

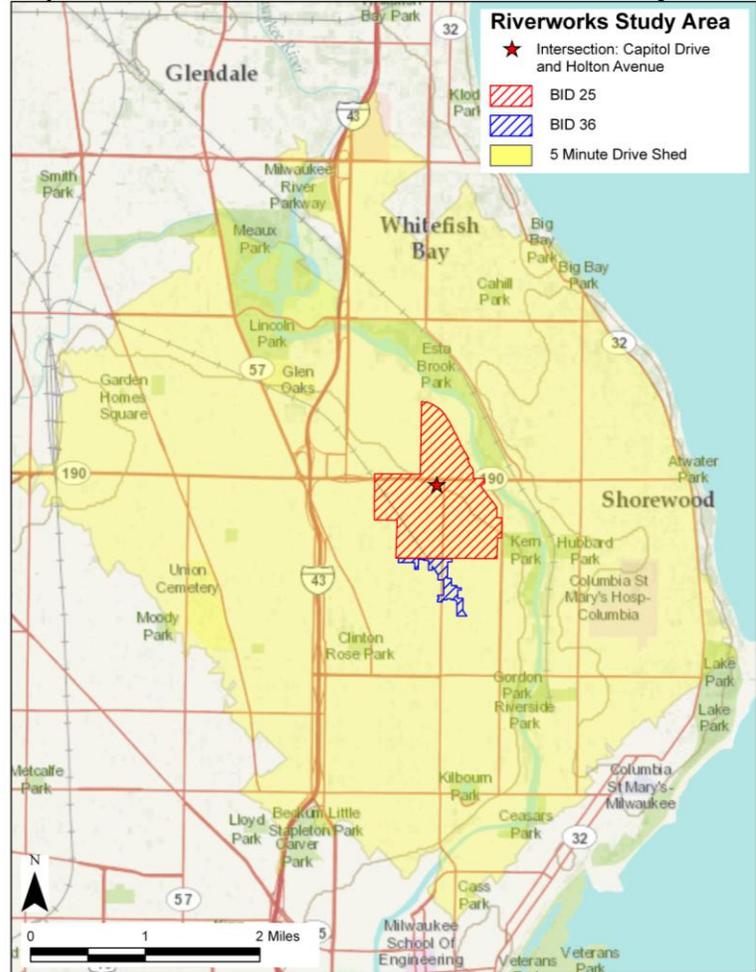
Appendix A.2: Riverworks Market Analysis

Introduction

The Riverworks Market Analysis includes an assessment of businesses, industries, and land uses within the two Riverworks Business Improvement Districts (BID 25 and 36), a comparison to other industrial BIDs in the City of Milwaukee, a housing and demographic profile of the surrounding neighborhoods, and a market profile of the area that includes recommendations for potential development opportunities. It is based on data from the Census and American Community Surveys, data derived from ESRI's Business Analyst program, as well as data from the Riverworks Development Corporation.

The Riverworks BIDs contain a major commercial corridor along Capitol Drive surrounded by a large industrial zone located to the south and to the north. In addition to the BID areas, this economic profile includes an evaluation of the surrounding neighborhoods in order to describe and assess the demographic component, and to evaluate the needs of local residents that are likely to habituate the Capitol Drive commercial corridor or provide a local labor force for businesses and industries within the BIDs.

Map 1: Overview of Riverworks Market Profile Boundary



Economic profiles within ESRI's Business Analyst (BA) can be developed by applying a delineated geographic overlay of the area, by selecting a location (centerpoint) within the study area and delineating an area based on travel or drive-time distance, or by selecting a location and creating a ring based on distance. The initial exploration of the various profile methods revealed that a 0 to 5-minute drive-time analysis was the preferred method for developing the profiles for the Riverworks market analysis. This 5 minute drive-time analysis is referred to as the Riverworks Study Area and is shown in Map 1.

For this analysis, the intersection of Holton Avenue and Capitol Drive was chosen as the centerpoint due to its central location within the Riverworks area and also due to the location of the Walmart which likely has the largest geographic pull of stores located within the commercial district. From this location, BA compiles socio-economic data for all households and individuals living within the 5 minute drive shed. This includes the Riverwest and Harambee neighborhoods in the City of Milwaukee, the Village of Shorewood, and parts of the Villages of Whitefish Bay and Glendale, and Milwaukee's Eastside, Brewer's Hill, and Northside neighborhoods.

Although much of this economic profile focuses on the neighborhoods within the Riverworks Study Area, it also provides an inventory and detailed analysis of the two business improvement districts

(BID 25 and BID 26). Riverworks Development Corporation, the City of Milwaukee Department of City Development, and the Wisconsin Department of Workforce Development provided the business and property data for this evaluation. Although much of the socio-economic data from this analysis is derived from ESRI's BA, supplemental data from the US Census Bureau and the American Community Survey was utilized as noted.

The Riverworks Development Corporation and Business Improvement Districts 25 and 36

Introduction

Riverworks is comprised of two separate business improvement districts (BIDs), public-private partnerships between the City of Milwaukee and business owners that work together to manage, develop, and promote the Riverworks Center business district. Each BID is a cooperative of local property owners that raise money through voluntary annual assessments to spend on projects that will enhance the local business environment. Such projects generally include streetscaping, beautification, or other environmental enhancements; marketing or business recruitment and retention; and safety and security.

The two separate BIDs (25 and 36) are overseen by the Riverworks Development Corporation (RDC), a non-profit organization that provides management and technical support to both BIDs. RDC was established in 1992 to provide centralized support to the BIDs in four key areas; workforce development, economic development, neighborhood planning and revitalization, and real estate development.¹ RDC manages and administers three major programs for BIDs 25 and 36:

- **The Public Safety & Appearance program:** Performs graffiti removal and sidewalk sweeping for the area.
- **The Marketing & Promotions program:** Promotes the area as a first class destination for shoppers, business owners and real estate developers.
- **Business and Property Assistance program:** Provides façade improvement grants (for things like windows, doors, signage, etc.), fencing improvement grants, and safety and security grants to BID businesses.

Map 1 shows the boundaries of the two BIDs within the Riverworks Study Area. BID 25 is the larger of the two BIDs, with about 130 property owners participating in the program. BID 25 contains a considerable amount of manufacturing and business services that are compatible with manufacturing uses, but also contains a major commercial corridor along Capitol Drive. Changes along the Capitol Drive corridor, particularly the catalytic redevelopment of the former American Motors Corporation property into commercial uses has provided the most significant change to the Riverworks neighborhood in the past 20 years. Although industrial development continues to be most predominant, commercial development along Capitol Drive has produced a resurgence in the Riverworks neighborhood.

BID 36 is smaller, with about 45 properties participating in the BID. Much of the recent work within BID 36 has focused on development of the Beerline Recreational Trail, a conversion of an abandoned railroad right-of-way to a pedestrian and bicycle trail. Similar to the changes along Capitol Drive, this project will have a significantly positive impact on the Riverworks neighborhood by removing blight.

Inventory of Businesses

In 2012, a total of 177 businesses were located within the two BIDs. Approximately 158 businesses employing between 2,350 and 5,080 people were located within BID 25, and approximately 19 businesses were located within BID 36, employing between 60 and 135 people. A list of all businesses in BIDs 25 and 36 is included in Table 1 and Map 2 shows their locations. Table 2 shows a summary of businesses within the BIDs including the estimates on the number of employees within each category.

¹ Riverworks Development Corporation's Comprehensive Neighborhood Economic Development Approach is available at <http://www.riverworksmke.org/rdc/neighborhood-dev-chart.pdf>

Table 1: Inventory of Businesses Located within BIDs 25 and 36

Map No.	BID	Business Name	Employee Range Code	Description
1	25	360 Degree	A	Finish Carpentry Contractors
2	25	Absolute Custom Extrusion	C	Unlaminated Plastics Profile Shape Manufacturing
3	25	Advance Die Casting Co.	F	Aluminum Die-Casting Foundries
4	25	Aldi	C	Supermarkets and Other Grocery Stores
5	25	Al's Window Cleaning, LLC	C	Other Services to Buildings and Dwellings
6	25	Alvilife, LLC	B	All Other Miscellaneous Food Manufacturing
7	25	American Security & Investigation	E	Security Guards and Patrol Services
8	25	Another Hand Foundation	B	Other Social Advocacy Organizations
9	25	Artifacts	B	Other Specialized Design Services
10	25	Barefoot International	E	Sporting and Athletic Goods Manufacturing
11	25	Bentley World Packaging	B	Packing and Crating
12	25	Big Lots	D	All Other General Merchandise Stores
13	25	Big MPG	C	Direct Mail Advertising
14	25	Bolzano Artisan Meats	B	Meat and Meat Product Merchant Wholesalers
15	25	Bradley Industries	B	Other Snack Food Manufacturing
16	25	Budget Truck Rental	A	Truck, Utility Trailer, and RV Rental and Leasing
17	25	Burke Candy	D	Nonchocolate Confectionery Manufacturing
18	25	C&D Technologies	G	Storage Battery Manufacturing
19	25	C.G. Schmidt	A	New Single-Family Housing Construction
20	25	Central Bark	D	Pet Care (except Veterinary) Services
21	25	Central Plumbing & Heating	B	Plumbing, Heating, and Air-Conditioning Contractors
22	25	Check Cashing Place	B	Financial Transactions Processing, Reserve Activities
23	25	Check N' Go	B	Consumer Lending
24	25	Church's Chicken	C	Full Service Restaurants
25	25	Citgo Gas Station	B	Other Gasoline Stations
26	25	Citgo Gas Station (Multani Petrol)	B	Other Gasoline Stations
27	25	Citi Trends	E	Family Clothing Stores
28	25	Classic Auto	C	Used Car Dealers
29	25	Classy Nails	B	Nail Salons
30	25	CleanPower	E	Janitorial Services
31	25	Communicor	B	Graphic Design Services
32	25	Community Building and Restoration	B	Residential Remodelers
33	25	Community Dental Clinic - Marquette	D	Offices of Dentists
34	25	Compo Corporation	F	All Other MiscFabricated Metal Product Manufacturing
35	25	Cousins	C	Limited Service Restaurants
36	25	Creative Store Design	B	Other Commercial Equipment Merchant Wholesalers
37	25	CTC Supplies	D	Recyclable Material Merchant Wholesalers
38	25	CW Price	E	Other Clothing Stores
39	25	Cypress Dry Cleaners	A	Drycleaning and Laundry Services (except Coin-Operated)
40	25	Dairyland Buses	F	Interurban and Rural Bus Transportation
41	25	Dodco	D	Other Fabricated Wire Product Manufacturing
42	25	Dollar Tree	D	All Other General Merchandise Stores
43	25	DOTS	C	Women's Clothing Stores
44	25	East Side Auto	A	General Automotive Repair
45	25	Eclipse Development	B	Printing and Writing Paper Merchant Wholesalers
46	25	Elias Grinding	B	Electroplating, Plating, Polishing, Anodizing, and Coloring
47	25	Esca Tech	C	Other Chemical and Allied Products Merchant Wholesalers
48	25	F. Barkow	C	Motor Vehicle Body Manufacturing
49	25	Fashion Angels Enterprises	F	Hobby, Toy, and Game Stores
50	25	Finn Power	A	Electrical and Other Wiring Installation Contractors
51	25	Flux Design	D	Commercial and Institutional Building Construction
52	25	FMS Magnacraft	E	Direct Mail Advertising
53	25	FoamTek, Inc.	C	Urethane and Other Foam Product Manufacturing
54	25	Fortuna Design	A	Architectural Services
55	25	Frentzel Products	D	Machine Shops
56	25	Fresh Is Best Natural Pet Food	B	Dog and Cat Food Manufacturing
57	25	Gallas Safeguards	B	All Other Specialty Trade Contractors
58	25	GameStop	C	Hobby, Toy, and Game Stores
59	25	Goodwill	E	Used Merchandise Stores
60	25	Goodwill Workforce Connections Ctr	B	Vocational Rehabilitation Services
61	25	H & R Block (Humboldt & Capitol)	D	Tax Preparation Services
62	25	H & R Block (Walmart)	A	Tax Preparation Services

