



the state of the **downtown** 2011

live | work | shop | play



2011 State of the Downtown Report



All of us have heard the phrase: “The only constant is change.” At Downtown Madison, Inc. (DMI) we have been part of and have helped shape the changes that have taken place in downtown Madison in the last three decades. We have seen an amazing renaissance with people living, working, learning, shopping and playing in our central city. We are especially proud that downtown Madison is now considered to be the center of our region—a region that is rich in its natural resources, in its people and in its quality of life. With the many changes taking place in our world and in our community, DMI and downtown Madison have a lot to live up to and we are ready for the challenge. We need to be a downtown that not only embraces the needs and values of our current citizens, but also holds hope and opportunity for future citizens looking to improve the quality of their lives. That is why the “State of the Downtown” is an initiative that allows us to meet those needs. We look forward to being able to measure our successes and to embrace our challenges and these metrics will allow us to do that. Measuring how we are doing keeps us on track to be the best downtown in this country! As always, we thank our 500 members and the hundreds of people they represent—we exist because of and for you—our customers. We thank you for supporting us financially and for supporting us by sharing your expertise. We also want to thank the City of Madison staff—you are amazing to work with and we appreciate your assistance with this initiative.

Susan Schmitz
DMI President

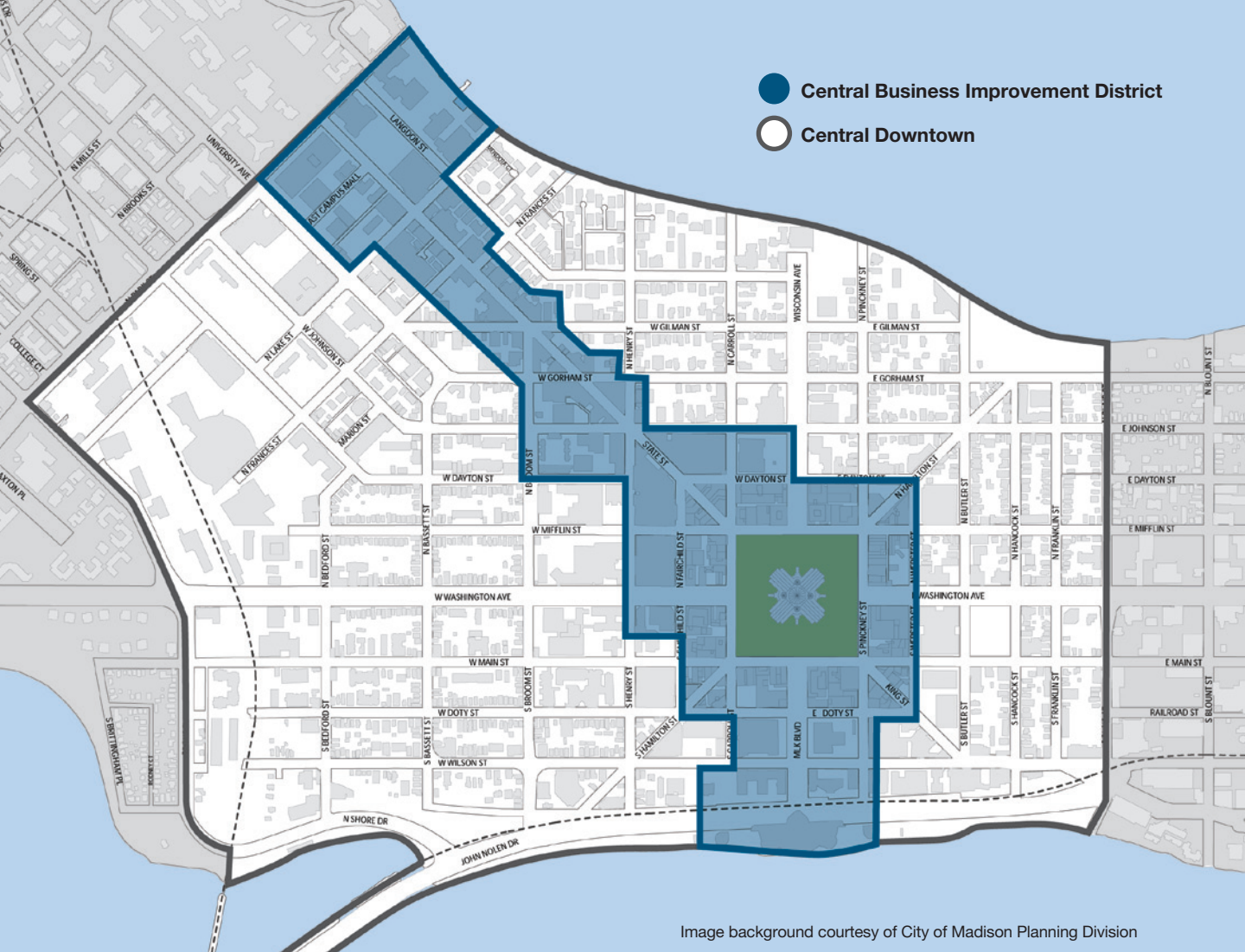


Downtown Madison is the heart of our city, the region and the state. I am happy to say we can be proud of what visitors find when they come here.

