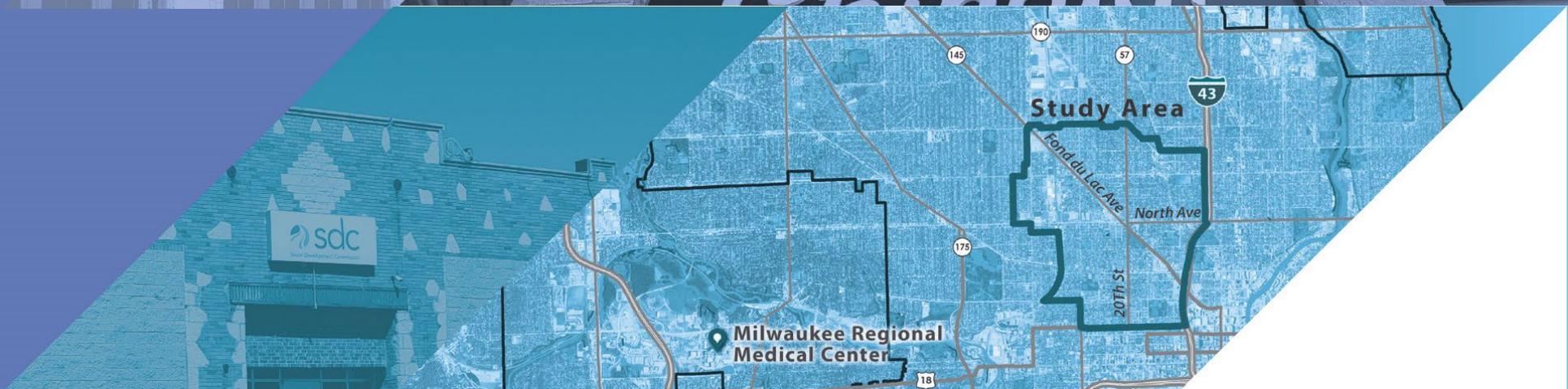


MARKET ANALYSIS FOR THE FOND DU LAC & NORTH AREA PLAN

August 6, 2019



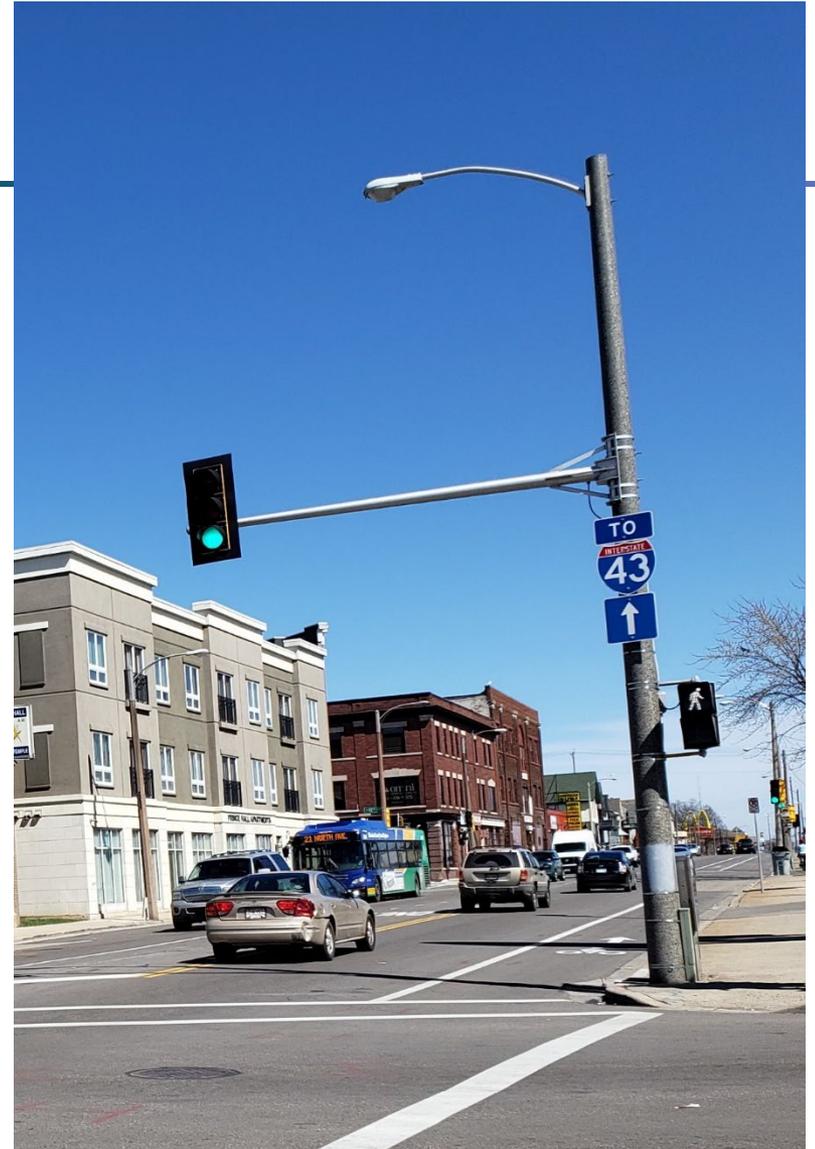
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Table of Contents

Acknowledgements	3
Introduction and Project Objectives	5
Executive Summary	8
Stakeholder Input	13
Study Area Context	17
Assets and Opportunities	20
Demographic Analysis	45
Residential Market Analysis	56
Guiding Principles and Strategies: Residential Market	64
Retail/Commercial Market Analysis	81
Guiding Principles and Strategies: Retail/Commercial Market	97
Considerations for Plan Update	104
Appendices	112



Acknowledgements



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Introduction and Project Objectives

Introduction and Project Objectives

Improve the lives of the people who live here now and build up the Fond du Lac and North Area from within.

- The recommendations contained in this report will be used to promote neighborhood-building initiatives and to support current residents in lifting up the neighborhoods from within, which is an overriding goal of the City of Milwaukee and community partners.
- The purpose of this market study is not to identify or pursue investors from outside the Study Area who would seek to change the overall character of the Study Area or displace current residents.

Uncover market and demographic trends affecting the community's housing, retail, and employment base.

- Seek housing and commercial options that appeal to the Study Area's significant concentrations of families with children, intergenerational households, and older residents wishing to "age in place."

Go beyond traditional "by the numbers" market analysis.

- This analysis relies on the best available data, but limitations do exist. Baseline data sources often rely on national chains and benchmarks, which may not necessarily apply (or be desired) within the Study Area. Therefore, expanding on the grassroots, entrepreneurial tack that Walnut Way, BID #32, and other neighborhood partners are leading – building from within via Brew City Match – offers perhaps the best short-term means to deliver equitable development and businesses that serve and reflect the neighborhood.



Introduction and Project Objectives

Build upon existing assets and project momentum.

- The ongoing resurgence of downtown offers opportunities for that interest to “spill over” into surrounding neighborhoods that, despite low and modest household incomes and long-term disinvestment, offer outstanding access to regional centers of activity and significant aggregate spending power.

