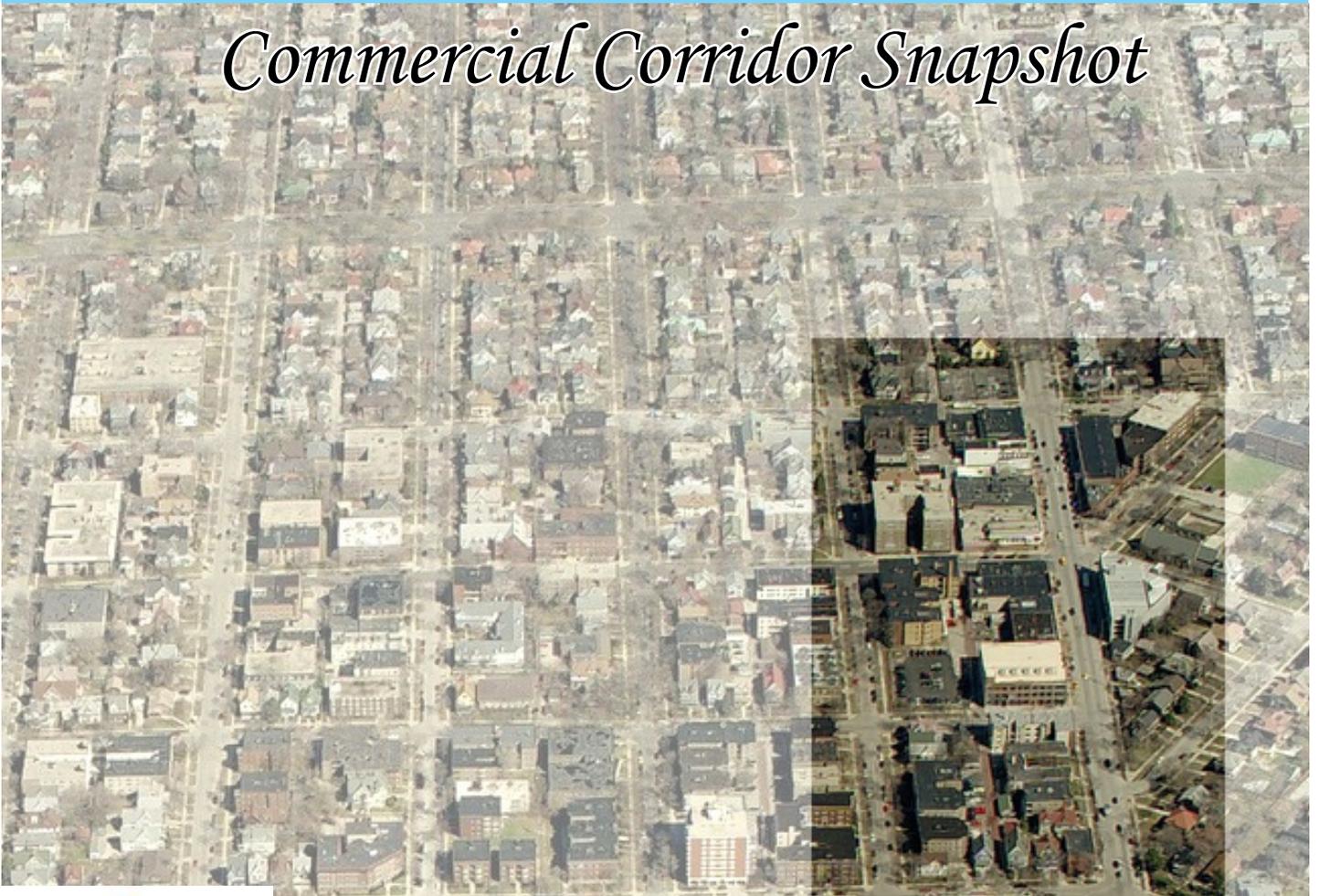




Downer Avenue

Commercial Corridor Snapshot



Prepared by Department of City Development - Planning
www.milwaukee.gov/DCD
June 2015



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Introduction

1.1 Background - Why do a snapshot?

Since its development as a commercial district in the early part of the 20th century, the two-block Downer Avenue Commercial Corridor (between Webster Place and Park Place) has served as a shopping destination, food and entertainment hub, and neighborhood gathering place on Milwaukee's East Side. Even as broader trends in the economy have led to "going shopping" increasingly meaning setting out by car for a regional mall or logging on to the Internet, Downer Avenue has retained its character as a walkable "urban village" where small, locally-owned retailers can be found next to an independent bookstore, a historic movie theater, and a specialty grocery store. This character has been a draw for generations of East Siders, and has contributed to the homes and apartments in this neighborhood being among the most desirable and valuable in the city.

However, despite both public and private investment, recent years have seen elevated levels of retail vacancies along Downer Avenue, including a number of long-term vacancies in high-profile storefronts. Additionally, the developer who owns a large portion of the real estate in the corridor has been involved in a foreclosure action that involves a significant percentage of the retail space on Downer Avenue. This legal action has received ongoing media attention and has put the ownership of the buildings going forward into question.

This has also led to public speculation about the future of Downer Avenue's "anchor tenants" that currently lease space in the foreclosed buildings, particularly the Downer Theater.



Multiple community meetings have been held during recent months to discuss these issues and the future of Downer Avenue. In March of 2015, 3rd District Alderman Nik Kovac and the leadership of the Historic Water Tower and Murray Hill neighborhoods that border Downer Avenue requested that the Department of City Development (DCD) prepare this Downer Avenue Commercial Corridor Snapshot to provide context for the current conditions on Downer Avenue and to lay out the community's vision for the corridor so that the Snapshot can guide future City actions and support private investment on Downer Avenue.



1.2 Scope

The Downer Avenue Commercial Corridor Snapshot provides a summary of the current “state of affairs” in the district. This includes providing an inventory of current businesses, a review of zoning and other regulatory issues impacting development along the street, a review of lease rates on Downer and in comparable areas, and a summary of recent public and private investment on Downer Avenue, including highlighting City of Milwaukee programs that have provided financial assistance to local businesses and that can be utilized for future improvements on Downer Avenue. This snapshot includes a review of a number of strategies utilized by commercial corridors elsewhere that may provide useful lessons for Downer Avenue. Public input was also gathered to further refine the vision of residents and business owners for a successful Downer Avenue. The Downer Avenue Commercial Corridor Snapshot can serve as a tool to be used by residents and business owners, both current and future, to provide a streamlined profile of the district, a summary of City resources available to support investment in this commercial corridor, and a reference point laying out the goals of the community for the future of Downer Avenue.

1.3 Process and Timeline

Alderman Nik Kovac, the Department of City Development, the Murray Hill Neighborhood Association, and the Historic Water Tower Neighborhood Association agreed on the need for the Downer Avenue Commercial Corridor Snapshot in March of 2015.

After receiving additional feedback from Ald. Kovac and leaders of the two neighborhood associations, DCD presented much of the background information contained in this Snapshot at a neighborhood meeting at the East Library on April 29, 2015. More than 100 residents and business owners attended this meeting, which included a detailed presentation, opportunity for question and answer, and a discussion on the vision of the neighborhood for the future of Downer Avenue.

