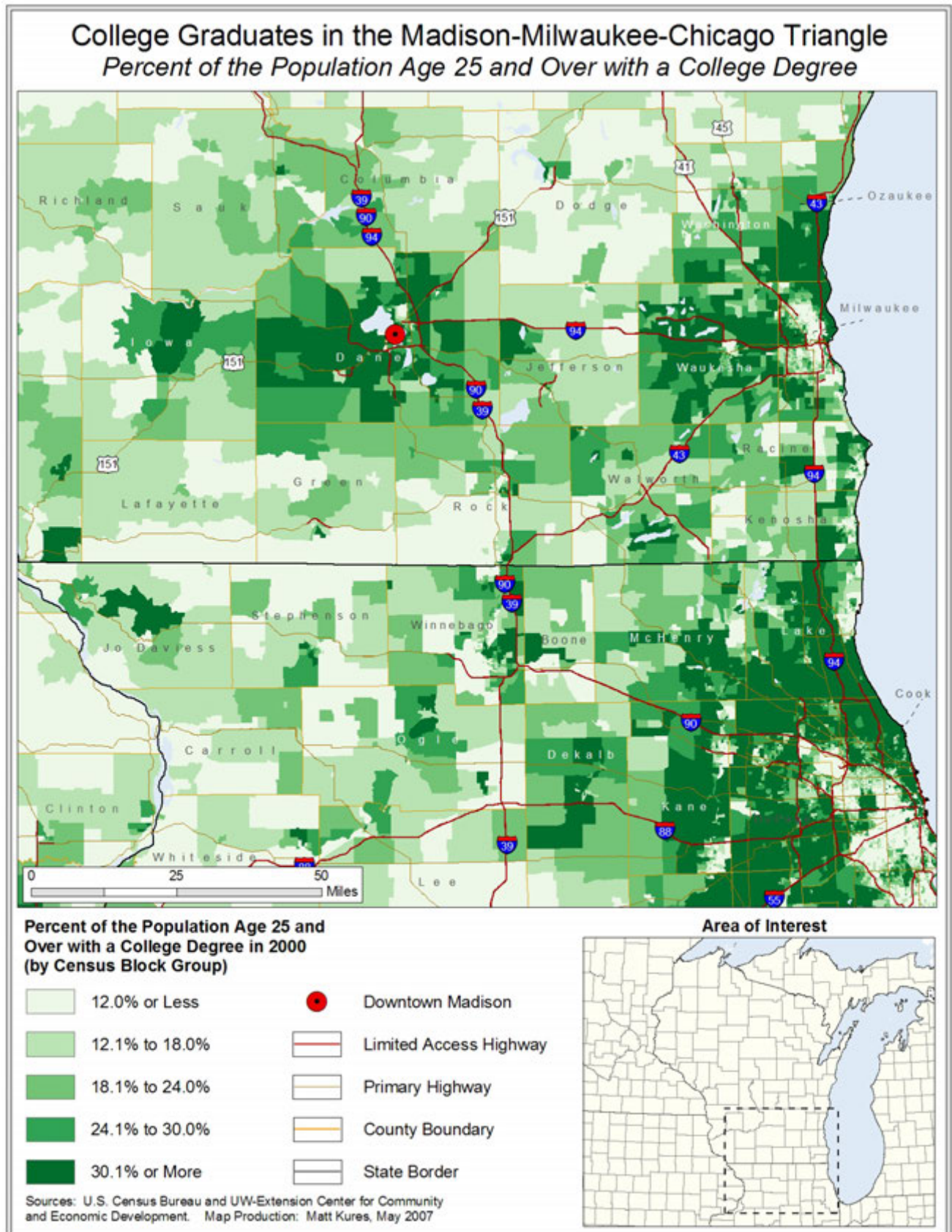
Chart 4.9 – Change in Educational Attainment 1990 to 2000



Source: U.S. Census Bureau 1990 and 2000

As previously noted, downtown Madison and the Capital Region's location relative to Milwaukee and Chicago could provide a geographic advantage. Specifically, Dane County has one of the highest levels of educational attainment in the nation, while the Chicago Metropolitan Statistical Area was responsible for over 1 million college graduates in the year 2000. *Combined, the triangular region created by the Chicago MSA, the Capital Region, and the Milwaukee 7 region contained more than 2.2 million college graduates in the year 2000 or 4.9 percent of the national total (Map 4.4 on the following page).* While this analysis is not suggesting that college graduates are the only driver of economic success, or that a premium should be placed on a college degree, a highly-educated labor force is a consideration for many companies planning to expand or locate in an area. Efforts to improve the physical and business connections among these three regions could have spillover effects for residents and companies of the entire Madison-Milwaukee-Chicago triangle.

Map 4.4 – College Graduates in the Madison-Milwaukee-Chicago Triangle



Conclusions

The preceding overview of the Capital Region highlights a variety of economic indicators that are connected to sources of regional opportunity. Trends in population, wage and salary employment, per capita income, and entrepreneurial activity suggest a strong and growing economy for both the Capital Region and the Madison MSA. Given downtown Madison's ties to the regional economy, Section 4 also suggests several opportunities for downtown Madison to further connect with regional economic development efforts. From a broad perspective, support of existing and emerging regional development efforts through REDE and the Workforce Development Board of South Central Wisconsin could provide additional data and connections to economic development resources for existing and prospective downtown businesses.

Other regional opportunities more targeted to downtown Madison also exist. Specifically, downtown stakeholders often pose a question about the types of businesses best suited for downtown office spaces. According to the Urban Land Institute, several industries generate the highest demand for office space: transportation services, communications, wholesale trade, F.I.R.E (finance, insurance and real estate), professional services, health services, social services and membership organizations. The previous analysis of the region's industry structure suggests that many of these industries have existing strengths in the Capital Region. The Department of Workforce Development also projects that a number of these industries will grow in the State of Wisconsin between 2004 and 2014¹². While these trends may have a positive impact on the region's office market, new and expanding industries have an option to locate in either a downtown or a non-downtown location.

Outlying office locations often have advantages over downtowns given their abundance of parking, the availability of undeveloped land, and access to major transportation corridors. *Consequently, downtown Madison should not expect to attract and retain new commercial businesses to downtown Madison based on aspects of convenience. Instead, downtown Madison should focus on retaining and attracting businesses that derive a competitive advantage from a downtown location.* A number of these potential competitive advantages are summarized below and are partially based upon a framework developed by the Alliance for Regional Stewardship. These advantages build upon downtown Madison as a place of interaction and downtown Madison as a place of expertise and are further detailed in Section 7.

- A study by the Global Entrepreneurship Monitor (GEM) suggests that the extent of social networks is one of the most important factors in encouraging entrepreneurship within any region¹³. Consequently, building social networks is a key activity in strengthening the local entrepreneurial environment. Faced with this evidence, policy makers and economic development professionals are increasingly recognizing the need to create networking opportunities for businesses, entrepreneurs, financiers, and labor in the region. Downtown Madison's compact nature, density of businesses, and critical mass of and public and private meeting venues could assist in creating these social networks among the Capital Region's growing pool of entrepreneurs. The proximity to a variety of business services and office spaces may also be desirable to small businesses and entrepreneurs seeking an amenity-rich location.

¹² Department of Workforce Development Office of Economic Advisors. *Wisconsin Projections 2004 – 2014: Employment in Industries and Occupations*. <http://dwd.wisconsin.gov/dwd/publications/oea/oea-9009-p.pdf>

¹³ For a summary of this research, see the Hubert H. Humphrey Institute of Public Affairs' *Knowledge Clusters and Entrepreneurship as Keys to Regional Economic Development* at: http://www.hhh.umn.edu/img/assets/9140/knowledge_clusters_final_report.pdf

- As suggested earlier in this section, many of the state's and region's potential industry clusters have both loose and strong ties to the businesses, labor, and institutions that are located in downtown Madison. Creating knowledge, research and development collaborations is easier when one can interact with colleagues on a personal basis. The application of knowledge occurs faster when industry and universities maintain close working relationships. Furthermore, being close to suppliers and customers promotes faster responses to changes in market demand. The relative proximity of institutions within a metro region can facilitate close interaction on a consistent basis, and supports the development of strongly linked industry clusters.¹⁴ Downtown Madison's geographic location, agglomerations of industries and institutions, and proximity to manufacturing and agriculture in the Capital Region, offers a unique opportunity in the region to engage in the interactions among the businesses, labor, and institutions associated with regional industry clusters.
- Downtown Madison provides immediate access to city, county and state government centers. Consequently, a downtown location provides proximity to policymakers and state agencies that may be key clients for a variety of business types.
- Downtown Madison is directly adjacent to UW-Madison, one of the nation's largest public universities and a world-class research institution. UW-Madison produces an educated labor force, provides technology transfer opportunities, provides customers for downtown businesses, and contributes to the region's cultural and entertainment base. Accordingly, downtown Madison's proximity to the University of Wisconsin could provide a locational advantage for a variety of knowledge-based industries.
- Downtown Madison is located in the center of Dane County, home to more than 77,000 college graduates. The Madison MSA also has a concentration of workers employed in professional, technical and other knowledge-based occupations (with a notable number of these workers employed by downtown businesses). A growing body of research suggests that highly-educated individuals in many knowledge-based occupations are "consumers of place." That is, these individuals are attracted to places with a high quality of life. Many times, these places tend to offer authentic, aesthetically-pleasing living environments that are rich in amenities¹⁵. While downtown Madison faces challenges related to employee parking and accessibility, it provides a unique physical environment with a high concentration of worker amenities (i.e. dining establishments, entertainment facilities, and personal services) unavailable in other portions of the region. Amenities also include a convergence of multi-modal transportation options for workers living in the area and new live-work opportunities created by new downtown housing developments.

¹⁴ Council on Competitiveness. *Measuring Regional Innovation*. October, 2006

¹⁵ While Richard Florida is perhaps the most well-known in this area of research, the connection between education, occupations, innovation and place has been researched by a variety of authors extending back to Jane Jacobs in 1961. One brief summary of these connections is examined in: Glaeser, et al. "Consumer City." *NBER Working Paper 7790* available at: www.nber.org/papers/w7790

Appendix 4A – Employment by Industry in the Capital Region (2005)

NAICS 111 to NAICS 454

NAICS	Industry	Number of Employees	Percent of Total Employment	Average Wage Per Job
111	Crop Production	991	0.19%	\$25,634
112	Animal Production	1,962	0.38%	\$26,332
113	Forestry and Logging	<50	<0.01%	N/A
114	Fishing, Hunting and Trapping	0	0.00%	N/A
115	Agriculture & Forestry Support Activity	686	0.13%	\$39,701
211	Oil and Gas Extraction	0	0.00%	\$-
212	Mining (Except Oil and Gas)	384	0.07%	\$45,587
213	Support Activities For Mining	<50	<0.01%	N/A
221	Utilities	2,383	0.46%	\$64,336
236	Construction Of Buildings	7,523	1.46%	\$48,437
237	Heavy and Civil Engineering Construction	4,217	0.82%	\$57,247
238	Specialty Trade Contractors	15,358	2.98%	\$40,066
311	Food Manufacturing	12,066	2.34%	\$41,228
312	Beverage & Tobacco Product Manufacturing	468	0.09%	\$32,531
313	Textile Mills	380	0.07%	\$36,360
314	Textile Product Mills	140	0.03%	\$24,270
315	Apparel Manufacturing	59	0.01%	\$9,097
316	Leather and Allied Product Manufacturing	<50	<0.01%	N/A
321	Wood Product Manufacturing	1,644	0.32%	\$32,114
322	Paper Manufacturing	730	0.14%	\$44,855
323	Printing and Related Support Activities	6,585	1.28%	\$41,139
324	Petroleum & Coal Products Manufacturing	<50	<0.01%	N/A
325	Chemical Manufacturing	3,155	0.61%	\$50,269
326	Plastics & Rubber Products Manufacturing	6,123	1.19%	\$38,364
327	Nonmetallic Mineral Product Mfg	2,367	0.46%	\$38,807
331	Primary Metal Manufacturing	2,730	0.53%	\$48,236
332	Fabricated Metal Product Manufacturing	9,250	1.80%	\$40,020
333	Machinery Manufacturing	9,165	1.78%	\$44,963
334	Computer and Electronic Product Mfg	3,365	0.65%	\$57,522
335	Electrical Equipment and Appliances	4,182	0.81%	\$45,299
336	Transportation Equipment Manufacturing	9,734	1.89%	\$49,050
337	Furniture and Related Product Mfg	3,428	0.67%	\$41,989
339	Miscellaneous Manufacturing	2,167	0.42%	\$46,573
423	Merchant Wholesalers, Durable Goods	11,642	2.26%	\$44,350
424	Merchant Wholesalers, Nondurable Goods	7,725	1.50%	\$41,275
425	Electronic Markets and Agents/Brokers	719	0.14%	\$50,913
441	Motor Vehicle and Parts Dealers	6,441	1.25%	\$35,033
442	Furniture and Home Furnishings Stores	2,093	0.41%	\$28,597
443	Electronics and Appliance Stores	1,915	0.37%	\$28,945
444	Building Material & Garden Supply Stores	5,469	1.06%	\$27,555
445	Food and Beverage Stores	10,003	1.94%	\$17,183
446	Health and Personal Care Stores	2,787	0.54%	\$26,006
447	Gasoline Stations	4,116	0.80%	\$15,742
448	Clothing and Clothing Accessories Stores	4,035	0.78%	\$14,656
451	Sporting Goods/Hobby/Book/Music Stores	2,771	0.54%	\$14,772
452	General Merchandise Stores	10,079	1.96%	\$16,542
453	Miscellaneous Store Retailers	3,287	0.64%	\$16,665
454	Non-store Retailers	10,818	2.10%	\$33,286

Source: 2005 Quarterly Census of Employment and Wages (ES-202), WI DWD and UW-Extension. Some values are estimated. Employment figures are monthly averages

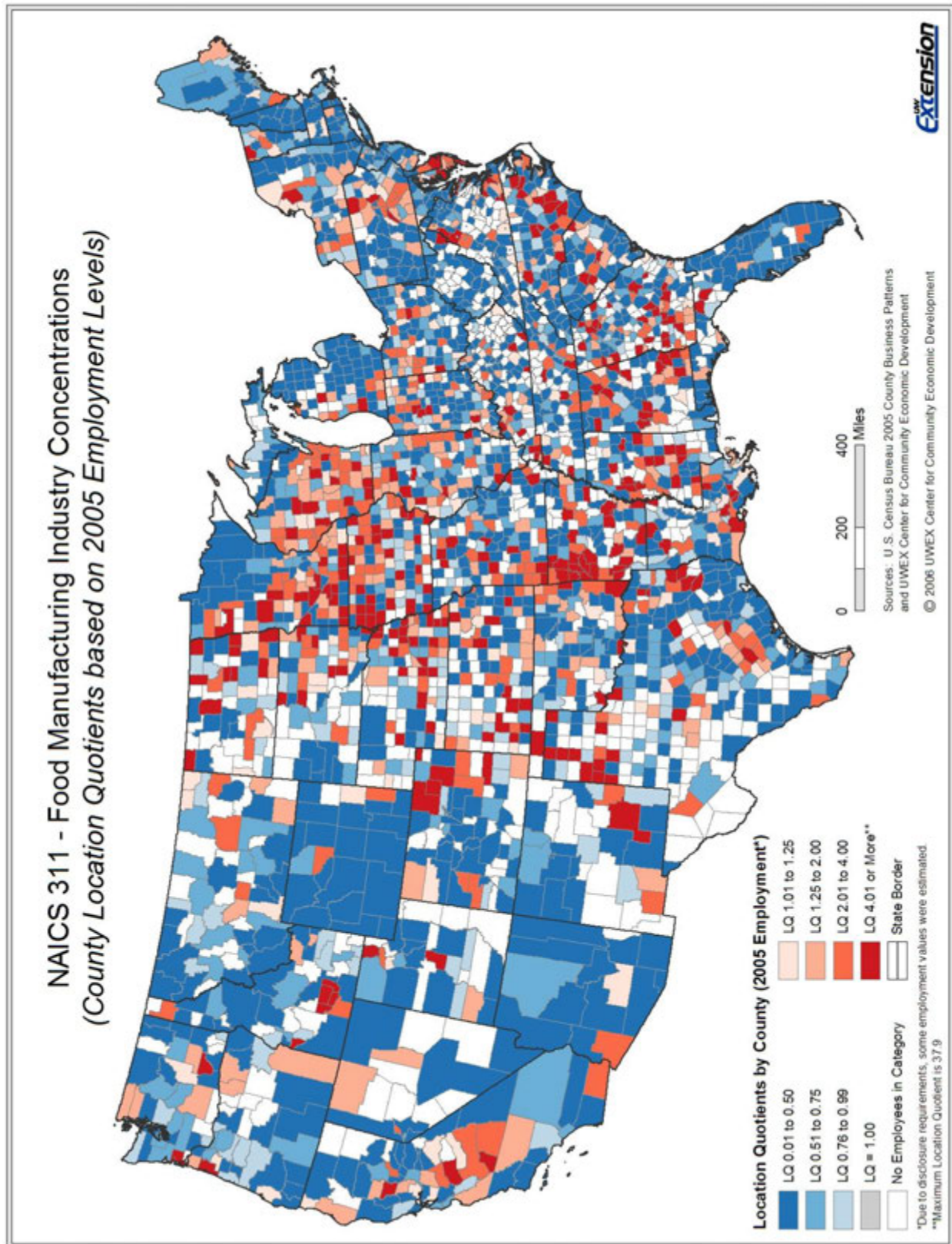
Appendix 4A – Employment by Industry in the Capital Region (2005)

NAICS 481 to NAICS 999

NAICS	Industry	Number of Employees	Percent of Total Employment	Average Wage Per Job
481	Air Transportation	252	0.05%	\$27,095
482	Rail Transportation	0	0.00%	\$-
483	Water Transportation	0	0.00%	\$-
484	Truck Transportation	6,035	1.17%	\$36,641
485	Transit and Ground Passenger Transport	2,593	0.50%	\$22,082
486	Pipeline Transportation	43	0.01%	\$63,466
487	Scenic and Sightseeing Transportation	159	0.03%	\$16,268
488	Support Activities For Transportation	495	0.10%	\$34,364
491	Postal Service	2,458	0.48%	\$50,699
492	Couriers and Messengers	1,712	0.33%	\$31,189
493	Warehousing and Storage	1,997	0.39%	\$32,044
511	Publishing Industries	5,100	0.99%	\$51,118
512	Motion Picture & Sound Recording Industries	589	0.11%	\$17,647
515	Broadcasting (Except Internet)	878	0.17%	\$42,906
516	Internet Publishing and Broadcasting	68	0.01%	\$44,653
517	Telecommunications	3,331	0.65%	\$54,599
518	ISPs, Search Portals, & Data Processing	1,895	0.37%	\$35,828
519	Other Information Services	544	0.11%	\$24,366
521	Monetary Authorities - Central Bank	0	0.00%	\$-
522	Credit Intermediation & Related Activity	9,307	1.81%	\$41,994
523	Financial Investment & Related Activity	1,451	0.28%	\$108,137
524	Insurance Carriers & Related Activities	17,244	3.35%	\$48,720
525	Funds, Trusts & Other Financial Vehicles	220	0.04%	\$31,538
531	Real Estate	4,479	0.87%	\$30,628
532	Rental and Leasing Services	1,356	0.26%	\$18,981
533	Lessors, Non-financial Intangible Assets	251	0.05%	\$63,786
541	Professional and Technical Services	19,497	3.78%	\$54,501
551	Management Of Companies and Enterprises	5,242	1.02%	\$71,967
561	Administrative and Support Services	19,855	3.85%	\$20,904
562	Waste Management and Remediation Service	768	0.15%	\$38,268
611	Educational Services	46,934	9.11%	\$39,766
621	Ambulatory Health Care Services	17,594	3.41%	\$51,005
622	Hospitals	22,178	4.30%	\$44,559
623	Nursing and Residential Care Facilities	13,030	2.53%	\$22,446
624	Social Assistance	9,143	1.77%	\$20,093
711	Performing Arts and Spectator Sports	1,247	0.24%	\$17,101
712	Museums, Parks and Historical Sites	581	0.11%	\$25,220
713	Amusement, Gambling & Recreation Industries	6,388	1.24%	\$12,989
721	Accommodation	7,403	1.44%	\$14,481
722	Food Services and Drinking Places	35,428	6.88%	\$10,728
811	Repair and Maintenance	3,538	0.69%	\$30,075
812	Personal and Laundry Services	4,861	0.94%	\$20,235
813	Membership Organizations & Associations	6,198	1.20%	\$28,666
814	Private Households	1,451	0.28%	\$7,775
92	Public Administration	36,189	7.02%	\$40,804
999	Unclassified	<50	<0.01%	N/A
	All Sectors	515,253	100.00%	\$35,724

Source: 2005 Quarterly Census of Employment and Wages (ES-202), WI DWD and UW-Extension. Some values are estimated. Employment figures are monthly averages

Appendix 4B – Sample Location Quotient Map



Needs and Perspectives of Business Operators

A survey of downtown business operators was conducted to gather insights, perspectives and input from the downtown Madison business community. The study analyzed opportunities to improve downtown Madison as a place to operate a business, and generated data to support business retention, expansion and recruitment efforts.

Survey Overview

The Downtown Madison Business Operators Survey collected data from businesses that operate in downtown Madison, specifically in and around State Street and the Capitol Square area. The comprehensive survey was conducted in March and April, 2007.

Types of Questions

The survey was designed to gather background information from businesses on their needs and opportunities, business characteristics, and market and marketing data. The overall goal of these questions was to learn how to make downtown Madison a more profitable place to do business. Questions were grouped in the following categories:

- Background Information on each business
- Satisfaction with their Downtown Location and Future Plans
- Business Sales Patterns, Seasonality and Events
- Importance of Various Consumer Segments
- Advertising and Promotion Effectiveness
- Competitive Position in the Madison Area
- Preferences for New Businesses in Downtown Madison
- Challenges in Running a Business in Madison
- Ways to Improve Downtown as a Place to do Business

The survey was based in part on the standardized business operator's survey developed by the Wisconsin Main Street program. This survey was modified extensively by the study committee to reflect research questions specific to Madison.

Survey Distribution

A total of 572 surveys were mailed to local businesses on March 5, 2007. Recipients of the survey were invited to share their feedback using either a hardcopy survey (see Appendix 5A) or a web-based survey accessible through www.visitdowntownmadison.com (click the "Doing Business" link). All online survey responses went directly to UW Extension and were kept confidential.

Of the 572 total surveys, 52 were craft vendors who only vend downtown during a limited number of Saturdays, while the outdoor Farmer's Market is in session. These vendors have such a minimal presence in downtown, they have been omitted from the survey results, bringing

the final number of businesses surveyed to 520. It is important to note this number does include food vendors, as they are present downtown, and on the Library Mall, seven days a week throughout the majority of the year.