Identify under-served markets and niches in the community and ties to adjacent areas and/or development opportunities.

- Support infill and redevelopment in mature neighborhood settings, strengthening and diversifying housing types and commercial. This includes expanding on Traditional Neighborhood Development (TND) projects in the Study Area (e.g., Walnut Circle) and focusing on high-profile intersections, corridors and catalytic projects to spur larger-scale investments.

Develop qualitative and quantitative goals, objectives, and action items that are tied to the community vision and can be used for benchmarking and visioning during the Area Plan Update process.



Executive Summary

Executive Summary

Study Area Context, Assets, and Opportunities: Less than a four-minute drive from the Fiserv Forum, the Fond du Lac and North Area is poised to take advantage of significant recent public and private investments in Downtown Milwaukee, including the Deer District, The Hop streetcar, thousands of new housing units, as well as billions of dollars in additional investment currently under construction or proposed. It is also close to numerous economic assets within the greater Milwaukee area. The Study Area itself is home to many local assets – schools, distinctive commercial corridors, community and nonprofit organizations, lively parks, and a diversity of housing types – and established economic development tools and a rising track record of new investment aimed to grow the market and improve quality of life for residents.

Demographic Analysis: Challenging economic conditions and demographics trends shape the market here. The Study Area is seeing decreasing population, and while median household incomes have increased over time, they lag behind the City and region. Additional factors such as reduced access to personal vehicles, higher prevalence of intergenerational households, lower educational attainment, and a higher unemployment rate all shape and define the market.

Residential Market Analysis: Within the Study Area, approximately 50 percent of the existing housing stock is single-family, with 30 percent duplexes and 20 percent multifamily. The housing stock is overall quite old, with nearly 73 percent of all housing units constructed prior to 1960. Renter households account for over 77 percent of all occupied housing units, with ownership rate at just below 23 percent.

While the median single-family home value is less than \$40,000, resale prices among new/newer single-family homes generally range from \$80,000 to \$190,000. New/newer construction housing options currently are limited, especially as they relate to market rate housing. Most new/newer housing units are affordable multifamily units. Both affordable and market rate apartment developments of scale are all 100 percent occupied, some with lengthy waiting lists. Ample vacant land is available for future residential development (1,890 vacant parcels).

Executive Summary

Retail Market Analysis: The Study Area contains stretches of several key commercial corridors, each of which carries significant traffic to and from downtown (Fond du Lac Avenue) and east-west from the lakefront (North Avenue). Current retail and commercial offerings are primarily neighborhood-serving, with fast-casual restaurants, convenience stores, and service providers (barbers, beauty parlors, child daycare centers) among the most prevalent. These corridors struggle with long-term vacancy and disinvestment – approximately 45 percent of commercially zoned parcels are vacant lots – but estimated retail building vacancy is relatively lower at around 11 percent, and modest sale prices (\$9-\$46 per sq. ft.) and lease rates (\$2-\$9 per sq. ft./yr.) offer low barriers to entry.

Specific retail segments that may have some potential for new locations within the Study Area, depending on the size of the store, include electronics, home and garden, clothing and shoes, sporting goods and hobby stores, bars and small-scale restaurants. Specialty goods and services, such as pet grooming and fitness centers, also offer potential based on local and national trends. Current economic conditions may create challenges in attracting chain retailers to the Study Area, but these are not necessarily desired by residents. Small-scale entrepreneurial development by and for the neighborhoods offers the best short-term avenue for commercial market growth.

Stakeholder Input: In-person stakeholder meetings conducted in May 2019 focused on the overall economic climate, opportunities to strengthen the housing and retail climate, and ways to attract desirable forms of development. Main themes that emerged included a desire to cultivate black-owned businesses and entrepreneurship, support for businesses that benefit current residents (rather than new residents or people from outside the area), support for collaborative business models, concerns about investment leading to increased housing costs, low home appraisal rates, and the need for local qualified contractors.

Executive Summary

Guiding Principles and Strategies: This report acknowledges a need for creative solutions beyond traditional market study findings, which often rely on national chains and benchmarks. Expanding on the grassroots, entrepreneurial approaches that LISC and the City are leading is likely to be the best approach to grow the market in the short term and foster equitable development and businesses that serve and reflect the neighborhood.

Residential: To meet housing objectives, a hierarchy of housing offerings should be established for the Study Area. These include: 1) rehabilitation of existing housing stock, 2) new affordable housing, and 3) new market rate housing. This report offers specific housing products in each of these three categories, tailored to the local housing market. Creative financing/funding and a major collaborative effort among housing programs is needed to bridge the gap between the cost of constructing market rate for sale housing and appraised values.

This approach will offer existing residents a much broader range of housing choices at both affordable and “near” market rate rents and/or price points, improve housing values (and subsequently home equity and wealth), and stimulate new household growth to help support commercial/retail development initiatives.

Retail/Commercial: In addition to traditional economic development approaches, the following strategies should be employed to grow the retail market:

- *Capitalize on the Concentrated Efforts and Resources Dedicated to the Area* – including leadership by LISC-Milwaukee, Walnut Way, Zilber Family Foundation, the Greater Milwaukee Foundation, and the City of Milwaukee – to support current residents, address longstanding racial disparities, and build generational wealth locally.
- *Deploy Creative Strategies to Build on Momentum* – including community ownership or collectives, collaborative work and convening spaces, and diversified business models, offerings, and formats.

Executive Summary

- *Build on Community Assets to Increase Opportunities* – starting with local assets, regional assets and the recent resurgence, investment, and growing energy in Downtown Milwaukee – just minutes away.
- *Consider Vacant and Publicly-Owned Properties as Potential Opportunities* – including new infill development to increase tax base and pursue public-private partnerships that deliver essential community benefits.
- *Build on Growing Support for Collaborations* – including developing collaborative hubs, developing contractor businesses with job training, and expanding ecotourism assets.

Considerations for Plan Update: As the City updates the Fond du Lac & North Area Wide Plan, it should consider the following approaches:

- *Focus on Live-Learn Neighborhood Development* – including a focused effort on community health and economic development within neighborhoods immediately surrounding local schools.
- *Implement Traffic Calming Measures on Commercial Corridors* – including slowing traffic and reducing safety concerns to promote healthy and attractive business districts.
- *Land Use and Redevelopment Recommendations* – including a focus on the momentum building at the intersection of Fond du Lac and North Avenues.

Stakeholder Input



Stakeholder Input Background

In-person stakeholder meetings were conducted on May 7 and 8, 2019. Consisting of one group discussion oriented to the residential market, one group discussion oriented to the commercial market, and several one-on-one interviews, these meetings focused on the overall economic climate, opportunities to strengthen the housing and retail climate, and ways to attract desirable forms of development. Participants included key area nonprofit and community leaders, economic development and real estate professionals, commercial and residential lenders, local businesses, BID representatives, and others identified by LISC and DCD staff. Key themes from these meetings are described on the following pages.