Resident input was solicited during the meeting both verbally and through a brief written questionnaire. Post-meeting feedback was solicited by email and through an interactive discussion forum on the website Mysidewalk.

More than 40 people provided written comments that were taken into consideration in preparing the Snapshot.



Frequently Asked Questions:

In the public discussion leading up to preparation of this Snapshot and the various recent public meetings about Downer Avenue, certain questions have repeatedly emerged about the corridor. One of the purposes of this Snapshot is to attempt to provide clarity on these Frequently Asked Questions (FAQs). A summary of the most common FAQs and the section in the Snapshot where they are addressed is below:

- How does the market on the Downer Avenue commercial corridor compare to other area retail markets? (Section 2.4, page 9)
- What is the current ownership situation for the buildings in the corridor? (Section 2.4.2, page 12)
- What factors are contributing to the elevated vacancy levels on Downer Avenue? (Section 2.4.4, page 14)
- What are the City's current goals for the Downer Avenue corridor? (Section 3.1, page 17)
- What is the purpose of the Downer Avenue Business Improvement District? (Section 3.2, page 18)
- What does the current zoning allow for on Downer Avenue? (Section 3.3, page 18)
- What is the impact of local historic designation on Downer Avenue? (Section 3.4, page 21)
- What resources does the City have available to assist with business attraction and retention on Downer Avenue? How have those sources been utilized in the past? (Section 3.5, page 21)

- What strategies have been implemented on other commercial corridors to fill vacant retail storefronts? (Section 5, page 27)
- What actions can be taken by the City, the Business Improvement District, property and business owners, and neighbors to help achieve the community's goals for Downer Avenue? (Section 6, page 31)

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Area Overview

2.1 Summary

Anyone who has shopped at one of the many retail stores that have called Downer Avenue home over the years, seen a movie at the historic Downer Theater, spent a summer evening on the patio at Café Hollander, attended a reading at Boswell Books, picked up a special-order cut of meat the night before a holiday at Sendik's, or watched the bicycle riders sprint to the finish line of the Downer Classic knows that Downer Avenue is a special place.

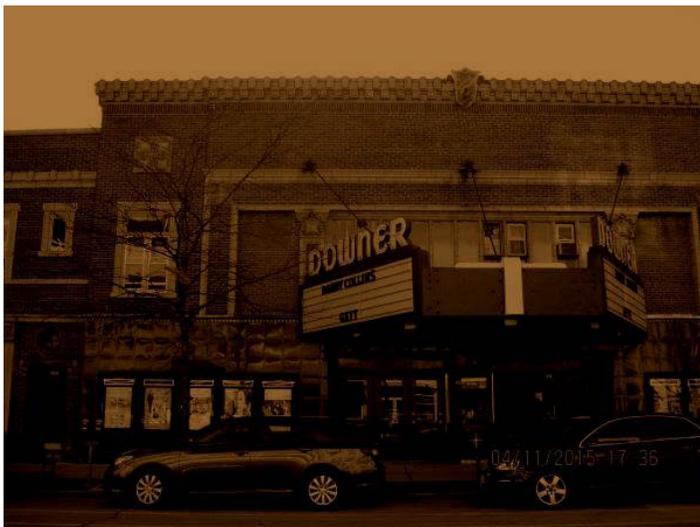
Downer Avenue is one of the City of Milwaukee's best-preserved neighborhood commercial districts. If one were to make a "checklist" of desirable characteristics for an urban commercial district, Downer Avenue would score highly thanks to:

- Architecturally significant buildings
- Local historic district designation
- A diverse mix of shops and services, many locally owned
- A historic movie theater with a vintage marquee
- An enviable mix of retailers including a grocery store, pharmacy, hardware store, independent book store, bakery, and high-end wine and spirits purveyor

- High-quality restaurants
- Community oriented gathering spaces
- Its location within Milwaukee's densely populated East Side, surrounded by attractive residential neighborhoods, the University of Wisconsin-Milwaukee, Columbia St. Mary's Hospital and Lake Michigan.

It is these characteristics that have led to Downer Avenue being so ingrained in the identity of the East Side and which neighbors have consistently expressed a desire to see preserved in the face of current concerns about vacancy and future ownership.





In more recent years, automobile uses gave way to traditional retailers and restaurants. A series of large investors have controlled much of the real estate on the west side of the 2500 block (between Webster and Bellevue) and the east side of the 2600 block of Downer (between Bellevue and Park) during recent decades. In 2007, those blocks were re-zoned as a Detailed Planned Development to allow for construction of the parking garage, a hotel, condominium complex, and medical offices. While the parking garage was completed in 2009, the other proposed construction did not occur after the 2008 recession.

2.2 History

The Downer Avenue historic commercial district is a two block long cluster of eight early twentieth century, brick commercial buildings, an Episcopal Church complex, two modern buildings and a recently constructed parking garage. The area is located on the city's Upper East Side about three miles north of downtown. It is surrounded by neighborhoods of attractive late-nineteenth and early-twentieth century houses and apartments.

(The above section contains excerpts from the Final Historic Designation Report prepared by the City of Milwaukee's Historic Preservation Commission in 2001. That report contains detailed information about the architectural and commercial history of the Downer Avenue Commercial Corridor and is [available on the website](#) of the Historic Preservation Commission.)

The existing historic buildings within the district were built between 1909 and 1936 and they range in height from one to three stories. The building that currently houses CVS was built in 1966, followed in 1975 by the construction of the "Coffee Trader" building that currently houses Bel Air Cantina and the Original Pancake House restaurant. The multi-story parking garage on Bellevue and Downer replaced a former surface lot in 2009. To the east of the district lies the North Point Historic District, which is listed on both the local and national registers. To the west are a mix of late nineteenth and early twentieth century apartments, luxury duplexes and large single family houses.



The original buildings and stores were built to meet the day-to-day consumer needs of homeowners and apartment dwellers living on the city's Upper East Side. Historically, the district had a secondary reputation as "Automobile Row" because two large, early twentieth century automobile service and storage garages were located there.

2.3 Demographics of Surrounding Neighborhood

The tables below contain demographic information for the residential neighborhoods surrounding the Downer Avenue Commercial Corridor. The data is for census tracts 74, 75, and 76, generally bounded by Edgewood Avenue, Maryland Avenue, North Avenue, and Lake Park.

There are a number of factors worth noting that make this area unique within the City of Milwaukee:

- Due to the presence of the University of Wisconsin-Milwaukee, 45% of the population of the area is between the ages of 15-24. As compared to the city as a whole, the neighborhood has a much smaller percentage of young children.
- This is further reflected in the higher than average percentage of “non-family” households, which are made up of singles or unrelated roommates, and lower than average percentage of families with children.

- Median household incomes and per-capita incomes in the neighborhood are significantly higher than city averages (\$76,598 median neighborhood household income compared to \$35,467 citywide).
- Of area residents 25 years or older, 67% have a bachelor’s, graduate or professional degree compared to 22% of residents citywide. Perhaps even more unique is that the number of residents with graduate or professional degrees (34%) exceeds those whose terminal degree is a bachelor’s degree (33%). For the sake of regional comparison, this percentage of residents with an advanced post-graduate degree exceeds that found in Wauwatosa, Whitefish Bay, Mequon, or Brookfield.