Due to an initial low response rate, a follow-up postcard was mailed to the businesses in the middle of April. This effort was further augmented by email reminders from the BID, as well as personal follow-up phone calls by volunteers from the ad hoc Downtown dynamic Study Advisory committee.

Survey Response

At the end of May, a total of 128 responses had been received. Of these, 76 were hard-copy responses, and 54 were online responses. The final return rate was 25percent. While the study committee was disappointed with this rate, the responses received provided useful information valuable to the overall study.

Survey Results

Background Information

Various questions were asked to better understand general characteristics of the business operators responding to the survey. These questions are used to understand who responded to the survey. These questions and responses are as follows:

How long have you been in operation (at this or previous location)? (Q2A)

Over half of responding businesses (52.38 percent) have been in business over 20 years. The next most frequent tenure category is between 1 and 5 years (19.1 percent).

How long has your business been at present location? (Q2B)

The most frequent response to length of time at present location is with businesses over 20 years, similar to the length in operation, (33.33 percent) and the next highest frequency is with businesses at their present location between 1 and 5 years (23.02 percent).

How long have you been the operator of your business? (Q2C)

Tied for length of tenure at operating, there were those who have operated their businesses over 20 years (29.84 percent) and those who have operated their businesses between one and 5 years (29.84 percent). The data from Q2 suggests the responding businesses tended to be older businesses who have tended to be relatively consistent in where they are located and who has operated them.

Does your business own or lease the space in which it is located? (Q4)

Over two thirds of responding businesses (69.60 percent) lease their space, while just over one quarter own their space (26.40 percent).

Does your business have direct street access? (Q6)

The overwhelming majority of responding businesses have direct street access (87.40 percent). Just under three quarters of businesses responding to the question concerning access through a common entrance (73.33 percent) had access through a common entrance. Just over forty percent of respondents to the survey (41.41 percent) did not respond to this question.

Satisfaction with Their Downtown Location and Future Plans

As location is a key factor in business success, specific questions were asked to gauge the business operator's satisfaction with locations and plans to move or expand elsewhere. These questions and responses are as follows:

How satisfied are you with the present location of your business? (Q9, 10)

Roughly (49.22 percent) half of responding businesses were very satisfied with the present location of their business. More revealing is that 8 of 10 responding businesses (83.6 percent) were either very satisfied or satisfied with the location of their businesses. This data suggests responding businesses do not consider location a major concern.

The most consistent write-in answer to this question appears to be that business are satisfied/very satisfied due to a central location close to the university, the Capitol and government offices. Additionally, businesses are satisfied/very satisfied due to the amount of foot traffic.

Other businesses are unsatisfied/neutral with their location primarily due to lack of business, high rent, and lack of parking. Lack of business seemed to be related to students' seasonality, off-street or upper floor location, and decrease in the number of retailers. Not all were unhappy with parking; while high rent was mentioned by a few. It is important to note, as Question#9 shows, a small number of businesses are unsatisfied or highly unsatisfied.

Do you have plans to expand or move your business in the next year? (Q11)

Given the responses to the previous question, it is no surprise that just over three quarters of responding businesses had no plans to move their business in the next year. However, ten percent (10 percent) of responding businesses are considering a second location outside of downtown. While this may be a rational strategy of the business, it might be helpful to explore expansion of their existing business or another location downtown.

Business Sales Patterns, Seasonality and Events

Seasonal, daily and hourly sales patterns help describe the sales the variability of sales in the study area. Further, special events impact downtown business activity. Responses to questions that describe current sales patterns were asked in part to determine how adjustments in operating hours might better serve the targeted market segments. These questions and responses are as follows:

What are the three busiest and three slowest months of the year for this business? (Q12)

Although the question was worded in such a way that respondents could not rank-order months by their level of business. The most frequently selected month was September (39.50 percent), followed closely by August (38.66 percent), October (36.97 percent), December (32.77 percent), and November and July (26.89 percent). This data suggests shopping activity corresponds with the return of students in the fall. The level of activity remains high through the fall, drops off significantly during the spring, and then builds through the summer. Consistent with this data, the slowest months for responding businesses tend to be January and February.

During a typical week, what are the seven busiest times for your business? (Q17)

Weekdays between 11:00 am and 2:00 pm are the busiest. These times correspond with the traditional lunch period for downtown workers (an important consumer segment) during the week while business activity includes, but is not limited to, the traditional lunch period on

Saturdays. Given downtown Madison's diverse market segments, these responses may suggest an opportunity to build evening business activity in character with other vibrant 24-7 districts.

What are your thoughts on store hours? (Q18)

Almost two thirds (64.35 percent) of respondents felt that they were open all the hours they needed to be. Interestingly, over a third (37.39 percent) indicated a willingness to be open more hours if they were sure that expanded hours would result in expanded sales. This data suggests that, while many businesses are comfortable with their hours, there is a fairly large group of businesses who would be open to expanding their hours provided there would be a return on such an investment.

Rate the impact on your sales from the following events - during or following the event? (Q19)

Events related to the University are viewed as having the most positive impact upon sales. When numbers from "high impact" and "medium impact" were combined, and with the exception of Maxwell Street Days, University-related events tended to be seen among respondents as having the most significant, positive impact on sales. In order of perceived impact, the following results were obtained:

1. UW Spring Commencement (54.78 percent)
2. UW Parents Weekend (51.28 percent)
3. Maxwell Street Days (49.14 percent)
4. Football Games at Camp Randall (46.09 percent)
5. WIAA High School Championships (40.18 percent)
6. Halloween (38.26 percent)
7. Kohl Center events (37.93 percent)
8. Summer Farmer's Market (37.72 percent)
9. Art Fair On/Off the Square (36.28 percent)
10. Taste of Madison (33.05 percent)
11. Ironman WI (32.46 percent)
12. Overture Center Events (26.89 percent)
13. Concerts on the Square (25.89 percent)
14. World Dairy Expo (24.35 percent)
15. Crazy Legs Classic (23.01 percent)
16. Paddle and Portage (14.04 percent)
17. Jazz at Five (11.50 percent)
18. Capitol Sprints (7.90 percent)
19. Dane Dances, Monona Terrace Rooftop (4.31 percent)

Note: These events represent combined percentages for High and Medium Impact

These numbers support earlier survey data concerning the busiest months for responding businesses which concentrates in the fall. The data support the idea that the University has an observable, positive impact on downtown business. The high impact events identified provide continuing opportunities for joint-effort marketing initiatives to target these particular event attendees.

What three conventions had the most noticeable and positive impact on your foot traffic or sales? (Q20)

For the most part, many respondents either did not answer this question at all, or specifically stated that none of the conventions significantly increased sales. This is the most prevalent answer. Of those who chose to answer, the World Dairy Expo is the most frequently cited #1 choice, followed by an array of UW-related events. The #2 choice again often cites UW-related events, as well as multiple mentions of both Halloween and Maxwell St. Days. The #3 slot is dominated by the Iron Man; however, there are so few responses this hardly merits mentioning.

It will be interesting to compare this limited list with the answers to question #19. Over-all I think the largest take-away message is the events do not appear to significantly impact businesses.

Importance of Various Consumer Segments

Certain consumer groups are more important in generating sales for downtown businesses than others. The following questions examine current market segments and may not fully reflect potential or emerging market segments that may be important in downtown's future.

How important are the following consumer segments to your business? (Q21)

In terms of the impact of gender on sales, respondents indicated females (78.18 percent very important; 19.09 percent important) have a greater positive impact on sales than do males (60.91 percent very important; 30.91 percent important). In terms of the impact on sales among age categories, the 25-44 age categories was viewed as having the greatest impact. Results, in order of choice of very important, are as follows:

1. Age 25-44 (69.03 percent)
2. Age 45-54 (59.46 percent)
3. Age 18-24 (55.36 percent)
4. Age 55-64 (43.12 percent)
5. Age Over 64 (24.30 percent)
6. Under 18 (9.17 percent)

This data suggest the 25-44 age segments is the most important age segment, the over 64 age segment is less important, and the under 18 age segment is relatively unimportant to responding businesses.

This data points to a low level of capture of the teen market. For malls, capturing teen spending on apparel, accessories, electronics, cosmetics, video games, and dining is critical. While teen retailers such as Hollister, American Eagle Outfitters, and West Coast Brands typically locate in malls, downtown Madison may have an opportunity to attract younger shoppers in other ways.

In terms of the location characteristics of shoppers, the data indicates respondents view downtown residents and students as very, and almost equally, important. Findings are as follows when considering the frequency of very important responses:

1. Downtown Residents (61.47 percent)
2. Students (60.71 percent)
3. Tourists and Visitors (52.68 percent)
4. Downtown Office Workers (48.62 percent)
5. Area/regional Residents (35.24 percent)

Overall, while some consumer segments may be viewed as highly important, the data suggests respondents consider most consumer segments to be important.

Advertising and Promotion Effectiveness

Current advertising and promotion methods used by downtown businesses help describe where businesses invest their marketing resources. Indirectly, they also help describe the target consumer reached through these methods (i.e. subscribers, listeners, attendees, etc.). The following questions examine current advertising and promotion practices to the extent possible given the limited responses.

What media has produced the best results for you? (Q23)

Direct mail (18.18 percent), general newspaper advertising (18.18 percent), the Internet (16.67 percent) and the Isthmus (13.64 percent) lead the way in producing results for responding businesses. Television (.8 percent), radio (.6 percent) and yellow page (.9 percent) advertising are not seen as productive advertising tools by responding businesses.

Which publications are included in your annual advertising budget? (Q25)

The Isthmus received the largest net budget allocation among the publications listed. It should be noted, however, the question did not ask respondents to rate the publications or order their responses but simply asked them to indicate the percentage of their advertising budget applied to each publication. The most frequently identified publications are listed below:

1. The Isthmus (57.78 percent)
2. WI State Journal (41.11 percent)
3. Madison Magazine (32.22 percent)
4. BID Downtown map and Guide (30.00 percent)
5. The Onion (28.89 percent)
6. The Capital Times (26.67 percent)

What can be seen from the data is the responding businesses advertise with some consistency but they utilize a relatively small number of publications. We can also see the Isthmus is a commonly used venue for print advertising.

Radio, Television and Website-specific Advertising (Q26, Q27, Q28, Q29, Q30, Q32, Q33)

A very high (over 70 percent) missing response did not provide sufficient data to address these questions.

Specific Incentive Tools (Q29)

A very high (over 40 percent) missing response did not provide sufficient data to address these questions.

Website Use (Q30, Q32, Q33)

A very high (over 40 percent) missing response did not provide sufficient data to address these questions.

Do you communicate with your customers via email? (Q36)

Almost three quarters (70.59 percent) of respondents reported communicating with customers through email.

These data suggest the use of internet technology is not predominant among responding businesses with the exception of email. Since there were no question asking respondents whether email was used as an advertising tool, we cannot draw an inference from the data. However, if we are willing to assume that correspondence from a business owner to a customer might reasonably contain advertising or promotional messages, we might conclude email is a widely used form of technology-based advertising among responding businesses.

Competitive Position in the Madison Area

The business mix and consumer segments utilizing downtown Madison is far different than traditional regional and neighborhood shopping centers in the area. It can be argued downtown Madison is one of the most unique commercial centers in the country. Nevertheless, it is important to examine downtown's competitive position in the Madison market area as a way to

identify opportunities to increase market capture in various business categories. The following questions examine the current competitive position identified by business operators for both their business and the downtown area as a whole. These questions and responses are as follows:

Relative to the other retailers in the central downtown area... (Q37)

Responding businesses considered their pricing niche to be far more quality-focused with fewer/seasonal discounts relative to other retailers in the central downtown area (80.43 percent with 28.13 missing), and relative to their direct competition in the broader Madison area (66.99 percent with 19.53 percent missing). We found it interesting over half of respondents considered themselves to have a quality focus relative to each other.

Relative to your direct competition in the broader Madison area... (Q38)

Respondents tend not to see themselves as competing much with at least some of the area's malls and other shopping districts.

What three existing downtown businesses complement your business the most? (Q39)

In general, businesses tended to choose either their neighboring businesses, or businesses in the same genre as their own business. Those businesses frequently mentioned included the University Book Store, Overture Center, BOP, GAP, B. Side, Jaman, Karen & Co., and Soap Opera.

Thinking regionally, how much do you compete with the following shopping destinations? (Q40)

From among competing shopping areas listed below, respondents tend to view their competition as coming mostly from the Monroe Street and Williamston/Atwood districts, and Hilldale Mall. However, the responses in the "Not At All" category seems to suggest responding businesses don't consider these other shopping districts as major competitors.

When responses for "A Little" and "A Lot" were combined, the following data emerged:

Table 5.1 – Competitiveness with other Shopping Destinations

Shopping Destination	A Lot or A Little	Not At All	Don't Know	Missing
Monroe Street	38.5%	53.9%	7.7%	18.8%
Williamson/Atwood	33.7%	59.6%	6.8%	18.8%
Hilldale	33.0%	61.3%	5.7%	17.2%
West Towne	31.1%	63.2%	5.7%	17.2%
Greenway Station	22.1%	72.1%	5.8%	18.8%
East Towne	20.4%	74.5%	4.9%	19.5%
Westgate/Odana Road	19.8%	72.3%	7.9%	21.1%

When combining the "A Lot" and "A Little" response categories, the data suggest responding businesses are aware they compete with at least some of these other shopping districts. They do not appear to consider West Towne a significant competitor.

The data points to downtown's uniqueness. Business operators seem to recognize downtown Madison, with its current independent business mix and more limited and specialized retail is not competing head-to-head with the main-stream retail centers in the city.

To what degree do the following traits help make downtown Madison more competitive versus the competitors listed above? (Q41)

It is clear from the data respondents consider the downtown location to be a significant competitive advantage. Variables such as quality, selection, and price are also considered important but not nearly to the degree as variables including location and character/sense of place.

Table 5.2 – Traits that make Downtown Madison More Competitive

Downtown Traits	A Lot	A Little	Not At All	Don't Know	Missing
Location	68.8%	14.3%	13.4%	3.6%	12.5%
Parking	14.4%	9.0%	69.4%	7.2%	13.3%
Hours	17.9%	33.0%	35.9%	13.2%	17.2%
Service	39.6%	34.0%	15.1%	11.3%	17.2%
Name Brands	15.7%	37.3%	28.4%	18.6%	20.3%
Quality	48.6%	36.2%	6.7%	8.6%	18.0%
Selection	40.2%	39.2%	9.8%	10.8%	20.3%
Price	11.7%	48.5%	22.3%	17.5%	19.5%
Character/Sense of Place	84.6%	10.0%	3.6%	1.8%	14.1%

These data suggest responding businesses consider Character/Sense of Place and their location as their biggest competitive advantages over other malls and shopping districts in the area. These data are consistent if Character/Sense of Place is viewed as a location variable. However, parking is considered a major factor that reduces downtown's ability to compete. Assuming these traits hold true from the consumer's perspective, then future marketing efforts should continue to build on these strengths while minimizing these weaknesses.

Preferences for New Businesses in Downtown Madison

To complement existing businesses, questions were asked to help guide future business expansion and recruitment efforts. These questions and responses are as follows:

What percentage business mix (retail, services and restaurants) would you like to see in downtown Madison? (Q42)

The following mean percentages were reported by responding businesses, in terms of their preferred distribution of business types:

- National Chains: 9 percent
- Regional Chains: 12 percent
- Locally-owned Franchises: 20 percent
- Locally-owner Independents: 55 percent

This data clearly indicates responding businesses favor locally owned independents over franchises, whether locally, regionally, or nationally owned.

With your business in mind, what specific retail stores would you like to see locate in downtown Madison. Please list up to four retail store categories. (Q43)

Businesses who responded expressed a clear and strong desire for a larger downtown department store. The store mentioned most was William Sonoma. Equally desired were more apparel stores. Other business categories mentioned often include a good deli, food market (Whole Foods was specifically mentioned), gourmet food/kitchen store (William Sonoma was specifically mentioned), book store (new, not used books), floral shop, trendy shoe store, art store, etc.

What specific service businesses would you like to see locate in downtown Madison? (Q44)

There are five requests for dry cleaners. In addition, numerous respondents indicated a need for a U.S. Post Office, a beauty/barber shop, and personal care salons.

Challenges in Running a Business in Madison

To recognize potential “red flags” that might impact the success of businesses, questions were asked to help understand some of the challenges facing business operators. These questions and responses are as follows:

Please rate the degree you are experiencing the following business challenges? (Q45)

Respondents were asked to indicate the degree to which they are experiencing a number of business challenges. Insufficient parking, expensive rent, suburban competition, and construction were the four leading major challenges listed. Minor challenges were more numerous led by Street-people/panhandling, difficulty recruiting/retaining employees, Perception of safety, and construction.

Table 5.3 – Types of Challenges Facing Downtown Madison Businesses

Types of Challenges	Major Challenge	Minor Challenge	No Challenge	Don't Know	Missing
Conflict with building owner or tenant	1.8%	24.6%	71.1%	2.6%	10.9%
Difficulty recruiting/retaining employees	4.4%	50.4%	44.3%	.9%	11.7%
Expensive employee wages and benefits	10.1%	51.4%	35.8%	2.8%	14.8%
Expensive rent	19.8%	36.5%	41.7%	2.1%	25.0%
Product delivery or loading challenges	5.6%	40.7%	52.8%	.9%	15.6%
Insufficient financing	3.7%	16.5%	78.9%	.9%	14.8%
Insufficient parking	28.0%	46.2%	24.7%	1.1%	27.3%
Suburban competition	18.2%	36.4%	42.4%	3.0%	22.7%
Internet competition	15.8%	24.8%	55.5%	4.0%	21.1%
Language barriers	.9%	14.2%	82.3%	2.7%	11.7%
Poor building condition	1.8%	25.5%	71.8%	.9%	14.1%
Restrictive business regulations	10.9%	35.5%	51.8%	1.8%	14.1%
Shoplifting or theft	1.8%	36.6%	60.7%	.9%	12.5%
Unskilled workers	.9%	22.8%	75.4%	.9%	10.9%
Vandalism/Graffiti	13.4%	44.6%	41.1%	.9%	12.5%
Perception of safety	16.7%	49.1%	33.3%	.9%	15.6%
Construction	18.3%	49.0%	31.7%	1.0%	18.8%
Lack of pedestrian traffic	11.0%	27.5%	60.6%	.9%	14.8%
Street closure for events	9.9%	33.3%	55.9%	.9%	13.3%
Smoking ban	4.4%	12.3%	80.7%	2.6%	10.9%
Street-people/panhandling	10.4%	55.7%	33.0%	.9%	17.2%

The data suggest businesses are challenged by issues that have a direct impact on operating profitability (expensive wages, employee turnover, vandalism), and buy issues that deter customer volume (parking, suburban competition, panhandling, etc.) Some of these issues might be addressed through educational programs and business technical assistance.

Way to Improve Downtown as a Place to Do Business

Services and Environment (Q46)

Respondents identified fire protection services as an outstanding service, followed by police protection. The data do not suggest respondents feel particularly negative about other services. In terms of the general business environment, respondents express support for behaviors that support each other and the downtown business community. One note of caution, one in five

respondents does not feel safe downtown. The implication of this would be of considerable concern if the same sentiment is felt by shoppers, suggesting a need for further research on this topic among downtown shoppers.

Table 5.4 – How Downtown Madison Business Operators Feel About Issues

Statement Describing Downtown	Strongly Agree	Somewh at Agree	Neutral	Somewh at Disagree	Disagree	Missing
Local police protection is outstanding	22.4%	40.0%	28.2%	8.2%	1.2%	33.6%
Local fire protection is outstanding	37.9%	41.1%	21.1%	0.0%	0.0%	25.8%
Local waste management service is outstanding	14.4%	46.9%	27.9%	9.0%	1.8%	13.3%
Sidewalk/street maintenance on State St./Capitol Square is outstanding	14.2%	48.1%	24.5%	11.3%	1.9%	17.2%
Local municipal services are worth the level of local taxation	6.8%	44.7%	35.0%	4.9%	3.9%	19.5%
I feel safe downtown, even at night	13.9%	49.5%	14.9%	18.8%	3.0%	21.1%
I try to buy products and services downtown	26.3%	56.6%	14.1%	3.0%	0.0%	22.7%
I try to direct customers to other downtown businesses	56.5%	36.5%	7.1%	0.0%	0.0%	33.6%
I seek ways to cooperate with complementary Dtn. Businesses	36.2%	44.7%	19.2%	0.0%	0.0%	26.6%
The existing downtown business mix helps my business	24.8%	46.5%	21.8%	5.0%	2.0%	21.1%
My customers complain about parking	29.2%	45.8%	19.8%	2.1%	3.1%	25.0%
Downtown Madison is an excellent place to have a business	28.1%	44.8%	20.8%	5.2%	1.0%	25.0%

Which of the following business incentive or assistance programs have you used for your downtown Madison business? (Q47)

Respondents identified DMI's free assistance offerings as the most often used assistance programs among those listed. The data also indicate knowledge and use of the wide range of incentive and assistance programs available to respondents is modest, at best. These data suggest the need for more aggressive efforts in making downtown businesses aware of programs available to them.

Table 5.5 – Use and Awareness of Incentive or Assistance Programs

Incentive or Assistance Program	Used in Past Year	Will Use Next Year	Don't Know About	Won't Use	Missing
Entrepreneurial Training Program-UWEX SBDC	7.6%	4.8%	40.0%	47.6%	18.0%
Free business counseling-SBDC	1.9%	6.5%	43.0%	48.6%	16.4%
Free telephone assistance-SBDC	4.7%	3.8%	44.3%	47.2%	17.2%
Other programs or seminars from SBDC	7.8%	1.9%	45.6%	44.7%	19.5%
WI Entrepreneurs Network Early Planning Grant	0.9%	1.9%	47.2%	50.0%	17.2%
Capital Idea Tech Zone High Tech Tax Credits	0.0%	0.9%	45.8%	53.3%	16.4%
DOC Minority Bus. Dev. Loan Program	0.9%	0.9%	41.7%	56.5%	15.6%
WHEDA Small Business Loan Guarantee	1.0%	1.0%	39.1%	59.1%	18.0%
MATC Business Procurement Assist. Ctr.	1.0%	1.0%	51.4%	46.7%	18.0%
SCORE Free Business Counseling	1.9%	3.8%	39.6%	54.7%	17.2%
WWBIC Loan program	2.8%	0.9%	39.3%	57.0%	16.4%
WWBIC Business Assistance Pgs. & Seminars	1.9%	1.9%	44.9%	51.4%	16.4%
City of Madison Assistance-OBR	0.9%	1.9%	52.8%	44.3%	17.2%
City of Madison Façade Improvement Pgm.	2.8%	7.5%	43.0%	46.7%	16.4%
City of Madison Capital Rev. Loan Fund	0.0%	0.0%	48.6%	51.4%	16.4%
Madison Dev. Corp. financing pgm.	1.9%	0.9%	44.4%	52.8%	15.6%
US SBA loan program	8.4%	2.8%	30.8%	57.9%	16.4%
Free Assistance from DMI	13.6%	16.5%	37.9%	32.0%	19.5%

With your business in mind, how important are the following possible downtown improvements? (Q48)

While most improvements were viewed as important by respondents, some were viewed as more important than others. For example, when combining the “Very Important” and “Important” categories, pedestrian directional signage, exterior landscaping/flowers, and parking ramp space availability signage were viewed as important or very important by over eighty percent of respondents.