Stakeholder Input Themes

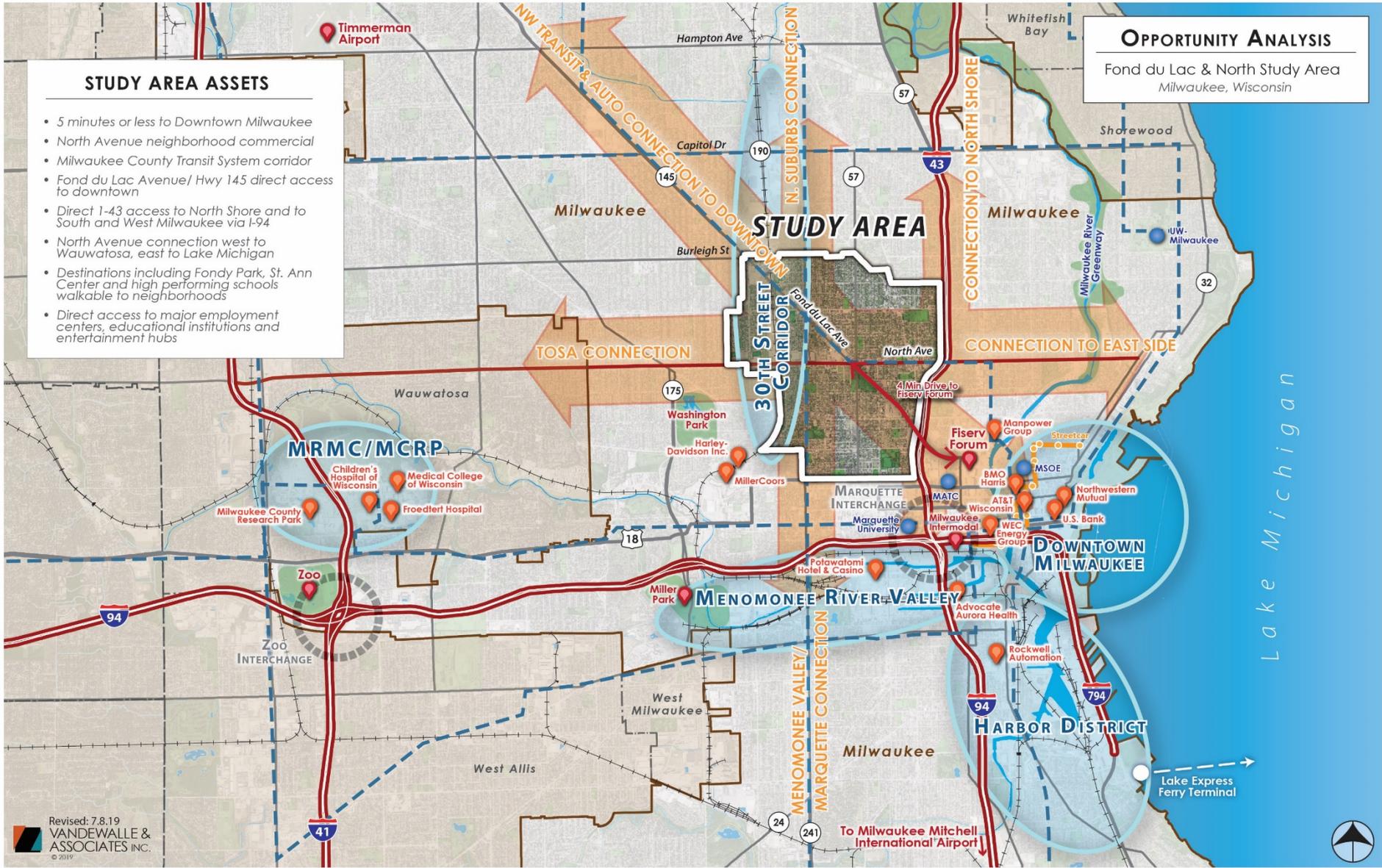
- There is a need for “ownership” within the Study Area. Residents should own residential and commercial real estate, but there is also need for all residents to take ownership of the community; both may involve a mindset shift within the Study Area.
- Increased programming and support for entrepreneurship and small business development is critical to cultivate black-owned and locally-owned businesses that benefit the Study Area and cater to its current residents.
- There are concerns about the impact of new investment and development and how it could increase housing costs within the Study Area.
- It is imperative for the City and partners to move the needle on the area’s intergenerational poverty, disinvestment, abandonment, and entrenched racial and economic segregation.
- The success of new grocery and retail within the Study Area may require changing perceptions, proactive marketing, and counteracting misconceptions about what is or could be desirable to residents.
- One MKE Plaza/Ikon Hotel is seen as a market bellwether and a potential opportunity to effect change in the Study Area.
- High traffic speed on major thoroughfares poses threats to pedestrian safety and businesses..

Stakeholder Input Themes

- There is a need to change current residential appraisal policies in order to address the appraisal gap, in which selected use of comps lowers appraised and assessed values within the Study Area and discourages property investment.
- Because of the age and condition of the building stock, there is a need for qualified contractors who are based within the Study Area. Generally, there is a contractor shortage and contractors are very busy. Small contractor businesses may need small business development assistance and other resources in order to expand. Other small businesses may be unable to pursue City or HUD contracts because of the delay in the processing of invoices.
- While there is appreciation for and pride in the historic housing stock that characterizes the Study Area, there is also strong support for alternative types of housing, including ranches houses without basements for residents who wish to age in place and housing designs that are compatible with multigenerational living.



Study Area Context



Study Area Context

Opportunity Analysis: Local and Regional Assets

While investment has poured into Downtown Milwaukee over the last decade, the Fond du Lac and North Area has not seen the same level of attention. However, given its **excellent geographic location within a thriving region**, there is real potential for investment and resources in this area. Less than a **four-minute drive from the Fiserv Forum**, the Fond du Lac and North Area is poised to take advantage of significant recent public and private investments in Downtown Milwaukee, including the Deer District, The Hop streetcar, thousands of new housing units, as well as billions of dollars in additional investment currently under construction or proposed. It is also close to numerous **economic assets** that immediately surround the Study Area – including educational institutions (Marquette University, MSOE, MATC, and UW-Milwaukee) and key employers (Manpower Group, MillerCoors, Harley-Davidson, Inc., and Potawatomi Hotel & Casino).

Only minutes from the Marquette Interchange, the area has convenient access via the interstate system to **major regional employment centers** such as Downtown Milwaukee, Menomonee River Valley, Milwaukee Regional Medical Center/Milwaukee County Research Park, and the Harbor District. The Study Area is also well connected to other neighborhoods within its trade area.

Major thoroughfares such as North Avenue, Fond du Lac Avenue, and Center Street characterize and define the Study Area and also connect it physically and economically to surrounding neighborhoods. It is also visually connected, as the housing stock, commercial buildings, and built environment continue the pattern found in nearby downtown neighborhoods. People visit this area for unique destinations such as the Fondy Farmer's Market, Walnut Way Conservation Corp., St. Ann Center for Intergenerational Care, and various shops and restaurants, but many also pass through en route to destinations outside the Study Area. In concert with strong regional assets, the Fond du Lac & North Study Area's **excellent location and established local assets** could be capitalized on to build the residential and commercial markets within it.