Map No.	BID	Business Name	Employee Range Code	Description
63	25	Habitat for Humanity	A	Other Community Housing Services
64	25	Habitat for Humanity	E	Other Community Housing Services
65	25	Health Care for the Homeless	D	Freestanding Ambulatory Surgical and Emergency Centers
66	25	Heartwood Furniture	B	Custom Architectural Woodwork and Millwork Manufacturing
67	25	Heider & Bott	D	Plumbing and Heating Equipment and Supplies Wholesalers
68	25	Hein/Trend	E	Blankbook, Looseleaf Binders, and Devices Manufacturing
69	25	Herslof Optical Company, Inc.	A	Optical Goods Stores
70	25	Imagine Motorsports, Inc.	B	All Other Automotive Repair and Maintenance
71	25	In Place Machining	F	Commercial/Industrial Machinery and Equipment Repair
72	25	Jimbo's Car Wash	D	Car Washes
73	25	Johnson Brothers Beverage	G	Wine and Distilled Alcoholic Beverage Merchant Wholesalers
74	25	Journal Broadcast Group	G	Television Broadcasting
75	25	JP Morgan Chase	D	Commercial Banking
76	25	K Komfort	B	Plumbing, Heating, and Air-Conditioning Contractors
77	25	K-3 Centerless Grinding	C	Machine Shops
78	25	LAD Lake Development Center	C	Elementary and Secondary Schools
79	25	LAD Lake Development Center	D	Other Individual and Family Services
80	25	Lafayette Testing Services	D	Testing Laboratories
81	25	Lee's Beauty Supply	C	Cosmetics, Beauty Supplies, and Perfume Stores
82	25	Liberty Tax Service	B	Tax Preparation Services
83	25	Lighting Solutions - PAL Enterprises	A	Residential Electric Lighting Fixture Manufacturing
84	25	Lindems Auto Repair	C	General Automotive Repair
85	25	Lucid Glass Works	A	Graphic Design Services
86	25	Mat-Tech, Inc.	D	Machine Shops
87	25	McDonalds	F	Limited Service Restaurants
88	25	MCFI Solutions	E	Packaging and Labeling Services
89	25	Medovations	E	Surgical Appliance and Supplies Manufacturing
90	25	Message By Design	A	Other Personal Care Services
91	25	Midwest Die Casting	D	Nonferrous Die-Casting Foundries
92	25	Milwaukee Center for Independence	D	Vocational Rehabilitation Services
93	25	Milwaukee PC	C	Computer and Software Stores
94	25	Moberg Piano Service	A	Other Personal and Household Goods Repair and Maintenance
95	25	MoFoCo Auto Parts and Repair	D	Automotive Parts and Accessories Stores
96	25	NAPA Auto Parts	C	Automotive Parts and Accessories Stores
97	25	O'Brien Professional Painting	C	Painting and Wall Covering Contractors
98	25	Office Depot	E	Office Supplies and Stationery Stores
99	25	Oguis Auto Repair	A	General Automotive Repair
100	25	O'Reilly Auto Parts	C	Automotive Parts and Accessories Stores
101	25	Outdoors Unlimited	C	Landscaping Services
102	25	Outpost Exchange Magazine	C	Periodical Publishers
103	25	Outpost Natural Foods	F	Supermarkets and Other Grocery Stores
104	25	Pathfinders	D	Other Social Advocacy Organizations
105	25	Payless Shoesource	B	Shoe Stores
106	25	Piggly Wiggly	F	Supermarkets and Other Grocery Stores
107	25	Pinky's Capital Auto Body	E	Automotive Body, Paint, and Interior Repair and Maintenance
108	25	Pizza Hut Carry Out	D	Full Service Restaurants
109	25	Planned Parenthood ExpressCare	C	Family Planning Centers
110	25	PNC Bank	D	Commercial Banking
111	25	Popeye's Chicken	E	Limited Service Restaurants
112	25	Puravida	A	Other Personal Care Services
113	25	Radio Shack	C	Radio, Television, and Other Electronics Stores
114	25	Rainbow	D	Family Clothing Stores
115	25	Rainmaker XLP	C	Commercial Flexographic Printing
116	25	Red Schafer MMA	B	Fitness and Recreational Sports Centers
117	25	Reinke & Schomann	C	Conveyor and Conveying Equipment Manufacturing
118	25	Richards Street Service	A	General Automotive Repair
119	25	River Glen Medical Clinic	D	Offices of Physicians
120	25	River's Shore Clinic	C	Outpatient Mental Health and Substance Abuse Centers
121	25	Riverside BP	A	Other Gasoline Stations
122	25	Riverwest Automotive Service	A	General Automotive Repair
123	25	Riverworks Design Studio	B	Showcase, Partition, Shelving, and Locker Manufacturing
124	25	RK Motors	C	General Automotive Repair
125	25	Roth's Inn	A	Drinking Places (Alcoholic Beverages)

Map No.	BID	Business Name	Employee Range Code	Description
126	25	Service Container	D	Corrugated and Solid Fiber Box Manufacturing
127	25	Service Master of Milwaukee	C	Janitorial Services
128	25	Shakeproof Industrial Products	F	Bolt, Nut, Screw, Rivet, and Washer Manufacturing
129	25	Shoe Time	B	Shoe Stores
130	25	Snider Painting	D	Painting and Wall Covering Contractors
131	25	Social Development Commission	H	Administration of Human Resource Programs
132	25	Soft Anointing Hands	A	Other Personal Care Services
133	25	SOS Mailing Services	A	Private Mail Centers
134	25	Spic and Span	E	Industrial Launderers
135	25	Subway	C	Limited Service Restaurants
136	25	SUP Design	B	Industrial Design Services
137	25	The Candlemaker	A	Toy and Hobby Goods and Supplies Merchant Wholesalers
138	25	T-Mobile	A	Wireless Telecommunications Carriers
139	25	Tobacco One	A	Tobacco Stores
140	25	Tramont Corporation	G	Plate Work Manufacturing
141	25	Trike Property Management	D	Lessors of Residential Buildings and Dwellings
142	25	Tulip	G	All Other Plastics Product Manufacturing
143	25	Turner Box	B	Industrial and Personal Service Paper Merchant Wholesalers
144	25	U.S. Cellular	A	Wireless Telecommunications Carriers
145	25	U-Haul	C	Truck, Utility Trailer, and RV Rental and Leasing
146	25	U-Haul	E	Truck, Utility Trailer, and RV Rental and Leasing
147	25	Unique Car Care	A	Car Washes
148	25	US Corrugated, Inc.	E	Corrugated and Solid Fiber Box Manufacturing
149	25	Valent's Bar and Restaurant	B	Drinking Places (Alcoholic Beverages)
150	25	Walgreen's: Rx	D	Pharmacies and Drug Stores
151	25	Walgreen's: Store	E	Pharmacies and Drug Stores
152	25	Wal-Mart	H	Discount Department Stores
153	25	Wendy's	D	Full-Service Restaurants
154	25	Western Union	A	All Other Nondepository Credit Intermediation
155	25	Wisconsin Thermoset Moulding	E	All Other Plastics Product Manufacturing
156	25	Wisconsin Wilderness Foods	B	Fruit and Vegetable Canning
157	25	Zanoni Painting	B	Painting and Wall Covering Contractors
158	25	ZeroPoint Manufacturing	C	Plumbing and Heating Equipment and Supplies Wholesalers
Subtotal BID 25			2,351 to 5,083 Employees	
159	36	A Bishop Farm	C	Poured Concrete Foundation and Structure Contractors
160	36	A.B. Steel Auto Service	A	General Automotive Repair
161	36	Citgo	B	Other Gasoline Stations
162	36	D&R Auto Repair	A	General Automotive Repair
163	36	Downtown Auto Body	B	Automotive Body, Paint, and Interior Repair and Maintenance
164	36	Fala7 Investments	C	Other Activities Related to Real Estate
165	36	Family Dollar	B	All Other General Merchandise Stores
166	36	Hernia Movers	D	Used Household and Office Goods Moving
167	36	J & S Auto Body Repair	A	General Automotive Repair
168	36	Keepin It One Hundred	B	All Other General Merchandise Stores
169	36	Keystone Marble & Granite, Inc.	C	Cut Stone and Stone Product Manufacturing
170	36	Metal Forms Corporation	E	Sheet Metal Work Manufacturing
171	36	Mobile Car Care	A	General Automotive Repair
172	36	QBM, Inc.	B	Commercial and Industrial Machinery and Equipment Repair
173	36	RET Lounge	A	Drinking Places (Alcoholic Beverages)
174	36	Shock Construction Company	A	All Other Specialty Trade Contractors
175	36	Spot-Light Barber Shop	A	Barber Shops
176	36	Sunshine Foods	B	Supermarkets and Other Grocery (except Convenience)
177	36	Wenninger Compressor	C	Industrial Machinery and Equipment Merchant Wholesalers
Subtotal BID 36			63 to 135 Employees	
TOTAL BIDs 25 and 36			2,414 to 5,218 Employees	

Sources: Riverworks Development Corporation, Wisconsin Department of Workforce Development, ESRI, and UWMS Center for Economic Development.

Note: Employee Size Range Coding:

A = Self Employed
B = 1 to 4
C = 5 to 9
D = 10 to 19

E = 20 to 49
F = 50 to 99
G = 100 to 249
H = 250 to 499

Table 2: Business Summary within BIDs 25 and 36

Business Category	Number	Percent	Employee Range ²	Max Percent Employees
Industrial	61	34.5	1,255 to 2,111	40.5
Manufacturing	32	18.1	668 to 1,535	29.4
Wholesale	11	6.2	140 to 331	6.3
Construction	14	7.9	44 to 89	1.7
Warehousing/Storage	1	0.6	1 to 4	0.1
Other	3	1.7	71 to 152	2.9
Professional Services	62	35.0	757 to 1,602	30.7
Business Services	18	10.2	128 to 290	5.6
Repair and Maintenance Services	16	9.0	52 to 104	2.0
Health Care and Social Assistance	13	7.3	343 to 689	13.2
Transportation and Storage Services	5	2.8	86 to 177	3.4
Financial Services	5	2.8	23 to 47	0.9
Real Estate Services	2	1.1	15 to 28	0.5
Information Distribution	2	1.1	105 to 258	4.9
Educational Services	1	0.6	5 to 9	0.2
Commercial	54	30.5	733 to 1,505	28.8
Retail	27	15.3	567 to 1,162	22.3
Food Service	10	5.6	108 to 219	4.2
Personal and Pet Care	10	5.6	50 to 104	2.0
Gas Stations	4	2.3	4 to 13	0.2
Cell Phone/Communications	2	1.1	3 to 3	0.0
Recreation	1	0.6	1 to 4	0.1
TOTAL	177	100.0	2,414 to 5,218	100.0

Source: Wisconsin Department of Workforce Development and Center for Economic Development.

The businesses located within BIDs 25 and 36 represent a wide variety of industrial, commercial, and professional services. Of the 177 businesses located within the two BIDs, 35 percent are related to industrial or manufacturing uses, 29 percent are related to retail or food service, and 31 percent are other professional service-oriented businesses. Approximately 40.5 percent of all employees in the BIDs are employed in some kind of industrial business, while 28.8 percent are employed in commercial, and 30.7 percent in professional services. Businesses range in employee size from very small, family-owned or self-employed operations to large global enterprises with hundreds of employees. The two largest employers in the BIDs are Walmart and the Social Development Commission, each with between 250 and 499 employees. Most of the businesses within the BID boundaries are small to medium sized with fewer than 20 employees.

As of 2011, there are approximately 61 industrial businesses located within the BIDs, involved in manufacturing, wholesale, construction, or warehousing and storage. Several of these are large, ranging from 50 to 249 employees including C&D Technologies, Johnson Brothers Beverage, Tramont, Tulip, Advance Die Casting, Compo Corporation, and In Place Machining. Estimates indicate that between 1,255 and 2,111 workers were employed in industrial businesses in the BIDs in 2011.

Industrial Businesses

Manufacturing plays a dominant role within the business mix of the Riverworks area. Manufacturing employs between 668 and 1,535 workers (about 29 percent), and represents about 18 percent of the businesses within the two BIDs. All but two of the 32 manufacturing businesses are located in BID 25. There is no single dominant type of manufacturing subsector within the area, although 11 businesses are related to metal including specialized metal fabrication and machining, representing about one

² Estimates on the number of employees are derived from State of Wisconsin Department of Workforce Development SNAP data which provides an estimated employee size range for each company.

third of the manufacturing businesses within the area. Additionally, there are five businesses related to food manufacturing and four businesses related to plastics; the remainder represent a variety of specialized manufacturing of either finished products or WIPs (works in process). The largest manufacturing employers include Tramont, C&D Technologies, and Tulip, each employing between 100 and 249 people.

Construction, wholesale, and warehousing comprise the remaining industrial businesses in the BIDs. Wholesale companies account for about 6 percent of all businesses and about 6 percent of employment within the BIDs. Like manufacturing, there is a wide variety of wholesale business types, including food and beverage; industrial materials and products; paper and packaging; plumbing and construction materials; and finished products. Wholesale businesses employ between 140 and 331 workers, and with the exception of Johnson Brothers Beverage (100 to 249 estimated employees), most wholesalers tend to employ fewer than 20 people. There are 14 construction companies (8 percent) located in the BIDs, employing roughly 44 to 89 workers. These tend to be very small business: all employ fewer than 20 people, and all but two of these employ 10 or fewer people. Surprisingly, there is only one business identified as warehousing within the BIDs, Bentley World Packaging which employees between 1 and 4 people. In addition, there are 3 service-related industrial businesses; these include an industrial launderer and two industrial maintenance and repair shops.

Professional Services

Approximately 62 businesses related to professional services were located in the BIDs, including 18 related to business services and support, 16 related to repair and maintenance, 13 related to health care and social assistance, 5 related to financial services, 5 to real estate services, 2 to information distribution, and one related to educational services. Estimates indicate that between 757 and 1,602 workers are employed in professional services in 2011. About half of the professional service businesses are compatible with industrial uses and roughly 25 percent of the services focus on the needs of industrial and manufacturing businesses including packaging/labeling, mailing services, janitorial and building services, security, and design and architectural services. Roughly 35 percent of the businesses do not directly support industrial uses but are fully compatible with them including all businesses related to transportation and storage (Hernia Movers, Uhaul, etc) and auto repair and maintenance shops. The remaining businesses represent a wide variety of other professional services.

Business services represent about 10 percent of all businesses (18) within the BIDs and employ between 128 and 290 people (5.6 percent). This category includes services that provide support to other businesses and includes graphic design services, packaging and mailing services, industrial design, graphic design, architectural design, janitorial and building maintenance services, and tax preparation services. Most of these services (excluding tax preparation) are compatible with industrial uses.

In 2011, there were approximately 15 repair and maintenance businesses located within the BIDs; all but one were related to auto repair and maintenance. With the exception of Pinkey's Capitol Auto Body and Jimbo's Car Wash, these are very small businesses, generally with fewer than 5 employees. Estimates indicate that about 2 percent of the workforce (52 to 104) is employed in repair and maintenance.

Healthcare and social assistance services are the third largest employers within the BIDs, employing between 343 to 689 people (13.2 percent). This is based on the presence of the Social Development Commission (SDC), the purported largest employer in the BIDs with 250 to 499 employees. Most of these businesses employ fewer than 20 people.

Commercial Businesses

Approximately 54 commercial businesses were located in the BIDs, including 27 related to retail trade, 10 related to food service, 10 related to personal or pet care, 4 gas stations, 2 related to cell phone retail, and one related to recreation. Estimates indicate that between 733 and 1,505 workers are employed in commercial businesses in the BIDs in 2011. Most retail and restaurants are concentrated along the Capitol Drive corridor, and represent predominantly national chains with some local businesses present. The largest employer (250 to 499 employees) and the retailer with the greatest pull factor in the Riverworks area is Walmart. In addition to Walmart, the area is well represented in national 'general merchandise' or 'discount stores' in the area, as there are three other major national

brands (Family Dollar, Big Lots, and Dollar Tree). In total, there are four stores that sell groceries although only one would be considered a full service supermarket (Piggly Wiggly); Outpost Natural Foods and Aldis are both specialty food stores, and Sunshine Foods is a corner market. In total, there are six clothing and shoe stores, most catering to an 'urban' or younger clientele; 5 of the 6 are national chains (Rainbow, CW Price, DOTS, Citi Trends, and Payless Shoesource). Additionally, there are three national chain auto parts stores in the area (Napa, Mofoco, and O'Briens). The remaining 10 retail businesses represent a variety of commercial needs (optical store, office supply store, hobby/game store, electronics store etc) that serve the local population; almost all of these are chain stores with affiliates located throughout Milwaukee and the Southeastern Wisconsin region.