Table 5.6 – Preferences for Possible Downtown Improvements

Downtown Improvement	Important or Very Important	Not Important	Not Sure	Missing
Exterior landscaping/flowers	80.6%	15.3%	4.1%	23.4%
Public Art	68.2%	26.2%	5.6%	16.4%
Water Features	51.4%	37.4%	11.2%	16.4%
Performing arts stage	55.9%	36.0%	8.1%	13.3%
Pedestrian wayfinding signage	81.4%	14.4%	4.1%	24.2%
Parking ramp stall availability signage	81.2%	15.3%	3.5%	33.6%
Credit card parking meters	59.4%	33.7%	6.9%	21.1%

How useful have each of the following resources been for you? Q49)

As with downtown improvements, many resources were viewed as useful with some being more useful than others. For example, the BID Downtown Map and Guide was viewed as very useful by almost one third of respondents. When “Very Useful” and “Useful” responses were combined, the BID Map and Guide, in particular, was viewed as a useful or very useful resource. Furthermore, over half of respondents considered the BID Ambassadors program and BID Weekly email updates as useful or very useful

Table 5.7 – Usefulness of Downtown Resources

Downtown Resources	Very Useful Or Useful	Not Useful	Don't Know Existed	Missing
BID Promotions	44.7%	36.8%	18.4%	10.9%
BID Cooperative Advertising	41.7%	39.8%	18.52%	15.6%
BID Downtown Map and Guide	72.1%	16.2%	11.7%	13.3%
BID Weekly email updates	57.1%	26.8%	16.1%	12.5%
BID Seminars	26.7%	42.9%	30.5%	18.0%
BID Ambassadors program	57.8%	26.6%	15.6%	14.8%
DMI Networking Events	44.3%	31.1%	24.5%	17.2%
Dane County Buy Local Coop Advertising	37.1%	36.2%	26.7%	18.0%
Greater State St Bus. Assn. Meetings/Events	47.2%	34.9%	17.9%	17.2%

Could you use information to assist you with the following topics? (Q50)

Informational needs of respondents were quite varied. However, the data suggest the information on marketing/branding/advertising, business planning, business market analysis may be particularly in demand.

Note: Because of the similar wording used in the scoring of this question, (“some,” and “a little”), differences between these two categories may have made it difficult for respondents to express their preferences properly. Consequently, there is little value in combining the scores from the “A Lot,” “Some,” and “A Little” responses as a way to identify level of need across informational topics.

Table 5.8 – Usefulness of Various Informational Topics

Topic	A Lot	Some	A Little	None	Don't Know	Missing
Business planning	14.0%	8.0%	18.0%	57.0%	3.0%	21.9%
Financial management	9.9%	9.9%	10.9%	64.4%	5.0%	21.1%
Inventory management	6.8%	6.8%	10.7%	71.8%	3.9%	19.5%
Marketing/Branding/Advertising	17.4%	13.3%	18.4%	45.9%	5.1%	23.4%
Employee hiring or training	5.0%	14.9%	8.9%	67.3%	4.0%	21.1%
Customer Service or hospitality	6.7%	8.6%	17.1%	63.8%	3.8%	18.0%
Building improvements	8.1%	6.1%	18.2%	64.7%	3.0%	22.7%
Window displays or interior store design	10.8%	7.8%	16.7%	62.8%	2.0%	20.3%
Business market analysis	11.3%	15.5%	15.5%	54.6%	3.1%	24.2%
Internet or E-Commerce	7.3%	7.3%	21.9%	59.4%	4.2%	25.0%
Transfer of ownership/selling a business	5.8%	2.9%	9.7%	75.7%	5.8%	19.5%
Gift cards/loyalty programs	8.7%	4.9%	17.5%	65.1%	3.9%	19.5%

What additional market information should we collect in our study to help your business become more profitable (Q51).

Responses to this question were quite varied. However, one theme did emerge around a desire to examine and know more about issues related to safety, or the perception of safety. This data supports other data within the survey indicating businesses are concerned about the impact safety and/or the perception of safety may be having upon customer traffic downtown during certain time periods and, consequently, upon their business.

Conclusions

Based on responses to the business operator's survey, a number of conclusions can be drawn.

- The high level of business operator's satisfaction with their downtown location could be used as a powerful business recruitment argument. The value of a downtown location could be captured in short case studies and shared with prospective business operators as part of Madison's business recruitment materials.
- Given the willingness of many business operators to consider extended business hours, a supplemental market analysis phase to examine daily and seasonal activity patterns in the downtown area might be helpful to determine the most promising periods for expanded district-wide operating hours.
- UW special events such as Spring Commencement, UW Parents Weekend, and Football Games at Camp Randall have a significant impact on downtown businesses. Accordingly, the continued strengthening of the connection between downtown and campus, both physically and programmatically may be warranted.
- While downtown residents and students are clearly important market segments, other consumer groups such as tourists/visitors, downtown office workers, and area/regional residents were also identified by business operators as important. Building future business activity downtown should examine the potential of these market segments.
- Opportunities could be explored to further Internet and email advertising, promotion and sales efforts.
- Business development efforts could build on Madison's uniqueness and "sense of place" as they are its biggest competitive advantages over malls and shopping centers in the area. It appears the business community does not want to abandon its mix of

independents (and a few chains) nor try to duplicate the offerings of traditional suburban shopping centers.

- Nevertheless, downtown does compete to some extent with other commercial centers. Accordingly, issues like parking should continually be managed in a consumer-focused and comprehensive manner.
- Downtown retail recruitment efforts should examine the potential for a larger downtown department store, a home gourmet/kitchen store (William Sonoma was specifically mentioned), apparel stores, and other retail stores like a deli, food market (Whole Foods was specifically mentioned), book store (new books), floral shop, trendy shoe store, and art store. Other downtown recruitment efforts should examine the potential for dry cleaners, beauty/barber shop, and personal care salons.
- There is opportunity to work with the business community to mitigate the impact of insufficient parking, expensive rent, suburban competition, and construction, all leading major challenges identified by business operators. Similarly, there is opportunity to work with businesses on possible physical improvements such as pedestrian directional signage, exterior landscaping/flowers, and parking ramp stall availability signage.
- There is opportunity to increase awareness of and participation in the Madison Small Business Development Center's educational programs. Examples include entrepreneurial training, business counseling, and programs and seminars including marketing/branding/advertising, business planning, business market analysis. Similarly, there is opportunity to make businesses more aware of the financing and loan programs available to them.
- The Downtown Madison BID and DMI should continue and expand on its many effective programs such as the BID Map and Guide, BID Ambassadors program and BID Weekly email updates. Examination of safety, or the perception of safety, may be important future programs. The BID and DMI programs are instrumental in strengthening the customer experience and the ability of businesses to work together with focus and direction.

Appendix 5A – Business Survey Letter and Instrument

**DOWNTOWN MADISON
BUSINESS OPERATORS SURVEY**

1. Business Name _____
 Business Owner(s) _____ Contact Person if Different: _____
 Business Physical Address _____
 Business Mailing Address _____
 Business Phone _____ FAX _____
 Email _____ Web Site _____

Like this: ☒ Not like this: ☐ ☐ ☐

2. Regarding your business: (● mark ONE for each)

	Under 1 Year	1 – 5 Years	6-10 Years	11-20 Years	Over 20 Years
How long have you been in operation (at this or previous location)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How long has your business been at present location?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How long have you been the operator of your business?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. If you know the year your business was established, please indicate: _____

4. Does your business own or lease the space in which it is located? (● mark ONE)
☐ Own ☐ Lease ☐ Lease, want to purchase

Regarding your location:

5. How much space does your business occupy? _____ Square Feet

6. Does your business have direct street access? ☐ Yes ☐ No

7. If not located on street level, what floor are you on? _____

8. If your business is accessed through a common entrance, is it locked before and after business hours? ☐ Yes ☐ No

9. How satisfied are you with the present location of your business? (● mark ONE)
☐ Very Satisfied 10. Why? _____
☐ Satisfied _____
☐ Neutral _____
☐ Unsatisfied _____
☐ Very Unsatisfied _____

OFFICE USE ONLY

—	—	—
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
◀	◀	◀
▶	▶	▶
▲	▲	▲
▼	▼	▼
◀◀	◀◀	◀◀
▶▶	▶▶	▶▶
◀◀	◀◀	◀◀

11. Do you have plans to expand or move your business in the next year? (● mark ALL that apply)

- ☐ I plan to open an additional location downtown.
- ☐ I plan to open an additional location outside of downtown.
- ☐ I plan to move to a new location downtown.
- ☐ I plan to move to a new location outside of downtown.
- ☐ I don't have any plans for changes.
- ☐ I plan to close.

About this Survey:

This survey is part of a broader market analysis that examines opportunities to continually improve the economic health of downtown Madison. Research partners include: Downtown Madison, Inc. (DMI), the Madison Central Business Improvement District, and the City of Madison Department of Planning and Community and Economic Development, and the University of Wisconsin-Extension.

03-06-07

12. To the best of your knowledge, what are the three busiest and three slowest months of the year for this business? (● mark THREE in each column)

Month	Busiest Months	Slowest Months
January.....	<input type="radio"/>	<input type="radio"/>
February.....	<input type="radio"/>	<input type="radio"/>
March.....	<input type="radio"/>	<input type="radio"/>
April.....	<input type="radio"/>	<input type="radio"/>
May.....	<input type="radio"/>	<input type="radio"/>
June.....	<input type="radio"/>	<input type="radio"/>
July.....	<input type="radio"/>	<input type="radio"/>
August.....	<input type="radio"/>	<input type="radio"/>
September.....	<input type="radio"/>	<input type="radio"/>
October.....	<input type="radio"/>	<input type="radio"/>
November.....	<input type="radio"/>	<input type="radio"/>
December.....	<input type="radio"/>	<input type="radio"/>

What are the hours of operation of your business for both your busiest and slowest months?

	13. Busiest Months		14. Slowest Months	
	Open	Close	Open	Close
Monday....				
Tuesday ..				
Wednesday				
Thursday..				
Friday.....				
Saturday...				
Sunday....				

15. What is your average sale per transaction? (if known)

In store \$_____ ☐ don't know
Online \$_____ ☐ don't know

16. How many people, including owners, does your business employ in each of the following categories?

Full-time (\$2 or more hours/week) year-round _____
Part-time year-round _____
Seasonal _____

17. During a typical week, what are the seven busiest times for your business? (● mark up to SEVEN times total for the week)

	Before 11:00 am	11:00 am – 2:00 pm	2:00 pm – 5:00 pm	5:00 pm – 7:00 pm	7:00 pm – 9:00 pm	After 9:00 pm
Monday.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tuesday.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wednesday.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Thursday.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Friday.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Saturday.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sunday.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

18. What are your thoughts on store hours? (● mark ALL that apply)

- ☐ I am open all the hours I need to be
- ☐ I can't be open more hours for personal reasons
- ☐ I would like to be open more hours, but can't afford the staff
- ☐ I would like to be open more hours, but can't find good staff
- ☐ I would be open more hours if I were sure of sales
- ☐ I would be open more hours if everyone else were

19. Rate the impact on your sales from the following events, either during or following the event? (● mark ONE for each)

	High Impact	Medium Impact	Low Impact	No Impact	Negative Impact
Conventions.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Football games (Camp Randall).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kohl Center events.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
WIAA High School Championship Tournaments.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overture Center events.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Capitol Sprints (January).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Summer Farmers Market.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crazy Legs Classic Race (April).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
UW Spring Commencement, Kohl Center (May).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
UW Parents weekend.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Concerts on the Square (summer).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Art Fair On the Square, Off the Square (July).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Maxwell Street Days (July).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paddle and Portage (July).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dane Dances, Monona Terrace Rooftop (August).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jazz at Five (August-September).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Taste of Madison (Labor Day Weekend).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ironman Wisconsin (September).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
World Dairy Expo (October).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Halloween.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

20. What three conventions had the most noticeable and positive impact on your foot traffic or sales? (list in order of significance with "1" having the most impact).

1. _____ 2. _____ 3. _____

21. How important are the following consumer segments to your business? (● mark ONE on each row)

	Very Important	Important	Not Important	Not Sure
Males.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Females.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Age under 18.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Age 18-24.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Age 25-44.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Age 45-54.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Age 55-64.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Age Over 64.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Downtown Residents.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Area/Regional Residents (outside of downtown).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Downtown Office Workers.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Students.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tourists and Visitors.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

22. What percentage of your annual marketing budget is spent with each of the following media? (Total = 100%)

- ___ % Newspapers
- ___ % Magazines
- ___ % Radio
- ___ % Television
- ___ % Direct Mail/Catalogs
- ___ % Window Displays
- ___ % Billboards
- ___ % Internet
- ___ % Give-aways and donations
- ___ % Referral Programs
- ___ % Yellow Pages
- ___ % Other _____ (specify)
- ___ % I Don't Advertise
- 100 %

23. What media has produced the best results for you?

24. What percent of your sales is spent on marketing and media? _____ %

25. Which publications are included in your annual advertising budget? (● mark ALL that apply)

- ☐ Wisconsin State Journal
- ☐ The Capital Times
- ☐ Madison Magazine
- ☐ Isthmus
- ☐ The Onion
- ☐ The Daily Cardinal
- ☐ The Badger Herald
- ☐ BID Downtown Map & Guide
- ☐ Capital Region Business Journal
- ☐ In Business
- ☐ Greater Madison Convention & Visitor Bureau Guide
- ☐ Greater Madison Convention & Visitor Bureau Map
- ☐ Madison Originals
- ☐ Madison Magazine Hotel Book
- ☐ Hotel Guides (please list _____)
- ☐ MadGuide
- ☐ Wisconsin Woman
- ☐ ANEW/Brava
- ☐ Wisconsin Trails Magazine
- ☐ Business Directory (please list _____)
- ☐ Neighborhood and suburban publications
- ☐ Others _____

26. Which radio stations are included in your annual advertising budget? (● mark ALL that apply)

- ☐ WERN 88.7 FM Wisconsin Public Radio
- ☐ WORT 89.9 FM Community Radio Station
- ☐ WSUM 91.7 FM University of Wisconsin Madison
- ☐ WXXM 92.1, "The Mic," Progressive Talk
- ☐ WHIT 93.1 FM The Lake
- ☐ WJLO 94.1 FM Solid Rock
- ☐ WOLX 94.9 FM WOLX - Madison's Oldies Station
- ☐ WMAD 96.3 FM Star Country
- ☐ WMGN 98.1 FM Magic 98 - Adult Contemporary
- ☐ WIBA 101.5 FM WIBA FM 101.5 Classic Rock
- ☐ WZEE 104.1 FM Z104 FM
- ☐ WCHY 105.1 FM, Charlie
- ☐ WMMM 105.5 FM 105.5 Triple M
- ☐ WWQM 106.3 FM Q106 FM - Madison's Country
- ☐ WTSO 1070 AM Madison's ESPN Sports Radio
- ☐ WIBA 1310 AM NewsRadio 1310
- ☐ WTUX 1550 AM AM 1550
- ☐ WTDY 1670 AM Talk Radio 1670 Madison
- ☐ Other _____

27. Which local or network television stations are included in your advertising budget? (● mark ALL that apply)

- ☐ WISC-TV (CBS 3)
- ☐ WKOW-TV (ABC 27)
- ☐ WMSN-TV (Fox 47)
- ☐ WMTV (NBC15)
- ☐ The CW (WB 57)
- ☐ Wisconsin Public Television/WHA Ch. 21
- ☐ My Madison TV (14)
- ☐ Charter Communications/Cable
- ☐ Other _____

28. Which websites are included in the annual advertising budget for your business? (● mark ALL that apply)

- ☐ Madison.com
- ☐ Thedailypage (Isthmus.com)
- ☐ Channel3000.com
- ☐ Other _____

29. Do you offer? (● mark ALL that apply)

- ☐ Gift cards
- ☐ Gift certificates
- ☐ Loyalty programs

30. Do you have a website? ☐ Yes ☐ No
31. If yes, what is your average monthly web traffic measured in "unique visitors"? _____
32. If no, do you plan on launching one? ☐ Yes ☐ No
33. Do you sell products or services online? ☐ Yes ☐ No
34. If yes, what percent of your sales are online? _____
35. If no, do you plan to sell products or services online? ☐ Yes ☐ No
36. Do you communicate with your customers via email? ☐ Yes ☐ No
37. Relative to the other retailers in the central downtown area, are you? (● mark ONE)
- ☐ Discount/highly promotional
 - ☐ Average-priced/Similar in number of sales events
 - ☐ Quality focused with fewer/seasonal discounts
38. Relative to your direct competition in the broader Madison area, are you:
- ☐ Discount/highly promotional
 - ☐ Average-priced/Similar number of sales events
 - ☐ Quality focused with fewer/seasonal discounts
39. What three existing downtown businesses complement your business the most? (specify up to THREE businesses by name)
- a. _____ b. _____ c. _____
40. Thinking regionally, how much do you compete with the following shopping destinations? (● mark ONE for each)
- | | A Lot | A Little | Not at All | Don't Know |
|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| East Towne_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Greenway Station_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Hilldale_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Monroe Street_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| West Towne_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Westgate/Odana Road_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Williamson/Atwood_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Other _____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
41. To what degree do the following traits help make downtown Madison more competitive versus the competitors listed above? (● mark ONE for each)
- | | A Lot | A Little | Not at All | Don't Know |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Location_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Parking_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Hours_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Service_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Name Brands_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Quality_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Selection_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Price_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Character/Sense of Place_____ | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

42. What percentage business mix (retail, services and restaurants) would you like to see in downtown Madison? (total = 100%)

- National Chains
 Regional Chains
 Locally Owned Franchises
 Locally Owned Independents

100%

43. With your business in mind, what specific retail stores would you like to see locate in downtown Madison. Please list up to four retail store categories. (If helpful, include the names of local or national chains, franchises, or independent local businesses)

- a. _____
 b. _____
 c. _____
 d. _____

44. With your business in mind, what specific service businesses would you like to see locate in downtown Madison. Please list up to four business categories. (If helpful, include the names of local or national chains, franchises, or independent local businesses)

- a. _____
 b. _____
 c. _____
 d. _____

45. Please rate the degree you are experiencing the following business challenges? (● mark ONE answer for each item)

	Major Challenge	Minor Challenge	No Challenge	Don't know
Conflict with building owner or tenant.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Difficulty recruiting/retaining employees.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expensive employee wages or benefits.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expensive rent.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product delivery or loading challenges.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Insufficient financing.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Insufficient parking.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Suburban competition.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internet competition.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Language barriers.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Poor building condition.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Restrictive business regulations.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shoplifting or theft.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unskilled workers.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vandalism/Graffiti.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Perception of safety.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Construction.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of pedestrian traffic.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Street closure for events.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Smoking ban.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Street-peoplepanhandling.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

46. How strongly do you agree or disagree with the following statements? (● mark ONE answer for each statement)

	Strongly Agree	Somewhat Agree	Neutral	Somewhat Disagree	Strongly Disagree
Local police protection is outstanding.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Local fire protection is outstanding.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Local waste management service is outstanding.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sidewalk/street maintenance on State St/Capitol Sq is outstanding.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Local municipal services are worth the level of local taxation.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel safe downtown, even at night.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I try to buy products and services downtown.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I try to direct customers to other downtown businesses.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I seek ways to cooperate with complementary Dtn. businesses.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The existing downtown business mix helps my business.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My customers frequently complain about parking.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Downtown Madison is an excellent place to have a business.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

47. Which of the following business incentive or assistance programs have you used for your downtown Madison business? (● mark ONE answer for each item)

	Used in Past Year	Will Use in Next Year	Don't Know About	Won't Use
Entrepreneurial Training Program offered through the UW Small Business Development Center (SBDC).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free business counseling from the SBDC.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free telephone assistance from the SBDC Wisconsin Business Answer Line.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other programs or seminars by the SBDC.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wisconsin Entrepreneurs' Network (WEN) Early Planning Grant from the Wisconsin Department of Commerce for start up or expansion studies.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Capital Ideas Technology Zone High Tech Company Tax Credits.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dept of Commerce (DOCOMM) Minority Business Development Loan Program.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
WI Housing and Econ Devel Auth (WHEDA) Small Business Loan Guarantee.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Madison Area Tech. College Business Procurement Assist. Center (BPAC).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free business counseling from SCORE (Service Corp. of Retired Executives).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wisconsin Women Business Initiative Corp (WWBIC) Loan Program.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
WWBIC business assistance programs and seminars.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free assistance from City of Madison Office of Business Resources (OBR).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
City of Madison Facade Improvement Grant Program.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
City of Madison Capital Revolving Loan Fund (RLF).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Madison Development Corp (MDC) financing programs.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
US Small Business Administration (SBA) loan program.....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Free assistance from Downtown Madison Inc. (DMI).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

48. With your business in mind, how important are the following possible downtown improvements? (● mark one on each row)

	Very Important	Important	Not Important	Not Sure
Exterior landscaping/flowers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Public art	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Water features	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Performing arts stage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pedestrian wayfinding signage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Parking ramp/stall availability signage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit card parking meters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

49. How useful have each of the following resources been for you?
(● mark ONE answer for each item)

	Very Useful	Useful	Not Useful	Don't Know Existed
Business Improvement District (BID) Promotions (gift bags, etc)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
BID Cooperative Advertising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
BID Downtown Map and Guide	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
BID weekly email updates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
BID Seminars (e.g., window display seminar)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
BID Ambassador program	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
DMI Networking Events (e.g., New Faces, New Places)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dane County Buy Local cooperative advertising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Greater State St Business Assoc. (GSSBA) Meetings and Events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

50. Could you use information to assist you with the following topics? (● mark ONE answer for each item)

	A Lot	Some	A Little	None	Don't Know
Business planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Inventory management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marketing/Branding/Advertising	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employee hiring or training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer service or hospitality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Building improvements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Window displays or interior store design	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business market analysis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internet or E-Commerce	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Transfer of ownership or selling a business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gift cards/loyalty programs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

51. What additional market information should we collect in our study to help your business become more profitable? (For more space, please attach as separate sheet of paper)

Please return your completed survey to Bill Ryan, UW-Extension-CCED, 610 Langdon St, Lowell Hall #329, Madison WI 53703

Analysis of Comparison City Downtowns

When considering business development strategies, it is important to examine the Madison market in respect to other peer cities. Section 6 provides overviews of five cities that are recognized as comparison communities for Downtown Madison. The data and the insights presented in each of the following community overviews can be combined with the analysis presented throughout this report to aid in identifying Downtown Madison's opportunities, threats and potential strategies to encourage business retention, expansion and recruitment.