Assets and Opportunities

Local Assets and Opportunities

Introduction

The Study Area is home to many assets that make it special – local schools, distinctive commercial corridors, community and nonprofit organizations, lively parks, and a diversity of housing types.

One especially exciting asset is the momentum that has been growing here, as much attention has been placed on the area in recent years in order to grow the market and improve quality of life for residents. This is evident in the number of districts that have been established to generate change – including Business Improvement Districts, Opportunity Zones, TIF Districts, and special planning areas. Additionally, recent investments and catalytic projects are generating steam in the area, with more projects planned or in the pipeline.

Both tangible and intangible assets will be critical to driving future market shifts and transforming the area for the benefit of current residents.

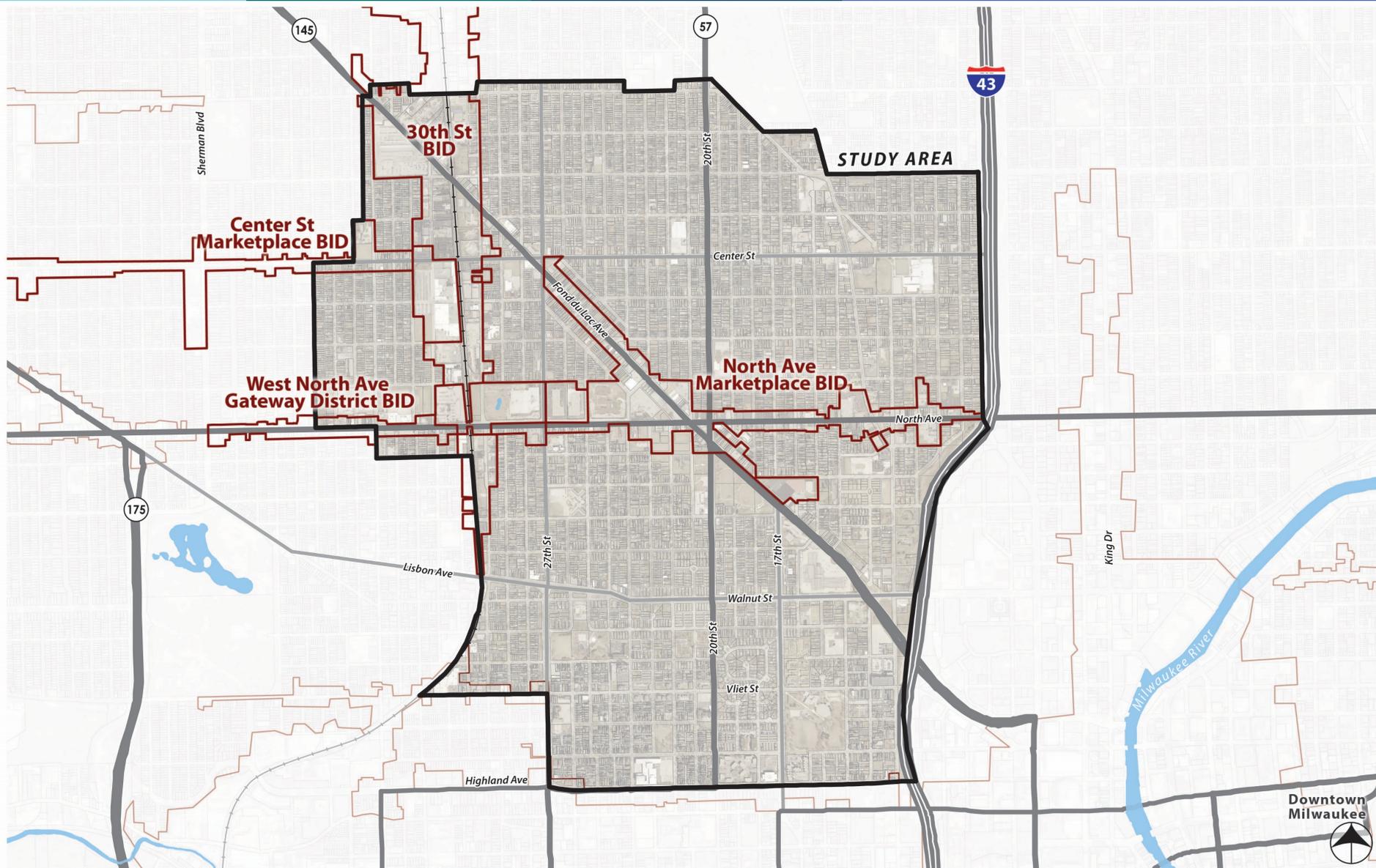
Local Assets and Opportunities

Identified Districts - Business Improvement Districts

Three commercial Business Improvement Districts (BIDs) operate within the Study Area, with the goal of improving the physical and economic landscape for local businesses. These include:

- **North Avenue Marketplace BID 32** –
Home to a mix of local businesses, this area is seeing an influx of exciting newer developments, including Wellness Commons Phase I and Tandem restaurant. The district is also home to the future Ikon hotel project.
- **Center Street Marketplace BID 39** –
Center Street is a vibrant commercial thoroughfare that provides major east and west access to the entire city. As of 2018, there were more than 95 active businesses, 24 vacant buildings, and 10 vacant lots within the BID.
- **North Avenue Gateway District BID 28** –
The BID is supporting several projects under development, including Spiritual Grounds Café, a new café in the Toussaint Square building, and the Finney Market.