Food service within the Riverworks area includes 7 limited service (fast food) restaurants and 3 locally owned taverns. Approximately 108 to 219 people are employed in food service (about 4 percent); with the exception of McDonalds and Popeye's Chicken, most of the fast food restaurants employ fewer than 20 people. Similar to the retail, all of the restaurants are national chains. Again, these serve a very local clientele or cater to the clients that work within the BIDs.

The remaining 17 businesses focus on the needs of the local population, and include 10 catering to personal and pet care (pharmacy, pet care, dry cleaning, massage, barbershop, and beauty supplies) and 7 other local businesses (4 gas stations, 2 cell phone stores, and 1 recreational). Of these, 11 represent national chains and the remainder are local.

Land Use Profile

BIDs 25 and 36 comprise approximately 329 acres of primarily industrially and commercially zoned lands. BID 25 is significantly larger encompassing a total of 307 acres, while BID 36 consists of 22 acres. Of the 329 acres within BIDs 25 and 36, approximately 42 acres is zoned for commercial uses and 230 is zoned for industrial uses.

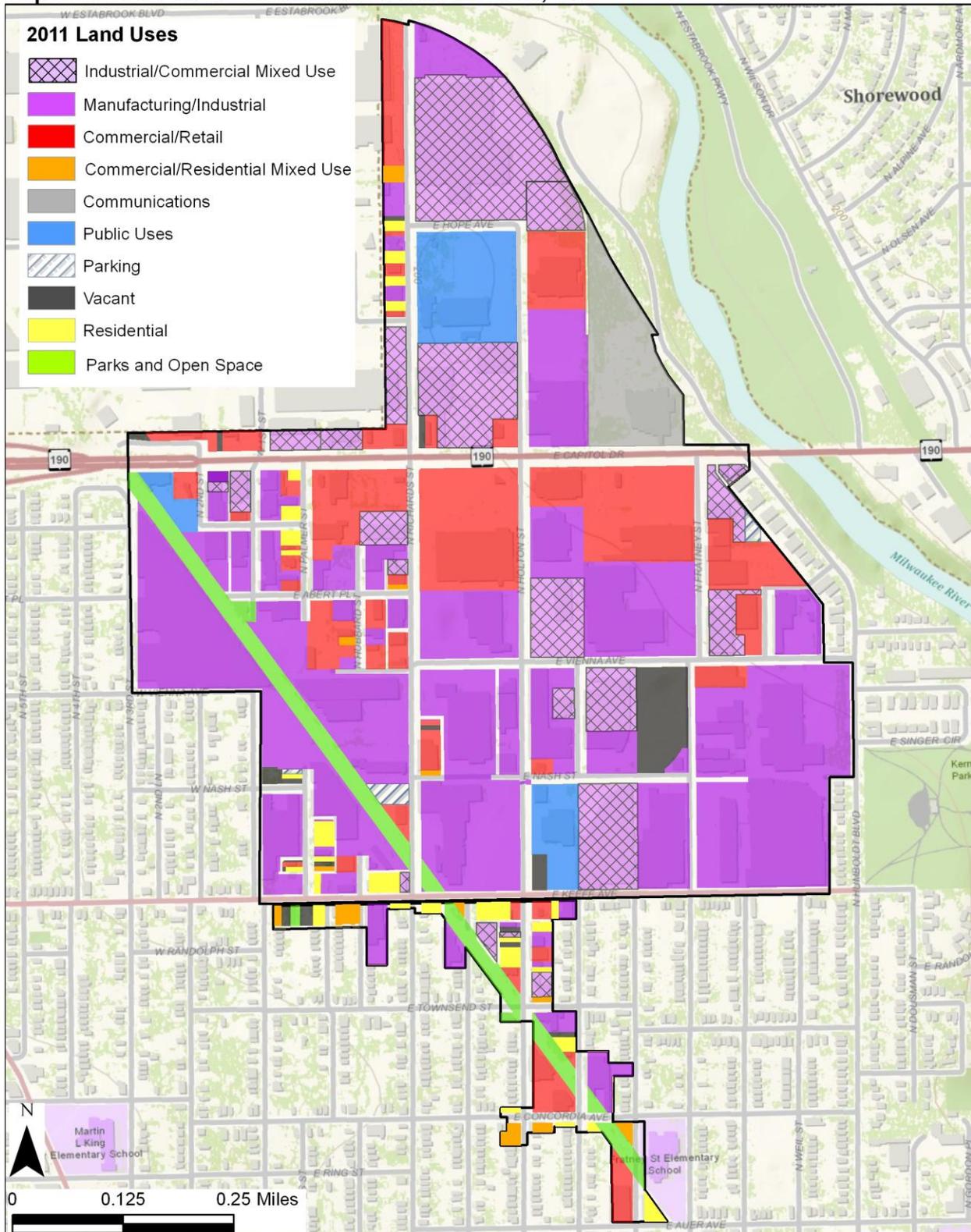
Map 3 and Table 3 show the breakouts of land uses within BIDs 25 and 36. Land within the BIDs totals 282.6 acres³; combined, the largest land uses within both BIDs are manufacturing/industrial (43.7 percent) and industrial/commercial mixed use (15.9 percent). Commercial/retail represents about 18.0 percent, and is mostly concentrated along the Capitol Drive corridor. Additionally, there are about 23.3 acres of land categorized as Transportation and Communications (8.4 percent); this includes an 11 acre site owned by Journal Broadcast Group on Capitol Drive, while the remainder is the street grid.

Public uses represent about 5 percent and include the Holton Street Post Office, Lad Lake Education and Development Center, and the large Wisconsin National Guard facility. Parks and open space (3.8 percent) are comprised exclusively of lands reserved for the Beerline Trail, 10.8 acres that is currently under development and once complete, will wind its way through both BIDs. Additionally, there are several clusters of single family or duplex housing scattered throughout the BIDs; these are incompatible with the surrounding industrial and commercial uses, but their development likely precedes all zoning in the area.

In total there are 19 parcels that are currently vacant (6.4 acres) and three stand-alone parking lots. The three stand-alone parking lots total just under 1 acre in size; these may represent future opportunities for development of adjacent retail or industrial properties. Of the 19 vacant parcels, the average parcel size is about 1/3 of an acre; only 1 parcel is of substantial size (about 4 acres) for industrial development. Most of the vacant parcels are scattered throughout the BIDs. A comparison with vacancies within other industrial BIDs is discussed in a following section.

³ Acreage within the land use analysis is parcel based and therefore does not include roadways.

Map 3: Generalized Land Uses within BIDs 25 and 36, 2011



Source: MPROP, City of Milwaukee Department of City Development, UWMs Center for Economic Development, and ESRI.

Table 3: Generalized Land Uses within Riverworks BIDs 25 and 36

Land Use Type	Land Use Group	Acres					
		BID 25		BID 36		Total	
		Acres	%	Acres	%	Acres	%
Manufacturing/Industrial	8	119.7	45.1	3.9	22.5	123.6	43.7
Industrial/Commercial Mixed Use	*9999	44.1	16.6	0.9	5.2	45.0	15.9
Commercial/Retail	5, 6, 7	47.3	17.8	3.6	20.8	50.9	18.0
Commercial/Residential Mixed Use	4	0.6	0.2	1.4	8.1	2.0	0.7
Transportation and Communications	9	23.3	8.8	0.4	2.3	23.7	8.4
Public Uses	11	14.0	5.3	--	--	14.0	5.0
Parking	*7523	1.0	0.4	--	--	1.0	0.4
Residential	1, 2, 3	2.7	1.0	2.5	14.5	5.2	1.8
Parks and Open Space	10, 12	6.9	2.6	3.6	20.8	10.8	3.8
Vacant	13	5.7	2.1	1.0	5.8	6.4	2.3
TOTAL		265.3	100	17.3	100	282.6	100

* Based on MPROPs four digit land use category, includes stand alone parking lots

Source: MPROP

Commercial Land Uses

Commercial and retail land uses comprise a total of about 17.5 percent of land in BIDs 25 and 36 or about 49.5 acres. The bulk of commercial land is located in BID 25 along Capitol Drive, a high capacity four lane State Trunk Highway and a major commercial corridor within the City of Milwaukee. This corridor is within close proximity (less than ½ mile) to Interstate 43. As a major commercial corridor, the Capitol Drive portion of Riverworks is auto-oriented, but is also well-served by numerous transit routes. Due to the presence of Walmart and other national chain stores, the corridor has somewhat of a regional appeal, but most likely its primary consumers live within a five minute drive time of the corridor. Unlike most other commercial corridors within the City of Milwaukee, several shopping centers within the corridor provide ample surface parking. Due to the large parcels that can accommodate parking and its close proximity to Interstate 43, commercial development along Capitol Drive has the potential for regional appeal and has the ability to attract larger auto-oriented regional commercial development.

Additional commercial and retail uses are scattered throughout the industrial portions of BID 25 and throughout BID 36. Although most commercial land within BID 25 is concentrated along the Capitol corridor, there are pockets of commercial land within the industrial areas; most of the commercial uses, however, are compatible with industrial uses (auto repair shops, laboratory testing), and are considered industrial/commercial mixed use. In total, there are about 43 acres of industrial/commercial mixed use lands, or about 15.3 percent.

Commercial development within BID 36 is considerably more haphazard and sporadic. Development in general within BID 36 is not so much concentrated but simply located along Holton Avenue, Keefe Avenue, and the Beerline Trail. Although almost 28 percent of the land in BID 36 is either manufacturing or manufacturing/commercial mixed use, 18.5 percent is commercial/retail, 14.5 percent is residential, and due to the Beerline Trail, almost 21 percent is parks and open space. There is seemingly no pattern to the uses within BID 36, although the development of the Beerline Trail may provide future opportunities to redevelop land along the trail and possibly along Holton Avenue. BID 36 has six parcels that are either commercial or commercial/residential mixed use that abut the Beerline Trail. Development of the trail may spur demand for both new residential and commercial uses.

Riverworks keeps track of commercial and industrial vacancies within the two BIDs. As of March 2012, there were 3 vacant commercial properties within the BIDs, comprising about 29,000 square footage of retail and commercial space; one is located at 210 E. Capitol Drive (office space located in the Chase Bank building), while the other two are located on Holton Street (the former Lena’s Grocery Store and a vacancy adjacent to the Family Dollar Store located at Holton and Concordia). Additionally, there are 4 vacant properties located in mixed use industrial/commercial developments along Capitol Drive that are more suitable for commercial purposes than industrial and are more compatible with surrounding commercial uses (see Map 4). Altogether, these 4 mixed use properties contain about 33,000 square feet of space.

The area located between 2nd Street and Palmer along the south side of Capitol Drive represents a break in the otherwise contiguous commercial district. Two of the vacant businesses are located there; 101 W. Capitol Drive a mixed use industrial/commercial and 123 W. Capitol Drive is a small industrial site. Additionally, there is a large industrial warehouse located at 532 E. Capitol Drive (Bentley World Packaging) that also breaks up the commercial corridor; this property is currently occupied. Although redevelopment of each of these properties poses challenges, conversion of these properties into commercial/retail uses would provide more cohesion along the Capitol Drive corridor.

Table 4: Commercial, Retail, and Mixed Use Vacancies, March 2012

Address	Available Square Footage	Comments:
101 W. Capitol Drive	21,000 (partial)	Property is mixed industrial/commercial and is for sale. Currently the retail portion is empty, but the industrial portion has a tenant. (Mixed Use Industrial/Commercial)
100-204 E. Capitol Drive	1,401	Mixed Use Industrial/Commercial
208 E. Capitol Drive	5,300	Mixed Use Industrial/Commercial
210 E. Capitol Drive	2,925	Commercial.
801 E. Capitol Drive	5,763	Mixed Use Industrial/Commercial
3334 N. Holton Street	21,000	Commercial. Former Lena’s Grocery Store.
526 E. Concordia Ave	5,000	Commercial. Adjacent to Family Dollar.
Total Estimated Sq Ft	62,000	

Source: Riverworks Development Corporation and City of Milwaukee Assessors Office.

As part of its Redevelopment Strategy for the Northeast Area Plan⁴, Department of City Development (DCD) recommends (if needed) an overlay zone to protect the industrial core of the district while allowing the Capitol Drive corridor to intensity its retail character, i.e., the development or creation of regulations that set boundaries for mixed use, industrial, and commercial developments. The Riverworks area is a prime example for this need to clarify the boundaries of industrial/commercial mixed use areas. To reiterate the findings from DCD, both retail and industrial uses are marketable within the Riverworks area, and providing an appropriate mix of uses that can supply an adequate amount of industrial space while allowing for an increase of commercial uses will promote a more vibrant district. The increase in commercial or retail needs to be balanced with the need to retain industrial uses within appropriate areas. Clarifying the boundaries between strict commercial, strict industrial, and mixed, industrial, and commercial uses will ensure a more cohesive land use pattern and will make marketing vacant properties to appropriate businesses easier and more attractive. Additionally, it will send a strong message to industrial business owners that they will not be encroached upon and that the commercial development along the Capitol Drive corridor will remain within the corridor.

⁴ City of Milwaukee Department of City Development, *Comprehensive Plan, Northeast Side, a Plan for the Area*, 2009. Accessible at <http://city.milwaukee.gov/ImageLibrary/Groups/cityDCD/planning/plans/Northeast/plan/NESplan.pdf>

Industrial

Of the 329 acres within BIDs 25 and 36, approximately 230 acres is zoned for industrial uses and the Riverwest industrial area represents one of the few remaining larger intact, contiguous areas for industrial lands within the City of Milwaukee. Its proximity to the Estabrook Corporate Park in the City of Glendale, to Interstate 43, and to the City of Milwaukee's Central Business District are key strengths for the area. It is well served by transit and in close proximity to Milwaukee's most densely populated neighborhoods and educated workforce. Additionally, industrial vacancies are very low.