From Monona Terrace and the State Capitol to the UW-Madison campus, downtown Madison has evolved and grown since I was first elected Mayor in 1973. The State Street Mall, Capitol Square, new offices and housing, restaurants and cultural resources have made Madison a great place to live, work and have a great time.

We must continue to support good development projects and safety throughout the downtown. Our neighborhoods are as strong as our downtown; our downtown is as strong as our neighborhoods. I look forward to working with DMI, downtown neighborhoods and others to keep downtown Madison moving forward even in these challenging years.

Paul R. Soglin
Mayor of Madison



Lake, land, lake and more



Live Downtown

Downtown Madison is made up of many active and inviting neighborhoods including: Bassett, First Settlement, James Madison Park, Mansion Hill, Mifflin West, State-Langdon, Tenney-Lapham and Marquette. Each neighborhood offers a distinct character and a variety of living options that make downtown Madison attractive to thousands of residents of all ages. Maintaining strong, safe and vibrant neighborhoods is imperative for the health and vitality of downtown Madison.

Downtown Demographics

Change in Population 2000 to 2010

Area	2000	2010	% Change
Downtown Madison	22,168	24,009	8.3%
East Isthmus	7,930	7,962	0.4%
City of Madison	208,054	233,209	12.1%
Dane County	426,526	488,073	14.4%
State of Wisconsin	5,363,675	5,686,986	6.0%
United States	281,421,906	308,745,538	9.7%

Source: U.S. Census Bureau, 2000, 2010 Census

Change in Households 2000 to 2010

Area	2000	2010	% Change
Downtown Madison	8,780	10,457	19.1%
East Isthmus	4,017	4,122	2.6%
City of Madison	89,019	102,516	15.2%
Dane County	173,484	203,750	17.4%
State of Wisconsin	2,084,544	2,279,768	9.4%
United States	105,480,101	116,716,292	10.7%

Source: U.S. Census Bureau, 2000, 2010 Census

Population by Age

Age Cohort	2000 Age Breakdown	2010 Age Breakdown	Downtown Madison	East Isthmus	City of Madison	Dane County	State of Wisconsin	United States
Under 5 years	0.4%	0.5%	109	254	13,561	30,240	358,443	20,201,362
5 to 9 years	0.2%	0.2%	37	225	11,341	29,874	368,617	20,348,657
10 to 14 years	0.2%	0.1%	36	206	9,957	28,873	375,927	20,677,194
15 to 19 years	22.8%	17.4%	4,167	224	16,508	32,869	399,209	22,040,343
20 to 24 years	51.3%	51.4%	12,352	1,322	34,919	47,252	386,552	21,585,999
25 to 34 years	13.3%	17.0%	4,074	2,932	45,633	78,853	721,694	41,063,948
35 to 44 years	4.8%	4.0%	967	938	27,731	64,784	725,666	41,070,606
45 to 54 years	2.9%	3.4%	823	828	26,926	68,809	873,753	45,006,716
55 to 64 years	1.3%	2.9%	701	729	24,250	56,375	699,811	36,482,729
65 to 74 years	0.8%	1.3%	323	202	11,338	26,559	400,496	21,713,429
75 to 84 years	0.9%	0.9%	209	68	7,248	15,811	258,313	13,061,122
85 years +	1.1%	0.9%	211	34	3,797	7,774	118,505	5,493,433
TOTAL			24,009	7,962	233,209	488,073	5,686,986	308,745,538