Identified Districts - Business Improvement Districts



Local Assets and Opportunities

Identified Districts – Tax Increment Finance Districts

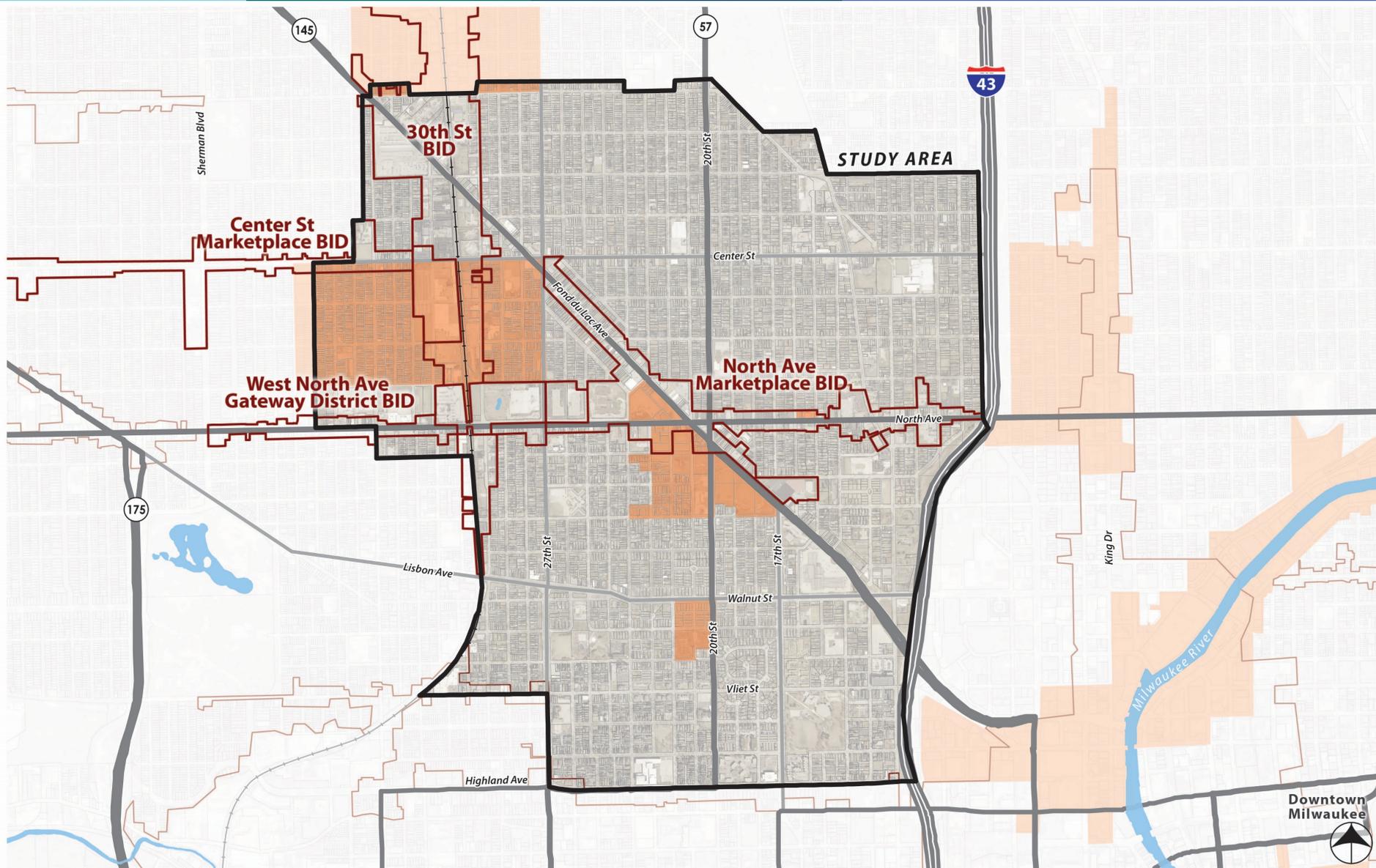
The Study Area includes four active Tax Increment Finance Districts (TIDs), shown in orange on the map on the following page. TIDs can fund infrastructure improvements and provide financial assistance for projects within their boundaries that would not otherwise be feasible.

The City also has closed several moderately successful Districts in the Study Area within the past few years that helped support business development and housing improvement loans and grants, in addition to public infrastructure and beautification efforts.

Currently, three of the TIDs within the study area are in decrement, meaning their value increment is “underwater.” In these Districts, a significant influx of taxable development generating positive value increment would need to occur within the Districts before they could support any projects or new infrastructure.

Active TIDs	Type	Created	Maximum Life	2018 Value Increment
TID 58 – 20th & Walnut	Rehabilitation or conservation	2005	2032	(\$116,800)
TID 65 – 20th & W. Brown	Blight	2006	2033	(\$578,000)
TID 90 – 15th & North	Rehabilitation or conservation	2017	2044	(\$53,700)
TID 98 – Ikon	Rehabilitation or conservation	2019	2046	N/A

Identified Districts – Tax Increment Finance Districts



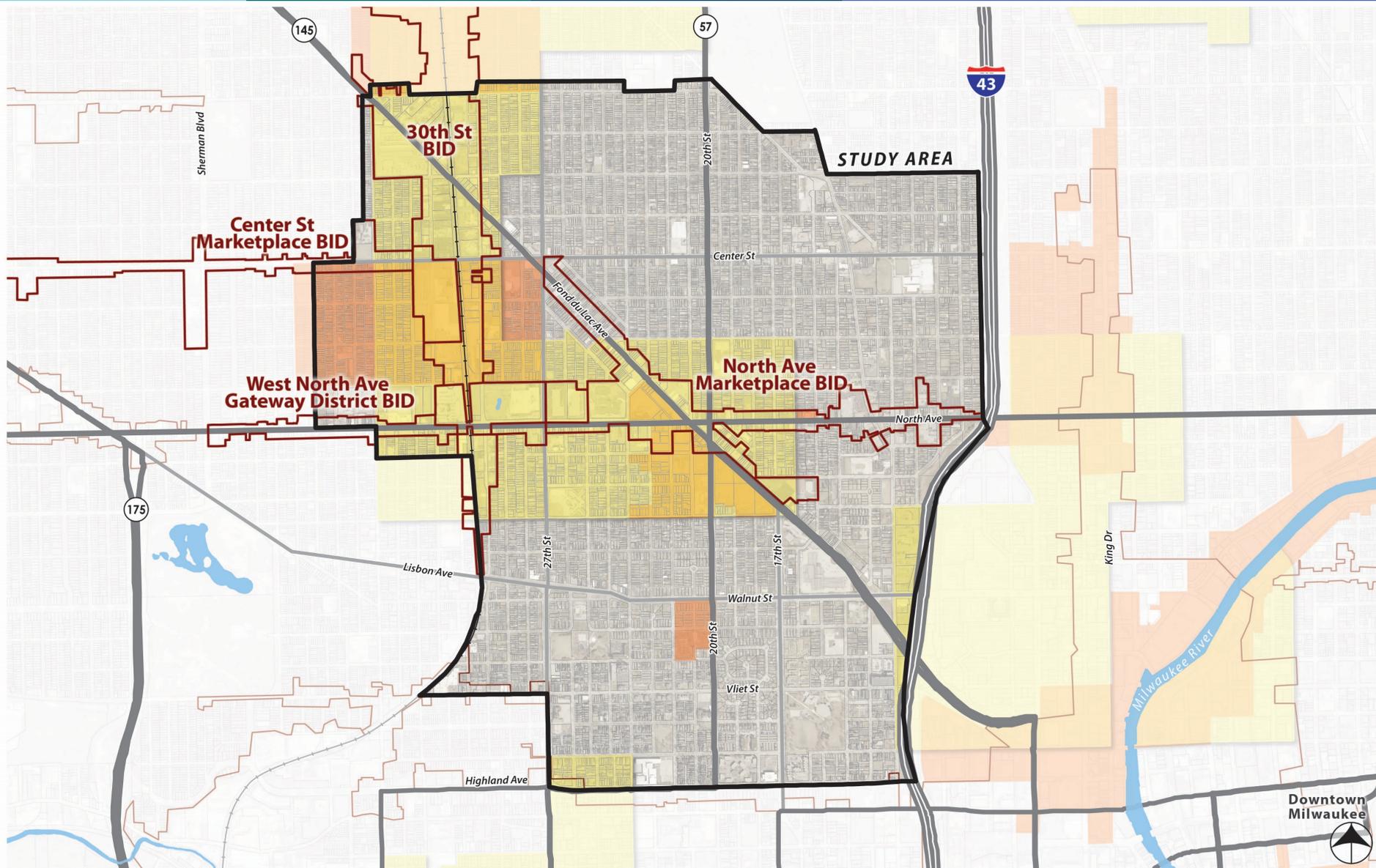
Local Assets and Opportunities

Identified Districts – Opportunity Zones

There are five federally-designated Opportunity Zones, primarily along North Avenue and 30th Street corridors, shown in yellow on the map on the following page. Opportunity Zones provide tax-favorable treatment for private sector investment in businesses and development within economically distressed areas. This economic development tool was designed to provide a return to investors, but more importantly, to support local economies in a way that is inclusive and benefits the people who live and work there.