SEX AND AGE ¹	POPULATION	% OF TOTAL	CITY AVG.
Total population	9,370	--	--
Male	4,777	51.0%	47.9%
Female	4,593	49.0%	52.1%
Under 5 years	221	2.4%	8.0%
5 to 9 years	203	2.2%	7.4%
10 to 14 years	223	2.4%	7.2%
15 to 19 years	2,001	21.4%	8.1%
20 to 24 years	2,227	23.8%	9.3%
25 to 34 years	1,494	15.9%	16.6%
35 to 44 years	647	6.9%	12.5%
45 to 54 years	615	6.6%	12.1%
55 to 59 years	440	4.7%	5.5%
60 to 64 years	335	3.6%	4.2%
65 to 74 years	406	4.3%	4.6%
75 to 84 years	359	3.8%	3.1%
85 years and over	199	2.1%	1.4%
Median age	27.1	-	30.6

Source: Census Bureau 2009-2013 American Community Survey 5-year estimates, tracts 74, 75, 76

RACE AND ETHNICITY¹	POPULATION	% OF TOTAL	CITY AVG.
White	8,019	85.6%	37.0%
Black or African American	516	5.5%	38.9%
Hispanic or Latino (of any race)	442	4.7%	17.3%
American Indian and Alaska	11	0.1%	0.4%
Asian alone	285	3.0%	3.6%
Native Hawaiian/Pacific Islander	0	0.0%	0.0%
Some other race	0	0.0%	0.1%
Two or more races	97	1.0%	2.6%

EDUCATIONAL ATTAINMENT¹	POPULATION	% OF TOTAL	CITY AVG.
Population 25 years and over	4,495	48.0%	60.0%
Less than 9th grade	63	1.4%	7.0%
9th to 12th grade, no diploma	54	1.2%	11.8%
High school graduate (or	454	10.1%	30.7%
Some college, no degree	717	16.0%	21.8%
Associate's degree	187	4.2%	6.5%
Bachelor's degree	1,486	33.1%	14.5%
Graduate or professional degree	1,534	34.1%	7.6%

HOUSEHOLDS BY TYPE¹	POPULATION	% OF TOTAL	CITY AVG.
Total households	3,114	-	-
Family households (families)	1,141	36.6%	56.0%
With own children under 18 years	401	12.9%	29.8%
Married-couple family	936	30.1%	28.0%
With own children under 18	330	10.6%	12.0%
Female, no husband present	121	3.9%	22.0%
With own children under 18	43	1.4%	14.5%
Nonfamily households	1,973	63.4%	44.0%
Householder living alone	1,073	34.5%	35.0%
65 years and over	327	10.5%	8.5%
Average household size	2.5	-	2.5
Average family size	2.8	-	3.4

Source: Census Bureau 2009-2013 American Community Survey 5-year estimates, tracts 74, 75, 76

March of 2015. While the study itself is focused on the area served by the East Side BID (generally centered around East North Avenue between Maryland Avenue and the Milwaukee River), given the geographic proximity to the Downer Avenue commercial corridor as well as the fact that roughly half of the 700+ respondents to the survey done in conjunction with the market study reported shopping on Downer Avenue at least monthly, there are a number of findings in the market study that are useful in analyzing Downer Avenue.



Source: Pizza Shuttle

	Convenience Market*	City of Milwaukee
Total Population	64,862	603,748
Total Households	33,171	235,154
Household Size	2.0	2.6
Population Density (per square mile)	12,231	6,233
Median Age	28.5	30.6
Renter Occupied Housing Units	73.0%	57.3%
Employees	45,809	243,956
Average Household Income	\$62,793	\$48,137
Median Household Income	\$38,392	\$34,931
Per Capita Income	\$33,216	\$19,133
Bachelor's Degree of Higher	58.2%	22.1%
Retail Demand	\$573,473,457	\$3,858,775,941
Employee Spending Estimate (Weekly)	\$5,295,520	\$28,201,314

*Includes East Side, Lower East Side, northern portion of Downtown, Brewers Hill, Riverwest, and southern portion of Shorewood

Source: Easy Analytic Software Inc. data, cited in East Side Bid Market and Redevelopment Study (2015)

To analyze the market demand for businesses within the East Side BID, the market study defined a “convenience market” that was made up of those neighborhoods roughly 1.5 miles or less from the area (with adjustments made for geographic or other features) that was meant to represent the customer pool for likely East Side BID shoppers.

This area includes the East Side, the Lower East Side, northern portions of Downtown, Brewer’s Hill, Riverwest, and the southeastern portion of

Shorewood. A table comparing this convenience area, which would overlap very closely with one customized for Downer Avenue, to the rest of the City of Milwaukee is reproduced above.

As was found in the smaller area surrounding Downer Avenue, this convenience market has household incomes, purchasing power and educational attainment well exceeding those found in the city as a whole. It is also significantly denser than the city as a whole, with a population density of 12,231 residents per square mile, roughly double the city average.

A 2014 survey of 700+ East North Avenue shoppers indicated the following types of business most likely to increase their spending:

Specialty foods (prepared or ethnic)	68%
Bakery	67%
Books	49%
Home Accessories	47%
Grocer	47%
Fine Wine and Spirits	46%
Shoes	45%
Women's Apparel	42%
Ice Cream/Candy	40%
Pet Supplies	37%

Respondents indicated that the addition of these types of restaurants would increase their spending in the district:

Casual Dining	75%
White Table Cloth	53%
Counter Service	39%
Pub or Bar	29%
Quick Service	23%

The previous tables highlight the results of the survey that was carried out in conjunction with the market study. One question asked respondents what new businesses would most likely increase their spending within the East Side BID. Reinforcing that Downer Avenue has an already strong base of retailers to build from, the top six desired businesses in that survey are already found on Downer Avenue (specialty foods, bakery, books, home accessories, grocer, fine wine and spirits). The other responses give insight into businesses that residents would like to see located on Downer (shoes, woman's apparel, ice cream/candy, pet supplies).

Respondents were also asked about what type of food options would increase their spending in the district. The overwhelming support for casual dining options in the survey was consistent with resident input provided during the preparation of the Downer Avenue Commercial Corridor Snapshot.



Source: Milwaukee Public Market



Source: Road Tips

2.4.2 Existing Business Inventory

The following images include an inventory of existing businesses and vacancies along Downer Avenue as of April 2015. Building ownership information is included, as well as information about City financial assistance provided to assist with the rehabilitation or build-out of existing retail space. These City assistance programs are discussed in greater depth in Chapter 3.