Source: U.S. Census Bureau, 2000, 2010 Census

Highest Level of Educational Attainment for Population Age 25 and Over

Educational Attainment	Downtown Madison	East Isthmus	City of Madison	Dane County	State of Wisconsin	United States
Less Than 9th Grade	1.1%	0.7%	1.7%	1.8%	3.6%	6.3%
9th to 12th Grade, No Diploma	5.5%	1.5%	3.8%	3.9%	6.7%	8.5%
High School Graduate	13.4%	9.1%	17.1%	20.9%	34.2%	29.6%
Some College, No Degree	16.5%	13.6%	17.4%	18.8%	20.0%	19.9%
Associate Degree	5.2%	4.4%	8.3%	9.7%	9.3%	7.7%
Bachelor's Degree	29.9%	35.4%	28.3%	26.6%	17.3%	17.7%
Graduate/Professional Degree	28.5%	35.3%	23.5%	18.3%	9.0%	10.4%

Source: ESRI 2010 Estimates

Median Household Income

Area	2000 ¹	2010 ²
Downtown Madison ³	\$15,317	\$18,304
East Isthmus	\$33,459	\$43,041
City of Madison	\$41,941	\$54,761
Dane County	\$49,223	\$62,968
State of Wisconsin	\$43,791	\$55,895

Source: U.S. Census Bureau (2000 Figures) and ESRI (2010 Estimates)

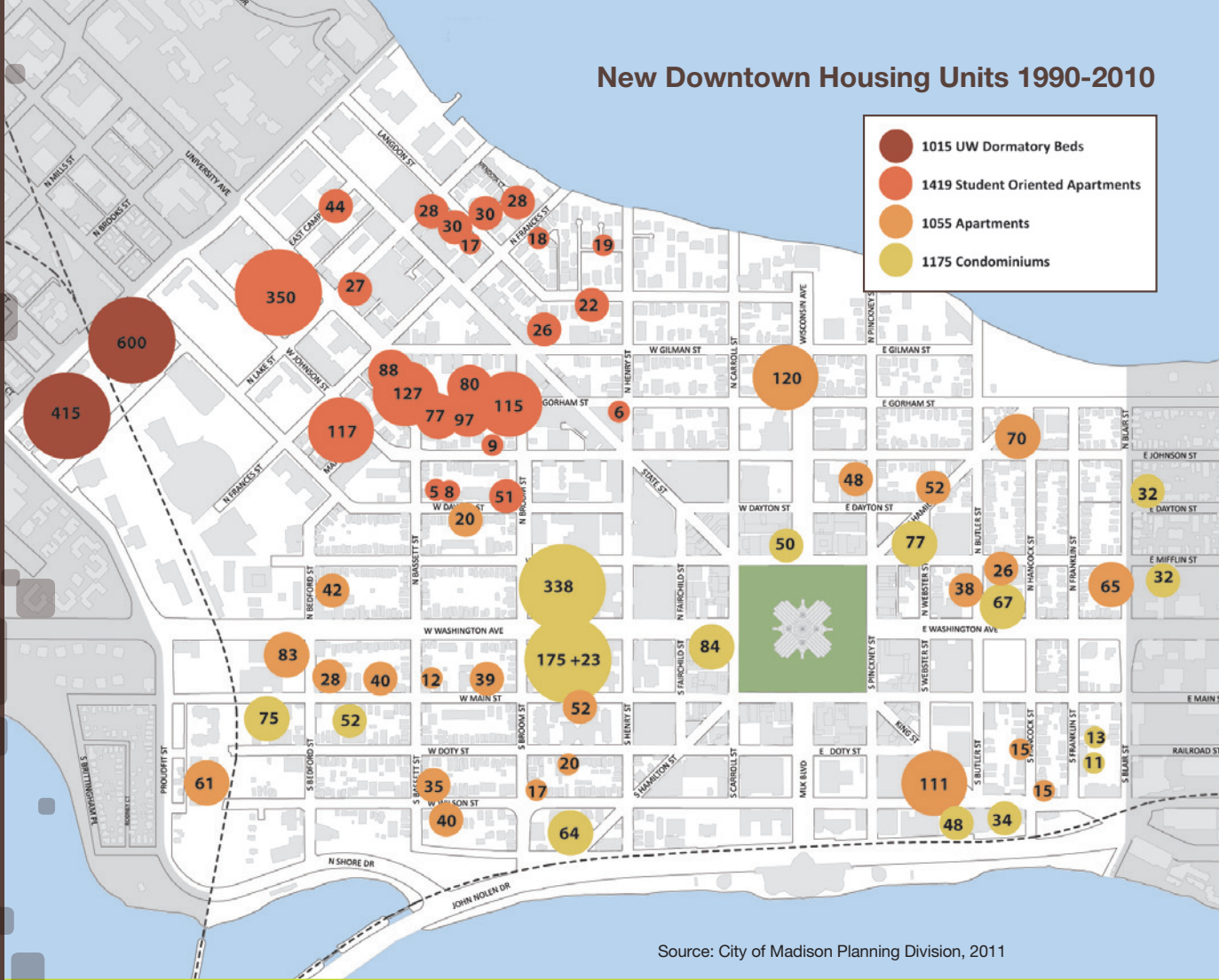
¹Figures are in year 2000 dollars and have not been adjusted for inflation

²Estimates from ESRI will differ from those reported in the 2010 ACS from the U.S. Census Bureau

³Includes student population

The landscape of downtown is changing with more people not only working, shopping and playing downtown, but now living downtown. This is a major shift in how people will be “using” the downtown area and their expectations for their surroundings.