To choose Madison's peer communities, certain criteria were developed. In general, each peer community had to be similar in size (with one exception), contain a major University and in many cases be home to the state capital. The communities chosen were:

- Ann Arbor, Michigan
- Austin, Texas
- Boise, Idaho
- Boulder, Colorado
- Lincoln, Nebraska



The one exception in size was Austin, Texas. Austin, although much larger than Madison, was included because it has experienced growth in recent years similar to the growth now occurring in Madison. In

addition, Austin, like Madison, is home to the University of Texas, the Texas state capital and is known for having a social culture similar to the environment present in Madison.

The following community overviews attempt to convey two messages - First, each report contains a number of tables populated with data that represents attributes important to the business climate. The attributes include, but are not limited to, median income levels, employment base numbers, lease rates and downtown vacancy rates. These numbers are intended to provide a glimpse into the market forces that shape the business environment. The quantitative data for the downtown districts was compiled using two methods. First, downtown demographic information was retrieved using the boundaries defined by the various downtown alliances and redevelopment authorities. Secondly, data for the same variables was retrieved for 1.0 mile radius around the primary retail core. Both of these geographic areas are identified on the maps that appear after the community overviews.

The second message being conveyed in each community's overview is their unique downtown "story." To present this story, the narrative surrounds the technical data and attempts to convey the unique aspects about each community which were gathered during personal interviews with downtown leaders. By presenting both quantitative data and more abstract characteristics of place, it is hoped the reports can create an image of each community and provide an understanding of their market forces as well as a picture of the community's downtown retail environment and atmosphere.

Ann Arbor, Michigan

The culture of Downtown Ann Arbor is intricately connected with the culture and history of the University of Michigan. As a result, the Downtown reflects the active, diverse environment of the University campus. This environment has historically made Ann Arbor a desirable place for businesses to locate, and makes downtown living an attractive option for those who desire an urban lifestyle. The current development strategies aim to further enhance and ensure the unique culture of Ann Arbor by promoting dense urban infill and pedestrian improvements.



Source: Ann Arbor Area Convention and Visitors Bureau

Demographics and Lifestyle

Downtown Ann Arbor's population is skewed towards the college age demographic which can make it difficult to maintain a balanced business mix. Despite this challenge, Ann Arbor has been successful in developing a business environment that contains almost equal amounts of retail, bars and restaurants, and service establishments; making the Downtown appeal to a wide array of potential consumer segments.

Downtown Ann Arbor is intertwined with the University of Michigan, a major research institution, home to approximately 40,000 students. The downtown area is also home to Washtenaw Community College and Cleary College, giving the city a total of approximately 55,000 students. All of these college students make up one of Downtown Ann Arbor's primary market segments.

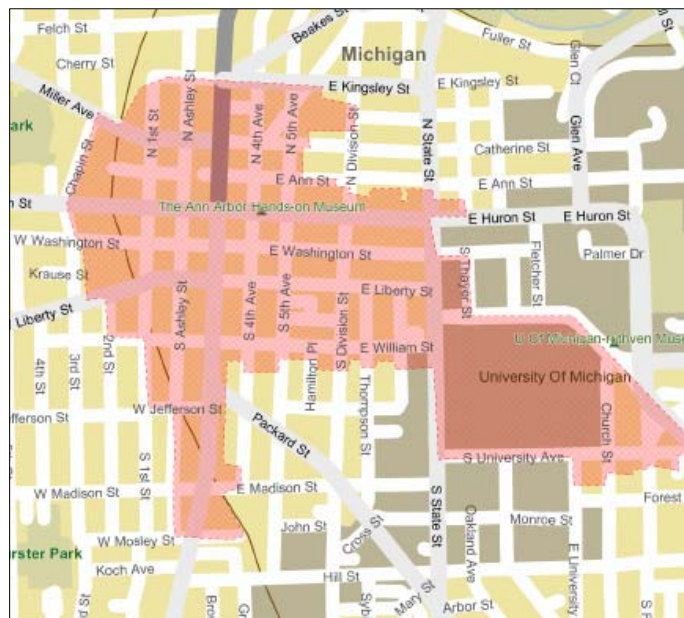


Table 6.1 Ann Arbor Demographic Data

	Ann Arbor Downtown District¹	Ann Arbor Downtown 1.0 mile Ring²	Ann Arbor MSA
Population	3,183	32,748	354,947
Households	1,783	11,839	139,351
Median Household Income	\$17,790	\$31,492	\$64,207

All numbers are 2007 predictions based on 2000 Census data.
Source: ESRI Business Information Systems

¹ As defined by Downtown Ann Arbor; designated by map above

² 1.0 mile ring around the center point of the retail districts

Using ESRI's community tapestry data³ to categorize downtown residents provides insight into the lifestyle of the downtown resident market segment. In Downtown Ann Arbor two main lifestyle segments emerge. Accounting for 65 percent of the population is the "dorms to diplomas" segment. This group is comprised of single, physically active residents who generally live in multi-unit housing and are attending a university or college. The second segment, which makes up 32 percent of the Downtown population, is the "metro renters." This segment is comprised of individuals with a high level of education and mid-level income. They travel frequently and shop using the internet.

Employment Market

Until recently, Downtown Ann Arbor has existed in a bubble protected from the state of Michigan's worsening employment and economic health. For example, as the Michigan economy struggled due to the loss of manufacturing jobs, Ann Arbor was compiling a waiting list of businesses interested in locating in the downtown area. Unfortunately, in spring of 2007 Pfizer Corporation, a major Ann Arbor employer not located downtown, left the city taking with it 2,500 jobs. Some people think this loss may signal the effects of the Michigan economy finally seeping into Ann Arbor. Despite these fears, the major downtown employers listed below should remain stable, because the fields they represent, education and health, are less affected by economic trends.

Table 6.2: Largest Employers in Ann Arbor

<u>Employer</u>	<u>Employees</u>	
University of Michigan	30,574	
U of M Health Centers	7,645	
St. Josephs Mercy Hospital	3,300	
Borders Group HQ	1,295	National book dealer

In total, the Ann Arbor MSA employs approximately 214,000 people and the 1.0 mile Downtown ring is home to just under 73,000 employees.⁴

Housing

Housing in vibrant downtown neighborhoods is usually limited and desirable; Downtown Ann Arbor is no exception. The owner occupied housing available in downtown is primarily made up of condominiums in large structures and the top floors of historic buildings. The limited nature of available housing, and the attraction of downtown living, has made affordable housing a key local issue.

Table 6.3 Ann Arbor Housing Data

	Ann Arbor Downtown District⁵	Ann Arbor Downtown 1.0 mile Ring⁶
Housing Units	1,869	12,414
Owned Units	12.8%	21.1%
Rented Units	81.6%	73.4%
Vacant Units	5.6%	5.5%

Source: ESRI Business Information Systems

³ Full explanation of ESRI Community Tapestry refer to Section 3: Demographics

⁴ Source: ESRI Business Information Systems; InfoUSA 2007

⁵ As defined by Ann Arbor Downtown Development Authority; designated by map above

⁶ 1.0 mile ring around the center point of the retail districts

The downtown residents are served by numerous grocers as well as a butcher and fish monger. Unfortunately, the businesses still struggle to attract downtown residents; who often travel to suburban supermarkets to do their shopping.

Physical Assessment

The Ann Arbor built environment benefits from being intertwined with a college campus where many students do not own cars and must walk to downtown destinations. There are also numerous distinct downtown districts to attract consumers for certain types of activities. This means the street activity is always relatively high. The pedestrian environment has also benefited from the Downtown Development Association's (DDA) efforts to create a unified streetscape with attractive garbage cans, mailboxes and flower planters; the presence of transparent history kiosks located throughout the downtown area also add interest and character to the streetscape. In addition to the streetscape, the buildings in downtown are well maintained because the high rental and purchase prices motivate owners to care for their properties. The result is a high quality, interesting visual environment.



Source: Ann Arbor Area Convention and Visitors Bureau

After years of political controversy and a failure to build new parking infrastructure, the city now faces significant parking problems and shortages during peak hours. To address the parking problems the DDA has been actively encouraging bike travel, and provides the LINK; a free downtown bus circulator.

Business Mix and Environment

The Ann Arbor business environment is highly diversified because of the variety of available office space. This has lead to a healthy atmosphere comprised of approximately half franchise and half locally owned businesses. In fact, the Downtown has been so desirable; the DDA has not been forced to participate in any incentive programs in order to attract businesses. One problem currently facing Downtown Ann Arbor is the size of available office and retail spaces. Because so much of the Ann Arbor building stock is from the early 1900s, the majority of available spaces would be considered small by today's standards, making it hard to attract national retailers.

Table 6.4 Ann Arbor Real Estate Data

	Downtown Ann Arbor
Office Lease Rates	\$20.00 ⁷
Retail Lease Rates	\$30.00 ⁸
Office Vacancy	15.5% ⁹
Retail Vacancy	10.0% ¹⁰

⁷Based on properties in Downtown currently for rent

⁸ Source: Ann Arbor Downtown Development Authority

⁹ Source: Ann Arbor Downtown Development Authority

¹⁰ Source: The Michigan Daily; 11/29/06

The one major downtown retail anchor is a large Border's bookstore. Although they are now a national chain, the company originated in Ann Arbor and is viewed as a locally owned enterprise. The Border's is in fact one of many bookstores in the city that occupy their own retail niche. Currently, the City is attempting to secure a department store to add to the Downtown retail environment.

Below is a breakdown of retail establishments in the 1.0 mile Downtown ring and within the Ann Arbor MSA. The numbers are presented in both total number of businesses within a given segment and the percentage of total retail the segment makes up. There is also a column that displays the percentage of total MSA businesses located within the 1.0 mile ring. While the numbers below look skewed towards eating and drinking places, a more detailed look at only the Ann Arbor Downtown District reveals a business mix relatively evenly split between, eating and drinking establishments, services, and other retail.

Table 6.5 Ann Arbor Business Mix Environment Data

	1.0 Mile Ring: Number of Businesses	1.0 Mile: Percent of Total Retail	Ann Arbor MSA: Number of Businesses	Ann Arbor MSA: Percent of Total Retail	1.0 Mile Ring as percent of MSA Retail
Home Improvement	10	2%	159	6%	6%
General Merchandise	5	1%	75	3%	7%
Food Stores	27	6%	220	8%	12%
Auto Dealers, Gas, Parts	6	1%	238	9%	3%
Apparel & Accessory	33	7%	155	6%	21%
Furniture & Home Furnishings	55	12%	349	13%	16%
Miscellaneous Retail	117	26%	717	27%	16%
Eating & Drinking Places	190	43%	712	27%	27%
Total Retail, Eating & Drinking	443	100%	2,625	100%	17%

Source: ESRI Business Information Systems; InfoUSA 2007

Market Position

The businesses in Downtown Ann Arbor are frequented by specific consumer segments. They include:

- University faculty and staff
- College students
- University student's parents
- Downtown employers and employees
- Downtown shoppers (residents, visitors and tourists)

These consumer segments are important because they, in part, drive the business recruitment and product mix. Although these segments are specifically identified as being important to the Ann Arbor business mix, segments are difficult to define because Ann Arbor experiences so much fluidity within their market. For example, a college student may be a student during the academic year, and a downtown employee during the summer. What is most striking about this list is that Ann Arbor is able to serve such a variety of individuals in a downtown dominated by the presence of the University of Michigan and college students.

Major Events and Traffic Generators

- Ann Arbor Arts Festival Four day event and four separate art fairs draw over 1,000 artists and nearly 500,000 visitors.
- Arts District A section of the city with approximately 6 venues both publicly and University affiliated. Including the restored Michigan Theater.
- Wolverine Sports All Michigan Wolverine sports are well attended, and bring fans into the downtown: none more so than home football Saturdays.
- University Hospital A large, state-of-the-art hospital facility draws thousands of people into the city every year.
- Historic Michigan Theater This performance space shows movies and stage performances.
- Downtown Farmers' Market Complex Features offices, retail and restaurants, as well as farmers' market offerings.

Visitor Industry Characteristics

The following table presents some of the key attributes of the visitor market. In Ann Arbor, the downtown is home to very few hotels and hotel rooms, and there is no dedicated convention center. This lack of convention specific space is compensated for by the ample facilities present at the University of Michigan. To accompany the space available at the University, there are a cluster of hotels just south of downtown on the edge of the campus area.

Table 6.6 Ann Arbor Visitor Industry

	Ann Arbor Downtown
Hotels	2
Hotel Rooms	274
Restaurants & Bars	190
Movie Screens	Approx. 5
Convention Space (sf)	none

Source: Ann Arbor Convention and Visitors Bureau

Selected Economic Development Strategies

The City recently created Ann Arbor Spark. A public/private partnership focused on inspiring entrepreneurs and recruiting innovative businesses to the Ann Arbor area.

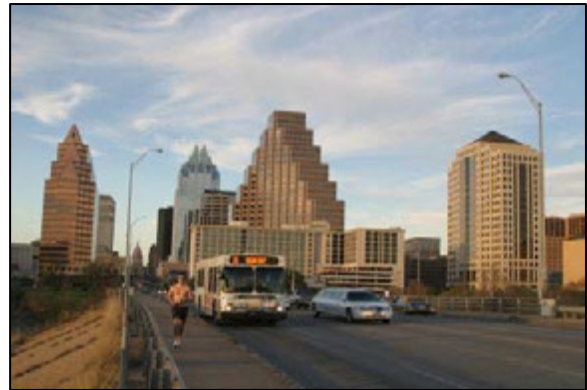
In 2005 a planning consultant created a document outlining development strategies for the Downtown area¹¹. The main themes that emerged were as follows:

- Ensure the development along the campus corridor not only caters to students but to the community as a whole.
- Focus on creating pedestrian scale development by addressing corner building façades, primary street entrances and location of parking.
- Use large parking lots as catalysts for infill development
- Incorporate elements to announce the gateways to downtown; including, signage announcing Downtown, special paving, banners, lighting and plantings.

¹¹ Cathrope Associates and Strategic Economics, (2005). *Recommended Policy Framework for Downtown Ann Arbor: Downtown Development Strategies Project*.

Austin, Texas

Austin is the fourth largest city in Texas, and the 16th largest city in the country. Over the years the City has become known for its unique mix of lifestyle, politics and entertainment. This mix has lead to labels such as the “Live Music Capital of the World,” “the People’s Republic of Austin,” and the unofficial “keep Austin weird” motto. Austin’s lifestyle has also garnered it the number two spot in *Money* magazine’s 2006 best big cities to live in, as well as two recognitions as one of the nation’s “greenest” cities. These ideas and attitudes not only affect national perception about Austin, but also influence business mix and development strategies.



Source: Austin Visitors and Convention Bureau

Demographics and Lifestyles

As stated above, the unique characteristics of the Austin population help define the business environment. These characteristics include commitment to local businesses, support for socially conscious establishments, and a passion for involvement in local government. Austin is also known to attract outdoor enthusiasts; this fact has become important enough to prompt some retailers to target certain psychographics within the category.

Downtown Austin is anchored on the north by the University of Texas-Austin (UT) which is one of the largest universities in the country. In addition to UT, Downtown Austin and the surrounding area is home to a collection of nine other institutions of higher learning, ranging from community colleges to theological seminaries. These institutions account for approximately 80,000 students, all of which demand certain retail and entertainment opportunities and thus have an impact on Austin’s business mix and environment.

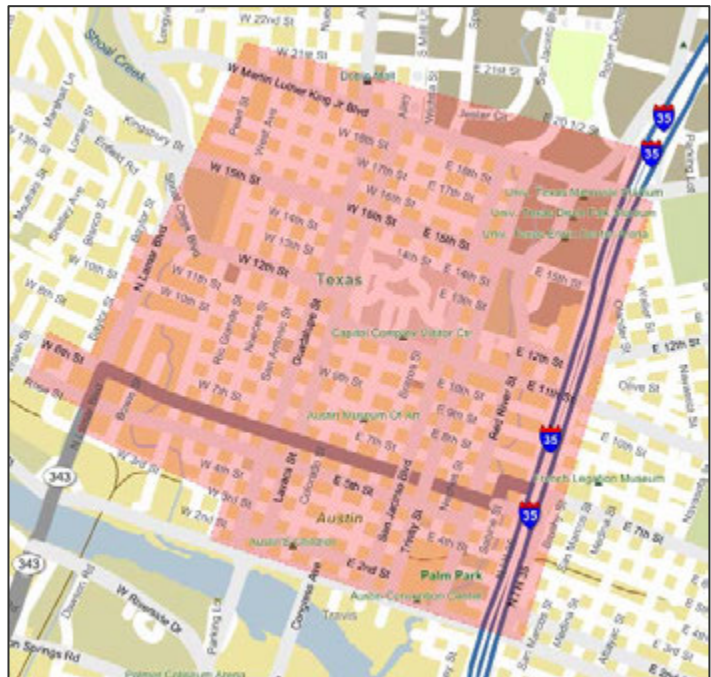


Table 6.7 Austin Demographic Data

	Austin Downtown District ¹²	Austin Downtown 1.0 mile Ring ¹³	Austin MSA
Population	4,944	9,266	1,249,763
Households	2,131	4,688	588,948
Median Household Income	\$41,560	\$44,732	\$63,581

All numbers are 2007 predictions based on 2000 Census data.

Source: ESRI Business Information Systems

Using ESRI's community tapestry data¹⁴ to categorize downtown residents provides insight into the lifestyle of the downtown resident market segment. In Downtown Austin two main lifestyle segments emerge. Accounting for 62 percent of the population is the "dorms to diplomas" segment comprised of single, physically active residents who generally live in multiunit housing and are attending a university or college. The second segment, which makes up 31 percent of the downtown population, is the "metro renters." This segment is comprised of people with a high level of education and mid-level income, they travel frequently and shop using the internet.

Employment Market

The City of Austin relies on government and education for a large portion of its employment base. Other important, and less stable, industries include high-tech, media, and marketing. Recently, Downtown Austin has been attempting to recruit film, media, marketing and advertising firms for the second floor locations along the 6th Street entertainment corridor. They hope Downtown can create its own "Austin Hollywood."

Table 6.8: Largest Employers in Downtown Austin¹⁵

<u>Employer</u>	<u>Employees</u>	
University of Texas	20,200	
Other Gov. (state and county)	20,000	Combination of all state and county offices
City of Austin	12,000	Combination of all state offices
Whole Foods	1,000	Organic/Natural foods store
Austin American-Statesman	850	Newspaper
Brackenridge Hospital	580	
GSD&M	550	Marketing and Branding

In total, the Austin MSA has 677,000 employees and the 1.0 mile Downtown ring is home to approximately 76,000 employees.¹⁶

Housing

Austin does not have much second floor housing which is typical in smaller cities. Instead, there are a few whole-building condominium conversions and many new residential complexes. Those living in Downtown Austin are primarily college students and young professionals who desire the urban lifestyle. Downtown residents are served by numerous grocery stores,

¹² As defined by Downtown Austin; designated by map above

¹³ 1.0 mile ring from the center point of the retail districts

¹⁴ Full explanation of ESRI Community Tapestry refer to Section 3: Demographics

¹⁵ Source: City of Austin and Downtown Austin Alliance

¹⁶ Source: ESRI Business Analyst; InfoUSA 2007

highlighted by an 80,000 square foot Whole Foods. The area also offers numerous clothing stores and some furniture stores. All of these offerings create a retail environment that serves the downtown resident well.

Physical Assessment

The street level activity in Downtown Austin is vibrant and unique within each of the City's nine sub districts. Contributing to the pedestrian friendly environment are the newly installed sidewalks (some areas in the City had none) and a fairly robust network of green-space and trails. The booming real estate market has also benefitted pedestrians since the high prices have forced building owners to invest substantially in maintenance and aesthetic upgrades. If patrons are seeking parking in Downtown Austin they will discover it is abundant, but difficult to find and hard to navigate. A unique feature of Austin parking is the use of pre-paid metered parking cards for on-street parking. These cards can be purchased and used in place of coins at parking meters. Downtown patrons can also use the extensive bus system – 41 percent of all routes run through Downtown – or navigate the area using the “Dillo,” a free trolley circulator.

Business Mix and Environment

The Austin business environment is intertwined with the spirit and culture of the City. The entrepreneurial spirit of the City, and the residents support for local businesses, can be seen in the large number of creative, successful independents located downtown. It is estimated, if you remove fast food restaurants, only five of the remaining are national chains. The famous Austin spirit of liberalism and social justice can also be seen in their national recruitment efforts. The Downtown Austin Alliance (DAA) has identified businesses that fit the community's ethos, and those are the only national chains actively pursued. Some examples of businesses considered a fit for the Austin identity include Patagonia, an outdoor company environmentally conscious and socially responsible, and American Apparel, a clothing store that does not operate sweatshops and pays their employees a living wage. National and local businesses fit the ethos of Austin and find the location desirable because they are guaranteed a loyal customer base. Currently within the City the major retail anchors are the flagship Whole Foods store, Chico's, Anthropologie and REI.

Table 6.9: Austin Housing Data

	Austin Downtown District ¹⁷	Austin Downtown 1.0 mile Ring ¹⁸
Housing Units	2,490	5,247
Owned Units	30.2%	31.9%
Rented Units	55.4%	57.4%
Vacant Units	14.4%	10.7%

Source: ESRI Business Information Systems



Source: Austin Convention and Visitors Bureau

Table 6.10: Austin Real Estate Data

	Austin Downtown “Core” ¹⁹
Office Lease Rates	\$27.50 ²⁰
Retail Lease Rates	\$18.00 - 25.00 ²¹
Office Vacancy	17.8% ²²
Retail Vacancy	14% ²³

¹⁷ As defined by Downtown Austin; designated by map above

¹⁸ 1.0 mile ring from the center point of the retail districts

¹⁹ Defined by Downtown Austin as area bounded by 1st St on the south, 17th street on the north, N. Lamar on the west and I-31 on the east

²⁰ Report provided by Downtown Austin Alliance

²¹ Report provided by Downtown Austin Alliance

²² Source: www.downtownaustin.com

²³ ERA presentation to Downtown Austin Alliance, August 2005

A detailed look at business within the downtown core reveals there is an over abundance of restaurants and bars, but also substantial clothing and furniture niches. Unfortunately, new bars and restaurants are outpacing other new downtown business ventures two to one. Below is a breakdown of retail establishments in the 1.0 mile Downtown ring and within the Austin MSA. The numbers are presented in both total number of businesses within a given segment and the percentage of total retail each segment makes up. There is also a column that displays the percentage of total MSA businesses located within the 1.0 mile ring.