2500 Block, Downer Avenue-West Side



Starbucks
Upper: Shoreview
Pediatrics / Medical
Offices
Address:
2551 N Downer Ave

Boswell Book Store
Upper: Shoreview
Pediatrics / Medical
Offices
Address:
2559 N Downer Ave

Vacant
(Previously Time to Kili)
Upper: Shoreview
Pediatrics / Medical
Offices
Address:
2565 N Downer Ave

Temporary Workspace
(Previously Einstein's Bagels)
Upper: Vacant
Address:
2567 N Downer Ave

Vacant
(Previously Chancery)
Upper: Vacant
Address:
2575 N Downer Ave

Vacant
(Previously Ma Iolte)
Upper: Vacant (Apts.)
Address:
2581 N Downer Ave

Downer Theater
Address:
2589 N Downer Ave

Pizza Man
Upper: Pizza Man
Address:
2597 N Downer Ave
City Investment:
\$155K (RIF, WB, Facade)

Building Owner: Downer Delaware LLC (Joel Lee, registered agent); Offices above Boswell and Starbucks owned by Downer Avenue Development LLC (Van Buren Management, registered agent)



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Long Range Planning, April 2015



CVS Pharmacy
Upper: Lake Park Dental,
Grim Barbershop
Address:
2607 N Downer Ave

Athletico
Address:
2615 N Downer Ave

Original Pancake House
Address:
2621 N Downer Ave

Bel Air
Address:
2625 N Downer Ave
City Investment:
\$19.6K (RIF) (Previous Tenant)

Downer True Value Hardware
Upper: True Value
Address:
2629 N Downer Ave

Sendik's
Upper: Paperwork, Craft Development,
Demert Law, Probe Research
Address:
2643 N Downer Ave
City Investment:
\$14.5K (RIF, WB, Signage)

Building Owner: SCP 2006 C23-116 (CVS)
Building Owner: Upside Downer (Dominion Properties, registered agent)
Building Owner: Downer Hardware, Inc.



Prepared by Department of City Development -
Long Range Planning, April 2015

2500 Block, Downer Avenue-East Side



Prepared by Department of City Development -
Long Range Planning, April 2015



Houses
Address:
2560-2500 N Downer Ave

Vacant
Address:
2570 N Downer Ave

Nail Bar
Address:
2580 N Downer Ave
City Investment:
\$200k (RIF, MEDC Loan)

Associated Bank
Address:
2590 N Downer Ave



Building Owner: DAPL LLC (Van Buren Management, registered agent)



Prepared by Department of City Development -
Long Range Planning, April 2015



2600 Block, Downer Avenue-East

Vacant
(Previously Paperwork)
Upper: Parking
Address:
2608 N Downer Ave

Vacant
(Previously Olive)
Upper: Parking
Address:
2628 N Downer Ave
City Investment:
\$10k (Facade)

Downer Cleaners
Upper: Parking
Address:
2630 N Downer Ave

Breadsmith
Upper: Parking
Address:
2632 N Downer Ave

Vacant
(Previously Enigma
Beauty Salon)
Upper: Parking
Address:
2634 N Downer Ave

Optix on Downer
Upper: Parking
Address:
2636 N Downer Ave
City Investment:
\$5k (Facade)

**Downer Ave Wine
& Spirits**
Upper: Parking
Address:
2638 N Downer Ave

Vacant
(Previously Associated
Bank)
Upper: Parking
Address:
2650 N Downer Ave



Building Owner: Downer Delaware LLC (Joel Lee, registered agent); 2nd Floor Parking owned by Downer Avenue Development LLC (Van Buren Management, registered agent)

2.4.3 Property Ownership

As indicated in the previous images, building ownership on three of the four “block faces” along Downer Avenue is consolidated, with one owner controlling all of the commercial real estate on the east and west sides of the 2500 block of Downer (between Webster and Belleview) and the east side of the 2600 block (between Belleview and Park) through various limited liability companies. It is important to note that the west side of the 2500 block and east side of the 2600 block are technically condominium developments with certain portions of the upper floors of those buildings contained within separate condominium units from the first floor space, though they are all currently controlled by the same owner.

Each of the four buildings on the west side of the 2600 block are under separate and distinct ownership, with two of the buildings owned by their primary retail tenant (the buildings housing CVS Pharmacy and Downer True Value Hardware).

2.4.4 Vacancy, Lease Rates, and Comparable Market Trends

Based on an in-field survey of first floor retail space on Downer Avenue, roughly 25% of retail space (based on street frontage) was vacant as of April of 2015. All of these vacancies were in the buildings controlled by the majority landlord on Downer Avenue. There were no retail vacancies on the west side of the 2600 block which is controlled by multiple owners.

The East Side BID market study indicates that the vacancy rate within the BID is roughly 9% of leasable space. Vacancy rates are higher at spaces that were formally retail stores than at former bar or restaurant locations. The market study also cites figures from national retail databases indicating that vacancy rates of less than 10% are found in the retail areas that make up the larger East Side of Milwaukee.

A review of the East Side BID market study as well as interviews with brokers and others knowledgeable about the local retail market indicate that

asking lease rates for newer and high-quality retail space on Downer Avenue as well as on Brady Street or North Avenue on the east side are in the \$25-\$30 per square foot range on a triple net basis (tenant is responsible for taxes, insurance, and maintenance). Actual rents for existing businesses or rents at spaces needing significant upgrades are generally lower.

In the process of preparing annual assessments for property tax purposes, the City of Milwaukee Assessor’s Office reviews comparable market rent data in an attempt to determine the market rent for commercial spaces within the City of Milwaukee. This estimated market rent is based on location, use, and building condition. Based on City Assessor’s Office estimates, market rents along Downer Avenue are generally in the \$15-20 per square foot range, with some of the newer restaurant and café spaces having higher estimated market rents. This suggests that that some of the vacancies in the less-improved retail spaces on Downer Avenue may also be caused by property owners seeking rents that exceed those found in comparable properties elsewhere or declining to make improvements to those storefronts that make them competitive in the market.

While this Snapshot is particularly focused on retail trends, it is notable that recent years have seen significant development of market-rate multifamily residential developments on the East Side that did not require City financial assistance. Additionally, the Avalon Theater in the Bay View neighborhood recently reopened after benefiting from significant private investment and assistance through the



Sage

Source: Dominion Properties



The Overlook on Prospect



Avalon



The Standard at East Library

City's business assistance programs described later in this chapter.

There are a number of additional factors to consider when attempting to determine why Downer Avenue has vacancy rates higher than historical averages and higher than some of its peer retail districts:

- Across the market, there is lower demand from “soft goods” retailers such as clothing stores and shoe stores, especially those that are independently owned. This is a trend that has been highlighted in numerous industry studies and verified by interviews with local experts. Generally, consumers are turning to the internet and regional shopping center to purchase these items. That said, niche and specialty retail stores offering products that are best viewed and tried on in-person continue to succeed in comparable markets.
- The East Side BID market study notes that in the Milwaukee market, a number of national retailers and soft goods vendors have recently located in the Third Ward. While Third Ward area residents have comparable disposable income to those on the East Side, the Third Ward benefits from having 62,000 employees working within a one-mile radius, compared to 11,000 in the East Side BID area. With the average employee spending \$115 per week on purchases made in the vicinity of their place of employment, this employee spending provides the Third Ward with a competitive advantage over Downer Avenue.
- Local brokers and other retail market experts indicate that interest for space within comparable retail markets to Downer Avenue is highest among restaurants, bars, and service oriented businesses. This should be taken into consideration as marketing and tenant attraction activities take place to fill current vacancies on Downer Avenue.
- High-quality tenants seeking retail space generally require long-term leases. A number of individuals with knowledge of the Downer Avenue retail market have noted that at various times during the previous years, long

term leases were not made available for a number of the Downer Avenue storefronts as potential large scale development options were pursued by building owners that may have caused the need to potentially relocate tenants.