New Downtown Housing Units 1990-2010



Source: City of Madison Planning Division, 2011

Housing

Types of units

Number of units by type in the downtown area:

- Single family properties: 170
- Condo living units: 1,181
- Apartment units: 6,108
- Duplexes: 251

Source: City of Madison Assessor's Office, 2011 Data

Home Values

	Downtown Madison	City of Madison
Average single family residential assessed value	\$235,328	\$239,239
Total assessed value of residential property	\$676,201,200	\$13,705,417,500
Total new construction for residential	\$2,451,100	\$90,557,800

Source: City of Madison Assessor's Office, 2011 Data

Over the past 20 years there has been significant growth in both the number of condominium and apartment units in downtown Madison.

Number of Housing Units by Tenure and Occupancy Status

Area	Occupied Housing Units	Owner Occupied Units	Renter Occupied Units	Vacant	Housing Units
Downtown Madison	10,457	799	9,658	866	11,323
East Isthmus	4,122	1,214	2,908	218	4,340
City of Madison	102,516	50,555	51,961	6,327	108,843
Dane County	203,750	121,509	82,241	12,272	216,022
State of Wisconsin	2,279,768	1,551,558	728,210	344,590	2,624,358
United States	116,716,292	75,986,074	40,730,218	14,988,438	131,704,730

Source: U.S. Census Bureau, 2010 Census

Occupied Housing Units by Tenure

Area	Owner Occupied	Renter Occupied
Downtown Madison	7.6%	92.4%
East Isthmus	29.5%	70.5%
City of Madison	49.3%	50.7%
Dane County	59.6%	40.4%
State of Wisconsin	68.1%	31.9%
United States	65.1%	34.9%

Source: U.S. Census Bureau, 2010 Census



Crime and Safety

Top Offenses in Downtown Madison

Description	2010 Total	2011 YTD Jan. – Aug.
Trespass of Real Property	222	201
Simple Assault	225	135
Theft from Motor Vehicle	245	107
Theft from Building	252	221
Burglary/Breaking & Entering	263	151
All Other Larceny	269	222
Drug/Narcotic Violations	290	199
Damage/Vandalism of Property	401	246
Disorderly Conduct	678	440
Liquor Law Violations	890	493

Source: City of Madison Police Department

With an increase in downtown residents, downtown safety needs to be a major focus. Of the top offenses committed in the downtown study area, a total of 3,735 offenses took place in 2010. With four months in 2011 yet to be tabulated, a total of 2,415 of these same offenses have occurred.



Work Downtown

Downtown is the heart of the Madison region and is home to state and local government, educational institutions and private sector employers. This dynamic mix provides the basis for attracting a well educated workforce and developing an economically strong urban core. Maximizing public/private opportunities and growing employment will help to keep downtown Madison a thriving economic engine.

Employment

Downtown Madison has over 24,000 workers making up over 13 percent of the employment share for the City of Madison. Historically, jobs in downtown Madison were relatively stable because of the public sector. Public sector jobs could see declines in the next decade. There are opportunities to capture new private sector jobs to the downtown because of young workers wanting to embrace the downtown amenities by living, working and playing in the same neighborhood.

The strongest sectors of employment for downtown Madison include educational services, public administration, health care and social assistance, accommodation and food services, and finance and insurance.