Investment in Opportunity Zones within the Study Area could initiate significant catalyst projects, which can kickstart further investment within the Study Area. Community stakeholders and partners must work together to capitalize on this tool to attract investment to the Study Area and to ensure that such investment creates the benefits the community is seeking.

Identified Districts – Opportunity Zones



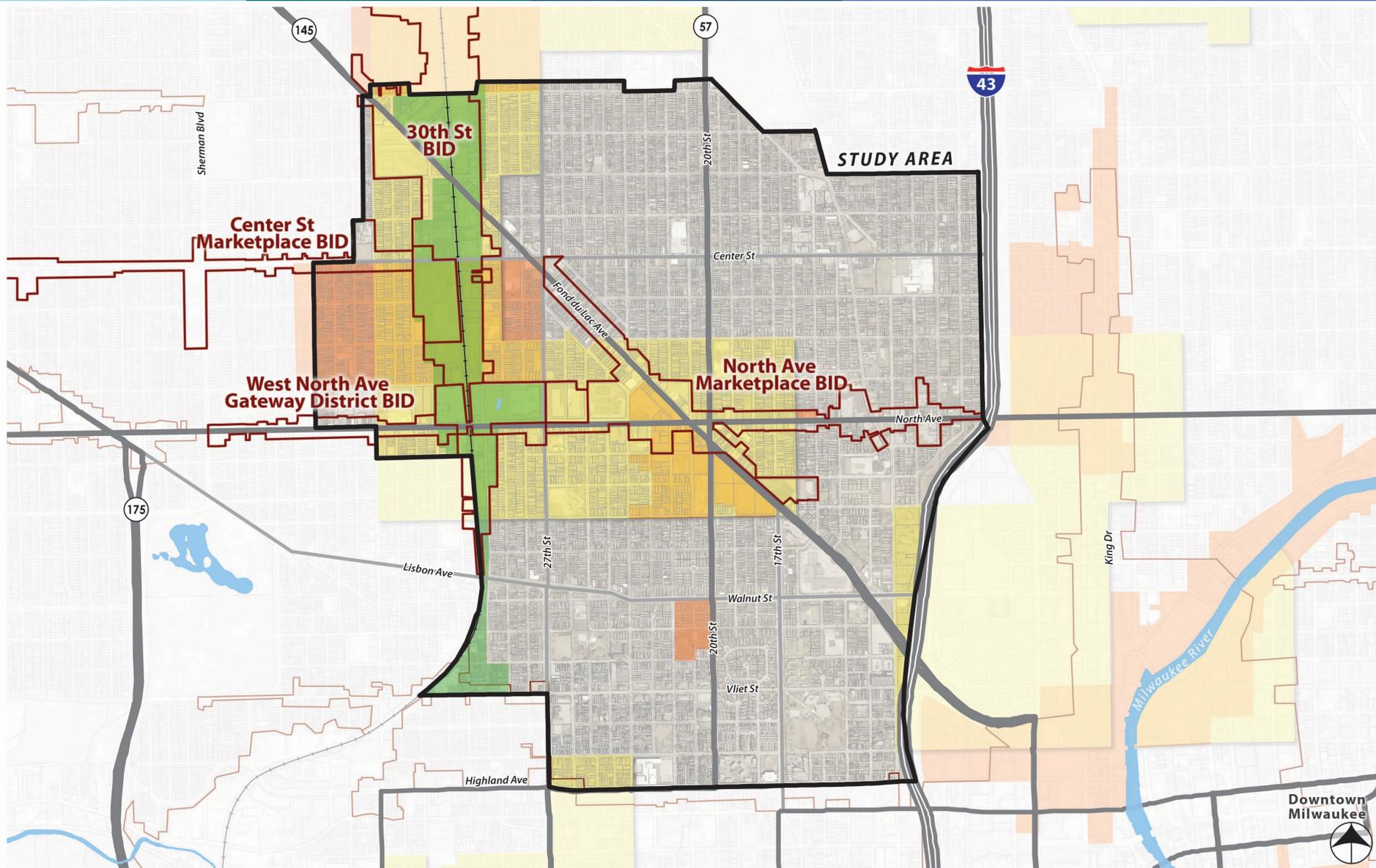
Local Assets and Opportunities

Identified Districts – 30th Street Corridor

The 30th Street Corridor is another area of special focus and investment. Dedicated primarily to industrial uses (with some commercial, public sector, and residential), a significant portion of the 880-acre corridor runs through the Fond du Lac & North Study Area. Following a period of disinvestment because of declines in local manufacturing, the State of Wisconsin and City of Milwaukee have collaborated to reposition the corridor as a next-generation business park that serves the needs of today's businesses and provides employment for local residents. Significant investment has been made to lay the foundation for increasing employment in existing anchor businesses and new enterprises and enable new large scale industrial, small businesses, flex space, and office.

BID #37/30th Street Industrial Corridor Corp., which includes over 150 manufacturing and other types of businesses, focuses on industrial development in the corridor.