Planning and Development Context

In addition to the historical, demographic and market information presented in the previous chapter, there are a number of planning and development related factors that are relevant to current and future development on Downer Avenue. This includes reviewing the land use and zoning controls that are in place on Downer Avenue, the activities of the Downer Avenue Business Improvement District, and the various City of Milwaukee administered business resource programs that have been and can continue to be used to support the Downer Avenue commercial corridor.

3.1 Review of Northeast Side Plan

In 2009, the Northeast Side Plan was formally adopted by the Common Council of the City of Milwaukee. This plan was the result of a roughly two year planning process that sought to gather input from area residents to make recommendations related to future housing, transportation, community facilities, economic development, and land use in the area. The Northeast Side Plan was one of thirteen area plans that make up the City of Milwaukee Comprehensive Plan. Once the plan was adopted by the Common Council, all land use decisions made by the City must be made in accordance with the goals laid out in the plan.

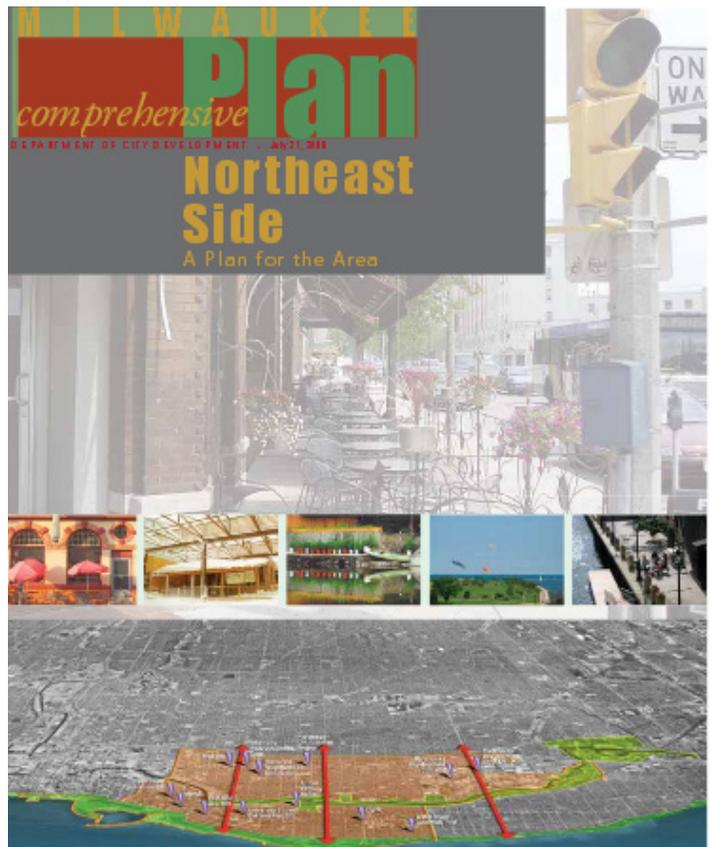
The Downer Avenue Commercial Corridor falls within the Northeast Side Plan area, and is a specific area of focus within the plan.

The recommendations made in the 2009 Northeast Side Plan are consistent with the public input received during the preparation of this Downer Avenue Commercial Corridor snapshot and include:

- Preserve the unique character and enhance the pedestrian-friendly character of this district that serves neighborhood residents, UWM students, and visitors to the Upper East Side.

- Revitalize and improve the existing retail environment.
- Strategically market the district, attract customers by encouraging a more active street, and improve the appearance of the streetscape and building facades.
- Ensure that any new development or businesses will complement the existing historic district with context-sensitive building design, appropriate heights and land uses.

Since the adoption of these goals, the City and its partner Downer Avenue Business Improvement District have invested in both the physical infrastructure of Downer Avenue as well as individual retail establishments on the street in a manner that supports the goals articulated in the Northeast Side Plan.



These plan recommendations will continue to serve as a basis to guide the City’s efforts to support investment on Downer Avenue going forward. [The full text](#) of the Northeast Side Plan is available on the website of the Department of City Development’s Planning Division.



3.2 Downer Avenue BID

In 2008, business owners on Downer Avenue formed the Downer Avenue Business Improvement District (BID). A BID is an entity created by commercial property owners within a defined geographic boundary whereby property owners agree to pay an annual assessment in addition to their property taxes that can be used to fund BID-directed activities such as marketing, street beautification, cleaning, and other services. The assessments are collected by the City of Milwaukee each year as part of property tax collection and the annual BID operating plan and appointment of new BID board members both require the approval of the Common Council.

The Downer Avenue BID is governed by a seven-member board including representatives of both property owners and corridor business owners.

One of the largest impact projects carried out by the BID was the 2009 streetscaping project that beautified Downer Avenue and was consistent with the recommendations that emerged from the Northeast Side planning process. The BID took out a loan to pay for half of the cost of this \$600,000 project, with the City paying the remaining portion of the street upgrades.

The current annual budget for the BID is \$77,000. This is used to pay for landscaping and streetscape maintenance, holiday lighting, graffiti removal, marketing, support of the Downer Avenue Bike Race, staffing costs, and loan payments for the streetscaping project.

During the spring of 2015, the BID brought on a new executive director and experienced turnover in the BID board membership that resulted in the addition of new members who bring a renewed commitment to fulfilling the goals of the BID to support a successful retail environment on Downer Avenue.

3.3 Zoning Summary

The zoning in place on Downer Avenue is also critical in establishing the types of development that may occur in the corridor. There are two different zoning classifications that cover the properties in the Downer Avenue Commercial Corridor.





3.3.1 Local Business (LB2)

The west side of the 2600 block of Downer Avenue is zoned LB2. That is the zoning classification that is used in the majority of the City’s traditional urban retail corridors with smaller lots and smaller set-backs. This zoning allows for a wide variety of uses such as:

- Residential (Single-Family and Multi-Family)
- General Retail Establishment
- Library
- Cultural Institution
- General Office
- Bank or other Financial Institution
- Artist Studio
- Medical Office
- Personal Service
- Business Service
- Laundromat
- Dry Cleaning Establishment

- Hotel, Bed and Breakfast
- Tavern
- Restaurant (Sit-Down or Carry-Out)
- Theater
- Broadcasting, Recording Studio

Buildings in LB2 districts can be no taller than 60 feet high. If buildings have residential uses, there must be at least 800 square feet of lot area for each dwelling unit.

3.3.2 Detailed Planned Development

In 2007, the remaining three block faces of the Downer Avenue Commercial Corridor were rezoned as a Planned Development. Detailed Planned Development (DPD) zoning is used in larger projects that do not fit specifically within one of the City’s basic zoning categories. DPD zoning provides additional control over design and uses within a project as all elements of the project are reviewed by the

City Plan Commission and Common Council prior to approval and then the approved plans serve as the modified zoning for those parcels moving forward, with future modifications requiring additional Plan Commission and Council approval.