However, and as SB Friedman report pointed out, there are numerous challenges to attracting new industrial businesses to Riverworks. It is an older industrial development with older construction, which poses numerous challenges to redevelopment and adaptive reuse. Many of the lots are small, and some are long, narrow lots, not very conducive to most newer industrial developments which may require larger setbacks. The parcel configurations vary widely; amongst the 196 industrially zoned parcels, 96 parcels (49 percent) are less than 1/4 acre in size that are interspersed amongst the larger and newer industrial parcels. And although zoned industrial, 34 of these smaller parcels are residential parcels (single family and duplexes) many developed prior to 1930. Residential development of industrially zoned parcels represents about 5 acres; residences are clustered in small groups of 2 or 3 homes, scattered throughout the BIDs. See Map 4.

In total, industrial lands comprise about 119 acres or 42 percent of the lands, with an additional 43 acres of industrial/commercial mixed use lands (15.3 percent) in the BIDs. Most of the industrial and industrial/commercial mixed use land is concentrated within BID 25 (157.4 acres). Average parcel size for industrial lands in BID 25 is 2.3 acres; however, 16 of the 68 industrial parcels are in excess of 3 acres, and 5 are in excess of 8 acres.

Similar to commercial development, industrial lands are scattered throughout BID 36. Most of the industrial parcels within BID 36 are very small; the average industrial parcel is less than 1/2 acre. The largest industrial parcel in BID 36 is just over 1 acre.

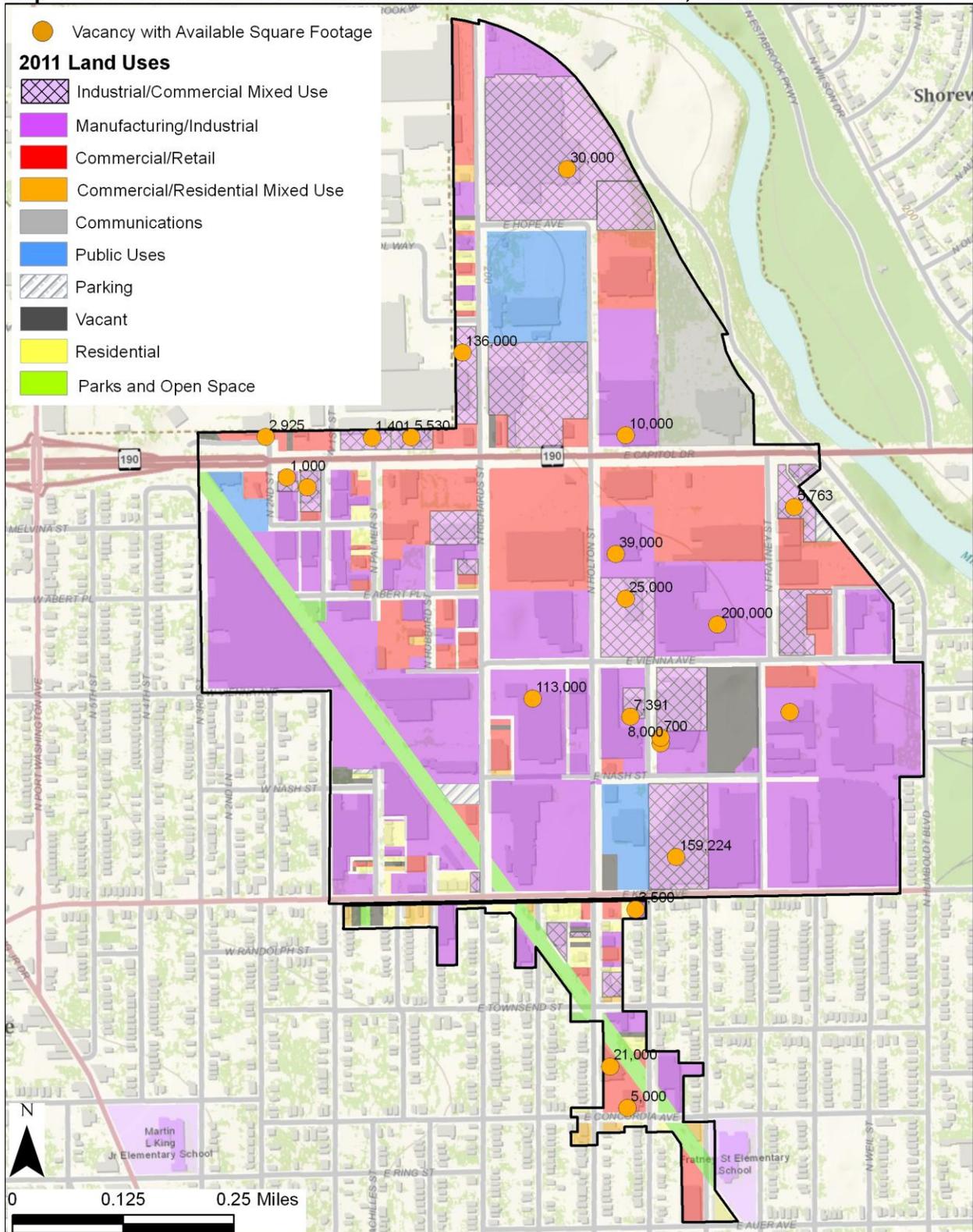
Based on MPROP data, of the 196 industrially zoned parcels within the BIDs, 13 were listed as vacant, totaling about 6.4 acres. All but one of these parcels are under 1/2 acre in size and would be considered outdated for industrial uses. The largest identified vacant parcel is just over 4 acres and is the only developable site located within the two BIDs that could accommodate industrial development.

Table 5: Industrial Vacancies, March 2012

Address	Available Square Footage	Comments:
123 W. Capitol Drive	1,000	Industrial
532 E. Capitol Drive	10,000	Large industrial building utilized for warehousing with 10,000 in office space available
3736 N. Booth Street	8,000	Industrial
3744 N. Booth Street	700	Mixed Use Industrial/Commercial
3747 N. Booth Street	7,391	Mixed Use Industrial/Commercial
526 E. Concordia Ave	5,000	Industrial
3740 N. Fratney Street	15,129 (partial)	Industrial
3830-3850 Holton Street	25,000	Mixed Use Industrial/Commercial
3950 N. Holton Street	39,000	Industrial
4200 N. Holton Street	30,000	Industrial
531 E. Keefe Avenue	3,500	Partial bldg. Industrial
630-640 E. Keefe Avenue	159,224	Whole bldg. Mixed Use Industrial/Commercial
4041 N. Richards Street	136,000	Partial bldg. Mixed Use Industrial/Commercial
620-84 E. Vienna Street	200,000	Industrial. Could be leased soon.....
3745 N. Richards Street	108,000	Whole bldg. Industrial (Former Johnson Brothers)
Total Estimated Sq Ft	740,000	

Source: Riverworks Development Corporation and City of Milwaukee Assessor's Office.

Map 4: Commercial and Industrial Vacancies within BIDs 25 and 36, March 2012



Source: Riverworks Development Corporation, UWMs Center for Economic Development, and ESRI.

Riverworks Development Corporation keeps track of available industrial properties within the two BIDs, and as of March 2012, there were an estimated 12 industrial or mixed industrial/commercial vacancies in BID 25 and 3 vacancies in BID 36. The size of the units varies considerably, from 700 square feet to 200,000 square feet, totaling over 740,000 square feet (see Table 5). Many of the smaller units represent vacancies within larger properties. Although most of the properties are zoned and used for industrial purposes, one is an office unit within a larger industrial complex located on Capitol Drive, and five are identified as mixed use industrial/commercial.

As stated in the previous section, DCD recommends the development of regulations (if needed) that set boundaries for mixed use, industrial, and commercial developments. Clarification of allowable uses within the BID boundaries would help the BIDs market vacant properties more easily. Additionally, it will send a strong message to existing industrial business owners that they are not being forced out through encroachment of other uses such as commercial or residential.

Comparison to Milwaukee’s Other Industrial BIDs

In addition to Riverworks BIDs 25 and 36, there are four additional industrial BIDs located in the City of Milwaukee: Menomonee Valley, Havenwoods, the 30th Street Corridor, and the Gateway Aerotropolis. Each of the BIDs is unique. Map 5 shows the locations of all of the industrial BIDs in the City of Milwaukee. Two of these BIDs (Menomonee Valley and 30th Street Corridor) have undergone or are undergoing major redevelopment efforts by the City of Milwaukee to transform large areas of outmoded small industrial parcels into modern industrial/corporate parks. Havenwoods is a relatively newer development with larger parcels and lower densities that compare well to newer industrial developments generally found in suburban and exurban areas. The Gateway Aerotropolis BID primarily contains uses affiliated with airports including warehousing and trucking terminals as well as non-industrial uses such as hotels, restaurants, and parking. Table 6 shows a comparison of the amount of industrially zoned lands within each of the five industrial BIDs. Table 6 illustrates the amount of developable land within each of the BIDs.

Table 6: Zoning Assessment of the City of Milwaukee’s Industrial BIDs

BID	BID Name	Total BID Acres	Acres Industrially Zoned Within BID Boundary	Acres Industrially Used Land*	Percent
25 and 36	Riverworks 1 and 2	328.6	230.5	142.7	61.9
26	Menomonee Valley	826.5	632.5	344.1	54.4
31	Havenwoods	1,097.8	619.3	302.3	48.8
37	30 th Street Corridor	606.3	469.0	386.5	82.4
40	Gateway Aerotropolis	3,284.8	2,631.4	2,134.4	81.1

*Land Use Groups 8 and 9

Source: City of Milwaukee Department of City Development and MPROP.

The following provides a brief overview of developable lands within Milwaukee’s five industrial BIDs:

- Riverworks: There are only a total of 6.4 acres of developable land within the two Riverworks BIDs. Most of the vacant lots within BIDs 25 and 36 are likely former housing parcels, which alone are very small and inappropriate for most industrial uses as they range in size from ¼ to less than ½ acre in size. These lots would need to be aggregated with adjacent lots for any substantial development to occur. There is currently only 1 substantial developable parcel in Riverworks, a 4 acre lot located in BID 25. Future development within the BID will rely most heavily on the reuse or redevelopment of existing properties, many of which are functionally obsolete.

Menomonee Valley: The Menomonee Valley has undergone a major transformation over the past two decades, which involved major environmental cleanup, demolition of abandoned, outdated, and outmoded properties, and the reassembling of properties into a modern industrial park. Developable lands within the Menomonee Valley BID include about 104 acres amongst 30 vacant parcels, many of substantial size for development. The average parcel size

is 3.5 acres, and 8 of the parcels are over 5 acres; the largest include 3 parcels around 14.5 acres in size.

- **30th Street Corridor:** The 30th Street Corridor is currently undergoing a major redevelopment, similar to the redevelopment that occurred in the Menomonee Valley. Like the Valley, the Corridor contains numerous abandoned, outdated, outmoded factories that are in the process of being acquired for demolition, environmental cleanup, and repackaging for new development. Based on the current MPROP data, developable lands include 95 vacant parcels comprising about 74 acres; however, due to the ongoing acquisition, clean up, and redevelopment efforts, this will likely greatly increase in the coming years. Currently, the average (mean) vacant parcel size is 0.8 acres. There is currently one substantial 14 acre parcel, and there are several clusters of smaller vacant parcels that could be assembled into substantially larger parcels located throughout the 30th Street Corridor.
- **Havenwoods:** In comparison to each of the other industrial BIDs, Havenwoods BID contains the greatest amount of developable parcels at 162.5 acres of vacant land. Havenwoods contains 34 parcels with an average size of 4.8 acres. Ten of the 34 parcels are over 5 acres; five of these are over 10 acres in size and its two largest parcels are 25 and 27 acres. Additionally, many of these parcels are contiguous and could be combined into even larger parcels. One major drawback for development, however, is the accessibility of some of the larger interior parcels which would require consolidation with exterior parcels and the development of major infrastructures in order to allow for development of the interior parcels.
- **Gateway Aerotropolis:** There are about 58 vacant, developable parcels located within the Gateway Aerotropolis BID. Although the average size of the vacant parcels is 2.6 acres, there are 9 parcels that are over 5 acres in size, including one very substantial 21 acre parcel. Most of the development within the Gateway BID is dedicated to the airport and related uses. The airport area serves the function of a port, and although there are some industries and businesses located within the airport BID, much of it serves as storage and transfer facilities for goods coming in and out of Wisconsin.

Table 7: Vacant Parcels within the Industrial BIDs

BID	BID Name	Developable Acres	Number of Vacant Parcels	Average Vacant Parcel Size
25 and 36	Riverworks 1 and 2	6.4	19	0.3
26	Menomonee Valley	103.9	30	3.5
31	Havenwoods	162.5	34	4.8
37	30 th Street Corridor	74.0	95	0.8
40	Gateway Aerotropolis	148.6	58	2.6

Source: MPROP

In comparison to the other industrial BIDs, Riverworks is smaller and has very little developable land available within its boundaries. It also represents a much older and more compact form of industrial development that may seem outmoded in comparison to current trends in industrial development which favor large lot, greenfield development in exurban areas over infill or redevelopment within urban or suburban areas. In general, infill or redevelopment is far more costly than greenfield development. Costs for land acquisition, demolition, and brownfield cleanup generally outweigh the costs for adding infrastructure to greenfields. Additionally, infill or redevelopment for industrial or commercial purposes is generally more feasible when it occurs on a large plot of land which means that many of the small parcels within the Riverworks area would need to be aggregated with adjacent parcels in order to make them more attractive for redevelopment.

Housing Profile⁵

The housing market in the Riverworks study area is being impacted by a combination of national and local economic and demographic factors. These include the aging of the population (particularly the baby boom generation), declines in average household incomes, declines in population, a decrease in average household size, coupled with the stagnancy of the housing market due to the Great Recession. Within the study area, there has been a slight decline in total population over the past decade, although this is projected to stabilize through 2015. The total number of housing units within the study area has grown since 2000 and is anticipated to continue to grow through the year 2015. Also, the number of owner occupied units has increased although the proportion of owner occupied housing units has declined since 2000.

Housing Unit Description

Table 8 shows the mix of housing units by type in 2000 and in 2010 within the Riverworks study area. As of 2010, there were approximately 54,839 housing units within the study area, an increase of about 2,117 units since 2000. Single family units (both attached and detached) comprised the greatest proportion of units, about 43.4 percent, a negligible decrease since 2000. About 582 new single family units were added since 2000; Census data indicates that only 92 of new single family units were attached (condos), indicating that 490 units of detached single family homes were added. In 2010, duplexes comprised about 26.7 percent of all units, adding about 298 units since 2000, but declining in the share of total units.