Downtown Workers

Area	Total Workers	Share of Workers Employed in	
		City of Madison	Dane County
Downtown Madison	24,589	13.2%	9.0%
East Isthmus	2,391	1.3%	0.9%
City of Madison	186,412	N/A	68.3%
Dane County	272,780	N/A	N/A

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2009). Based on primary jobs or the highest paying job for an individual worker for the year. The count of primary jobs is the same as the count of workers.*

Employment by Industry

Industry	Downtown Madison	East Isthmus	City of Madison	Dane County
Agriculture, Forestry and Fishing & Hunting	0.1%	0.6%	0.3%	0.5%
Mining, Quarrying and Oil & Gas Extraction	0.0%	0.0%	0.0%	0.1%
Utilities	0.4%	9.6%	0.6%	0.6%
Construction	1.0%	3.8%	2.2%	3.3%
Manufacturing	2.0%	10.5%	5.8%	9.0%
Wholesale Trade	1.9%	7.2%	3.5%	4.2%
Retail Trade	4.4%	12.3%	8.2%	9.5%
Transportation and Warehousing	0.9%	16.1%	2.0%	2.3%
Information	3.0%	2.3%	3.2%	3.3%
Finance and Insurance	6.5%	5.0%	7.2%	6.8%
Real Estate and Rental & Leasing	1.4%	0.9%	1.4%	1.4%
Professional, Scientific and Technical Services	5.2%	3.6%	5.8%	5.6%
Management of Companies and Enterprises	1.5%	1.2%	1.8%	1.7%
Administration & Support, Waste Management and Remediation	3.9%	3.4%	3.7%	3.5%
Educational Services	20.4%	0.7%	14.7%	12.3%
Health Care and Social Assistance	15.8%	11.0%	15.6%	14.4%
Arts, Entertainment and Recreation	1.8%	1.2%	1.4%	1.3%
Accommodation & Food Services	9.5%	7.2%	7.4%	7.3%
Other Services (excluding Public Administration)	3.7%	3.0%	3.5%	3.3%
Public Administration	16.50%	0.4%	11.70%	9.40%
Total Workers	24,589	2,391	186,412	272,780

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2009). Based on primary jobs or the highest paying job for an individual worker for the year. The count of primary jobs is the same as the count of workers.*