The parking garage has been built, and upgrades to the retail space above Boswell Books have attracted a pediatrician's office to Downer Avenue. However, after the 2008 recession, plans for the remaining elements of the DPD have stalled.



DOWNER AVENUE DEVELOPMENT
PROPOSED CONDO BUILDING

WORKSHOPARCHITECTS

The approved DPD for Downer Avenue contained use regulations consistent with LB2 zoning, the previous zoning classification for the parcels. It also approved a new parking structure on the east side of the 2500 block, an 11-story 75-unit condominium development on Webster Place and Stowell Avenue behind the Boswell Books building, a 7-story 72-85 room boutique hotel above the former Chancery restaurant, an addition to the existing building at the northeast corner of Downer Avenue and Park Place to house medical offices, and repairs to the upper floors of the Boswell Books building to accommodate new tenants.



DOWNER AVENUE DEVELOPMENT
PROPOSED HOTEL BUILDING - OPTION 2

WORKSHOPARCHITECTS



3.4 Historic District Designation

Another important factor impacting development on Downer Avenue is the protections provided by the 2001 designation of the Downer Avenue Commercial Corridor as a Local Historic District by the City of Milwaukee Historic Preservation Commission.

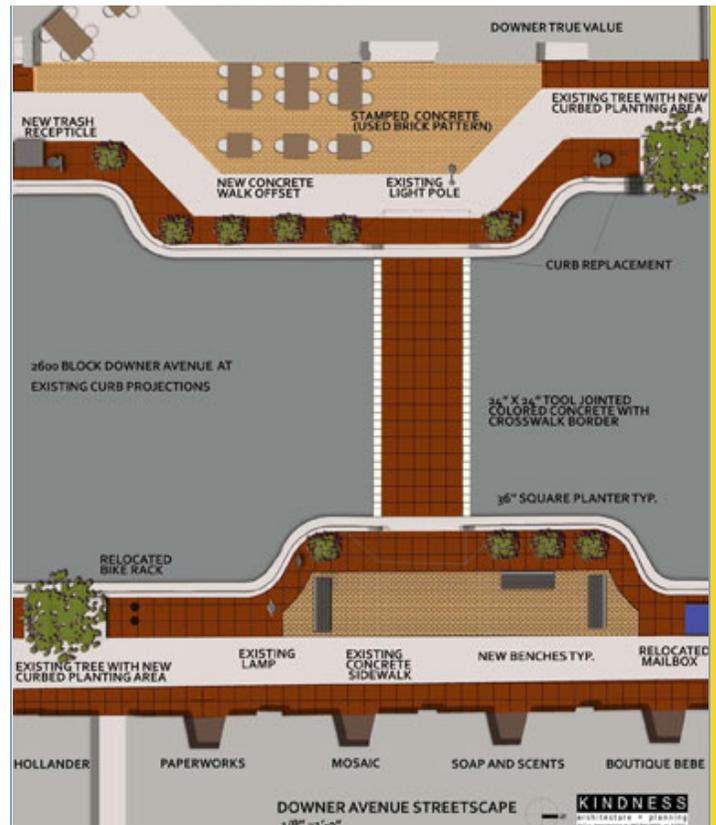
As a result of this designation, any changes to existing buildings require review and approval of the Historic Preservation Commission to confirm that proposed modifications preserve the unique character of the district and are historically sensitive. Historic Preservation Commission staff are able to provide technical assistance to building owners planning to make repairs. Any demolition, new construction of buildings, or significant modifications or improvements to the exterior of existing buildings must receive a Certificate of Appropriateness from the Commission. The Commission reviews each request against specific preservation guidelines that were established at the time the District was created. The study that was prepared to support the historic designation for Downer Avenue that includes these guidelines is available on the [web-site](#) of the City of Milwaukee Historic Preservation Commission.

3.5 City Business Resource “Toolbox”

In addition to providing technical assistance and staff support for individual Business Improvement Districts, the City of Milwaukee operates a number of business resource programs that can be utilized to support new and existing retail businesses. These programs have been employed with much success on Downer Avenue in the recent past, and the City continues to market these programs in an attempt to spur investment on Downer Avenue. A brief summary of the City’s retail assistance programs and how they have been utilized on Downer Avenue are below. The descriptions below are not intended to be exhaustive and additional program details and requirements are available on the website of the Department of City Development.

3.5.1 Streetscape

The City provides a share of the funding for



streetscaping projects on commercial corridors where business owners want to add elements above and beyond the City’s “base level.” This can include planters, benches, decorative concrete, bike infrastructure, and other items. As noted above, the costs of the 2009 Downer Avenue streetscape project were split between the City (\$300,000) and a loan taken out by the BID (\$300,000) from a private lender.

3.5.2 Façade Grants

Façade grants are used to provide reimbursement for a portion of the costs of making exterior improvements to retail businesses. This can include windows, doors, awnings, landscaping





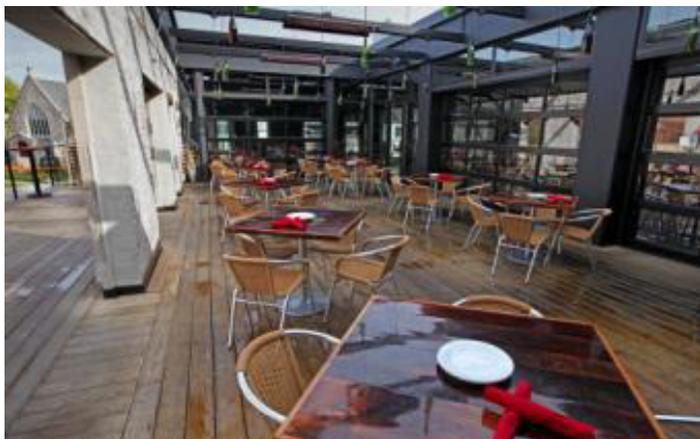
and painting. The maximum grant available is \$5,000 per street-facing storefront and the grant must be matched by owner's funds. *(Use on Downer Avenue: Optix, Pizza Man, and Olive)*

3.5.3 Signage Grants

Signage grants provide matching grants of up to \$2,500 to assist business owners with the installation of new or upgraded high-quality signs at their stores. *(Use on Downer Avenue: Sendik's)*

3.5.4 Whitebox Program

The Whitebox Program provides grants of up to \$25,000 to assist with the recruitment of new tenants to vacant retail spaces. It can assist with "buildout" expenses such as lighting, plumbing, electrical, HVAC, and interior walls. The grants do require a matching owner's share and are capped based on the square footage of the retail space. *(Use on Downer Avenue: Pizza Man and Sendik's (remodel))*



3.5.5 Retail Investment Fund

Retail Investment Fund grants can be used to support buildout costs, initial inventory expenses or remodeling costs for businesses that will result in the creation of new jobs. Grants are awarded based on the number of jobs created and cannot exceed more than 20% of a total project cost, with a maximum total grant of \$50,000.



Use on Downer Avenue: Pizza Man, Sendik's (remodel)*, Nail Bar, Via (current Bel Air Cantina building)*

*Based on their impact to the Downer Avenue Commercial Corridor, both Pizza Man and Sendik's received special high impact project Retail Investment Fund allocations that exceeded traditional program limits.