Table 8: Housing Unit Mix Change: 2000-2010

Housing Unit Type	2000		2010		2000 - 2010 Change	
	Number	Percent	Number	Percent	Number	Percent
Single Family	23,252	44.1	23,834	43.4	582	2.5
Duplex	14,319	27.2	14,617	26.7	298	2.1
Multiplex	15,033	28.5	16,270	29.7	1,237	8.2
Mobile Home	95	0.2	118	0.2	23	24.2
Other	23	0.0	0	0.0	-23	-100.0
TOTAL	52,722	100.0	54,839	100.0	2,117	4.0

Sources: 2000 Census SF3, 2010 5 Year American Community Survey

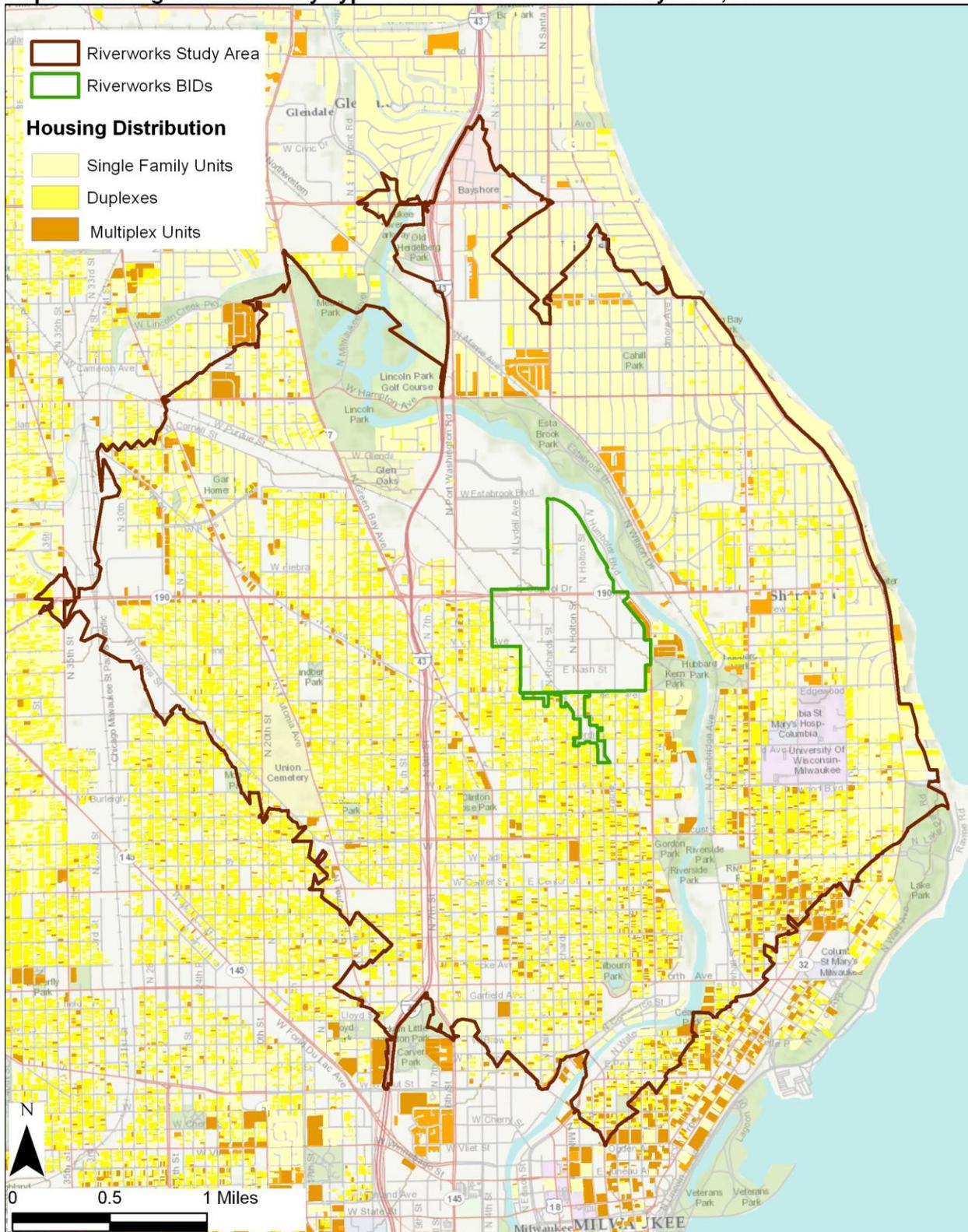
Multiplex units (3 or more) comprised about 29.7 percent or 16,270 units, showing the greatest increase in units, 1,237, and share of units since 2000. Most growth within multiplex units occurred in buildings with large numbers of units, such as 20 to 49 unit complexes (446 units) or in buildings with over 50 units (373 units). Few small units (3-4 unit or 5 to 9 unit complexes) were added over this time period.

Map 6 shows the distribution of housing units by dwelling type within the Riverworks study area. Higher density duplex and multiplex units are concentrated more heavily to the south and east of the Riverworks BIDs, in the Riverwest and Eastside neighborhoods, particularly around the University of Wisconsin-Milwaukee and south of Locust Street. These areas have a significantly higher student population than other parts of the study area. North and east of the Milwaukee River, in Shorewood and parts of Glendale and Whitefish Bay, housing becomes significantly less dense, and single family homes are the dominant dwelling type.

In 2010, median monthly housing costs are approximately \$952 per month for the entire study area, although it varies significantly throughout the Riverworks study area (see Map 7). Monthly housing costs tend to be higher in Census tracts nearest to Lake Michigan and towards the southern end of the study area (communities of Shorewood, Whitefish Bay, and Milwaukee's eastside and Brewer's Hill neighborhoods) and tend to decline further west from the Lake. The median housing unit value is

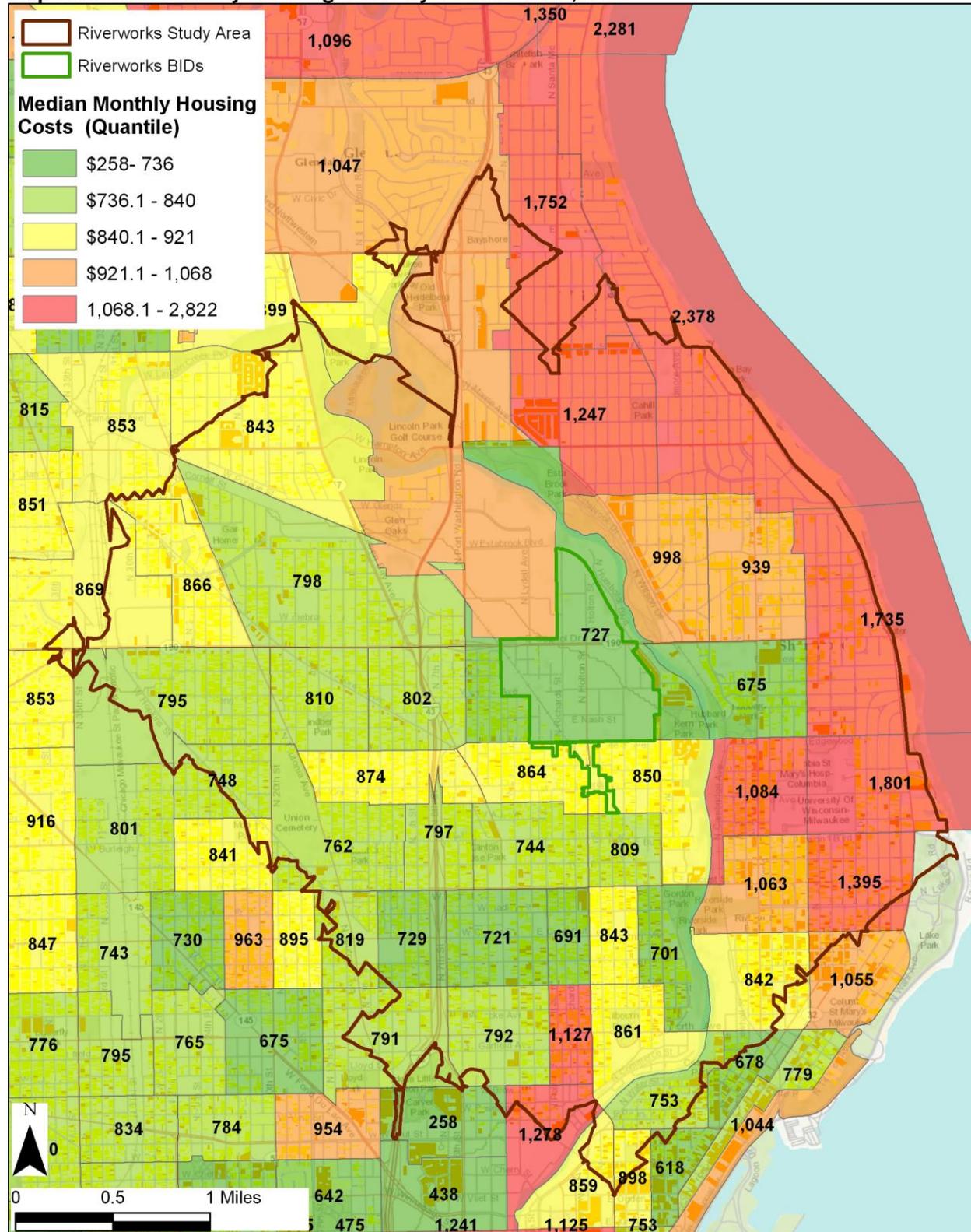
⁵ Based on insufficiencies in data, the housing analysis is based on aggregated Census Tract level data that approximates the 5 minute drive shed area. This compares housing characteristics from the year 2000 (Census Summary File 3) to 2010 (American Community Survey data for years 2006-2010).

Map 6: Housing Distribution by Type within the Riverworks Study Area, 2011



Source: MPROP, SEWRPC, City of Milwaukee Department of City Development, UWMS Center for Economic Development, and ESRI.

Map 7: Median Monthly Housing Costs by Census Tract, 2010



about \$153,000; again, the trend indicates that housing values increase significantly closer to the lake and south and decline towards the west. Median gross rent was \$756/mo for all housing units in 2010, an increase of \$231 or 44 percent from 2000, and like monthly housing costs, gross rents are significantly higher in Census Tracts closer to the lake within the study area.

Occupancy, Tenure, and Vacancies

Occupancy measures the number of housing units in use, the flipside of vacancy rates. Within the study area, occupancy rates declined between 2000 and 2010, based on a combination of factors including the decline in population within the study area and the growth in number of housing units added to the area. Table 9 shows occupancy and tenure rates in 2000 and 2010. Of the 54,839 housing units within the study area, approximately 48,694 were occupied in 2010, indicating a vacancy rate of about 11.2 percent (6,145 units). This represents a decline in the number of occupied units (49,102) and, conversely, an increase in the number of vacancies since 2000, where 3,620 of the 52,722 housing units (6.9 percent) were vacant.

Table 9: Occupancy and Tenure within the Study Area

Housing Units	2000		2010		Change	
	Count	Percent	Count	Percent	Count	Percent
Total Units	52,722	100.0	54,839	100.0	2,117	4.0
Occupied Units	49,102	93.1	48,694	88.8	-408	(0.8)
Owner Occupied	20,796	39.4	21,035	38.4	239	1.1
Renter Occupied	28,306	53.7	27,659	50.4	-647	(2.3)
Vacant	3,620	7.9	6,145	11.2	2,525	69.8

Sources: 2000 Census SF3, 2010 5 Year American Community Survey, and CED

Tenure refers to the distribution of owner occupied units compared to renter occupied units. Of the 48,694 occupied units in 2010, about 21,035 units were owner occupied (43.2 percent) while 27,659 units were renter occupied (56.8 percent). This indicates a slight increase in the number and proportion of owner occupied units from 2000, when about 42.4 percent (20,796) of the 49,102 units were owner occupied and 57.6 percent (28,306) were renter occupied.

The number and percentage of vacant units have grown and according to 2010 Census data, the overall vacancy rates are projected to increase. This is likely due to the increase in the overall number of housing units coupled with a slight decline in population. This phenomenon is likely occurring throughout the Metro Milwaukee area (state, US) due to various factors listed above. Table 10 shows housing vacancies in 2000 and 2010 by type.

Table 10: Housing Vacancies

Vacant Units	2000		2010	
	Count	Percent	Count	Percent
Total Vacant	3,620	7.9	6,145	11.2
For Rent	1,716	3.3	1,095	2.0
For Sale	364	0.7	216	0.4
Sold Not Occupied	377	0.7	393	0.7
Seasonal Use	110	0.2	82	0.1
Other Vacant	1,053	2.0	4,359	7.9

Sources: 2000 Census SF3, 2010 5 Year American Community Survey, and CED

Some vacancies are necessary for a healthy housing market. The US Department of Housing and Urban Development (HUD) guidelines suggest a minimum owner-occupied housing unit vacancy rate of 1.5 percent and a minimum renter-occupied housing unit vacancy rate of 5 percent. In 2000, the overall vacancy rate was 7.9 percent. Broken down, this included approximately 5.9 percent vacancy rate for all rental units and 1.0 percent for all owner occupied units, indicating that although renter vacancies met the minimum standards set forth by HUD, owner-occupied vacancies did not. In 2010, however, the overall vacancy rate grew to 11.2 percent within the study area, with an additional 2,525 vacant units since 2000.

Planned Developments

In 2008, SB Friedman & Company produced the Northeast Side Market Study⁶ for the City of Milwaukee's Department of City Development in which they assessed existing and planned developments within the Northeast Side Planning Area. SB Friedman found that a total of 1,018 occupancy permits, were issued between 2001 and 2006 or an annual rate of nearly 170 units per year during this time period. Due to a lack of available large-scale parcels, development in the planning area is almost exclusively infill development, and most of the residential permits (892) were issued for multifamily units (condos, apartments, and townhouses) or mixed use, with commercial development at street level and multi-unit residential above. There was some single family residential infill, with most of this developed by Habitat for Humanity.