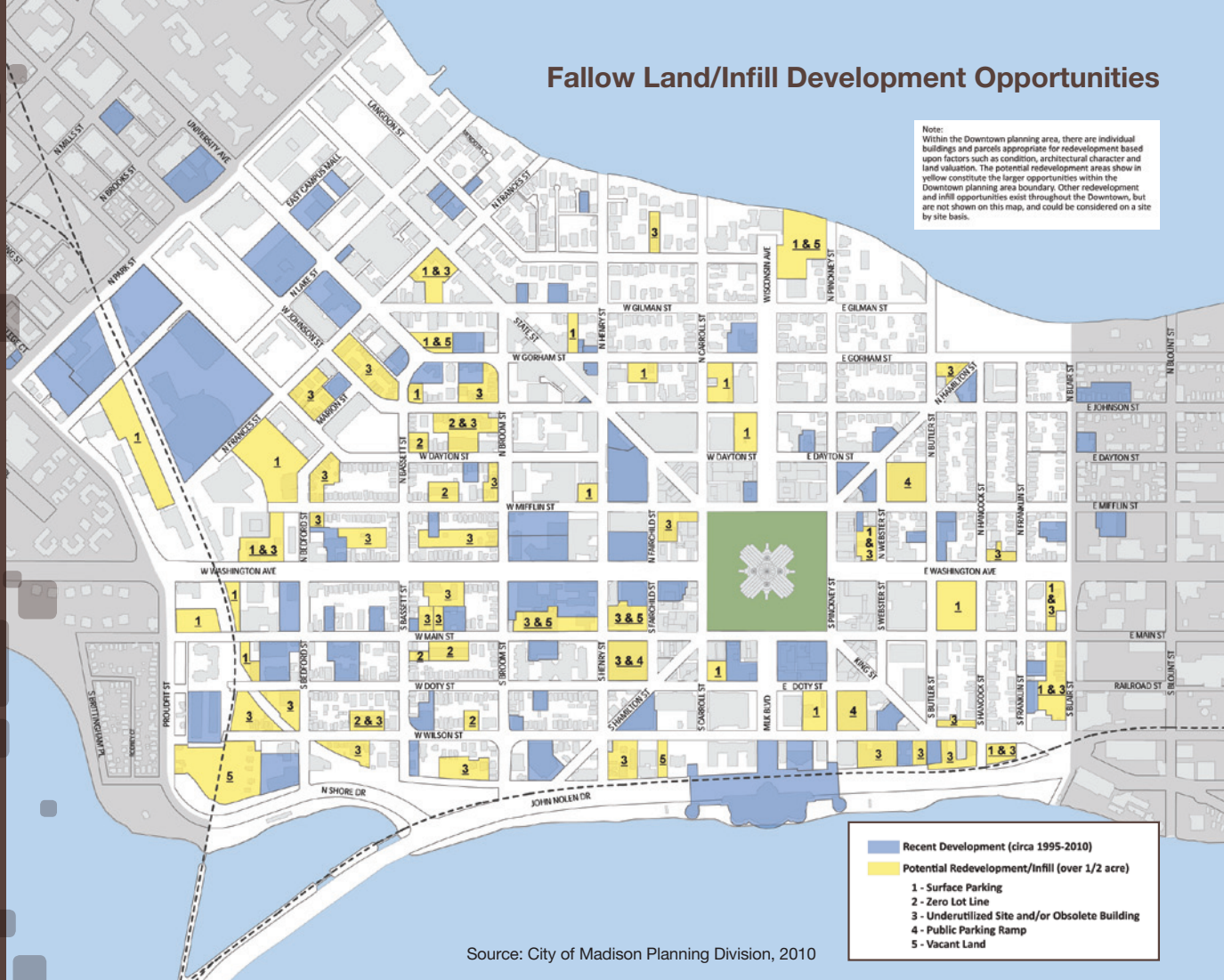
Worker Earnings

Area	Downtown Madison		East Isthmus		City of Madison		Dane County	
Workers by Earnings	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total
\$1,250 per month or less	5,318	21.6%	453	18.9%	34,694	18.6%	53,498	19.6%
\$1,251 to \$3,333 per month	7,203	29.3%	897	37.5%	65,554	35.2%	99,026	36.3%
More than \$3,333 per month	12,068	49.1%	1,041	43.5%	86,164	46.2%	120,256	44.1%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2009). Based on primary jobs or the highest paying job for an individual worker for the year. The count of primary jobs is the same as the count of workers.*

*The employment data used in this application are derived from Unemployment Insurance Wage Records reported by employers and maintained by each state for the purpose of administering its unemployment insurance system. Coverage under these datasets currently excludes several groups of workers. These include: Federal Civilian Employees, Uniformed Military, Self-Employed Workers and Informally Employed Workers.

Fallow Land/Infill Development Opportunities



Commercial Property

Currently downtown commercial property values are 17.3 percent of the total for the City of Madison and 29.5 percent of the new construction. With Class A and B vacancy rates trending lower, there could be an increased demand for office space as businesses look to locate downtown.

Downtown Office Space Sq. Footage and Vacancy Rates

	Number of Buildings	Inventory (SF)	Total Vacant (SF)	Total Vacancy Rate 2011 Q3	Total Vacancy Rate 2010 Q3
Class A	15	1,630,709	108,182	6.6%	7.5%
Class B	27	1,274,060	77,285	6.1%	14.5%
Class C	26	672,773	164,164	24.4%	25.2%
Total	68	3,577,542	349,631	9.8%	13.4%

Source: Xceligent, 3rd Quarter 2011. Buildings outlined above include Class A, B and C office space. (Multi-tenant or single tenant leased buildings greater than 10,000 RSF).

Downtown Madison vs. Dane County Area Office Space

	Inventory (SF)	% of total	Total Vacant (SF)	Vacancy rate
Downtown Madison	3,577,542	24.18%	349,631	9.8%
Dane County Area	14,792,629		2,125,381	14.4%

Source: Xceligent, 3rd Quarter 2011

Commercial Property Values

	Downtown Madison	City of Madison
Total assessed value of commercial property	\$1,201,351,800	\$6,907,361,400
Total new construction for commercial	\$26,812,300	\$90,744,800

Source: City of Madison Assessor's Office, 2011 Data

Tax Base

Downtown Madison provides 9 percent of the tax base for the City of Madison. Increasing the tax base is imperative to resolving our public revenue needs without causing tax rates on individual homeowners or property owners to be uncompetitive.

Downtown can provide an environment to attract tax base because it has a critical mass of urban amenities.

Downtown Madison vs. City of Madison Tax Base

	Downtown Madison	City of Madison
Total amount of real estate property taxes generated	\$41,553,315	\$457,515,105
Total amount of personal property taxes generated	\$1,446,328	\$17,008,153
Number of tax-exempt parcels	160	3,503
Acreage of tax-exempt parcels	151	16,999
Total number of parcels	5,156	77,017
Total acreage of parcels	414	40,609

Source: City of Madison Assessor's Office, 2011 Data



The commercial property vacancy rate for Class A, B and C office space in downtown Madison has decreased from 13.4 percent in 2010 to 9.8 percent in 2011.