3.5.6 Milwaukee Economic Development Corporation (MEDC)

MEDC is a City of Milwaukee affiliated lender that provides business lending programs to create and retain jobs in Milwaukee. This includes programs tailored to assisting small businesses and startups including the Second Mortgage Program, Capital Access Program, Venture Debt Program, and SBA Community Advantage loans. *(Use on Downer Avenue: Nail Bar)*

Total City investment through these business resource programs on Downer Avenue since 2009 is summarized on the following page.

City Investments 2009-2015

Business	Program	Grant Amount	Loan Amount	
Downer Avenue BID*	Streetscape	\$300,000		
Olive	Façade Grant	\$10,000		
Optix	Façade Grant	\$5,000		
Via (current Bel Air Cantina)	RIF (Retail Investment	\$19,600		
Pizza Man**	RIF	\$100,000		
Pizza Man	White Box	\$50,000		
Pizza Man	Façade Grant	\$5,000		
Sendik's**	RIF	\$84,500		
Sendik's	White Box	\$25,000		
Sendik's	Signage Grant	\$5,000		
Nail Bar	RIF	\$50,000		
Nail Bar	MEDC		\$150,000	
Total		\$654,100	\$150,000	\$804,100

*The Downer Avenue BID secured a matching \$300,000 loan to support the 2009 streetscaping project.

**Special High Impact Project Allocation

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Public Participation

4.1 Public participation process

Public input for the Downer Avenue Commercial Corridor Snapshot was sought through a number of avenues. Leaders of both the Murray Hill and Historic Watertown neighborhood associations provided guidance throughout the process. A public meeting was held in April of 2015 to present much of the background information contained in the Snapshot and to seek public input on neighbors' priorities for what they would like to see happen on Downer Avenue in the short and long terms. More than 100 people attended this meeting at the East Library.

Feedback was requested on three specific questions:

1. What should Downer Avenue look like in two years?
2. What should Downer Avenue look like in ten years?
3. What 3-5 stores/businesses would best complement the existing retailers on Downer Avenue and encourage you to make additional purchases on Downer Avenue? (Types or specific businesses)

In addition to seeking written and verbal feedback at the meeting, neighbors were encouraged to provide their input via email or on the website Mysidewalk.com, where a discussion forum was established to allow for open-ended input on these three questions. More than 40 people provided written feedback to the questions through one of these formats.

4.2 Public participation summary

The questions asked during the public participation process attempted to elicit neighborhood goals for the Downer Avenue Commercial Corridor both in the short and long term. A summary of the goals that showed up consistently in the feedback provided by

neighbors are as follows:

Short Term Goals:

- Retain iconic stores including Boswell Books and Downer Theater (variations of this answer was the most commonly cited goal of respondents)
- Reduce existing vacancies
- Diversify the ownership mix of properties on the street
- Support a hotel and/or apartment complex that fits with the neighborhood character
- Attract locally owned and specialty retailers

Long Term Goals:

- Find ways to incorporate added green space along Downer
- Support the construction of a hotel on Downer
- Retain the historic character of Downer
- Add residential uses (including affordable housing options)

Stores and Businesses that would encourage additional spending on Downer (in order of frequency):

- Specialty or ethnic foods (e.g. Thai-namite, Maxie's, bagel store)
- Boutiques or other unique clothing retailers
- Ice cream / custard
- Hair salon and spa
- Fitness club / yoga studio
- Coffee shop with sandwich/food service

- Brew pub
- Flower shop
- Full service bakery
- Bike Shop
- Streetcar stop

In general, respondents indicated that retaining the Downer Theater and Boswell Books were the highest priority to preserving the character of Downer Avenue. Filling vacant storefronts with new retailers and restaurants, preferably locally owned, was the other clear priority.

The feedback indicates residents would be happy with a higher concentration of restaurants on the street than may have existed in the past, which is consistent with market trends. While some respondents expressed concern with added density or taller buildings, more residents indicated that they would like to see additional residential development and a hotel in the Downer corridor, provided development and building design was consistent with the character of the street.

Case Studies

Based on the market conditions and planning and development context on Downer Avenue as well as the public input received during this process, there are a number of initiatives that have been undertaken by stakeholders on commercial corridors elsewhere that may be useful for Downer Avenue stakeholders to consider for implementation on Downer Avenue. While one example has been selected to highlight each concept, the concepts below are “best practices” that have been utilized in multiple corridors around the country to activate vacant storefronts. These are in addition to tried and true commercial corridor management and business attraction and retention strategies that the BID (with assistance from the City) should continue to employ going forward. Additional resources on these topics are provided at the conclusion of this document.

5.1 Pop Up Storefronts (Pittsburgh)

In 2012, Downtown Pittsburgh stakeholders piloted “Project Pop Up” as a call for proposals from entrepreneurs to temporarily occupy vacant storefronts. As with other examples of pop-up stores around the country, winning concepts were generally those with low overhead, where a trial “pop up” period would allow business owners to capitalize on times of high demand such as the holiday season or other special events, and to determine if there is a market for a particular business over the long term. A boutique, a book store, and an ice cream shop all signed long term leases after being part of Project Pop Up. (Note: The City of Milwaukee supported a similar program in 2010.)



Source: MSNBC

5.2 Business Plan Competition (Layton Boulevard West Neighbors, Milwaukee)

During 2014, Layton Boulevard West Neighbors coordinated a Business Plan Competition in which it solicited proposals from entrepreneurs hoping to locate in a vacant storefront on National Avenue in the Silver City neighborhood. A variety of public and private resources were pooled to offer the winning business an incentive package that included technical assistance, three months of free rent, and other assistance to allow them to build out and open their storefront. As a by-product of the process, the winning business received a level of buy-in and support from the community from the day it opened its doors. The wood-working studio and retail store Our Daily Salt was the winner of the Layton Boulevard West competition and similar competitions are now underway in other Milwaukee commercial corridors.



Source: Milwaukee Business Journal

5.3 Decorative Amenities / Public Art (Ashland, WI)

There are numerous examples throughout the country of commercial corridors that have engaged business owners and other neighborhood stakeholders to beautify corridors through the installation of decorative amenities (lighting, plantings, etc.) and public art. One particular example that may be useful for consideration on Downer Avenue given the highly visible uninterrupted blank wall along the north side of Belleview just east of Downer Avenue and the walls on the parking lot between the Sendik's and True Value buildings is the City of Ashland's mural program. Like Downer Avenue, Ashland's business district is a historically designated area. After an initial mural was created to commemorate the 1998 Wisconsin sesquicentennial, business owners have commissioned eleven additional murals on their buildings to showcase the area's history and culture. This work has been funded through a variety of funding sources and has resulted in the improved appearance of area buildings, increased the sense of identity in the area, and brought additional visitors to the stores. Larger cities such as Philadelphia, which operates the Mural Arts Program, have also had success improving the appearance of commercial corridors and attracting additional visitors through mural and public art projects.