Identified Districts – 30th Street Corridor



Community Framework – Parks, Schools, Training, and Community Destinations

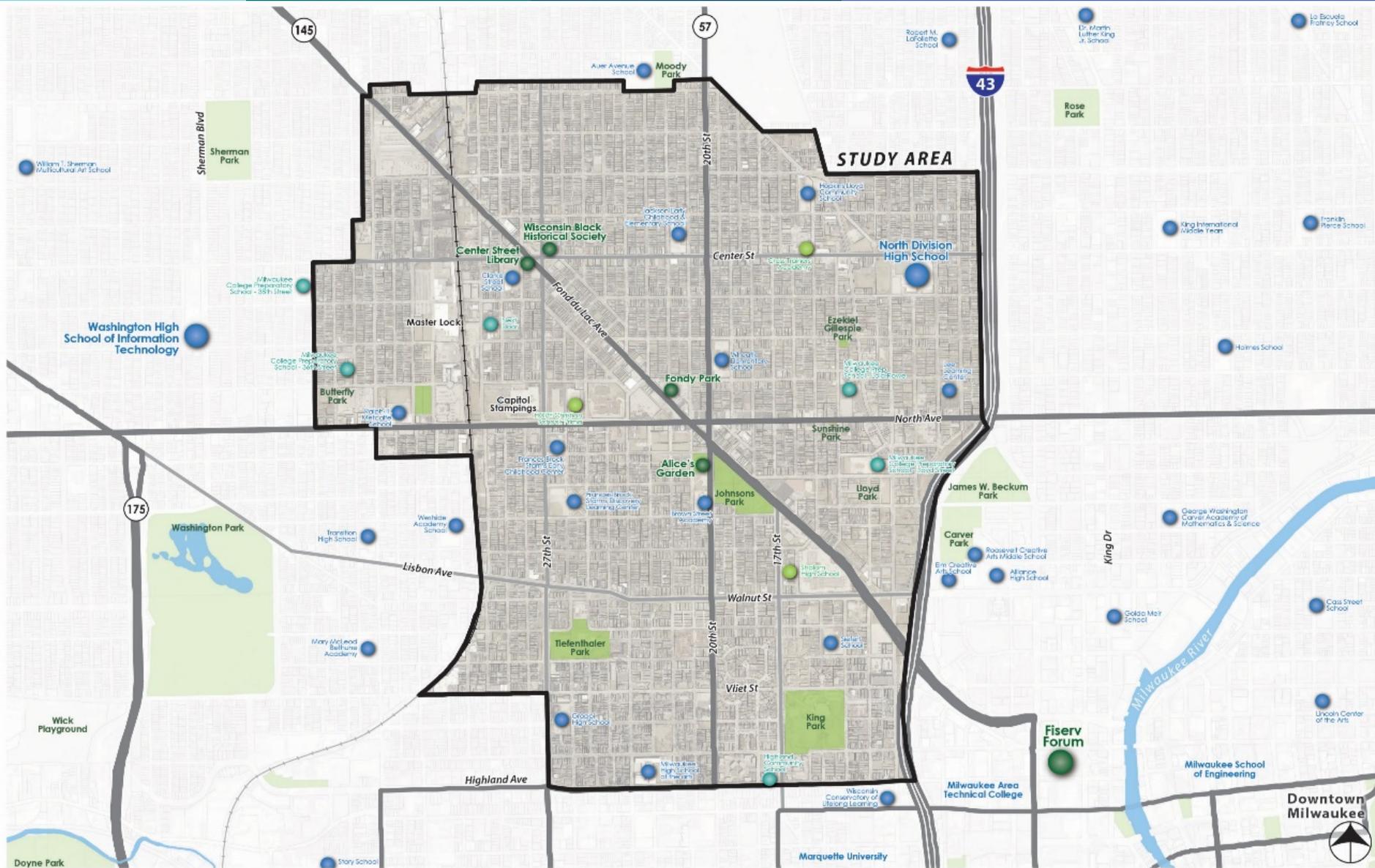
Assets that define the Study Area include public parks, schools, public facilities (such as libraries and police and fire stations), local destinations (such as Alice’s Garden and Wisconsin Black Historical Society), and strong community institutions.

There is a mix of public, private, and charter schools in the Study Area. Schools provide K-12 education but also workforce training and continuing education opportunities.

To varying degrees, these schools serve as community hubs and can be springboards for local community reinvestment. In particular, focusing on community health and career pathways within neighborhoods immediately surrounding local schools can have a transformative impact on the area as a whole. Building on schools’ existing community partnerships is a good place to start. For instance, Milwaukee College Prep, which has two locations within the Study Area, has numerous community partnerships that support student success. Additionally, North Division High School is part of the Milwaukee Community Schools Partnership led by the United Way. This program utilizes engagement and shared leadership to improve educational outcomes, school climate, and investment in surrounding neighborhoods.

Leveraging these existing relationships with the Live-Learn approach described later in this report could have a significant effect on the area surrounding the schools.

Community Framework – Parks, Schools, Training, and Community Destinations



Community Framework – Neighborhoods and Planning Areas

The Fond du Lac and North Planning Area is made up of a series of neighborhoods: Amani, Lindsay Heights, King Park, Midtown, and Metcalfe Park.

Local organizations from these neighborhoods – Walnut Way Conservation Corp, Metcalfe Park Community Bridges, and Dominican Center/Amani United – will lead the public outreach for the update of the Fond du Lac and North Areawide Plan.