Within the Riverworks Study Area, most of the residential development over the past decade focused on market rate multifamily or mixed-use multifamily units concentrated in the Lower Eastside and Brewer's Hill Neighborhoods, particularly along the Milwaukee River. There was some affordable development (workforce housing or senior housing) although this was dwarfed by market rate development. A total of 293 affordable and senior multi-family units were developed along Martin Luther King Drive in the Harambee Neighborhood during this time period.

Residential development nose-dived following the 2008 Great Recession and subsequent housing crisis, although several existing commitments, such as the Park Lafayette Towers apartments (292 units), the Gallun Tannery (250), Latitude (25), and Park Bluff (33) in the Lower Eastside were completed. In 2008, SB Friedman identified nine major condominium projects with a total of 723 units planned for the Northeast Side area; of these nine, 4 were completed, one is undergoing the approval process, and 4 have either placed on hold or the proposals were withdrawn.

Although the pace of development has slowed considerably since the early part of the decade, multifamily units particularly for apartments are in great demand in the Lower Eastside and Brewers Hill Neighborhoods. And although demand for multifamily housing may be high, the Recession has tightened the lending practices by banks, often making new development unfeasible without resorting to alternative financing such as Wisconsin Housing and Economic Development Association (WHEDA) or Low Income Housing Tax Credits (LIHTC). Tax credits work by allowing the developer to sell tax credits to investors to raise the capital for development; in return, they are required to charge affordable rates for either all or a portion of the units within the development. The demand for tax credits has skyrocketed, but the number of tax credits available has not expanded (its contracted) and competition for tax credits has increased dramatically since the beginning of the Recession. Tax credits have been awarded to 5 developments (269 units) since 2008 in the Riverworks Study Area; RDC's Riverworks Lofts was awarded WHEDA tax credits during the 2010 cycle.

Demographic Profile

Like the rest of the country, the Riverworks area is being impacted by a combination of economic and demographic factors including the aging of the population, stagnant average household incomes, a declining population, a decrease in average household size, the stagnancy of the housing market due to the Great Recession, and inflation. This profile includes an assessment of recent socio- and economic trends and projections of the population and households within the Riverworks Study Area.

Table 11: Population and Households

	2000	2010		2015	
	Number	Number	Percent Change (2000-2010)	Number	Percent Change (2010-2015)
Population	105,115	103,833	-1.2%	103,897	0.1%
Households	42,356	42,452	0.2%	42,618	0.4%

Source: US Census Bureau and ESRI Business Analyst

⁶ SB Friedman and Company *Northeast Side Market Study*, February 2008.

Table 11 shows the population and household numbers for 2000 and 2010 and includes ESRI's projections for the year 2015. The population within the Riverworks study area has experienced some slight changes since 2000, and it is anticipated that growth will be minimal through 2015. In 2010, approximately 103,833 people live within the study area, a slight decline since 2000, although it is projected that there will be a very slight, if negligible, increase through 2015. Additionally, the number of households has increased slightly since 2000; this trend is projected to continue through 2015, and will most likely be met with a decline in household sizes due to the aging of the population.

Table 12: Population by Age

Age Cohort	2000		2010		2015	
	Number	Percent	Number	Percent	Number	Percent
0-4	7,347	7.0	7,469	7.2	7,496	7.2
5-9	8,347	7.9	7,204	6.9	7,260	7.0
10-14	8,331	7.9	6,600	6.4	6,892	6.6
15-19	8,904	8.5	8,759	8.4	7,614	7.3
20-24	10,884	10.4	11,703	11.3	11,441	11.0
25-34	16,499	15.7	15,685	15.1	16,749	16.1
35-44	14,430	13.7	12,072	11.6	11,263	10.8
45-54	12,589	12.0	13,000	12.5	11,784	11.3
55-64	7,428	7.1	10,536	10.1	11,076	10.7
65-74	5,768	5.5	5,805	5.6	7,385	7.1
75-84	3,495	3.3	3,493	3.4	3,408	3.3
+85	1,093	1.0	1,507	1.5	1,529	1.5
Age 0-19	32,929	31.3	30,032	28.9	29,262	28.2
Age 20-44	41,813	39.8	39,460	38.0	38,453	37.9
Over 45	30,373	28.9	34,341	33.1	35,182	33.9

Source: US Census Bureau and ESRI Business Analyst

The University of Wisconsin-Milwaukee has a significant impact on the demographics of the study area. The area is both younger and has more non-family households than in other parts of the Milwaukee city and metro area. Although the percentage of people living in households in the study area (96.9 percent) is similar to those at the City of Milwaukee (97.3 percent), Milwaukee County (97.6 percent), and Metro area (98.1 percent) level, the percentage of households that are family households is less within the study area. In the study area, only 69.3 percent of households are family households, compared to 75 to 79 percent at the City, County, and Metro levels. The percentage of non-family households is conversely higher in the study area (27.6 percent compared to about 21 percent throughout the region).

Table 12 shows the distribution of population by age for 2000 and 2010, and includes ESRI's projections for the year 2015. In 2010, the median age in the Riverworks Study Area is 30.0 years old, slightly younger than the City of Milwaukee (30.4 years old), and much younger than Milwaukee County (33.6 years old), and the four county Metro area (36.9 years old). Again, this reflects the impact that the University of Wisconsin-Milwaukee's student population has on the Study Area. Across the years, the largest age cohort is ages 25 to 34 indicating that in addition to the younger student population, this area is highly attractive to younger adults at the beginnings of their careers.

Race and Ethnicity

Table 13 shows the population distribution by race and Hispanic ethnicity in 2000 and 2010 and shows ESRI's projections for the year 2015 within the Riverworks study area. The study area is predominantly black alone (49.1 percent) and white alone (42.3 percent), with other minorities or multiracial persons comprising the remaining 8 percent. Under 10 percent of the population is Hispanic, but that population has grown and is projected to double between the year 2000 and 2015.

ESRI has developed a Diversity Index available down to the Census Block Group level that measures differences in race and ethnicity and provides ranges from 0 (no diversity) to 100 (most diversity). An area's diversity index increases toward 100 when the population is divided evenly into two or more racial or ethnic groups. Map 8 shows Diversity Indices for the area, and indicates that the Riverwest and Brewer's Hill neighborhoods contain some of the most racially diverse areas within the Metro Milwaukee region. This pattern of diversity has held for at least the past 20 years, and is one of the

unique characteristics of this area. Within the study area, neighborhoods east of the Milwaukee River remain predominantly white while neighborhoods west of 1st Street are predominantly black.

Table 13: Population By Race and Ethnicity Over Time

Race/Ethnic Background	2000		2010		2015	
	Population	Percent	Population	Percent	Population	Percent
One Race Alone						
White	46,732	44.5	43,872	42.3	42,738	41.1
Black	52,011	49.5	50,944	49.1	50,668	48.8
American Indian	475	0.5	568	0.5	610	0.6
Asian	1,805	1.7	2,418	2.3	2,757	2.7
Pacific Islander	33	<0.1	61	0.1	66	0.1
Other	2,046	1.9	3,347	3.2	4,092	3.9
Multi Racial:	2,013	1.9	2,623	2.5	2,966	2.9
Hispanic*	4,686	--	7,745	--	9,519	--
Total Population	105,115	100.0	103,833	100.0	103,897	100.0

Source: US Census Bureau and ESRI Business Analyst

*Hispanics can be of any race

Educational Attainment and Work

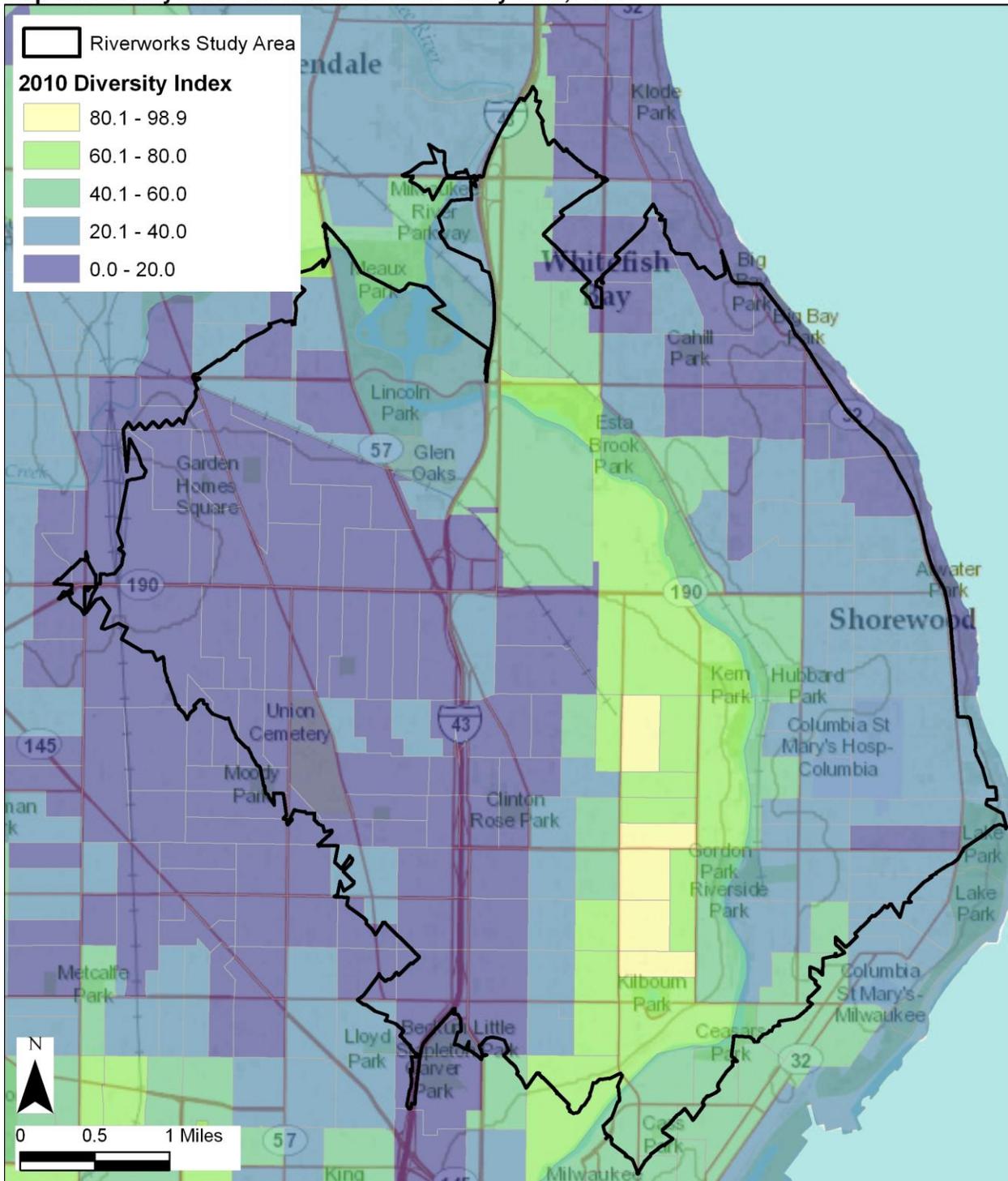
Educational attainment within the Riverworks study area has increased at both the high school and college level. In 2000, about 26.6 percent of the population had a Bachelor's degree or higher, while about 76.6 percent had at least a high school degree. In 2010, approximately 28.5 percent had at least a Bachelor's degree or higher, and 85 percent had at least a high school degree or higher. This compares favorably with Milwaukee County, which had 26.7 percent with a Bachelors degree or higher, and 84.9 percent with at least a high school degree in 2010. It is also higher than the City of Milwaukee as a whole, which had 21.0 percent with at least a Bachelor's degree and 80.4 percent with at least a high school degree. The Metro Area, however, had a slightly higher percentage overall with 30.9 percent with at least a Bachelor's degree, and 88.8 percent with at least a high school degree.

In 2010, labor force participation rates were lower and unemployment rates were higher in the study area than in the City, County, and Metro areas. About 65.6 percent of the population over age 16 participated in the labor force, which is slightly lower than the City of Milwaukee (66.5 percent), Milwaukee County (67 percent), and the Metro area (68.8 percent). This is likely a reflection of the high college student population within the area, as many students may not be participating in the labor force. Unemployment is also higher in the study area, and in 2010, it was estimated at 13.0 percent, while in the City it was 11.6 percent, County (9.3 percent), and only 7.5 percent within the Metro area.

Table 14 shows the distribution of the labor force by business sector in 2010 in the study area in comparison to the Metro Milwaukee area (the four county Metropolitan Statistical Area is Milwaukee, Ozaukee, Washington, and Waukesha Counties). By industry, the workforce distribution of the study area is very similar to the distribution within the Metro area. The percentages of workers in Retail, Information, Professional Services, and Finance, Insurance, Real Estate and Leasing (the so-called FIRE industry) are very similar. The percentage of workers in Arts, Entertainment, and Accommodations industry is greater in the Riverworks study area, and the percentage in the Education and Social Assistance industry, at 29.7 percent, is significantly higher than the metro level at 23.7 percent.

About 5,955 workers (11.2 percent) in the study area work in the Manufacturing sector compared to 16.7 percent in the metro area. This indicates that although the area has a significant number of manufacturing jobs, most manufacturing workers employed in the Riverworks study area likely live elsewhere.

Map 8: Diversity Index for the Riverworks Study Area, 2010



Note: The Diversity Index from Esri represents the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups.

Source: UWMs Center for Economic Development and ESRI Business Analyst v. 10.0, December 2011.

Table 14: Workforce Distribution in Riverworks Study Area and Metro Milwaukee, 2010

Industry	Study Area		Milwaukee Metro Area	
	Number	Percent	Number	Percent
Total Population Over Age 16	53,196	100.0	751,779	100.0
Agriculture	232	0.4	5,171	0.7
Construction	1,371	2.6	35,813	4.8
Manufacturing	5,955	11.2	125,872	16.7
Wholesale Trade	1,177	2.2	25,487	3.4
Retail Trade	5,744	10.8	82,371	11.0
Transportation, Warehousing, and Utilities	1,699	3.2	32,081	4.3
Information	1,330	2.5	16,529	2.2
Finance, Insurance, Real Estate, Leasing	4,372	8.2	57,947	7.7
Professional Services	5,512	10.4	76,323	10.2
Education and Social Assistance	15,779	29.7	178,316	23.7
Arts, Entertainment, and Accommodations	6,247	11.7	60,195	8.0
Other Not Including Public Administration	2,460	4.6	32,065	4.3
Public Administration	1,318	2.5	23,609	3.1

Source: 2010 American Community Survey, 5 Year Estimates.