Source: City of Ashland

5.4 Vacant Storefront Beautification (Seattle)

While all Downer Avenue stakeholders hope that ongoing vacancy on Downer Avenue will be a rare and short-term occurrence, given the high number of current vacancies it is worth highlighting examples that other corridors have implemented to temporarily beautify vacant storefronts. These solutions range from attractive window displays highlighting the available space and advertising the other businesses on the corridor, to more elaborate installations such as those coordinated by the Shunpike organization in Seattle. Since 2010, Shunpike has paired vacant storefront spaces with local artists who create site-specific works to be displayed in vacant storefront windows, generally with a total cost to the property owner or BID of \$500. The goal of this program is both to create additional visual interest along the corridor but also to mitigate the impact of vacant storefronts on neighboring businesses.



Source: Elizabeth R Gahan

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Conclusion and Action Steps

The Downer Avenue Commercial Corridor is at a critical point. It appears that in the coming months, there will be a new owner of the majority of the properties on the street, or the current owner will have resolved the legal issues currently impacting the properties and be able to move forward with efforts to revitalize the currently vacant storefronts. Regardless of who ultimately owns the properties on Downer Avenue, there are a number of priorities and potential action items that should guide the actions of the City, the BID, and current and future property and business owners on Downer Avenue.

6.1 Goals

Through both the resident-driven planning process that led to the adoption of the 2009 Northeast Side Plan, and the public input gathered in the course of preparing this Snapshot, a number of clear priorities and goals have emerged for Downer Avenue. They include:

- Ensuring that Downer Avenue retains its walkable, historic, urban village character, with a diverse mix of business that, when taken together, provide a “full-service” shopping experience.
- Filling vacant storefronts and retaining unique, anchor businesses, most notably the theater and bookstore.
- Requiring that the design of any new development is sensitive to the existing context of the corridor and consistent with the community vision for Downer Avenue. Notably, the public input received during the preparation of this Snapshot generally supported added residential density (including a hotel) on Downer Avenue as long as the design and heights complement the existing character of the street.

6.2 Action Items

There are a number of specific actions that can be taken by the City, the BID, and property and business owners to encourage and guide investment on Downer Avenue in a manner consistent with the above goals. These include:

6.2.1 City Actions

- When making zoning, land use, financing, and other decisions impacting Downer Avenue, the City will continue to ensure that its actions are consistent with the vision for Downer Avenue articulated in the 2009 Northeast Side Plan and this Snapshot.
- Department of City Development staff will continue to work aggressively to connect potential new retail tenants on Downer Avenue to the City’s various business resource programs. Through the high impact project allocations to both Pizza Man and Sendik’s, the City has shown an ability to be creative in tailoring its business assistance programs to retain and attract anchor tenants to Downer Avenue. It should continue these efforts to the degree feasible if required to retain other anchor tenants on Downer Avenue.
- In order to ensure that its efforts to assist Downer Avenue businesses are consistent with the community vision for Downer Avenue, any business assistance grant to a Downer Avenue business will receive a full design review by the Department of City Development’s internal Design Review Team.

6.2.2 BID Actions

- The BID should continue its efforts to increase organization, marketing and promotion of the Downer Avenue commercial corridor to shoppers and potential new businesses. This includes an expanded Internet and social media presence and a continued focus on bringing people to Downer Avenue through large events such as the Bike Race as well as smaller more targeted events. This could also include an expanded effort to “brand” Downer Avenue, which could be supported through new signage and collateral materials (window decals, bumper stickers, t-shirts, etc.) to capitalize on neighborhood residents’ connection to Downer Avenue.
- The BID should ensure that its various tenant recruitment and district marketing efforts are strategically designed to support the goals that have been articulated in the Northeast Side Plan and this Snapshot.
- BID members should consider pursuing a “Pop Up” strategy to reduce the impact of vacancies. In addition to supporting existing retailers and potentially leading to new tenants, the unique characteristics of Downer Avenue may entice existing successful retailers to consider a temporary space on the street. While “Pop-Up” stores are generally start-up businesses, in other markets established retailers have employed this strategy in high visibility areas.
- The BID should work with a property owner of one of the vacant storefronts on the street to conduct a Business Plan Competition similar to the one conducted in Silver City by Layton Boulevard West Neighbors which resulted in the opening of Our Daily Salt. The BID could administer the competition and work with Department of City Development staff, the building owner, and other partners to create an award package to assist with the opening of the winning business. Neighborhood input could be included in the selection process providing built-in community support for the new business

and providing an opportunity to bring a unique, locally owned business to Downer Avenue that may spur additional complementary investments.

6.2.3 Other Actions

- Property owners on Downer Avenue should remain engaged in the activities of the BID to carry out actions that improve the appearance of Downer Avenue, bring residents and shoppers to the street and encourage new investment. This includes actively marketing vacant storefronts at rates and terms consistent with current market rates in order to eliminate long-term vacancies that reduce foot traffic on the street and negatively impact existing businesses.
- Property and business owners should continue to invest in their properties to keep the street interesting and attractive. A recent study released by the University of Wisconsin-Extension of the impacts of investment in storefront improvement on commercial corridors throughout the state highlighted the economic benefits to property and business owners of storefront investment including filling long-term vacancies, increases in new customers and sales, and conversions to better uses. A link to the study can be found at the end of this Snapshot.
- Residents in the neighborhoods surrounding Downer Avenue should remain active on issues impacting Downer Avenue. This includes expressing support or opposition when land use and zoning changes are being considered by the City of Milwaukee or during the business licensing process. All stakeholders should continue to support efforts to make Downer Avenue more accessible by bus, bicycle, and other forms of transit (including pursuing a Publi bike station on Downer Avenue as the Publi system is expanded).
- Residents in the neighborhoods surrounding Downer Avenue should continue to support businesses on the street and encourage friends, family, and colleagues to do the same. The walkable, urban village concept so cherished

by East Side residents for generations is only possible with the continued patronage of neighbors shopping at those businesses they wish to see succeed on Downer as much as possible, even when it may mean foregoing a late-night online book, wine or other gift purchase for an in-person one the next day.

6.3. Conclusion

Given the existing business mix on Downer Avenue, the demographics of the area, the strong protections provided by the Local Historic Designation, the various levels of review and approval required for a change to the existing Detailed Planned Development zoning on three of the four block faces on the street, the reinvigorated BID, recent public and private investment on the street, and the active engagement of the neighbors who support Downer Avenue, Downer is well positioned to attract new investment.

This document is not the final step in this process. The goals and action steps listed in this Snapshot provide an outline for how the various stakeholders on Downer Avenue can encourage this investment in a manner consistent with the community vision for Downer.

Additional Resources:

Improving Tenant Mix: A Guide for Commercial Corridor District Practitioners; International Council of Shopping Centers

www.icsc.org/uploads/gpp/ICSC-Guide-for-Improving-Tenant-Mix.pdf

Commercial Revitalization Planning Guide; Local Initiatives Support Corporation

www.lisc.org/bay_area/images/resources/asset_upload_file594_17204.pdf

An Analysis of Downtown Storefront Improvements: A Section of Wisconsin Case Studies; University of Wisconsin – Extension

www.learningstore.uwex.edu/An-Analysis-of-Downtown-Storefront-Improvements-A-Selection-of-Wisconsin-Case-Studies-P1745.aspx