Table 6.11 Austin Business Mix Environment Data

	1.0 Mile Ring: Number of Businesses	1.0 Mile: Percent of Total Retail	Austin MSA: Number of Businesses	Austin MSA: Percent of Total Retail	1.0 Mile Ring as percent of MSA Retail
Home Improvement	18	3%	753	6%	2%
General Merchandise	4	1%	289	2%	1%
Food Stores	35	6%	1,218	10%	3%
Auto Dealers, Gas, Parts	27	5%	1,221	10%	2%
Apparel & Accessory	28	5%	821	7%	3%
Furniture & Home Furnishings	77	13%	1,739	14%	4%
Miscellaneous Retail	116	19%	3,135	26%	4%
Eating & Drinking Places	293	49%	3,019	25%	10%
Total Retail, Eating & Drinking	598	100%	12,195	100%	5%

Source: ESRI Business Information Systems; InfoUSA-2007

Market Position

The businesses in Downtown Austin are frequented by specific consumer segments. They include:

- Downtown area and nearby residents
- Downtown employees
- Visitors/Tourists
- Students

Downtown Austin, like any large downtown, does cater to employees, the downtown residents, and locals who drive into the city for specialty shopping and dining. But, because Austin lacks retail districts with a critical mass of shops clustered together (except 2th St.), it is not always realistic to expect locals to use the City's retail opportunities to replace shopping that could be done more conveniently in suburban shopping malls. However, the City of Austin welcomes over seven million visitors a year. As a result, one of the primary market segments in downtown is tourists. Some downtown retailers report as much as 65 percent of their sales come from tourists,²⁴ and a secondary report from Economic Research Associates revealed visitors bring approximately \$415 million a year in spending potential to the Austin economy.²⁵

²⁴ Source: Downtown Austin Alliance

²⁵ Economic Research Associates, Executive Summary; Downtown Austin Redevelopment Strategy

Major Events and Traffic Generators

- South By Southwest (SXS) The SXS festival features music, films, and technology and media themed panel discussions. Last year SXS brought in 32,000 out-of-town attendees and spurred \$43.5 million in economic activity in the area.
- Austin City Limits Music Festival The Austin City Limits Music Festival brings in well known bands for a series of Downtown concerts.
- UT Football Home games Football is important to the citizens of Texas and over 100,000 come to Austin for each of the home football Saturdays.
- State Capital The seat of Texas government brings in tourists and government related activities.
- Live music events Austin is known for their live music, which brings in tourists and locals alike.
- 2nd Street District Major retail development is designed more like an outdoor mall than traditional Downtown retail; area has common store hours, aesthetics, etc.
- 6th Street The main entertainment district in Austin with clubs, restaurants, bars and live music.

Visitor Industry Characteristics

The following table presents some of the key components of the visitor industry. Because of its size Austin has by far the most hotel rooms of any of the comparison communities. These lodging facilities are also supported by the area's tourism industry which reports nearly seven million people visit Austin each year. Austin's large dedicated convention center is supported by numerous hotel meeting facilities and University facilities, making the total amount of convention space much more than what is listed.

Table 6.12 Austin Visitor Industry

	Austin Downtown
Hotels	23
Hotel Rooms	5,500
Restaurants & Bars	293
Movie Screens	6 (1 IMAX)
Convention Space (sf)	250,000

Source: Austin Convention and Visitors Bureau

Selected Economic Development Strategies²⁶

- The Downtown Austin Alliance would like to partner with the city to create and maintain retail market information and recruitment efforts, and jointly address policy and financial priorities affecting retail recruitment and development. This partnership reflects the close working relationship between the DAA and the City.
- Because Austin is a diverse city comprised of distinct market districts, their retail strategy is tailored to offer suggested retail mix and recruitment strategies for each distinct area.

²⁶ City of Austin, (2005). *Downtown Austin Retail Market Strategy*

- Austin recognizes there is a challenge for retailers Downtown in not discovering their market. As a result, the City must educate retail industry on the market opportunities available, as well as the strength of the market already present. To achieve this goal, Austin will have to engage in a thorough and comprehensive marketing campaign.
- Likewise, Austin must continue to educate consumers about the opportunities that exist Downtown. One tool for this campaign is a television show produced by the Downtown Austin Alliance, titled *Downtown*, which is aired on Austin PBS. The half-hour program highlights what makes Downtown Austin unique. The show has been hugely successful and has even received an Emmy award.
- Downtown Austin offers a variety of parking infrastructure, but it is difficult to find and unfriendly to the user. As a result, Austin hopes to add way finding signs and parking signage through the city as well as develop a coordinated parking management plan to make parking more user friendly.
- The City hopes to publically refocus Downtown as a primary economic development effort. To achieve a public profile of commitment, the DAA and the City may need to actively pursue incentive program and public financing (such as Tax Incremental Financing).
- A commuter rail line terminating downtown was planned (Capital Metro). One recommendation to utilize this line is to create a inter-modal transit center,

Boise, Idaho

Boise is the largest city in Idaho and occupies an important geographic location in the center of the Pacific Northwest. Boise may be best known for their outdoor amenities, including access to foothills and the Boise River which flows through downtown. In recent years Boise has earned recognition in numerous publications as a great city to live and do business in. According to Boise Downtown Association staff, the citizenry's passion and dedication to their city is the reason Boise has seen so much success. This passion has meant extensive community involvement and a downtown that meets the needs for a variety of market segments.



Source: Boise Convention and Visitors Bureau

Demographics and Lifestyle

Boise is home to a blossoming downtown retail district and a robust downtown business presence. This is a striking feature because there is a general lack of people living within the Downtown District. This feature would normally be considered detrimental to the area's health. Also, the greater Boise area has recently become a magnet for families seeking affordable housing, good schools, safe community and many outdoor activities.

In college towns, students are an important part of the downtown demographic, and although Boise State University is located a few miles outside downtown, students of the institution still frequent the area's entertainment and retail offerings. In addition to Boise State, George Fox University also calls Boise home; these provide a total of approximately 20,000 college students. Due to the University's geographic location, Boise's retail mix is not as focused on the college aged segment as other university-centric downtowns.

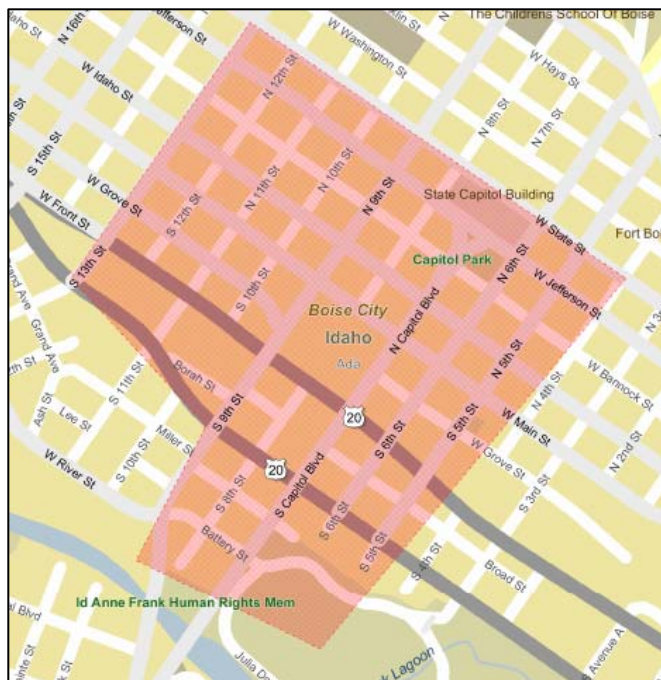


Table 6.13 Boise Demographic Data

	Boise Downtown District²⁷	Boise Downtown 1.0 mile Ring²⁸	Boise MSA
Population	440	11,015	587,526
Households	254	5,898	218,578
Median Household Income	\$30,000	\$32,168	\$55,223

All numbers are 2007 predictions based on 2000 Census data.

Source: ESRI Business Information Systems

Using ESRI's community tapestry data²⁹ to categorize downtown residents provides insight into the lifestyle of the downtown resident market segment. In Downtown Boise one main lifestyle segment emerges. Accounting for 97 percent of the population is the "Old and Newcomers" segment comprised of individuals who are often in their mid 30s, purchase software and multimedia products and live in multi-unit apartments.

Employment Market

Boise has received much recognition lately as an ideal city for business. As a result, the MSA has seen numerous high-tech businesses such as Hewlett Packard and Micron locate in the area. In downtown, the flagship businesses include regional headquarters of various financial institutions. These businesses add a unique dynamic to the consumer mix of Downtown Boise.

Table 6.14: Largest Employers in Boise³⁰

<u>Employer</u>	<u>Employees</u>
JR Simplot Company	Agriculture (Corp HQ)
US Bank	Regional HQ
Boise Cascade	Wood Products
Idaho Power	Utility
Qwest	Telecom (Regional HQ)
Wells Fargo	Regional HQ
Key Bank Corp	Regional HQ
CSHA	Architects
Government	Idaho, Ada County, Boise City

In total, the Boise MSA employs approximately 257, 000 people and the 1.0 mile Downtown ring is home to just under 34,600 employees.³¹

Housing

Downtown Boise is currently an area with few housing options. However, following a focused housing study, they have begun to pursue the untapped residential market. Recently, 30 condominium units came online, with 70 more nearing completion and 300 proposed. Curiously, despite the assumption of a vastly untapped housing market, Downtown Boise has a residential vacancy rate of 21.3 percent which is considerably higher than the other communities in this study.

²⁷ Defined by Downtown Boise Association; designated by map on page 6-43

²⁸ 1.0 mile ring around the center point of the retail districts; noted on map on page 6-44

²⁹ Full explanation of ESRI Community Tapestry refer to Section 3: Demographics

³⁰ Source: Downtown Boise Association

³¹ Source: ESRI Business Information Systems; InfoUSA 2007

Although there has historically not been housing in Downtown Boise, there are three grocery stores in or near downtown including the large format WinCo and Albertson and the Boise Co-op.

Table 6.15 Boise Housing Data

	Boise Downtown District³²	Boise 1.0 Mile Ring³³
Housing Units	336	6,557
Owned Units	13.2%	25.2%
Rented Units	65.6%	64.8%
Vacant Units	21.2%	10.0%

Source: ESRI Business Information Systems

Physical Assessment

The strength of Boise's Downtown environment is its compactness and walkability. The short city blocks mean a person can transverse the downtown, both east to west and north to south, in around 13 minutes. Because of the short distances, most patrons of the area park once and walk to all of their destinations. The pedestrian environment is also enhanced by numerous pocket parks, but the architecture lacks high quality visual impact. If you are not walking or driving, public transportation is not ideal, but a recent grant will provide funds to explore the possibility of a downtown circulator.



Source: Boise Convention and Visitors Bureau

In addition to the shortcomings of the public transportation system, parking is seen by many as the primary barrier to doing business downtown.

Business Mix and Environment

Boise's location is its biggest draw for potential businesses. The Treasure Valley provides a quality of life that includes access to mountains and the Boise River. The geographic location also means it is the central city in the Pacific Northwest; between Seattle, Portland and Salt Lake City. Although the business mix is not built around these natural assets, they have contributed to the acquisition of important business segments; for example, high-tech on the outskirts of the city and financial intuitions downtown.

Table 6.16 Boise Real Estate Data

	Downtown Boise
Office Lease Rates	\$18.40 ³⁴
Retail Lease Rates	\$20.00 ³⁵
Office Vacancy	9.7% ³⁶
Retail Vacancy	7% ³⁷

The Downtown is also home to a developing women's apparel niche which includes a Macy's department store, as well as an Ann Taylor Loft, Chico's, and Anthropologie. The apparel niche is reflected in a recent survey which shows clothing is the most purchased item in downtown followed by cards and gifts. There is also an Office Depot on the southern edge of Downtown. Downtown Boise is not home to many national chain retailers but they are often cited as the most desired downtown addition along with nightclubs, fine dining, comedy clubs and live music venues.

³² Defined by Downtown Boise Association; designated by map above

³³ 1.0 mile ring around the center point of the retail district

³⁴ Source: Downtown Boise Association

³⁵ Source: Downtown Boise Association

³⁶ Source: Colliers: Boise Market Repor

³⁷ Western Real Estate Business, 2006

As mentioned earlier, the University is not located directly downtown, meaning the city's entertainment mix is not completely dominated by college students. This has allowed Boise to create a more diversified downtown business mix than many college towns its size. Below is a breakdown of retail establishments Downtown and within the Boise MSA. The numbers are presented in both total number of businesses within a given segment and the percentage of total retail. There is also a column that displays the percentage of total MSA businesses located within the 1.0 mile ring.

Table 6.17 Boise Business Mix Environment Data

	1.0 Mile Ring: Number of Businesses	1.0 Mile: Percent of Total Retail	Boise MSA: Number of Businesses	Boise MSA: Percent of Total Retail	1.0 Mile Ring as percent of MSA Retail
Home Improvement	8	3%	413	9%	2%
General Merchandise	4	1%	155	4%	3%
Food Stores	20	7%	395	9%	5%
Auto Dealers, Gas, Parts	22	7%	548	13%	4%
Apparel & Accessory	27	9%	212	5%	13%
Furniture & Home Furnishings	32	10%	518	12%	6%
Miscellaneous Retail	77	25%	1,068	24%	7%
Eating & Drinking Places	118	38%	1,080	25%	11%
Total Retail, Eating & Drinking	308	100%	4,389	100%	7%

Source: ESRI Business Information Systems; InfoUSA-2007

Market Position

The businesses in Downtown Boise are frequented by a handful of specific consumer segments. They include:

- Office workers
- College students
- Residents seeking an experience more unique than a shopping mall
- Stop-over tourists

Boise's target consumers are varied. Some of the less important segments include the office workers who frequent the Downtown's restaurants for lunch and provide day-time street level activity. Unfortunately, employees rarely stay downtown after work hours. The biggest Boise consumer segments are residents who live within a few miles of downtown, particularly on the side opposite the mall. These customers are drawn to the downtown because it offers a varied retail experience far more unique than the offerings at the regional Boise shopping center. Overall, dining and entertainment are the main downtown draws, along with employment and shopping.

Major Events and Traffic Generators

- First Thursday First Thursday of every month; entertainment, shopping and food spread throughout the city, with a free trolley to get from place to place.
- Alive After Five A weekly summer concert series at the Grove Plaza.
- The Capital City Market Every Saturday enjoy an open-air market which includes farm stands, artists, flowers and more.
- Quest Arena Downtown venue with seating for 5,000. Home to an ECHL (hockey) team, a NBDL (basketball) team and an Arena football team.
- Boise Center State-of-the-art convention center located in the heart of Downtown.
- Morrison Center A center for performing arts offering plays, Broadway, and family entertainment.
- Cultural Attractions Downtown has 18 cultural attractions, including the Boise Art Museum, the Discovery Center of Idaho, Idaho Black History Museum, the Boise Contemporary Theatre, the Esther Simplot Performing Arts Center, the Idaho Anne Frank Human Rights Memorial, the Log Cabin Literary Center and Zoo Boise.
- Egyptian Theater The renovated theater provides entertainment options including live concerts and the Funny Bone comedy club.
- State Capital The presence of the state government accounts for business and tourist visitors.
- Collection of Hospitals A group of important regional hospitals are located in Downtown Boise.

Visitor Industry Characteristics

The following table presents some key attributes of the Boise visitor industry. There are a large number of hotel rooms within the downtown area, all of which are within walking distance of the downtown convention center. There are also numerous movie screens in downtown Boise, due to the existence of a large nine screen theater on the southern edge of the downtown area.

Table 6.18 Boise Visitor Industry

	Boise Downtown
Hotels	6
Hotel Rooms	801
Restaurants and Bars	118
Movie Screens	Approx 13
Convention Space (sf)	50,000

Source: Boise Convention and Visitors Bureau

Selected Economic Development Strategies³⁸

- Develop a retail business forum to discuss, among other things, the creation of a discussion/focus group to obtain feedback from local retailers.
- Increase internal marketing (e-mail communication, forums, etc) and provide marketing options and education to members.
- Create a partnership with agencies involved in economic development that include the City of Boise, Capital City Development Corporation, the Boise Valley Economic Partnership, and the Boise Convention and Visitors Bureau. As part of these partnerships, the groups could coordinate efforts to avoid duplication and include private brokers and organizations as necessary.
- Compile relevant downtown statistics (vacancy rates, housing types, employees, etc) and present them in user friendly formats such as GIS, brochures and comparison reports.
- Encourage new groups of businesses and residents to locate downtown by holding a housing tour and recruiting target businesses that fit certain demographic profiles, such as the “creative class,” and/or fill missing niches such as a drugstore.
- Offer “first hour” free in public parking garages and 20 minutes free at all parking meters
- The construction of a major catalytic development, the 8th Street Marketplace. The development is a refurbished warehouse constructed to be reminiscent of a turn of the century market. The complex includes movie theaters, restaurants and small retail shops.

³⁸ Downtown Boise Association Strategic Plan 2007-2011

Boulder, Colorado

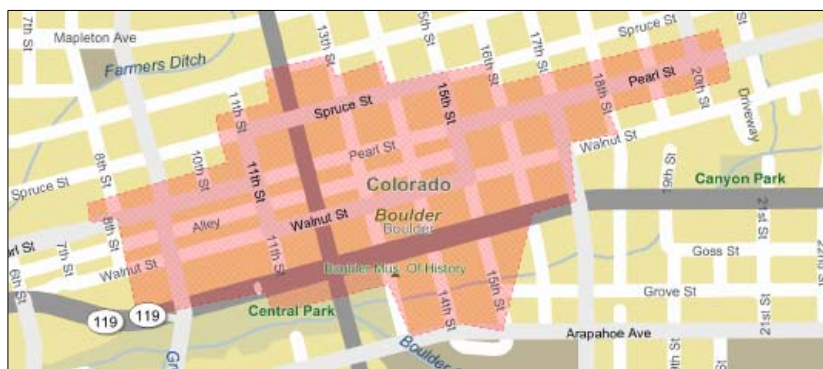
Boulder, Colorado is recognized around the country as having one of the premier downtown retail districts. Focused around the pedestrian mall on Pearl Street, Downtown Boulder consciously attempts to give consumers an experience that goes beyond downtown shopping; to provide them a one-of-a-kind “Boulder” retail environment. This commitment to the retail experience is reflected in the number of local businesses and the well developed aesthetic quality of the built environment.



Source: City of Boulder, Colorado

Demographics and Lifestyle

The most important characteristic regarding the population surrounding Boulder cannot be displayed or summarized by statistics. What makes the Boulder population important is the majority of people live in the area because they seek a specific lifestyle experience including user friendly outdoor opportunities and a sense of individualism. This experience is captured by the downtown retail environment; where the shops are both unique and local, and the built environment is vibrant. It is important to note the Boulder Downtown District represents only the boundaries of the Business Improvement District which was specifically drawn to include only a narrowly defined retail strip and exclude residential uses; this is why the District population is so much lower than other districts in this study. The limited geographic area of the District is a result of Colorado law which prohibits assessing residential property as part of a Business Improvement District.



This experience is captured by the downtown retail environment; where the shops are both unique and local, and the built environment is vibrant. It is important to note the Boulder Downtown District represents only the boundaries of the Business Improvement District which was specifically drawn to include only a narrowly defined retail strip and exclude residential uses; this is why the District population is so much lower than other districts in this study. The limited geographic area of the District is a result of Colorado law which prohibits assessing residential property as part of a Business Improvement District.

Boulder is home to the University of Colorado-Boulder, which lies approximately one mile from downtown. Also in Boulder is Riverdale, a small liberal arts college, and Naropa University, one of the Country's largest Buddhist inspired schools. According to U.S. Census 2000 data, there are approximately 27,000 students residing in the City of Boulder (38,000 in Boulder County). Because the University of Colorado has a small commercial district of its own, the college students do not influence the business mix as much as some other mid-sized downtowns with major universities.

Table 6.19 Boulder Demographic Data

	Boulder Downtown District³⁹	Boulder Downtown 1.0 mile Ring⁴⁰	Boulder MSA
Population	315	26,374	285,787
Households	186	10,795	113,472
Median Household Income	\$54,200	\$42,897	\$71,929

All numbers are 2007 predictions based on 2000 Census data.

Source: ESRI Business Information Systems

Using ESRI's community tapestry data⁴¹ to categorize downtown residents provides insight into the lifestyle of the downtown resident market segment. In Downtown Boulder two main lifestyle segments emerge. Accounting for 43 percent of the population is the "dorms to diplomas" segment comprised of single, physically active residents who generally live in multiunit housing and are attending a university or college. The second segment, which makes up 21 percent of the downtown population, is the "metro renters." This segment is comprised of individuals with a high level of education and mid-level income; they travel frequently, and shop using the internet.

Employment Market

The greater Boulder area has become a hub of high-technology and creative science related industries. Segments of this market include aerospace companies and computer companies such as IBM. The role of Downtown in the employment market is to foster the City's local spirit by acting as an unofficial incubator for start-up businesses. This not only strengthens the greater Boulder business environment, but also adds to the diversity and uniqueness of the downtown retail offerings.

Table 6.20: Largest Employers in Downtown Boulder

<u>Employer</u>	<u>Employees</u>
Boulder County Courthouse	350
Daily Camera/Boulder Publishing	250
Cheesecake Factory	100
Mediterranean Restaurant	100
Boulderado Hotel	96

In total, the Boulder MSA employs approximately 150,600 people and the 1.0 mile Downtown ring is home to over 27,000 employees.⁴²

Housing

Like many downtown areas, the housing market is growing rapidly. As more residents enter Downtown Boulder, it has become important to maintain the balance between residential and commercial activity. Downtown Boulder Inc. wants to ensure downtown remains a commercial district with residents rather than a residential area with retail offerings. This is especially challenging in the Boulder market because the downtown is located immediately adjacent to

³⁹ As defined by Downtown Boulder Inc (also the boundaries of the Business Improvement District) designated by map above

⁴⁰ 1.0 mile ring around the center point of the retail districts

⁴¹ Full explanation of ESRI Community Tapestry refer to Section 3: Demographics

⁴² Source: ESRI Business Information Systems

residential neighborhoods, lacking the traditional commercial development that buffers downtowns from residential areas.

As more people move downtown the importance of neighborhood serving retail has increased. Available in the area is one grocery store and the famous Boulder farmer's market.