Commuting Patterns

Table 15 shows a comparison of transportation modes to work for residents within the study area in comparison to those in the City of Milwaukee, Milwaukee County, and the Metro Area. This comparison indicates that a greater percentage of residents in the study area are using alternative modes to driving alone. The study area is well served by transit and this is reflected in a higher percentage of commuters that travel by bus (the only public transit system in Milwaukee County). Additionally, a greater percent of residents walk to work, or ride bicycles, motorcycles, or take taxis than elsewhere. Also, a slightly greater percentage of residents work from home than throughout the Metro Area.

Table 15: Means of Transportation to Work, 2010

Transportation Mode	Study Area	City of Milwaukee	Milwaukee County	Metro Area
Drove Alone	67.3	70.9	76.0	80.0
Carpooled	9.1	12.4	11.0	9.3
Public Transit	10.4	8.4	5.7	3.6
Walked	6.6	4.6	3.4	2.7
Taxi, Motorcycle or Bicycle	3.1	1.5	1.5	1.3
Worked At Home	3.5	2.2	2.4	3.2

Source: 2010 American Community Survey, 5 Year Estimates.

Median commute time for people living in the study area as well as in the City of Milwaukee, Milwaukee County, and the Metro Area was between 20 to 24 minutes. This indicates that even though residents in the study area are employing alternative modes to commute, they are likely to live closer to their work than their counterparts.

Market Profile

Household Income

Table 16 shows a comparison of household incomes between the Riverworks study area, the City of Milwaukee, Milwaukee County, and the four county Metro Milwaukee area in 2000 and 2010. In 2010, the median household income for the Riverworks study area was \$40,693 while the per capita income was \$22,731. Based on the data, median household incomes grew by about 2.5 percent annually

between 2000 and 2010 for households in the Riverworks area. This was a higher income growth rate than at the City, the County, or even the Metro Area levels and indicates that the Riverworks study area performed very well in comparison.

It should be noted, however, that when adjusted for inflation, median household incomes since 2000 have remained very flat at all levels of geography; for example, the year 2000 median income for the Riverworks study area adjusted for inflation to 2010 is \$40,258.

Table 16: Median Household Income and Compound Annual Growth Rate (CAGR)

Area	2000		2010	
	Income	Income	Income	CAGR (2000-2010)
Riverworks Study Area	\$31,792	\$40,693		2.5%
City of Milwaukee	32,216	34,944		0.8%
Milwaukee County	38,100	42,134		1.0%
Metro Milwaukee	45,901	53,043		1.5%

Source: US Census Bureau and ESRI Business Analyst.

Table 17 shows changes in income distribution by income range for households within the Riverworks study area. In 2010, about 33.6 percent or a third of the Riverworks study area households earned between \$35,000 and \$75,000 per year, or were solidly middle class, and about 22.9 percent earned over \$75,000 per year. About 43.5 percent of households earned less than \$35,000, and many of these households earned significantly less than \$35,000 per year.

In 2000 and 2010, the greatest percentage of households earned under \$15,000 per year (23.8 and 19.4 percent, respectively); this trend appears to be declining as this declined to 19.4 percent in 2010, and it is projected that by 2015, only 16.0 percent of households will earn less than \$15,000 per year. Although seemingly good news, the impact of inflation negates any declines in the number of households earning less than \$15,000 per year. Additionally, the 2009 federal poverty threshold⁷ is defined as a household with at least 2 people earning less than \$14,570 per year. This indicates that there is still a significant percentage of households (about 19.4 percent) within the Riverworks study area living below the poverty level. Although there are likely many family households living in poverty within the study area, there are also likely many non-family households (students) that are also below the threshold.

Table 17: Households Income Distribution

Income Range	2000		2010	
	Number	Percent	Number	Percent
<\$15,000	10,061	23.8	8,223	19.4
\$15,000-24,999	6,835	16.2	5,293	12.5
\$25,000-34,999	6,058	14.3	4,958	11.7
\$35,000-49,999	6,488	15.4	6,822	16.1
\$50,000-74,999	5,814	13.8	7,436	17.5
\$75,000-99,999	2,983	7.1	4,926	11.6
\$100,000-149,999	2,325	5.5	2,861	6.7
\$150,000-199,999	674	1.6	856	2.0
\$200,000+	1,009	2.4	1,075	2.5
<\$35,000	22,954	54.3	18,474	43.5
\$35,000-\$75,000	12,302	29.1	14,258	33.6
>\$75,000	6,991	16.5	9,718	22.9
TOTAL Households	42,247	100.0	42,450	100.0

Source: US Census Bureau and ESRI Business Analyst.

⁷ 2009 Poverty Guidelines from the US Department of Health and Human Services

Tapestry Segmentation⁸

Marketing agencies rely on segmentation to describe, identify, and target potential customers. Segmentation is based on the idea that people with similar tastes, lifestyles, and behaviors tend to group together and that these can be measured, predicted, and targeted. Segmentation identifies customer diversity, and is based on varying lifestyles and stages of life, while incorporating a wide range of socio-economic and demographic data, including but not limited to Census data. ESRI has developed a fairly extensive tapestry segmentation system that identifies 65 unique segments. Each tapestry segment is defined by demographic, socioeconomic and residential indicators that then are used to predict preferences of this population in the market.

Table 18: Dominant Tapestry Segments Within the Riverworks Study Area, 2010

Rank	ID	Description	Household Count	Percent Households
1	64	City Commons	6,332	14.9
2	62	Modest Income Homes	5,723	13.5
3	22	Metropolitans	4,674	11.0
4	55	College Towns	4,332	10.2
5	51	Metro City Edge	3,763	8.9
6	60	City Dimensions	2,823	6.6
7	27	Metro Renters	2,569	6.1
8	36	Old and Newcomers	2,009	4.7
TOTAL			32,225	75.9

Source: ESRI Business Analyst.

Table 18 shows the seven most dominant tapestry segments in the “life mode” summary group category identified within the Riverworks study area. These seven categories account for about 76 percent of the Riverworks study area population. Most dominant are the *City Commons*, *Modest Income Homes*, *Metropolitans*, and *College Towns* categories. Below are the descriptions for each Dominant Tapestry Segments relevant to the study area.

Family Portrait

- City Commons

The households in this category are mostly single-parent families or single and in their mid-twenties. The population is predominately black and barely most has completed high school. Unemployment is very high and working residents are likely part-time and employed in the service industry. Most residents are renters and purchase household items such as food and clothing or products for babies and children and are likely to shop at discount stores. These families make use of the local urban amenities in their area such as parks and playgrounds. For entertainment, it is typical for families to go out to see movies, watch a lot of TV, frequent fast food restaurants, play video game systems and any vacations will be to theme parks.

Global Roots

- City Dimensions

Younger populations in their late twenties, households in this category tend to be both ethnically and racially diverse and are evenly spread between single, married or single-parents. Unemployment is considered high and most employed residents work a combination of full or part-time in the service, manufacturing and retail industries. Most households rent and prefer to work closer to home. Households are likely to have more than one TV set where they watch cable and play home gaming systems. Residents are sports fans and support their teams through merchandise and apparel. Residents cool their homes with air conditioners in the summer and tend to have newer home furnishings. They shop mostly at discount stores and prefer used domestic vehicles for their transportation needs.

⁸ References: ESRI Tapestry Segmentation Reference Guide (2011) available online at: <http://www.esri.com/library/brochures/pdfs/tapestry-segmentation.pdf>

High Hopes

- Great Expectations

Residents are mostly young and single or young married-couple families at the start of their careers. Many have experience in education beyond high school and a majority of those in the work force are employed in manufacturing, retail and the service sectors. Half own their own homes and half rent with most of the housing stock dedicated to single family use. Homeowners are likely to take on improvement remodeling projects and in general are active in recreational sports and outdoors activities. They eat out, shop at major chain grocery stores and go see movies. They receive information and entertainment from the radio, movies and TV news.

Metropolis

- Modest Income Homes

A high proportion of these residents are black and either single-person or single-parent households. Most adults are in their mid- to late thirties and it is not uncommon to have adult children still living with their elderly parents. Over a quarter of the population is retired and relying on Social Security benefits for income support. The unemployment rate is considered high and residents who are employed are likely to work part-time in service and blue-collar occupations. Most of the housing stock is single-family dwellings and half of households are owners. Residents in this area watch a lot of daytime and prime time TV. They are unlikely to have home access to the internet and save money by shopping at discount stores and keep their optional costs low. Most drive used domestic sedans.

Solo Acts

- Old and Newcomers

Made up of a fairly even split of those in their twenties at the start of their careers and those above age 75 closer to retiring, most in this area are white and single. The unemployment rate is similar to that on a national scale and residents are likely to be well educated beyond high school. A majority of residents rent and many have moved within the last five years. Without large families, these households tend to spend less on food and typically have smaller vehicles to suit their needs. They take vacations out of town and have diverse entertainment interests that cross several types of media such as news print, film, TV, radio and literature.

- Young and Restless

Residents in this category are in their late twenties and live busy active lifestyles easily as most are single or shared households without children. The area is ethnically and racial diverse and individuals are career oriented so most are employed and in professional, sales, service or administrative positions. They are likely renters in multiunit apartment buildings and will move for employment opportunities. This population is well educated and is technologically savvy. They go online to communicate or shop and conduct business. They are current with popular cultural trends and listen to the radio more than then watch TV. Even with busy schedules, they seek entertainment at bars and nightclubs and pay attention to staying in shape.

Metropolis

- Metro City Edge

Households are married couples, single parents and multigenerational families with many grandparents living with their adult children and providing childcare. Most people are black but white and American Indians are represented as well. Despite unemployment being high (twice the national level), a majority work and are employed in the service sector and many have more than a high school education. Half the population owns their homes and several who rent choose to do so even with home prices at affordable levels. Residents spend conservatively on household items and might be patrons at superstores and wholesalers.

Scholars & Patriots

- College Towns

Most residents are young and single living in shared households. They are likely enrolled in high education institutions and many only work part-time and in the service industry. Residents shop based on convenience and price although have a preference for brand name fashion and mainstream entertainment such as sports, music and bars. They are active in

recreational activities and are extremely technically savvy, dependent on the internet and computers for school, work, communication and online banking. They receive information through public radio and popular culture TV.

The tapestry segmentation report reiterates that the area is an eclectic collection of diverse, urban neighborhoods. It also supports the assumption that the University of Wisconsin-Milwaukee has a significant impact on the socio-economic and demographic make-up of the Riverworks study area. Although it is somewhat geared towards a younger generation (20 and 30-somethings), the area contains a very wide variety of housing choices for a variety of lifestyles and ages, and is both student and family friendly. Its proximity to downtown Milwaukee and the lakeshore also make it a very attractive place to live.

Retail Market Spending and Leakage Analysis

A retail leakage analysis, also known as a gap analysis, measures the target area's retail capacity or supply with the demand of the local consumers. It is a method to understanding the strengths and weaknesses of the local retail sector and can indicate how well the local retail needs of the study area residents are being met. It assesses the strengths and weaknesses in the local retail area and uncovers potential demand and opportunities for additional retail. For this analysis, ESRI BA estimates the amount of all households annual budget spent on a variety of household goods and services and applies that information to retail spending data within the target area, in this case, the Riverworks study area.

Table 19 shows the estimated annual budget for a typical household within the study area, showing the amount and percentages spent on goods and services, along with the total amount (in millions) estimated to be spent within the study area. This table shows the anticipated demand of a product or service within the study area.

Table 20 shows the results of the leakage analysis, including the number of businesses providing the product, supply of the product (amount in sales based on three- and four-digit NAICs codes), the demand for the product (expected amount that would be spent on the product), the gap or difference between supply and demand, and the leakage surplus factor. The leakage/surplus factor is a measure of the difference between supply and demand. In this case, the supply (actual retail sales of a product or service) is measured against anticipated demand or spending by the households. Leakage in an area indicates that the supply in the area is less than the demand, and therefore that demand is being satisfied by retailers located outside of the area (demand is leaking out). Surplus in an area indicates that the supply of a good or service is exceeding the area's demand and therefore is likely attracting shoppers that reside outside the area. A positive leakage/surplus factor indicates a demand in the good or service, and the higher the factor, the greater the leakage. A negative leakage/surplus factor indicates that the supply is exceeding local demand but is attracting consumers from outside the study area. To note, although this study focuses on the Capitol Drive corridor, the leakage analysis takes into account all retail supply and demand data from within the entire Riverworks study area.

Although this method can provide insightful into the potential retail that could be attracted to an area, other factors need to be taken into consideration including the physical aspects of development, demographics, and the character or context of the development. Certain types of retail development have specific development and design requirements, such as big box retail or grocery stores generally require large, accessible, and highly visible parcels. Car dealerships have a tendency to locate in suburban or exurban areas due to the lower costs associated with development, but also to develop in clusters for the agglomeration factor. Conversely, certain small format retail development may be more appropriate in strip malls or in areas where other small format retail are concentrated or where similar uses are agglomerated.

The character of the development should also be taken into consideration along with its proximity to other nearby retail areas. For example, the Capitol Drive corridor is an auto-oriented retail area; big box stores, shopping centers, and drive-thru fast food places (Limited Service Eating Places) are appropriate for the corridor. Small format national chains can work well within some of the shopping centers while large format national big box retail also has a place. Its proximity to nearby Bayshore

Mall in Glendale, a major regional mall with a wide variety of stores, needs be taken into consideration.