Shop Downtown

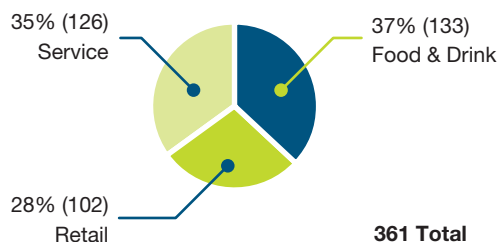
Downtown Madison offers an eclectic and appealing mix of local and national retail, restaurant and service related businesses. Madison's Central Business Improvement District (BID) is at the heart of downtown's retail area and draws thousands for the urban shopping, dining and entertainment experience. Maintaining a good business mix with a fun and unique shopping experience will help keep downtown Madison a vibrant retail destination.

Business Mix in Madison's Central BID

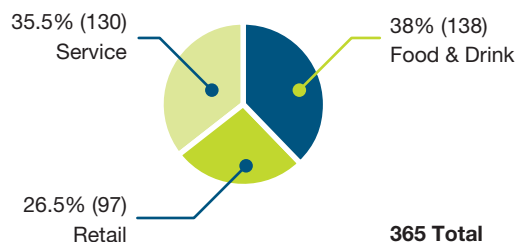
Businesses and organizations in the following counts are consumer oriented retail, restaurant, entertainment and hospitality businesses located within Madison's Central BID (see Mix by Business Category). The district encompasses the greater State Street, Capitol Square and King Street areas (refer to map on page 3).

General Business Mix

March 2010



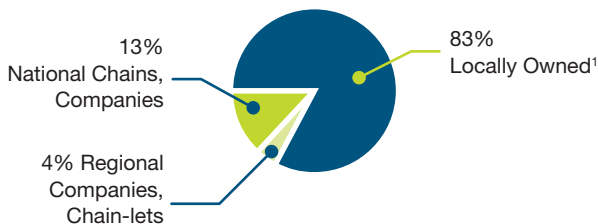
March 2011



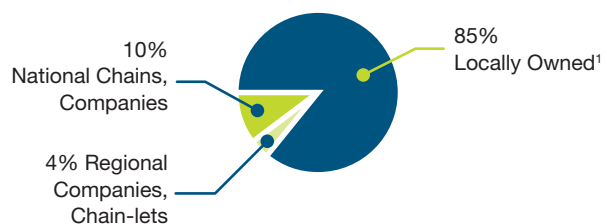
Source: Madison's Central BID

Ownership Mix (businesses only)

March 2010



March 2011



Source: Madison's Central BID

¹Includes Wisconsin ownership, Locally Owned Franchises

The State Street/Capitol Square area has long been a destination for people who are looking for “local flavor” and “unique” businesses. The business mix continues to reflect the users of the downtown and the “local flavor” is driving it—including entertainment venues. This is reflected in a shift in downtown users, both residents and visitors.

Mix by Business Category

	March 10	March 11
Food & Drink¹		
Restaurants³	85	88
Bars, Taverns, Pubs³	31	31
Coffee Shops & Cafés	12	11
Specialty Foods/Drink	5	7
Retail²		
Fashion, Shoes & Accessories	37	31
Specialty Stores	14	13
Book Shops	11	11
Gift & Cards	9	11
Specialty Foods	5	7
Art Galleries, Services & Supplies	6	6
Service²		
Housing & Realtors	20	22
Arts, Entertainment, Museums	15	15
Salons, Spas & Barber Shops	14	14
Health & Fitness, Dental	13	13
Banks & Credit Unions	14	13

Source: Madison's Central BID

¹All categories

²Major categories only

³Self-defined (not per liquor license definition)

Number of Businesses vs. Nonprofits

Total Businesses	333
Nonprofits (government, arts/culture, education)	32

Source: Madison's Central BID, March 2011

Vacancy Rates

	March 10	March 11
Total Businesses/Organizations	361	365
Approximate Total spaces¹	381	383
Vacancy Rate¹	5.2%	4.7%

Source: Madison's Central BID

¹Excludes properties held for development

Downtown Visitors

Downtown customers helped by Madison's Central BID
Downtown Information Ambassador Program:

2010:	36,500 downtown customers
2011 through Mid-October:	37,500 downtown customers

Source: Madison's Central BID

(Downtown Visitor Center opened October 2010)



Photo: Archie Nicolette

Play Downtown

With numerous events and attractions, downtown Madison is the entertainment hub for visitors and residents throughout the region. State-of-the-art conference and performing arts facilities also help make downtown Madison a global destination. A vibrant entertainment district helps drive the local economy and contributes to the high quality of life for downtown residents and visitors of all ages.