Table 6.21: Boulder Housing Data

	Boulder Downtown District ⁴³	Boulder Downtown 1.0 mile Ring ⁴⁴
Housing Units	201	11,344
Owned Units	26.4%	31.6%
Rented Units	66.2%	63.5%
Vacant Units	7.4%	4.9%

Source: ESRI Business Information Systems

Physical Assessment

The Boulder physical environment is as important to the experience as the retail mix. Downtown Boulder Inc. is consciously trying to create a unique and memorable experience for all visitors of Boulder. This means the streets must be clean, the plantings pristine and the building stock in the best possible condition. The result is a pedestrian environment considered aesthetically pleasing, pedestrian friendly and inviting. The pedestrian environment is anchored by the Pearl Street Mall, a four block pedestrian retail strip, and interactive street environment features including a water jet fountain, animals, boulders for climbing and general play areas. In a recent survey, downtown users said improvements have been made to assist navigating downtown with new directories and informational signage.⁴⁵ If walking is not an option the downtown also offers a circulator (the "Hop").



Source: City of Boulder, Colorado

Business Mix and Environment

Boulder's Business environment is known as one of the country's premier downtown retail districts. The success of Downtown Boulder is due in part to the retail niche it holds. The retail is comprised of upscale boutique shops mixed with uniquely Boulder stores, like Into The Wind – a kite store, and trendy restaurants and entertainment. This mix, which is 85 percent locally owned, means the experience here cannot be found anywhere else in the country. There are several retailers that help create this experience. Selected anchors include Title Nine (women's outdoor apparel), Chico's, Peppercorn (gourmet food and kitchen store), and Boulder Army and Navy. Collectively, the downtown restaurants serve as an important anchor.

Table 6.22 Boulder Real Estate Data

	Downtown Boulder
Office Lease Rates	\$22.00
Retail Lease Rates	\$33.00
Office Vacancy	8%
Retail Vacancy	4.5%

Source: Downtown Boulder Inc.

Boulder has also been successful because of its appeal to multiple market segments. For example, children are entertained by Downtown Boulder because of the different interactive street environments such as water jet fountains, areas with objects to climb on and play around.

⁴³ As defined by Downtown Boulder Inc.(also the boundaries of the Boulder Business Improvement District)designated by map above

⁴⁴ 1.0 mile ring around the center point of the retail districts

⁴⁵ (2005) Downtown Users Survey

The area is also attractive to a variety of segments because the activity is phased throughout the day. This means the family activities occur during the day and into the early evening; followed by restaurants and entertainment geared towards adults ending by 10:00 pm; and then the young adults and college age bar atmosphere. This schedule creates a vibrant atmosphere almost 24 hours of the day, and the environment feels comfortable for all different users.

As stated above, the retail mix in Boulder is dominated by locally owned boutiques and unique shopping destinations. In fact, a collection of national chains including Abercrombie and Fitch, Ann Taylor's Loft and the Gap have recently left Downtown Boulder. Instead of this being detrimental to Downtown, it has actually provided the opportunity for recruitment of more unique local establishments to successfully take the place of the departed chains. The national chains still present are generally small, more selective establishments such as Title 9, Chico's, and Quicksilver. Although Boulder's Downtown business mix does include almost one third bars and restaurants, they are predominantly aimed at a more affluent, mature market segment. Therefore, the Downtown does not battle the college age, bar town perception. In fact, retail sales outpace restaurant and bar sales by a factor of 1.33.

Below is a breakdown of retail establishments in the 1.0 mile Downtown ring and within the Boulder MSA. The numbers are presented in both total number of businesses within a given segment and the percentage of total retail. There is also a column that displays the percentage of total MSA businesses located within the 1.0 mile ring.

Table 6.23 Boulder Business Mix Environment Data

	1.0 Mile Ring: Number of Businesses	1.0 Mile: Percent of Total Retail	Boulder MSA: Number of Businesses	Boulder MSA: Percent of Total Retail	1.0 Mile Ring as percent of MSA Retail
Home Improvement	8	3%	413	9%	9%
General Merchandise	4	1%	155	4%	12%
Food Stores	20	7%	395	9%	17%
Auto Dealers, Gas, Parts	22	7%	548	13%	10%
Apparel & Accessory	27	9%	212	5%	41%
Furniture & Home Furnishings	32	10%	518	12%	17%
Miscellaneous Retail	77	25%	1,068	24%	21%
Eating & Drinking Places	118	38%	1,080	25%	25%
Total Retail, Eating & Drinking	308	100%	4,389	100%	20%

Source: ESRI Business Information Systems, from InfoUSA-2007

Market Position

The businesses in Downtown Boulder are frequented by a handful of specific consumer segments

- Empty-nesters and couples without kids
- Women; middle-age and affluent
- Those in the surrounding Central and North Boulder area
- Families

The most striking feature about Boulder's consumer segments is college students do not rank among the most important consumer segments. This is partially due to the fact the University is bordered by its own small commercial district, and a business mix aimed at more affluent consumers is also a factor. Families are an important market group not because they contribute large amounts of money to the downtown businesses, but because they contribute to the atmosphere that makes Boulder accessible and comfortable to everyone. Recent improvements have been targeted at further strengthening the Downtown's appeal to children and families. All of the factors and qualities mentioned in this overview mean the Downtown's market position differs from the area's regional shopping mall and lifestyle center. Thus, the area is less affected by regional competition and remains a popular destination for shopping, entertainment and employment.

Major Events and Traffic Generators

- Farmers Market A twice a week market provides fresh, local produce
- Pearl Street Mall A four block retail district Downtown for pedestrian traffic only
- Bands on the Bricks Summer concert series held Downtown in front of the court house
- Boulder Creek Fest Popular event features music, food, vendors and exhibits
- Arts and Craft Fairs Periodic fairs feature local arts and crafts exhibits and vendors
- Boulder Fall Festival Three day fall festival fashioned after the traditional Oktober Feast
- Univ. of Colorado Events Sporting events, orientation and parents weekend all bring students and their families into the Downtown area

Visitor Industry Characteristics

The following table presents some important attributes of the Boulder visitor industry. The seven hotels within the Boulder downtown area are supported by another cluster of hotels approximately 1.5 miles from downtown. Because of Boulder's tight geographic layout, this means that virtually all of the hotels in Boulder are within a relatively short distance of the downtown. Although there is currently no convention center in downtown Boulder, there are plans to consider the construction of such a facility in the near future.

Table 6.24 Boulder Visitor Industry

	Boulder Downtown
Hotels	7
Hotel Rooms	479
Restaurants and Bars	170
Movie Screens	0
Convention Center Space (sf)	0

Source: Boulder Convention and Visitors Bureau

Economic Development Strategies⁴⁶

- To overcome the perception that Downtown Boulder is not a business friendly community, the BID is interested in making position statements and working with local government to make economic vitality a community value.
- The BID is interested in pursuing the creation of an economic development manager. This position would be in charge of:
 - Developing and maintaining a Downtown profile to provide necessary market information and statistics.
 - Working to aid in business recruitment
 - Working with current business to expand
 - Undertaking community relations to promote an economic development agenda
- Plans are underway to explore the construction of a Downtown conference center. The idea of a “hybrid” conference center, to host visual and cultural art events, is particularly intriguing for the City and Downtown Boulder Inc.
- Create a Community Development Corporation, a non-profit community based organization, to champion and lead the development of arts Downtown.
- Create the *Downtown Business Portal*; a one stop location to help businesses problem solve and transition into the Downtown market.
- It will be important to continue to position the Downtown to distinguish it from the nearby 29th Street lifestyle center that features more convenience retail establishments and big box stores.

⁴⁶2003, Downtown Boulder Business Improvement District Economic Development Initiative: Findings and Recommendations and the “Downtown Boulder Strategic Plan” prepared by Progressive Urban Management Associates (2005).

Lincoln, Nebraska

Lincoln is the second largest city in the state of Nebraska and is home to the state capital and the main campus of the University of Nebraska. The city is the hub of state and county government and has developed a note worthy performing arts niche. The retail mix is dominated by businesses targeted at college students, but future development strategies may try to develop new retail nodes in locations outside the traditional retail corridor.



Source: Downtown Lincoln Association

Demographics and Lifestyle

The demographic makeup in Downtown Lincoln appears to be mixed (this can be seen by the numerous evenly distributed lifestyle segments discussed below). Despite downtown appearing to be more diverse than the other study communities, the downtown business mix still seems to be geared towards the college age market. In particular, O Street, their traditional retail corridor, has a concentration of drinking establishments.

The demographic profile of Downtown Lincoln reveals college students are a significant portion of the downtown population. In fact, the presence of the University of Nebraska-Lincoln accounts for nearly 30,000 college students. Like many mid-sized downtowns with a major university, the college market segment has a significant impact on the diversity of available business mix.

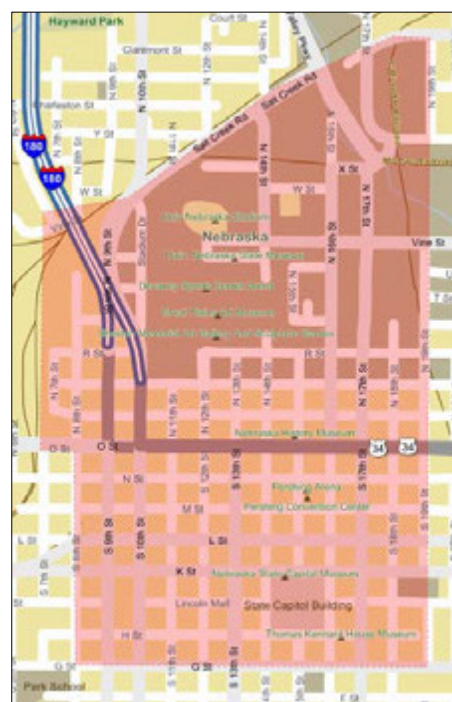


Table 6.25 Lincoln Demographic Data

	Lincoln Downtown District⁴⁷	Lincoln Downtown 1.0 mile Ring⁴⁸	Lincoln MSA
Population	8,687	20,211	291,909
Households	2,047	7,871	116,960
Median Household Income	\$19,689	\$24,4833	\$53,002

All numbers are 2007 predictions based on 2000 Census data.

Source: ESRI Business Information Systems

⁴⁷ As defined by the Downtown Lincoln Association; designated by map above

⁴⁸ 1.0 mile ring around the center point of the main retail district

Using ESRI's community tapestry data⁴⁹ to categorize downtown residents provides insight into the lifestyle of the downtown resident market segment. In Downtown Lincoln numerous lifestyle segments are represented with similar percentages. This is unlike the other comparison communities in which no more than two segments often account for at least 90 percent of the downtown demographic. In Lincoln, the top two segments, each accounting for approximately 22 percent of the population, include "Inner City Tenants," who are often in their late 20s, have professional jobs and frequently play outdoor sports; and the "Social Security Set," who are often retired and members of church organizations. Following closely behind these two is the College Towns segment which is made up of college students who enjoy attending sporting events and going out to bars.

Employment Market

The local economy will continue to be led by the services sector. Within the service sector, growth will be led by "office using" service areas, particularly business services, as well as health, engineering and management services. The government and manufacturing sectors have been and are expected to continue to decrease in importance, although Lincoln's largest employers will continue to be the State of Nebraska, the Lincoln/Lancaster County Government and the University of Nebraska. Technology and other fast growing office using industries will continue to lead the service sector, driving demand for office space from business services.

Table 6.26: Largest Employers in Downtown Austin

<u>Employer</u>		<u>Employees</u>
Nelnet	600	Student Loan processors
Tier 1 Center	300	Regional Bank
National Research Corp	300	Health care market research
University of Nebraska Lincoln		
State of Nebraska		

Housing

Housing near the main retail corridor seems to be dominated by college student rentals. This is reflected in the low median home value and the low household income for the downtown area. That being said, the historic conversions in the Haymarket District may be seeking to diversify the downtown housing market and they also reflect the renewal of the downtown housing market. This renewal has lead to unmet housing demand that is further complicated by the lack of space downtown for housing projects.

Table 6.27 Lincoln Housing Data

	Lincoln Downtown District⁵⁰	Lincoln 1.0 Mile Ring⁵¹
Housing Units	2,374	8,770
Owned Units	9.4%	11.1%
Rented Units	76.8%	78.6%
Vacant Units	13.8%	10.3%

Source: ESRI Business Information Systems

⁴⁹ Full explanation of ESRI Community Tapestry refer to Section 3: Demographics

⁵⁰ As defined by the Downtown Lincoln Association and designated on map above

⁵¹ 1.0 mile ring around the center point of the main retail district

Physical Assessment

The building stock is in need of updating, and some prominent buildings, once department stores, remain vacant. On the positive side these vacant buildings provide excellent stock for potential redevelopment opportunities, and the unique downtown areas (Haymarket, University, O and P Streets, etc.) provide a distinctive downtown environment. Although at this time the different downtown areas are poorly connected and there is a lack of unity throughout the downtown. There are also a number of parks downtown, including the large Haymarket Park, which provide needed green-space.



Source: Downtown Lincoln Association

Parking costs and availability are often cited as a significant problem for shoppers. There appears to be a need to make parking more user friendly and less costly. Downtown Lincoln is also exploring the possibility of a downtown circulator.

Business Mix and Environment

The Downtown Lincoln business environment is partly defined by the abundance of locally owned businesses. While locally owned establishments provide variety to a retail environment, the absence of national chains may make it difficult to encourage significant growth in the downtown. There is also a general lack of the demographic and physical (parking, infrastructure, etc) attributes needed to attract major national retailers. Lincoln also suffers from an over concentration of bars and college age drinking establishments, particularly on O street near the east end of downtown (26 pubs within a two block area). This concentration has resulted in an image problem for them.

Table 6.28 Lincoln Business Environment Data

	Downtown Lincoln
Office Lease Rates	\$12.00 – 17.50
Retail Lease Rates	\$14.50
Office Vacancy	12%
Retail Vacancy	11%

Source: Downtown Lincoln Association

On the positive side, retail has become a major focus of the city, and Lincoln is now home to a large downtown movie theater and a large bookstore near campus. The city is also planning on turning a recently purchased movie theater into a venue offering dining and second run films. These establishments are part of a larger arts niche in Downtown Lincoln. There is also a growing dining market that may coincide with a decrease in drinking establishment revenues. On the following page is a breakdown of retail establishments in the 1.0 mile Downtown ring and within the Lincoln MSA. The numbers are presented in both total number of businesses within a given segment and the percentage of total retail. There is also a column that displays the percentage of total MSA businesses located within the 1.0 mile ring.

Table 6.29 Lincoln Business Mix Environment Data

	1.0 Mile Ring: Number of Businesses	1.0 Mile: Percent of Total Retail	Lincoln MSA: Number of Businesses	Lincoln MSA: Percent of Total Retail	1.0 Mile Ring as percent of MSA Retail
Home Improvement	18	6%	189	8%	10%
General Merchandise	4	1%	55	2%	7%
Food Stores	32	10%	244	11%	13%
Auto Dealers, Gas, Parts	26	8%	252	11%	10%
Apparel & Accessory	14	4%	140	6%	10%
Furniture & Home Furnishings	20	6%	221	10%	9%
Miscellaneous Retail	75	24%	553	24%	14%
Eating & Drinking Places	127	40%	614	27%	21%
Total Retail, Eating & Drinking	316	100%	2,268	100%	14%

Source: ESRI Business Information Systems, from InfoUSA-2007

Market Position

The businesses in Downtown Lincoln are frequented by a handful of specific consumer segments. They include:

- University faculty and staff
- College students
- Downtown employers and employees
- Young professionals
- Tourists (less important)

These consumer segments are important because they, in part, drive the business recruitment and product mix. The presence of the college student market segment probably explains the abundance of drinking establishments along the retail corridor. Downtown Lincoln plans to further leverage the college student segment by concentrating their business recruitment efforts on the two streets closer to the University (P and Q). In addition, the downtown has become a center for entertainment and culture, attracting consumers to restaurants, movies and theater. To that end, young professionals and the university community may be the best immediate market because they are frequent patrons of entertainment type establishments.

Major Events and Traffic Generators

- Lied Center Large performing arts center located on the University campus
- Douglas Grand Theater 10-plex theater; built due to the efforts of the downtown association
- Haymarket Historic District Historic warehouse district with numerous restaurants and anchored by a busy Amtrak station
- Pershing Center City managed arena; home to the Lincoln Blaze Arena Football team
- Rococo Theater Theater offers music and drinks in a fully restored 1920s structure

- Haymarket Square Baseball Stadium 4,500 seat (room for 8,500) stadium; Home to the minor league Lincoln Salt dogs
- Lincoln Sports Huskier athletics, Capitols arena football, Stars hockey, Shrine Bowl
- Sheldon Memorial Art Museum Art museum in Downtown Lincoln that has both permanent collections and traveling exhibits
- Jazz in June Outdoor, summer jazz series
- State Capital The presence of the state government accounts for business and tourist visitors.

Visitor Industry Characteristics

Downtown Lincoln has three major hotels including a new Embassy Suites. As part of its entertainment district Downtown has a new ten screen movie theater. Anchoring the west side of Lincoln is the historic Haymarket entertainment district with restaurants, shopping, and nightclubs located among historic warehouses. Lincoln's exhibit space is located in the Pershing Center Arena. The facility is not dedicated to convention hosting and is also used for sporting events and concerts. Additional convention and meeting space is available through the local hotels, the University and the Lancaster Center on the edge of the City.

Table 6.30 Lincoln Visitor Industry

	Lincoln Downtown
Hotels	4
Hotel Rooms	829
Restaurants and Bars	127
Movie Screens	10
Exhibit Space (sf)	53,000

Source: Lincoln Convention and Visitors Bureau

Economic Development Strategies

- The City has identified potential catalyst projects aimed at adding vibrancy to their downtown environment. These projects include a civic square, mixed-use developments, infill development along one of their important thoroughfares, and high density urban residential complexes.
- Implementation is now underway on the first catalyst project in the Downtown master plan – a mixed use development on the block bounded by 13th & 14th, P and Q streets. This is one block north of the historic/traditional retail district (O Street)
- There is the potential of developing an incubator downtown; not necessarily a physical incubator but incubator services.
- There is discussion of a new arena and convention center west of Haymarket, 15,000 seating capacity built in conjunction with the University (The Pershing Center is aging) There is no convention center downtown.
- LDA has a 20-year master plan (2005-2025). It outlines new locations for retail, office and housing, describes improved venues for special events, and details suggested transportation improvements.

- A recent downtown retail analysis recommended the downtown support unique, local independent concepts with a sprinkling of brands, in order to create the visible fundamentals and “buzz” required to attract brand names. To do this, the report suggested three following selected actions:⁵²
 - strengthen existing restaurant and apparel segments
 - Identify retail nodes, strengthen and connect them (Haymarket district, P and O Streets. Create a clear retail corridor anchored on both ends (i.e. Haymarket) and is pedestrian friendly.
 - Implement parking study (top consumer issue)
 - develop a retail support program to help in the attraction and incubation of local independent businesses
 - Strengthen the connections to the University to create innovative new businesses and deepen market penetration. This includes both programmatic and physical linkages.
 - support civic investments in new residential development
- While existing independent retail is a priority, the Lincoln retail analysis did identify potential new national chain businesses to possibly recruit based upon their research of comparable college town markets, Examples include: Full Service Restaurants (P.F. Chang’s, China Bistro, Keg Steakhouse, etc.); Quick Service Restaurants (Pei Wei, Panera Bread, Einstein’s Bagels, etc.) ; Apparel (The Limited, Buckle, Francesca’s, etc.).⁵³

⁵² Downtown Lincoln Retail Retention and Recruitment Strategy, June 14, 2007 prepared for the Downtown Lincoln Association by Progressive Urban Management Associates, Inc. and the Laramie Company.

⁵³ Downtown Lincoln Retail Retention and Recruitment Strategy, June 14, 2007 prepared for the Downtown Lincoln Association by Progressive Urban Management Associates, Inc. and the Laramie Company.

Conclusions

The quantitative and qualitative analysis conducted during the study of Madison's five peer city downtowns resulted in a large amount of comparison data and anecdotes. The following are some of the findings that may be transferable to Madison:

- Distinct but connected business clusters exist in the peer city downtowns. Ann Arbor's downtown retail corridor balances the need to serve students and the general public by having a spatial organization that separates the two retail nodes (one targeted at college aged consumers, the other catering to a wider array of consumers). The two nodes are connected by a retail corridor that serves as a transition between the areas.
- The peer city downtowns have strengthened their identity based on local culture and attitudes. Austin has successfully integrated its national identity as a "green," socially-conscious community into their business recruitment strategies. As a result, national chains identifying themselves with the Austin ethos and are drawn to the area for a potentially loyal customer base.
- The downtowns examined are more than places to buy products or services. Boulder has created a vibrant retail environment by focusing not just on the retail mix, but on creating a retail experience to provide a unique, aesthetically pleasing quality environment.
- Some of the peer city downtowns have developed a niche around home furnishings, especially targeted to urban residential life. Austin offers a small collection of retailers who sell "hip" furniture and home furnishings. This niche adds a new dimension to the creative, eclectic retail offerings seen in many cities.
- Given the educated demographics of the peer cities, downtown book stores, including a large format retailer such as that in downtown Ann Arbor, adds to the draw of the downtown business mix.
- The peer city downtowns recognize the importance of neighborhood-serving businesses (such as grocery stores) to better serve downtown residents. For grocery stores, upscale and natural-foods niches appear to be important.
- Apparel continues to be an interest of many of the peer city downtowns. Boise's women's clothing niche provides retail offerings that distinguish the Downtown from the nearby shopping mall (despite the fact the Downtown is home to a Macy's Department store which is a retailer often found in a mall setting). The mix of boutiques and a department store may demonstrate the opportunity for a downtown to have an apparel niche.
- Unique, one-of-a-kind local retail establishments allows the peer downtowns to differentiate themselves for traditional retail centers. Boulder's unique retail mix, as an example, remains successful despite regional competition. Examples of one-of-a-kind stores could also tie into specific retail niches (such as stores serving musicians and the arts community).
- The presence of a downtown movie theater, such as in Lincoln, fills a major need for the college age consumer segment, and creates another anchor for the entertainment niche in Downtown.

- Several of the peer city downtowns have seen construction or are considering the potential for major catalytic developments with the necessary footprints and commercial space to accommodate new business ideas.
- Some of the peer city downtowns appeal to the entire community including families with children. Boulder has actively attempted to attract families downtown by integrating street level entertainment, targeted at drawing children and families into their retail corridor. In addition, Boulder has successfully expanded their consumer segment appeal by strategically scheduling events so the Downtown primarily serves one or two segments at a time.
- The peer city downtowns are aware that there may be significant impact on both consumer attitudes and retail business profitability if their business mix is unbalanced with too many eating and drinking establishments.
- Many of the peer city downtowns work to inspire downtown entrepreneurship including efforts to build more formal programmatic linkages with the University. Ann Arbor and Lincoln provide examples of this.
- A portal available to existing businesses, entrepreneurs, site selectors and the real estate community can provide a one-stop shop to provide valuable market information and help solve problems. As in Austin, this can also be used to help the retail industry become more aware of opportunities downtown.