Table 19: 2011 Average Household Budget Expenditures in the Riverworks Study Area

Description	Spending Index	Average Amount Spent	Total (in Millions)	Percent
Total Expenditures	78	\$52,676	\$2,236.3	100.0
Food	83	6,374	270.6	12.1
Food At Home	83	3,701	157.1	7.0
Food Away From Home	83	2,673	113.5	5.1
Alcohol	88	504	21.4	1.0
Housing	81	16,409	696.6	31.2
Shelter	80	12,670	537.9	24.1
Utilities	83	3,741	158.8	7.1
Household Operations	74	1,162	49.3	2.2
Housekeeping Supplies	80	563	23.9	1.1
Household Furnishings/Equip	67	1,387	58.9	2.6
Apparel and Services	59	1,402	59.5	2.7
Transportation	80	8,003	339.7	15.2
Travel	73	1,379	58.5	2.6
Health Care	77	2,866	121.2	5.4
Entertainment/Recreation	78	2,531	107.4	4.8
Personal Care	80	561	23.8	1.1
Education	87	1,063	45.1	2.0
Smoking Products	95	406	17.2	0.8
Miscellaneous	77	899	38.2	1.7
Support Payments/Gifts	77	1,888	80.2	3.6
Life/Other Insurance	71	298	12.6	0.6
Pensions/Social Security	76	4,991	211.9	9.5

Source: ESRI Business Analyst

Demographics and shopping behaviors also need to be taken into account when determining appropriate types of retail for the local clientele. For example, a younger, more mobile clientele may be able to support a greater number of restaurants, taverns, clothing stores, or coffee houses even if the leakage analysis indicates a saturation of those markets. As a whole, this area has a very broad mix of people, households, ages, income levels, and families. The Capitol Drive corridor has the ability to attract major national retail chains but it must also be sensitive to needs that may be met by the larger Bayshore Shopping Center. Additionally, it is important to have a good understanding of the greater retail market as a whole and to be able to identify potential needs that are not being met within the larger community.

Retail Leakage Analysis Results:

SB Friedman also analyzed retail leakage for the entire Northeast Side Planning area in their 2008 report for DCD. The results of this leakage analysis are, not surprisingly, very similar to the findings of the leakage analysis in the SB Friedman report. In the 2008 study, SB Friedman identified leakage from the following retail categories: Auto Dealerships, Furniture Stores, Gas Stations, Apparel Clothing Stores, General Merchandise Stores, and Full Service Restaurants. Based on the results and an assessment of appropriate uses, SB Friedman recommended the following retail opportunities for the auto-oriented Capitol Drive corridor:

- General Merchandise Stores (Target)
- Electronics and Appliance Stores (Best Buy)
- Discount Apparel and Accessories department stores (TJ Maxx)
- Home Furnishings Stores (Bed Bath and Beyond, Linens 'N Things)
- Hobby and Craft Stores (Michaels)
- Furniture Stores

Table 20: 2011 Retail Market Spending and Leakage Analysis, Riverworks Study Area

Industry	Demand	Supply	Leakage	Leakage/ Surplus Factor	Businesses
Total Retail Trade	\$738,703,892	\$512,183,127	\$226,520,765	18.1	501
Total Food and Drink	134,262,074	137,773,861	-3,511,788	-1.3	259
Motor Vehicle and Part Dealers	168,634,814	28,376,580	140,258,233	71.2	20
Auto Dealers	147,708,207	19,788,981	127,919,226	76.4	7
Other Motor Vehicle Dealers	9,814,326	819,869	8,994,457	84.6	2
Auto Parts, Accessories, Tire Stores	11,112,280	7,767,730	3,344,550	17.7	11
Furniture & Home Furnishing Stores	24,607,104	9,664,841	14,942,263	43.6	12
Furniture Stores	18,304,866	7,579,510	10,725,356	41.4	7
Home Furnishings Stores	6,302,238	2,085,331	4,216,907	50.3	5
Electronics & Appliance Stores	18,336,921	7,942,887	10,394,034	39.6	22
Bldg Materials, Garden Equipment Stores	26,811,851	17,287,227	9,524,624	21.6	21
Bldg Material and Supplies Dealers	23,985,613	16,545,417	7,440,196	18.4	19
Lawn & Garden Equip/Supply Stores	2,826,238	741,810	2,084,428	58.4	2
Food and Beverage Stores	141,007,548	138,351,471	2,656,077	1.0	112
Grocery Stores	130,314,706	125,039,839	5,274,867	2.1	70
Specialty Food Stores	3,689,282	6,385,193	-2,695,911	-26.8	19
Beer, Wine, Liquor Stores	7,003,560	6,926,439	77,121	0.6	23
Health and Personal Care Stores	23,354,204	33,749,725	-10,395,522	-18.2	49
Gas Stations	123,103,683	79,772,950	43,330,734	21.4	33
Clothing and Clothing Accessory Stores	34,310,725	44,507,227	-10,196,501	-12.9	105
Clothing Stores	27,416,707	36,524,123	-9,107,417	-14.2	76
Shoe Stores	3,746,242	4,617,388	-871,146	-10.4	17
Jewelry, Luggage, Leather Goods	3,147,777	3,365,715	-217,938	-3.3	12
Sporting Goods, Hobby, Books and Music	9,619,792	23,018,540	-13,398,747	-41.1	35
Sporting Goods, Hobby	4,151,880	4,305,336	-153,456	-1.8	21
Book, Periodical, Music Stores	5,467,913	18,713,204	-13,245,291	-54.8	14
General Merchandise Stores	113,673,409	106,561,501	7,111,908	3.2	18
Dept Stores Excluding Leased Depts	41,836,667	38,530,396	3,306,270	4.1	6
Other General Merchandise Stores	71,836,742	68,031,104	3,805,638	2.7	12
Miscellaneous Store Retailers	12,120,189	9,740,664	2,379,525	10.9	67
Florists	802,771	598,336	204,435	14.6	14
Office Supplies, Stationary, Gifts	2,810,913	5,151,669	-2,340,756	-29.4	14
Used Merchandise Stores	1,119,733	825,666	294,067	15.1	16
Other Miscellaneous Store Retailers	7,386,772	3,164,993	4,221,779	40.0	24
Nonstore Retailers	43,123,652	13,209,515	29,914,137	53.1	6
Electronic Shopping and Mail-Order	35,601,920	1,552,183	34,049,737	91.6	1
Vending Machine Operators	1,597,114	5,053,334	-3,456,230	-52.0	1
Direct Selling Establishments	5,924,617	6,603,987	-679,370	-5.4	3
Food Services and Drinking Places	134,262,074	137,773,861	-3,511,788	-1.3	259
Full-Service Restaurants	48,374,354	52,610,697	-4,236,343	-4.2	99
Limited Service Eating Places	63,490,373	64,019,306	-528,933	-0.4	65
Special Food Services	13,266,703	3,394,943	9,871,760	59.2	7
Drinking Places - Alcoholic Beverages	9,130,644	17,748,915	-8,618,271	-32.1	88

Source: ESRI Business Analyst

Although most of these stores would likely succeed in the Capitol Drive corridor, the Great Recession has had a significantly negative impact on Electronics and Appliance Stores. As the largest electronics store in the US, Best Buy is undergoing a major downsizing and their large store formats are being replaced by more compact shops or mobile-only stores. Although the likelihood of attracting a large format version of Best Buy is virtually nil, their newer small scale models would likely be appropriate for the Capitol Drive corridor. Another store recommended by SB Friedman in 2008 was Linens N Things, but that also has undergone a major downsizing and therefore might not be suitable. The other stores (TJMaxx, Bed Bath and Beyond, and Michaels) have weathered the recession and are currently expanding.

Table 20 shows the results of the 2011 market spending and leakage within the area; retail categories that are exhibiting a Leakage/Surplus factor of 20 or greater are highlighted in red. The categories that exhibit the highest levels of leakage and therefore indicate the greatest unmet demand within the study area include the following: Auto and Motor Vehicle Dealerships, Auto Parts and Accessories stores, Furniture and Furnishing Stores, Electronic and Appliance Stores, Building Materials and Lawn and Garden stores, Gas Stations, Miscellaneous Store Retailers (this category includes niche retail such as pet supply stores, florists), Nonstore Retailers (this category includes Electronic Shopping and Mail Order, Vending Machine Operators, Direct Selling establishments), and Special Food Services (this category includes caterers and food cart vendors).

The results indicate that the demand for goods and services that generally demand large scale or big box retailers is highest (Auto Dealers, Furniture Stores, Electronics and Appliance Stores, and Building Materials/Lawn and Garden Stores). This is not surprising given that there are very few big box retailers within the study area. Auto Dealers are an unlikely category to locate within the Capitol Drive corridor given their tendency to co-locate or agglomerate.

Current market trends must also be taken into consideration, particularly when looking at the demand for Building Materials/Garden Equipment stores and Electronics/Appliance Stores. Given the presence of the Home Depot within the area, along with the downsizing of similar home improvement chains (Lowe's), this would need further analysis to determine whether or not any similar retailer would be able to capture the demand. Although the analysis indicates a strong demand for Electronics and Appliance Stores, this category of stores has been significantly impacted by both the Recession and the proliferation of online electronic stores (Amazon, Newegg) and discount dealers (Costco, Sam's Club). Electronics in particular is moving away from bricks and mortar to the internet.

Interestingly, the Nonstore Retailer category listed as *Electronic Shopping and Mail Order* indicated a very high demand leakage/surplus factor. The non-commercial areas of the BIDs could likely support Electronic Shopping and Mail Order businesses; these would likely be compatible with the industrial uses. More importantly, this also indicates that about 4.8 percent of the total retail trade is being spent on goods and services purchased through mail order or online.

Based on the 2011 retail leakage analysis and current market trends, the following store categories and national chains are recommended as potential retail opportunities for the Capitol Drive corridor:

- General Merchandise Stores (Target)
- Discount Apparel and Accessories department stores (TJ Maxx, Marshalls, Burlington Coat Factory)
- Home Furnishings Stores (Bed Bath and Beyond, HomeGoods)
- Furniture Stores (Ashley Furniture)
- Specialty Stores geared towards children or babies (Toys 'R Us, Babies 'R Us, Buy Buy Baby, Learning Shoppe)
- Full Service Restaurants – national chains or local (~~Red Robin~~, Cici's)
- Limited Service Restaurants – national chains or local (Starbucks, Caribou Coffee, any fast food chain)

Larger format discount clothing stores such as TJ Maxx, Marshalls, or Burlington Coat Factory are greatly needed in the study area and work well in contrast to smaller format national chain clothing stores at Bayshore Mall and with the specialty boutiques located throughout Shorewood and the Eastside. Currently, due in part to the Recession, TJ Maxx has seen tremendous growth and the demand for discount clothing has risen. Both TJ Maxx and Marshall's are part of TJX Companies, that also operates CW Price stores.

Large format furnishing and furniture stores would likely do very well within the corridor. Its proximity to UWM and the younger demographics indicate a greater demand for furniture and furnishings, and it would likely favor discount furniture such as an Ashley Furniture Store. There is also significant demand for furnishing stores like Bed Bath and Beyond in the area. Within the Metro Milwaukee region, these types of big box stores are generally located in the fringe suburbs. Additionally, big box specialty stores that cater to children or babies, such as Toys/Babies 'R Us and Buy Buy Baby are also

missing from both the study area, and from the great spending potential of Milwaukee's Northshore communities.

SB Friedman recommended Hobby and craft stores (Michaels); although the 2011 leakage analysis did not indicate a demand in this category, a Michaels store in the corridor could likely do well and further analysis should be considered.

Although full and limited service restaurants are in supply, there are very few national chains represented throughout the study area. The Capitol Drive corridor has the capacity to include additional limited service restaurants as outlots as well as provide space for full service restaurants. Recommended chains include Cici's (a pizza buffet), or Red Robin (gourmet burgers); further analysis would be needed that would include an assessment of restaurants located at Bayshore Mall.

Conclusions

Commercial

Opportunities

BID 25: Based on the current mix of national and local chain stores, commercial development along the Capitol Drive corridor can be marketed to attract a variety of additional national chains and franchises. Given the auto-oriented nature of the corridor, shopping centers as well as big box retail are appropriate for the scale of development. The retail leakage analysis indicates a dearth of home furnishings and furniture stores, and agglomerating large format general merchandise or clothing stores would strengthen the commercial appeal of the area. The existence of various shopping centers with a variety of chains, both local and national should continue to thrive. Additionally, there could be further opportunities to expand redevelopment within the Capitol Drive corridor, namely the Bentley World Packaging plant as well as the area between 2nd Avenue and Palmer Street. The two blocks between 2nd Avenue and Palmer Street contain a mix of uses, including residential, industrial and commercial; redevelopment of unused or underutilized industrial or industrial mixed-use properties along Capitol Drive, particularly between 2nd and Palmer Streets on Capitol Drive as well as elsewhere within the corridor, would provide a more cohesive and attractive commercial mix.

BID 36: Future redevelopment along the Beerline Trail could benefit by additional commercial and retail development where appropriate in BID 36, where smaller parcels are more predominant. Delineating boundaries for commercial and industrial uses along the Beerline Trail will ensure that the existing manufacturing businesses will continue to thrive and allow potential industrial businesses to view Riverworks as a viable industrial area.

Industrial

Opportunities

The Riverwest industrial area represents one of the few remaining larger intact, contiguous areas for industrial lands within the City of Milwaukee. Its proximity to the Estabrook Corporate Park in the City of Glendale, to Interstate 43, and to the City of Milwaukee's Central Business District are key strengths for the area. It is well served by transit and in close proximity to Milwaukee's most densely populated neighborhoods and educated workforce.

However, and as SB Friedman report pointed out, there are numerous drawbacks to attracting new industrial businesses to Riverworks. It is an older industrial development with older construction, indicating a certain degree of functional obsolescence. Many of the lots are small, and some are long, narrow lots, not very conducive to most newer industrial developments which may require larger setbacks. The parcel configurations vary widely; among the 196 industrially zoned parcels, 96 parcels (49 percent) are less than 1/4 acre in size and are interspersed amongst the larger and newer industrial parcels.

Also, uses within the BIDs do vary and as the City of Milwaukee Department of City Development pointed out, there is a great need to delineate between commercial and industrial uses throughout both BIDs so as not to send mixed messages to developers and business owners. Industrial businesses are not going to locate within either BID if they believe there is a chance of being pushed out due to retail development. Conversely, retail development is likely to be more attracted to other commercial or retail development and not industrial. Additionally, there is a great need to minimize the impact that existing residential uses have within the BIDs. When given the opportunity, it would

be advantageous for the BIDs to acquisition the small single family or duplex residential parcels and discourage additional residential uses within the industrial portions of the BIDs.

As the SB Friedman study also pointed out, one of the drawbacks to attracting industrial businesses is the lack of a cohesive street grid within BID 25, particularly throughout the western portions of the BID. Access, particularly semi-trailer access, to numerous properties is inhibited, particularly for properties along the former railroad line. As this is currently undergoing conversion to a pedestrian and bicycle trail, consideration should be given to reconfiguring street access as part of the Beerline Trail development.

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