Tourism

Downtown Madison has long been an attraction to visitors because of its beauty, the center of state government and the UW-Madison. The construction of the Monona Terrace and the Overture Center for the Arts has increased the tourism market and brought about development that attracts more people to the central city. Cultural arts and sporting events are emerging as significant drivers.

Over 20 percent of hotel rooms in the City of Madison and over 13 percent of hotel rooms in Dane County are located in the downtown area—a major indicator that downtown Madison's tourism industry has a strong economic impact on the region.

Tourism Spending and Jobs in Dane County

Visitor spending	1.87 billion
Jobs supported by tourism	29,192

Source: Davidson Peterson Associates, 2010

Hotel Rooms

	Total Number of Hotel Rooms
Downtown Madison ¹	1,283
City of Madison ²	6,184
Dane County ²	9,272

¹Source: Downtown Madison Hotel Feasibility Study, Hunden Strategic Partners, 2009

²Source: Greater Madison Convention & Visitors Bureau, 2010

Total Attendance at Downtown Destinations

Destination	Attendance
Overture Center for the Arts ¹	504,544
Monona Terrace Community & Convention Center ²	277,466
Camp Randall Stadium ³	612,184
Kohl Center ³	1,030,872
Memorial Union ⁴	3,650,000
Chazen Museum of Art ⁵	70,000
Madison Children's Museum ⁶	128,190
Madison Museum of Contemporary Art ⁷	183,921
Wisconsin Historical Museum ⁸	79,016
Wisconsin Veterans Museum ⁹	72,950
Wisconsin State Capitol tours ¹⁰	95,689
Total	6,704,832

¹Source: Overture Center for the Arts, July 1, 2010 – June 30, 2011

²Source: Monona Terrace Community & Convention Center, 2010

³Source: UW Athletic Department, July 1, 2010 – June 30, 2011

(Includes estimate of UW athletic events and non-UW athletic events)

⁴Source: Wisconsin Union, 2010

⁵Source: Chazen Museum of Art, 2010

⁶Source: Madison Children's Museum, 2010

⁷Source: Madison Museum of Contemporary Art, 2010

⁸Source: Wisconsin Historical Museum, 2010

⁹Source: Wisconsin Veterans Museum, 2010

¹⁰Source: Wisconsin State Capitol, 2010

Total Attendance at Key Downtown Events

Event	2010	2011
Art Fair on the Square ¹	150,000 – 200,000	150,000 – 200,000
Concerts on the Square ²	135,000 – 150,000	135,000 – 150,000
Crazylegs Classic ³	20,123	19,113
Dane County Farmers' Market ⁴	500,000	500,000
Ironman Wisconsin ⁵	32,398	32,449
Madison Marathon ⁶	20,800	13,700
Maxwell Street Days ⁷	30,000	30,000
Ride the Drive ⁸	20,000	30,000
Taste of Madison ⁹	250,000	190,000 – 200,000

¹Source: Madison Museum of Contemporary Art

²Source: Wisconsin Chamber Orchestra

³Source: National W Club (Includes number of participants only)

⁴Source: Dane County Farmers' Market survey, 2003 (Saturday markets only)

⁵Source: Greater Madison Convention & Visitors Bureau (Includes number of finishers and estimated number of spectators)

⁶Source: Madison Festivals, Inc.

(Includes number of runners and guests)

⁷Source: Greater State Street Business Association

⁸Source: Trek Bicycle Corporation

⁹Source: Madison Festivals, Inc.

Over 6.5 million people visited major attractions in downtown Madison during the span of a year. The strength of our downtown's tourism industry is dependent on the success of downtown's major destinations.

Conventions

The capacity in which we can increase the amount of conventions and conferences to downtown Madison, the better overall economic impact there will be for our businesses, particularly retail, food and beverage, hospitality and entertainment.

Monona Terrace Community & Convention Center

Total number of conferences and conventions in 2010 ¹	62
Total attendance of conferences and conventions in 2010 ¹	36,155
Economic impact of conferences and conventions in 2010 ²	\$37,630,656

¹Source: Monona Terrace Community & Convention Center

²Source: Baker Tilly

A special thanks...

A special thanks to the following people for their contributions and assistance with the 2011 State of the Downtown report:

- George Austin and the DMI Quality of Life Downtown Committee
- Brad Cantrell
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- Ruth Shelly, Madison Children's Museum
- Craig Stanley, Siegel-Gallagher Companies

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Downtown Madison, Inc. is committed to planning for, sustaining and growing downtown Madison as a thriving regional economic engine that offers a best-in-class quality of life for businesses, residents and visitors.

Downtown Madison, Inc.

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