Appendix 6A: Comparison Tables

Demographic Comparison

	Ann Arbor Downtown 1.0 mile Ring	Austin Downtown 1.0 mile Ring	Boise Downtown 1.0 mile Ring	Boulder Downtown 1.0 mile Ring	Lincoln Downtown 1.0 mile Ring	Madison Downtown 1.0 mile Ring
Population	32,748	9,266	11,015	26,374	20,211	32,698
Households	11,839	4,688	5,898	10,795	7,871	13,064
Median Household Income	\$31,492	\$44,732	\$32,168	\$42,897	\$24,4833	\$19,157

All numbers are 2007 predictions based on 2000 Census data.
Source: ESRI Business Information Systems

Housing Comparison

	Ann Arbor Downtown 1.0 mile Ring	Austin Downtown 1.0 mile Ring	Boise Downtown 1.0 mile Ring	Boulder Downtown 1.0 mile Ring	Lincoln Downtown 1.0 mile Ring	Madison Downtown 1.0 mile Ring
Housing Units	12,414	5,247	6,557	11,344	8,770	13,619
Owned units	21.1%	31.9%	25.2%	31.6%	11.1%	4.1%
Rented Units	73.4%	57.4%	64.8%	63.5%	78.6%	90.8%

All numbers are 2007 predictions based on 2000 Census data.
Source: ESRI Business Information Systems

Real Estate Data Comparison

	Downtown Ann Arbor	Downtown Austin	Downtown Boise	Downtown Boulder	Downtown Lincoln	
Office Lease Rates	\$20.00	\$27.50	\$18.40	\$22.00	\$14.75	
Retail Lease Rates	\$30.00	\$25.00	\$20.00	\$33.00	\$14.50	
Office Vacancy	15.5%	17.8%	9.7%	8%	12%	
Retail Vacancy	10%	6.2%	10-15%	4.5%	11%	

Sources varied, see communities section for more details

Business Mix Comparison – 1.0 Mile Ring

	Ann Arbor 1.0 Mile Ring		Austin 1.0 Mile Ring		Boise 1.0 Mile Ring		Boulder 1.0 Mile Ring		Lincoln 1.0 Mile Ring		Madison 1.0 Mile Ring	
	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail
Home Improvement	10	2%	18	3%	8	3%	13	2%	18	6%	4	1%
General Merchandise	5	1%	4	1%	4	1%	6	1%	4	1%	0	0%
Food Stores	27	6%	35	6%	20	7%	42	8%	32	10%	31	8%
Auto Dealers, Gas, Parts	6	1%	27	5%	22	7%	20	4%	26	8%	8	2%
Apparel & Accessory	33	7%	28	5%	27	9%	54	10%	14	4%	38	9%
Furniture & Furnishings	55	12%	77	13%	32	10%	74	14%	20	6%	32	8%
Miscellaneous Retail	117	26%	116	19%	77	25%	161	30%	75	24%	97	24%
Eating & Drinking Places	190	43%	293	49%	118	38%	170	31%	127	40%	192	48%
Total Retail	443	100%	598	100%	308	100%	540	100%	316	100%	402	100%

Source: ESRI Business Information Systems; InfoUSA 2007

Business Mix Comparison – MSA

	Ann Arbor MSA		Austin MSA		Boise MSA		Boulder MSA		Lincoln MSA		Madison MSA	
	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail
Home Improvement	159	6%	753	6%	413	9%	139	5%	189	8%	298	6%
General Merchandise	75	3%	289	2%	155	4%	52	2%	55	2%	87	2%
Food Stores	220	8%	1,218	10%	395	9%	249	9%	244	11%	455	9%
Auto Dealers, Gas, Parts	238	9%	1,221	10%	548	13%	202	8%	252	11%	430	9%
Apparel & Accessory	155	6%	821	7%	212	5%	131	5%	140	6%	284	6%
Furniture & Furnishings	349	13%	1,739	14%	518	12%	436	17%	221	10%	530	11%
Miscellaneous Retail	717	27%	3,135	26%	1,068	24%	750	28%	553	24%	1,403	29%
Eating & Drinking Places	712	27%	3,019	25%	1,080	25%	679	26%	614	27%	1,348	28%
Total Retail	2,625	100%	12,195	100%	4,389	100%	2,638	100%	2,268	100%	4,835	100%

Source: ESRI Business Information Systems; InfoUSA 2007

Percent of Businesses within the MSA that are Located Downtown

	Ann Arbor 1.0 Mile Ring	Austin 1.0 Mile Ring	Boise 1.0 Mile Ring	Boulder 1.0 Mile Ring	Lincoln 1.0 Mile Ring	Madison 1.0 Mile Ring
	% of business within the 1.0 mile ring	% of business within the 1.0 mile ring	% of business within the 1.0 mile ring	% of business within the 1.0 mile ring	% of business within the 1.0 mile ring	% of business within the 1.0 mile ring
Home Improvement	6%	2%	2%	9%	10%	1%
General Merchandise	7%	1%	3%	12%	7%	0%
Food Stores	12%	3%	5%	17%	13%	7%
Auto Dealers, Gas, Parts	3%	2%	4%	10%	10%	2%
Apparel & Accessory	21%	3%	13%	41%	10%	13%
Furniture & Furnishings	16%	4%	6%	17%	9%	6%
Miscellaneous Retail	16%	4%	7%	21%	14%	7%
Eating & Drinking Places	27%	10%	11%	25%	21%	14%
Total Retail	17%	5%	7%	20%	14%	8%

Source: ESRI Business Information Systems; InfoUSA 2007

Visitors Industry Comparison

	Downtown Ann Arbor	Downtown Austin	Downtown Boise	Downtown Boulder	Downtown Lincoln	Downtown Madison
Hotels	2	23	6	7	4	9
Hotel Rooms	274	5,500	801	479	829	1,228
Restaurants and Bars	190	293	118	170	127	192
Movie Screens	Approx. 5	6 (1 IMAX)	Approx 13	0	10	2
Convention Space (sf)	none	250,000	50,000	0	53,000	165,000

Sources: Communities' Visitors and Convention Bureau

Opportunities to Enhance Downtown Madison's Economic Vitality

The Downtown Madison Market Analysis provides a foundation for business retention, expansion and recruitment efforts. Using this foundation, Section 7 examines a series of broad opportunities for growing Downtown Madison's economic vitality and improving its contributions to the local and regional quality of life. These opportunities build upon the information and conclusions presented in the preceding sections of this report, as well as recognized best practices in downtown economic restructuring.

Downtown Madison has a number of opportunities to maintain and expand its prominence in the regional economy. Some of these opportunities were expressed in the appreciative inquiry process² facilitated by Bert Stitt & Associates in 2004 (see Appendix 7A), while other opportunities have emerged from this research. Downtown Madison's diverse consumers segments, its proximity to large-scale customer traffic generators, its geographic and economic position in the Capital Region, and its unique character offer prospects for growing its economic vitality.

The following discussion examines opportunities based on the information assembled during the market analysis process. The Downtown Madison Market Analysis was a coordinated effort among Downtown Madison, Inc., the Madison Central Business Improvement District (BID), UW-Extension's Center for Community and Economic Development, and UW-Extension Dane County. Financial support was also provided by the City of Madison's Department of Planning and Community and Economic Development. Individuals interested in more specific findings or detailed market data should consult the full report.

*Note that the information and opportunities presented in this section are not listed in order of importance. Downtown Madison, Inc., the Madison Central Business Improvement District and other downtown stakeholder groups will need to prioritize those opportunities that are best suited for their members and match their existing and future economic restructuring capacity. Furthermore, the opportunities presented in the following discussion are not intended to be recommendations for specific real estate or business development efforts. **Real estate developers, investors and individuals interested in new or expanded business opportunities will need to conduct an independent market assessment or feasibility study.***

Opportunities for increasing downtown Madison's economic vitality are structured around ways to better serve key consumer segments and ideas to build upon its commercial and entrepreneurial environment. Additional research needs are also examined as part of these opportunities.

Characteristics and Preferences of Downtown Consumer Segments

The Downtown Madison Market Analysis examines five consumer segments important to downtown businesses: college students, downtown employees, visitors, downtown residents and residents of the downtown Madison trade areas (as defined in Section 2). Understanding the purchasing preferences of these individuals can help existing downtown businesses better serve these consumers. Examining these various consumer segments may also identify an intersection of opportunities for the recruitment of new businesses. Characteristics for each of the five key consumer segments are summarized below.

College students

Over 50,000 college students reside in Dane County with a large proportion of these individuals living either in or adjacent to the Downtown Study Area. Students attending the University of Wisconsin-Madison account for over 75 percent of the region's college enrollment and contribute \$175.2 million in regional retail and service (personal and business) expenditures¹. The college student market segment spends more per person than the national average on food, beverages, and entertainment including movies. Based on local and national spending patterns, many of their product and service expenditures are made on discretionary purchases for electronic entertainment (DVD's, music downloads, video games), other electronic equipment (stereos, MP3 players, computers, televisions), movies, and designer apparel. While a number of these goods and services are available in downtown Madison, purchasing preferences of these college students suggest potential sales leakages and pent-up demand in the categories of apparel, household goods, electronic equipment, and movies. The spending potential of students residing in the Downtown Study Area is included in the expenditure figures presented in Appendix 7B.

Both downtown Madison business owners and national researchers suggest that back-to-school shopping accounts for a notable share of college student expenditures. Nationally, more than half (59.8 percent) of students purchase back-to-college merchandise at a college bookstore, 55.8 percent shop at discount stores, 41.0 percent at office supply stores, 36.1 percent at department stores, and 32.0 percent make back-to-college purchases online.² Again, the lack of a downtown department store and downtown discount store suggests that a share of downtown Madison's college student expenditures is potentially leaking to outlying areas.

The importance of technology and electronic entertainment to college students also implies that marketing approaches should consider alternate communications outlets. Creating Podcasts, MySpace pages and Facebook pages for downtown Madison can be used to highlight monthly specials, new products and events. The National Main Street Center's March 2007 issue of *Main Street News* provides a primer for marketing downtowns through podcasting. Downtown business search engine rankings could also be enhanced by better understanding Google's search algorithm and subsequently how to position keywords, create sitemaps, and use Adwords. These techniques may be especially important for businesses maintaining their own websites and may provide an opportunity for a business counseling program given the number of businesses using the Internet suggested by the business operator's survey.

¹ Source: Northstar Economics. *University of Wisconsin-Madison's Economic Contribution to the Region*. June 2003.

² NRF 2005 Back-to-College Consumer Intentions and Actions Survey, conducted by BIGresearch; August 2004.
<http://www.nrf.com/content/default.asp?folder=press/release2005 &file=btc0805.htm>

Downtown Employees

In 2000, downtown Madison businesses employed approximately 33,000 workers. While the numbers may have changed slightly, downtown workers are employed largely in white-collar occupations, with specific concentrations in management, business, computer, mathematical, legal, educational, and arts and entertainment occupations. From an industry perspective, public administration accounts for the highest share of downtown employment and reflects the presence of local, state and federal government employees working in the Downtown Study Area. However, downtown Madison's share of knowledge-based occupations also contributes to a concentration of knowledge-based industries including information, educational, health care, professional, scientific, management and administrative services. The Downtown Study Area's importance as an entertainment and visitor destination is reflected in its high share of employment in the arts, entertainment, recreation, accommodation and food service industries relative to the county and the state.

Over one-third (34 percent) of downtown employees live in households with incomes of \$75,000 or more (compared to 30 percent in the state). Combined, downtown Madison workers represent \$213.2 million in downtown retail spending potential (including dining). Note that downtown worker spending figures reflect spending potential and not actual downtown spending figures. Furthermore, these figures do not reflect worker's total household retail spending potential. While 76 percent of downtown employees are also residents of the primary or secondary destination trade area, the time spent downtown by these workers creates a captive audience for a large portion of the week. Considerations for capturing employee spending potential include having appropriate business hours (i.e. open until at least 6:00 or 6:30 pm) and examining the number of workers within a quarter mile of a given location.

Downtown Residents

With an annual household growth rate of 2.4 percent, downtown Madison added households at a rate faster than either Dane County or the nation between 2000 and 2007. The Downtown Madison Study Area's estimated population is currently 24,339 residents, with a large share of these individuals enrolled in college (72 percent). Given the number of students living in downtown Madison, it is not surprising that a large share (76.6 percent) of downtown residents are between the ages of 15 and 24 and tend to have per capita incomes below the national average. The presence of these college students also contributes to downtown Madison's large share of non-family households, individuals living in group quarters (dorms) and its high mobility rate (i.e. resident turnover).

While college students account for a large number of downtown residents, downtown Madison is experiencing a growing population of individuals between the ages of 25 to 34, and residents ages 55 to 64. Corresponding to these changes is a growing number of owner-occupied housing units and upscale rental developments catering to young professionals and empty-nesters. Between 1995 and 2007, an estimated 1,800 new rental units have either been developed or are currently under construction. During the same time period, 1,340 condominium units were added to downtown Madison through new construction, conversion from rental properties, or adaptive re-use. The number of new downtown housing units (over 3,100) should be showcased on business recruitment materials as a source of investor confidence and growth in downtown Madison.

While downtown condo-dwellers are still a small share of the population, they are creating a new niche for downtown and generating additional demand for neighborhood-serving retail businesses (grocery stores, pharmacies, and hardware stores) as well as service businesses

(hair and personal care, fitness, dry cleaners, financial services and pet care). Lifestyle segmentation data for these non-student downtown residents suggest that many of these individuals have high spending propensities for dining out, movies, concerts, leisure activities, apparel, home furnishings, electronics, and sporting goods. The expenditure potential of downtown residents, including students residing downtown, is presented in Appendix 7B.

Visitors

With expenditures of over \$1.2 billion, Dane County accounts for the second largest visitor spending in the state of Wisconsin. While expenditure capture rates vary by market segment, downtown Madison's 1,200 hotel rooms, its proximity to UW-Madison, and a concentration cultural and conference facilities, suggest that downtown Madison captures a large share of Dane County's overall visitor expenditures. However, the number of downtown retailers suggests that downtown Madison may be capturing a relatively low percentage of visitor retail spending potential (~5 percent, not including dining). As shopping is the number one visitor activity, enhanced retail offerings and concentrations may provide opportunities to better capture visitor's retail spending potential. Nationally, visitors frequently purchase clothing or shoes, souvenirs, books or music, specialty food/beverages, toys, crafts, and jewelry.

Residents of the Primary and Secondary Destination Trade Areas

Based on an analysis of existing downtown customers, the location of competing shopping destinations, and other geographic limitations, the primary destination trade area (population 137,000) generates approximately 50 percent of the local customers for downtown Madison. The primary destination trade area extends northeast to Commercial Avenue, west to approximately Whitney Way, south to Highway PD and east to Monona Drive. Characteristics of primary trade area residents include large shares of non-family households, individuals ages 20 to 34, and college graduates. Partly influenced by college students living in and around downtown Madison, these demographic categories suggest a highly-mobile population of college students and younger, educated individuals. While average household incomes in the primary trade area are below the national average, these incomes are depressed by the large number of college students living in the area and do not represent the high levels of discretionary income often available to these individuals. The demographic and lifestyle characteristics of primary trade area residents suggest above average spending potential for apparel, dining out, entertainment, electronics, music, and sporting goods.

Complementing the primary destination trade area, the secondary destination trade area (additional population 156,000) generates an added 25 percent of the local customers for downtown Madison. The less captive secondary destination trade area comprises a larger geographic region encompassing most of Madison and Monona, as well as portions of Fitchburg, Middleton and McFarland. The secondary trade area differs somewhat from the primary trade area with its larger proportion of family households, a higher share of individuals ages 35 to 54, median household incomes above the national average, and a larger number of home owners. Many teenagers, important consumers at shopping malls, also reside in this geographic area. Characteristics of secondary trade area residents suggest purchasing preferences for furniture, home improvement, children's goods and services, and entertainment. However, the more distant nature of secondary trade area residents suggests that a distinct shopping environment and business mix will be needed to increase downtown Madison's consumer penetration into these areas. Possible barriers to penetrating this geographic area include issues such as parking and traffic, and the unavailability of national brand and large format stores that are familiar to many of these consumers. The expenditure potentials of primary and secondary trade area residents are presented in Appendix 7B.

Opportunities to Enhance Downtown Madison's Commercial Environment

Given the characteristics and preferences of downtown Madison's consumer segments, the insights of downtown business operators, and the practices and successes of peer cities, opportunities to improve downtown's economic vitality were developed. These opportunities were partly crafted in consultation with the study committee and are rooted in the economic and demographic realities of the trade areas and region. These opportunities focus mostly on street-level economic development opportunities, many related to retail, service and entertainment. Additional opportunities consider downtown Madison's economic and geographic position in the regional economy. These opportunities may stimulate innovative business development ideas that will continue to strengthen economic health of the downtown.

Building Downtown Retail and Service Niches

Downtown Madison's retail environment faces challenges common in other comparable downtowns: growing competition, small storefronts and footprints that constrict commercial options, a variety of public perception issues related to parking and safety, and limited store hours. Furthermore, downtown Madison's unique geographic position creates regional accessibility issues, while its long core retail district potentially dilutes the critical mass of shopping opportunities. Despite these challenges, downtown Madison has a number of unique competitive advantages in the marketplace including its proximity to numerous large-scale customer traffic generators, access to diverse consumer segments, and additional households that are being added at a rate faster than either the county or nation. Further, its uniqueness and "sense of place" are competitive advantages to many consumers over traditional malls and shopping centers. These potential challenges and opportunities suggest that downtown Madison should seek to continually differentiate itself from other shopping destinations in the Madison region. Specifically, downtown Madison should focus on commercial niches that best serve its key consumer segments and build upon its existing retail strengths.

Downtown Madison has opportunities to grow several retail niches that would enhance downtown Madison as a shopping destination, induce new consumer expenditures, and reduce leakage to outlying areas. These niches are based on the intersection of opportunities created by existing competition, local culture, retail opportunities in comparable downtowns, the purchasing preferences of downtown Madison's primary consumer segments, and current downtown retail strengths. Residential consumer demand for individual store types and additional rationale for developing these niches are included in Appendix 7B. *Note that the brands listed in the niche descriptions are not included as business recruitment recommendations, but rather to describe the product mix that fit a given niche. Business expansion and recruitment will likely take the form of mostly local independent businesses with some regional or national brands.*

- *Urban Living* – The urban living niche focuses on goods and services related to home furnishings, furniture and home decorating. The product mixes in these stores could include those similar to a Crate and Barrel and include furniture, gifts, linens, small appliances, cookware, draperies and bed and bath items. Other corresponding products in this niche could include interior design, home electronics, floral shops, vintage furniture, paint, and hardware. A gourmet food and kitchen store similar to Williams-Sonoma may also fit in this niche. While downtown Madison has a number of supply gaps in these categories, the urban living niche complements established downtown retailers such as Rubin's Furniture, Dorn True Value Hardware, and Tellus Mater. Examples of the urban living niche can also be found in Ann Arbor, Austin, and Boulder.

- *Apparel* – Downtown apparel opportunities include upscale women's apparel and accessories, apparel for professionals, apparel for college students, and shoes. Apparel stores targeting students and professionals could include those with product mixes similar to J. Crew, Banana Republic, Anthropologie, Chico's, Talbots and the Limited. Another example, American Apparel, is a sustainable apparel manufacturer located in several of the comparable downtowns and has a product mix appealing to a younger audience. A greater apparel mix would build upon existing strengths in downtown Madison including BOP, Citrine, Gap, Heartland Birkenstock, Jack's Shoes, Jazzman, Karen & Co., Land's End, Sassafras, WinterSilks, Scoshi, Urban Outfitters, and others. Sports and outdoor retailers such as RBK 101, Name of the Game, Insignia, Steve & Barry's, Sports World, and Fontana also complement downtown Madison's apparel niche. Examples of this niche can also be found in Austin, Boise and Boulder.
- *Arts, Gifts and Entertainment* – The arts, gifts and entertainment niche includes downtown dining opportunities, cultural facilities, gift and novelty shops, children's attractions, musical instrument stores, and art studies/galleries. The niche serves both visitors and residents of the primary destination trade area. The arts, gifts and entertainment niche partly relies on downtown customer traffic generators such as the Overture Center for the Arts, downtown lodging establishments, and the Monona Terrace Community and Convention Center. The use of upper-floor space for artists may also be appropriate in selected locations. However, this niche also recognizes that eating and drinking establishments comprise more than 50 percent of the retail businesses located in downtown Madison and that the mix of eating and drinking establishments to retail must be considered. Furthermore, the arts, gifts and entertainment niche acknowledges that unique gift stores such as Pop Deluxe, and art galleries (such as Fanny Garver Gallery) contribute to downtown Madison's unique regional appeal. Downtown Madison may want to further explore the gifts niche in downtown Boulder, Colorado as an example of how unique product mixes, merchandising and gift concepts have created a destination.

While the downtown restaurant market is somewhat saturated, one notable gap in downtown Madison's arts, gifts and entertainment niche is a first-run, multi screen movie theater. While examples of this niche can be found in all of the peer cities, downtown Lincoln provides a good example of how a multi-screen movie theater can be developed as an anchor to an arts and entertainment district.

- *Neighborhood-Serving Businesses* - Basic goods and services for downtown residents is another niche that is becoming increasingly important with a growing downtown population. While these goods and services contribute to the health of downtown Madison, these retail categories are less dependent on residents of the primary destination trade area and do not necessarily contribute to the overall drawing power of the commercial district. Previously, groceries comprised one notable gap in basic downtown goods and services. However, the development of a second Willy St. Cooperative location in Phase II of Metropolitan Place will partially fill this supply gap. Opportunities for additional grocery stores, and other convenience businesses (dry cleaners, hair salons, pharmacies) should be assessed as the number of downtown housing units continues to grow.

Other potential supply gaps in downtown Madison include department stores, discount department stores, new book stores, and office supply stores. Despite the likely retail leakage in these retail categories, the footprints of these store types may not fit into the character or current land use patterns found in the Downtown Study Area. Nevertheless, some downtowns are exploring opportunities for a large, strategically-placed catalytic retail development which could help fill some of these gaps.

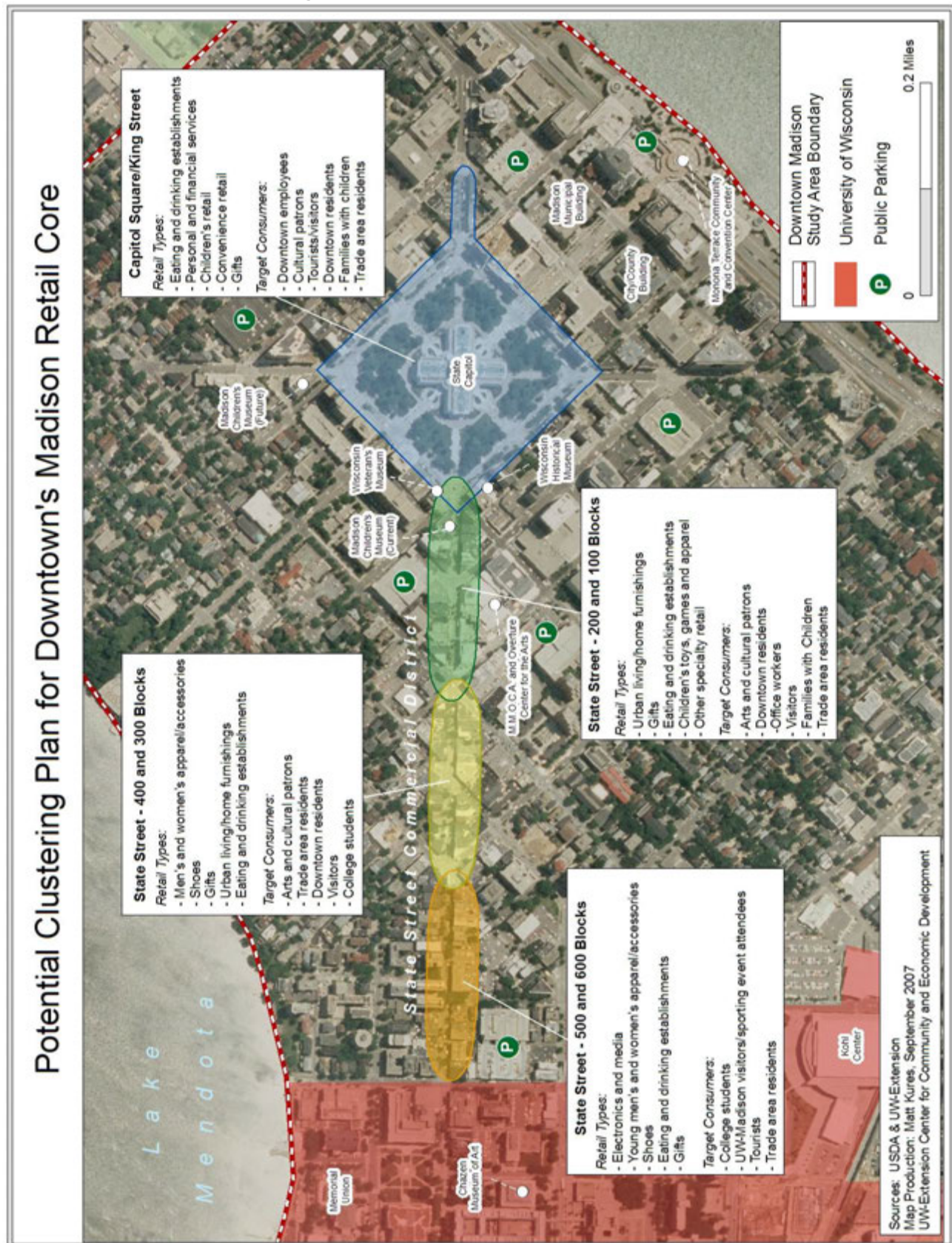
Finally, it is important that downtown Madison provides an environment and atmosphere that is attractive to market segments beyond college students. With the exception of Austin, Texas, downtown Madison has a greater share of eating and drinking establishments than any of the comparable downtowns. An unbalanced mix with too many of these establishments may limit the number of retail spaces in downtown Madison and may be a barrier to broadening the retail market capture. As eating and drinking establishments churn in downtown, property owners may want to consider additional high quality retail tenants that provide synergy and additional support for retailers to capture unmet spending potential.

Developing Business Placement and Clustering Strategies

The length of the State Street commercial district, the location of downtown customer traffic generators, and parking perception problems suggests that downtown Madison should consider the development of a comprehensive business clustering and placement strategy. A placement strategy could be adopted as an educational tool to help prospective business operators and property owners make appropriate business location decisions that could encourage cross-shopping opportunities, avoid potential commercial conflicts, and reduce business turnover. A clustering plan and placement strategies could also assist existing businesses seeking to expand or relocate within downtown Madison. The clustering plan focuses on the primary downtown retail corridor (Map 7.1) and includes the following considerations:

- *100 to 200 blocks of State Street and Capitol Square Area* – Create a critical mass of urban living establishments, gifts, dining, arts and entertainment establishments, and businesses targeting families with children (toys, games, and kid's apparel). The placement of these business types considers existing cultural traffic generators, proximity to downtown condo residents, and concentrations of downtown office workers. Other targeted consumers include residents of the primary and secondary trade areas, tourists and visitors, and families with children. Considering family-oriented activities for these downtown locations builds upon existing family traffic generators (i.e. Dane County Farmer's Market and the Madison Children's Museum) while also avoiding potential commercial conflicts between college students and families.
- *300 to 400 blocks of State Street* – Develop concentrations of men's and women's apparel and accessories, shoes, gifts, home and hearth and dining establishments. Goods and services on these two blocks would serve residents of the downtown Madison trade areas, arts and cultural event patrons, downtown residents, visitors and college students.
- *500 and 600 blocks of State Street* – Build upon the existing cluster of electronics and media, young men's and women's apparel and accessories, eating and drinking establishments, and gifts. The 500 and 600 blocks of State Street should consider college students, UW-Madison visitors, sporting event attendees, and tourists as its primary consumer segments. Residents of the primary and secondary trade areas are also target consumers of these two blocks.
- *Encourage professional and personal services to locate on upper floors* – Furthermore, existing personal and professional services located at street level in the State Street Commercial Corridor should have vibrant window displays to create pedestrian interest and create an illusion of retail continuity.

Map 7.1 – Potential Retail Clustering Plan for Downtown Madison's Retail Core



Prioritizing and Initiating Business Retention, Expansion and Recruitment Activities

Downtown Madison's retail niches can be enhanced through the targeted recruitment of businesses that complement existing goods and services in each identified niche. More importantly, these niches can be supported by also offering retention and expansion assistance for existing businesses. Specific business retention, expansion and recruitment activities are listed below and are partially based on best practices in downtown economic restructuring as well as the results of the business operators' survey. Again, *these activities are not necessarily suggested as activities for staff of the Central BID or DMI. Instead, the Central BID and DMI should prioritize those activities that can be effectively accomplished in-house, those that can be addressed through partnerships with other economic development organizations, and activities that can be pursued by volunteers.* UW-Extension can provide facilitation assistance in prioritizing the following activities:

- *Assist existing businesses identify and develop opportunities for growth and expansion* - A team or individual focusing on existing businesses can be of great assistance in identifying opportunities for growth and expansion. Specific expansion activities could include:
 1. Making the results of this market analysis available to downtown business owners and operators;
 2. Facilitating cross-marketing activities among existing businesses in downtown Madison's retail niches (apparel, urban living, and arts, gifts and entertainment). These activities could include cross-promotional opportunities or joint advertising efforts;
 3. Providing the Community Tapestry lifestyle segmentation information to existing businesses and training them how to use the information to better understand their customers or identify new product lines or services;
 4. Remaining up-to-date on business trends by attending trade shows, joining industry organizations, or subscribing to retail industry publications. Downtown Madison stakeholder groups may want to consider sending a delegation to the ICSC annual convention in Las Vegas.
 5. Assisting existing business owners in opening a complementary new business by providing market research, assisting in the site selection process, and providing other business assistance (i.e. identifying financial assistance, understanding of local codes and business regulations, etc.).
 6. *Continuing and expanding on existing effective programs such as the BID Map and Guide, BID Ambassadors program and BID Weekly email updates* - The BID and DMI programs are instrumental in strengthening the customer experience and the ability of businesses to work together with focus and direction. Examining safety issues, or the perception of safety, may be important future topics for BID programming.
- *Study expanded business hours through a supplemental analysis of downtown pedestrian counts and daily and seasonal activity patterns* – Respondents to the business operators' survey suggested openness to expanded business hours. Additional understanding of downtown patterns would be useful in determining the most promising periods for expanded district-wide operating hours.
- *Create recruitment and marketing collateral materials based on the information in this market analysis* – Active business recruitment can accelerate the retail development process. Collateral materials should include one-page summaries of trade area resident

demographics as well as overviews of the downtown student, visitor, resident and office market segments. Additional materials could include a summary of downtown customer traffic generators, lists of businesses associated with the aforementioned niches, and other material relevant to downtown business recruitment. Materials should be shared with downtown property owners and commercial brokers. A web-based portal could be developed to provide valuable market information and disseminate business recruitment materials.

- *Share the value of a downtown location as part of the business retention and recruitment process* - Respondents to the business operator's survey have a high level of satisfaction with their downtown location. The value of a downtown location could be captured in short case studies and shared with prospective business operators as part of Madison's business recruitment materials. The information can specifically be used to counsel selected regional businesses that might consider an additional downtown location.
- *Encourage downtown property owners and commercial brokers to enter and maintain building and site data into the Location One Information System (LOIS), Property Drive or other inventory management systems* – Providing up-to-date data on downtown vacancies will help the Central BID, REDE, and other economic development organizations provide information to prospective businesses interested in a downtown Madison location.
- *Host business prospects visiting downtown Madison* – Bringing potential business investors and operators downtown provides the opportunity to tell the downtown Madison's story through first-hand experiences. Existing business operators could be part of a team that hosts new business prospects.
- *Connect entrepreneurs with business assistance providers* – Encourage entrepreneurship by building more formal programmatic linkages with UW-Madison, Edgewood College and MATC. Develop a list of business development organizations and their respective services. These organizations should include the Wisconsin Entrepreneurs Network (WEN), SCORE, UW-Madison's Small Business Development Center, and the City of Madison's Office of Business Resources. While these resources will be useful for new business owners, increasing the awareness of and participation in the UW-Madison Small Business Development Center's educational programs may help existing businesses in their marketing/branding/advertising, business planning, and business market analysis activities. Similarly, businesses suggest a need for greater education about the financing and loan programs available to them.
- As the size of existing retail space is limited, explore infill opportunities for large, strategically-placed, catalytic retail developments that could help fill some of these gaps identified.
- *Update demographics, regional economic data, consumer segment descriptions, and market recommendations on an annual basis* - UW-Extension can assist in assembling the necessary data to update this market analysis. Establish benchmarking criteria with peer city downtowns and create an on-going exchange of information and business development leads that might be fitting for any or all of these downtown districts.

In addition to these activities, it is important that potential improvements to the physical environment be examined on a continual basis to set the stage for business expansion and recruitment. For example, some of the improvements identified by business operations include additional pedestrian directional signs, parking-stall availability signs, and additional landscaping/flower planters.

Building on Downtown Madison's Position in the Regional Economy

Downtown Madison has opportunities to build upon both internal and external aspects of the broader regional economy. From an internal perspective, the greater Madison region has a strong entrepreneurial climate that provides opportunities for new business growth in downtown Madison (both street level and upper floors). From an external perspective, downtown Madison has a central position in a region with numerous competitive advantages including a growing population, a deep pool of human capital, and a high quality of life. While downtown Madison faces competition from other regional, national, and international sites, it has a number of competitive advantages that differentiate it as a commercial location. Opportunities to build upon these regional competitive advantages include:

- *Promoting downtown as a center of knowledge.* – Downtown Madison's proximity to UW-Madison and the region's educated workforce provides access to knowledge spillovers for existing companies, and recruitment opportunities for new employees engaged in professional and technical occupations. Promoting downtown as a center of knowledge also complements the Greater Madison Convention and Visitor Bureau's positioning statements.
- *Marketing downtown Madison's worker amenities* – While downtown Madison faces challenges related to employee parking and accessibility, it also enjoys a concentration of worker amenities including dining establishments, entertainment facilities, and personal services unavailable in other portions of the region. Amenities also include the availability of multi-modal transportation options for workers living in the area and new live-work opportunities created by new downtown housing developments.
- *Facilitating connections to business services and promoting downtown Madison as a de-facto business incubator* – While the Network 222 building includes physical business incubation space, the entire Downtown Study Area serves as an open air business incubator. Developing lists of entrepreneurial support organizations (WEN, SBDC, etc.), and an inventory of downtown establishments providing business services (copy centers, office supply stores, meeting places, etc.) would help to connect new businesses with these needed resources. Lists of networking locations, sources of small business financial assistance, and affordable office vacancies would also support downtown entrepreneurs.
- *Promoting downtown commercial space to businesses connected to industry clusters in the state and region* – Downtown Madison is an ideal location for many of the professional and technical services that complement industry clusters in both the state and the Capital region. These clusters include health care, insurance, bio-technology, food product manufacturing, information technology, among others. Downtown Madison also provides immediate access to the state's government center, one of the largest employers in Dane County.
- *Working with the newly formed Regional Economic Development Entity (REDE) to provide information about the region's labor force, industry trends, and economic conditions to prospective companies* - REDE will become an important partner in providing comprehensive regional economic and workforce information and in marketing the region.
- *Promoting Downtown Madison as a Place for Networking* – Networking is an increasingly important activity for both labor and firms. Firms of all sizes develop webs of relationships to help them achieve the speed, quality, flexibility and knowledge essential for competitive advantage. Downtown Madison's dense environment of businesses, restaurants, bars, coffee shops, and wired public spaces provides an ideal environment for networking and developing relationships.

Appendix 7A – Appreciative Inquiry Findings, Bert Stitt & Associates, 2004

The Downtown Business Summit project, branded as “The Downtown Dynamic,” was facilitated by Bert Stitt July 29, 2004 using the innovative *Appreciative Inquiry* process. This unique four step dialogue model engages participants to think creatively and deeply about their environment while focusing on observing what works well and envisioning how to build on that for a healthy and vibrant future regarding a particular topic, in this case, the downtown business climate with emphasis on retailing.

Summary of the Appreciative Inquiry Process

The process incorporates four phases; Discovery, Dream, Design, and Destiny. For this project there were two ‘public invitation’ sessions held for each phase. The ‘Destiny’ phase resulted in a set of four ‘Strategic Directions’ to be pursued; (business) Advocacy, Business Mix, Education and Training, and Research; each populated by a dedicated group of people who proceeded to undertake research and identify actions for each area (see <http://appreciativeinquiry.case.edu/>)

What Works Well

- Free Entertainment (music, farmer’s market, fairs, art)
- Appreciation of Diversity
- University (students, sports, employment, destination)
- Beauty, History (architecture, natural)
- Community (activity, participation, cooperation, locally owned businesses, safety)
- Congestion (business, energy, safety)
- Transportation (ease of walking and biking, human scale)
- Desirability to live/work/play in same place
- State Street (activity, destination, uniqueness, walkability)

How to Improve

- Promote downtown businesses and services to non-downtown residents
- Increased 24-hour activity other than bars (businesses open later, more Sunday activity)
- Save small local establishments (lower rent, preservation of small retail spaces, support from city and landowners, continual growth and promotion)
- Improve street-level vitality (business/residential balance, retail/office mix, diversity of retail, mixed use development, new entertainment destinations for people of all ages)
- More grocery options downtown (larger grocery store/supermarket, specialty food stores)
- Mixed views supporting and opposing corporate chain and department stores
- More public lakefront spaces (open all year around)
- Bring more activity to Capital Square
- Alternative Transit (alternatives to cars; public transportation, regional transport, rail)

Methods

- Cooperative business assistance (awards, planning assistance, database, grant writing, websites, recruitment and retention programs, cooperative advertising, regular surveying, educational and training opportunities)
- Organization: better event management, branding program, integration of business & government, strategic planning, expand hospitality program
- Transportation: commuter & intercity rail, pedestrian design (linkages, wayfinding, corridors, safety), reduce need for cars, bike friendly (parking, lanes, amenities)
- Development: façade improvement plan, “destination” parks, building design awards, historic preservation, expand public library, cleanliness, beautification, frontages of pedestrian interest

Appendix 7B - Spending Potential by Business Category

NAICS	Selected Business Category	Expenditure Potential (\$)*			Relative Demand from Primary Consumer Segments**			
		Downtown Study Area Demand	Primary Trade Area Demand	Secondary Trade Area Demand	△△△ High △△ Medium △ Low			
					College Students	Downtown Employees	Visitors	Downtown Residents
	Retail Stores:							
44211	Furniture	2,196,092	22,651,197	57,432,467	△△	△	△	△△△
4422	Home Furnishings	2,022,288	20,858,535	52,887,143	△△	△	△△	△△△
44311	Appliance, Television, and Electronics	3,545,049	36,564,782	92,710,580	△△△	△	△	△△△
44312	Computer and Software	619,071	6,385,296	16,190,018	△△△	△△△	△	△△△
44313	Camera and Photographic Supplies	67,957	700,929	1,777,217	△	△△	△	△△
4441	Building Material and Supplies Dealers	13,625,675	140,539,610	356,340,388	△△	△	△	△△△
4451	Grocery	21,177,499	218,431,552	553,836,628	△△	△	△	△△△
4452	Specialty Foods	609,852	6,290,210	15,948,925	△	△△	△△	△△△
44531	Beer, Wine, and Liquor	1,079,005	11,129,203	28,218,268	△△△	△	△	△△△
44611	Pharmacies and drug	7,556,338	77,938,505	197,614,302	△△	△△△	△	△△△
44612	Cosmetics, Beauty Supp & Perfume	195,286	2,014,242	5,107,142	△△△	△△△	△△	△△△
44613	Optical Goods	327,336	3,376,251	8,560,537	△△△	△△△	△	△△△
44619	Other Health and Personal Care	427,769	4,412,142	11,187,056	△	△△	△	△△△
44811	Men's Clothing	240,782	2,483,507	6,296,970	△△△	△△△	△△△	△△△
44812	Women's Clothing	961,065	9,912,733	25,133,891	△△△	△△△	△△△	△△△
44813	Children's and Infants' Clothing	192,858	1,989,203	5,043,655	△	△△	△△△	△
44814	Family Clothing	1,904,497	19,643,593	49,806,638	△△△	△△△	△△△	△△△
44815	Clothing Accessories	92,621	955,328	2,422,249	△△△	△△△	△△△	△△△
44821	Shoe	917,409	9,462,457	23,992,209	△△△	△△△	△	△△△
44831	Jewelry	1,045,646	10,785,135	27,345,878	△△	△△△	△△	△△△
45111	Sporting Goods	1,461,132	15,070,582	38,211,697	△△△	△	△△	△△△
45112	Hobby, Toy, and Game	727,423	7,502,875	19,023,658	△△△	△△△	△△△	△△△
45113	Sewing, Needlework, and Piece Goods	198,373	2,046,082	5,187,872	△	△	△	△
45114	Musical Instrument and Supplies	301,451	3,109,260	7,883,578	△△△	△	△	△
45121	Book and News Dealers	651,476	6,719,538	17,037,494	△△△	△△△	△△△	△△△
45122	Prerecorded Tape, CD, & Record	243,774	2,514,367	6,375,216	△△△	△	△△	△△
45200	General Merchandise (Department)	16,283,014	167,948,257	425,835,442	△△△	△△	△	△△△
45311	Florists	369,852	3,814,771	9,672,411	△	△△△	△△	△△△
45321	Office Supplies and Stationery	876,140	9,036,788	22,912,918	△△△	△△△	△	△△△
45322	Gift, Novelty, and Souvenir	769,916	7,941,165	20,134,948	△△	△△	△△△	△△
45391	Pet and Pet Supplies	398,006	4,105,158	10,408,693	△	△	△	△△
45392	Art Dealers	108,221	1,116,225	2,830,207	△	△	△△△	△△△

Appendix 7B - Spending Potential by Business Category

NAICS	Selected Business Category	Expenditure Potential (\$)*			Relative Demand from Primary Consumer Segments**			
		Study Area Demand	Primary Trade Area Demand	Secondary Trade Area Demand	College Students	Downtown Employees	Visitors	Downtown Residents
	Food Service and Drinking Places:							
72241	Drinking Places	1,669,497	17,219,731	43,660,899	△△△	△△△	△△△	△△△
72211	Full Service Restaurants	6,943,393	71,616,398	181,584,502	△△△	△△△	△△△	△△△
72221	Limited Service Eating Places	5,953,521	61,406,535	155,697,233	△△△	△△△	△△△	△△△
	Recreation/Entertainment:							
71394	Fitness Centers	610,481	6,296,693	15,965,363	△△	△△△	△	△△△
51213	Motion Picture Theaters	748,244	7,717,626	19,568,162	△△△	△	△△	△△△
	Personal Services:							
62441	Child Day Care	1,335,881	13,778,707	34,936,127	△	△△△	△	△△△
81211	Barber/Beauty Salons	1,083,773	11,178,388	28,342,978	△△△	△△△	△	△△△
81231	Coin-op Laundry	77,187	796,131	2,018,602	△△△	△	△	△△△
81232	Dry Cleaners	266,168	2,745,339	6,960,851	△	△△△	△	△△△
812113	Nail Salons	18,063	186,311	472,395	△△	△△△	△	△△△
81291	Pet Care/Grooming	82,221	848,053	2,150,253	△	△	△	△△△
81219	Other personal care (diet, weight, etc.)	199,764	2,060,431	5,224,255	△	△△	△	△△△
	Repair and Maintenance:							
81143	Footwear and Leather Goods	7,319	75,493	191,413	△	△△	△	△△△
81149	Other/Tailor	95,502	985,035	2,497,572	△	△△△	△	△△△
	Rental Services:							
53222	Formal Wear and Costume	49,368	509,201	1,291,087	△	△△△	△	△△△
53231	General Rental Center	51,025	526,288	1,334,410	△	△	△	△△△
53223	Movie Rental	440,088	4,539,212	11,509,244	△△△	△	△	△△△
	Other Services:							
54192	Photographic Services	303,406	3,129,430	7,934,719	△	△	△	△
54194	Veterinary Services	1,088,145	11,223,482	28,457,315	△	△	△	△△△
56143	Business Service Center (mail, copy)	244,157	2,518,314	6,385,225	△△	△△△	△	△△△

*Expenditure potential based on the 2002 US Census Bureau's Economic Census data for Wisconsin. Wisconsin business sales were divided by State population to estimate per capita sales. Per capita sales were then increased by 16% for inflation to estimate 2007 levels. Study Area, Primary Trade Area, and Secondary Trade Area expenditure potential in each business category were estimated by multiplying the population in each of these three areas by the State per capita sales for each business category. The estimates were adjusted up or down based on the area's 2007 per capita income relative to the State's per capita income.

** Expected level of demand based on data collected in this market analysis. Demand by segment should be reevaluated on a case-by-case basis when examining business development opportunities. Target Market (right side of chart) will not equal expenditure potential estimates because expenditure estimates reflect consumers residing in trade area. In other words, target market segments may reside outside the trade areas.