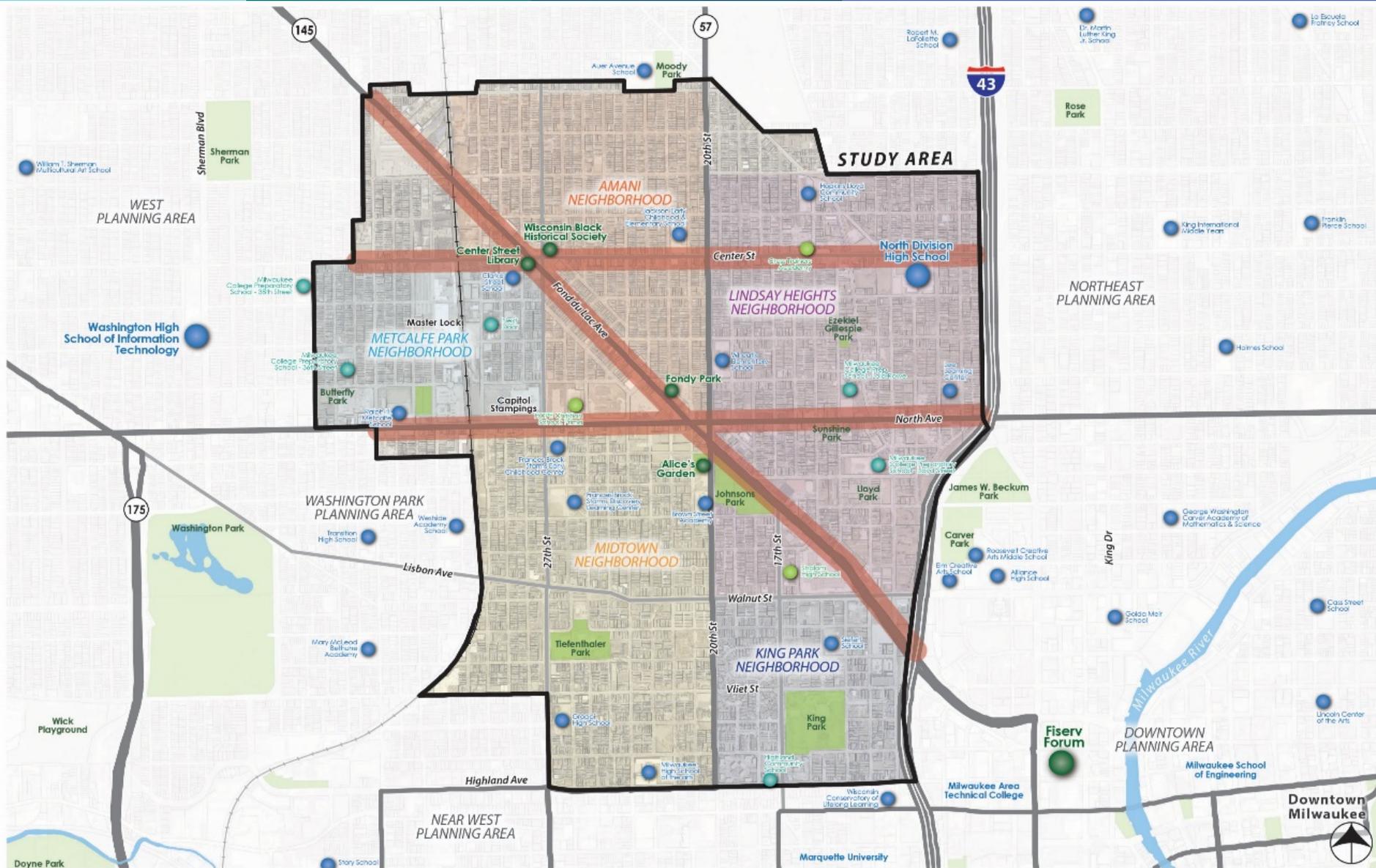
Local Assets and Opportunities

Community Framework – Commercial Corridors

Commercial development is concentrated along Fond du Lac Avenue, North Avenue, and Center Street. These are the primary opportunities for commercial growth.

The City should cluster retail development along its main commercial corridors (Center Street, North Avenue, and Fond du Lac Avenue). In particular, retail development that relies on high visibility and foot and auto traffic should be concentrated around the Fond du Lac and North Avenue intersection. By-appointment retail, services, and online-sales-based business models that rely less on visibility and foot traffic should be located outside of this core retail area – including portions of North Avenue and Center Street that are farther from intersections with Fond du Lac Avenue.

Community Framework – Commercial Corridors



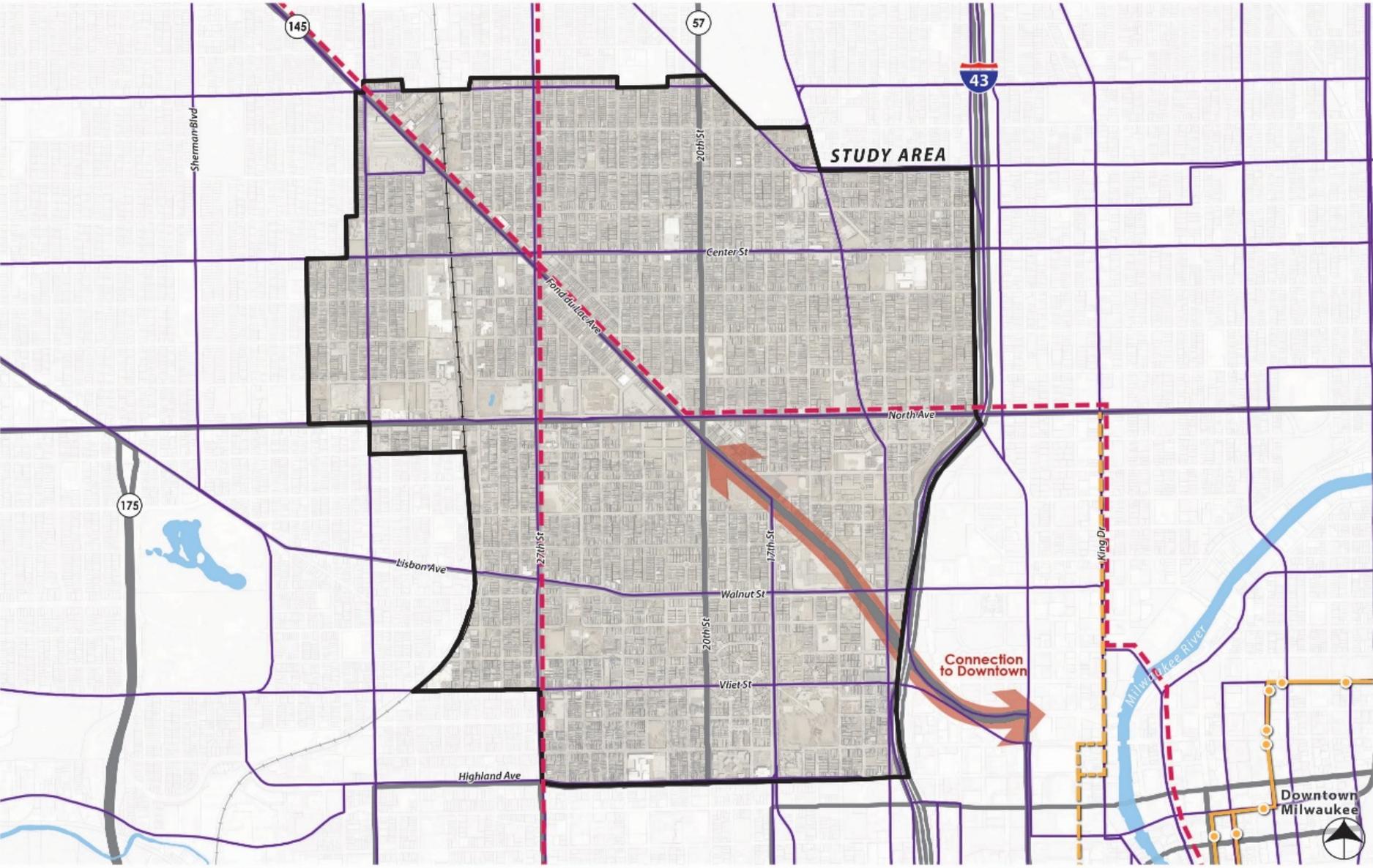
Local Assets and Opportunities

Building Momentum – Connectivity

In addition to a strong street network linking the neighborhood to other areas of the city including a quick drive to Downtown, the Study Area is well served by transit and has opportunities to be even better connected when plans come to fruition.

- Bus routes, shown as solid purple lines on the map on the following page, provide connections to Milwaukee County employment areas – including Riverworks Center, Downtown, 30th Street Corridor, Menomonee Valley, and Milwaukee Regional Medical Center.
- The Hop streetcar, shown as solid yellow lines, provides connections within downtown. The future King Drive streetcar extension, shown as dashed yellow lines, not only would provide increased connections to destinations along King Drive, but also would make it more convenient for Study Area residents to access the Hop route in general.
- Potential Bus Rapid Transit (BRT) routes along North Avenue, Fond du Lac Avenue, and 27th Street are shown in dashed magenta lines on the map. These routes are recommended in SEWRPC's VISION 2050. BRT is designed to provide substantially faster travel times than conventional buses. BRT stations would be spaced every one-half to one mile apart, typically operating in transit-only lanes and using transit-signal priority to ensure travel times that are competitive with or better than driving.

Building Momentum – Connectivity



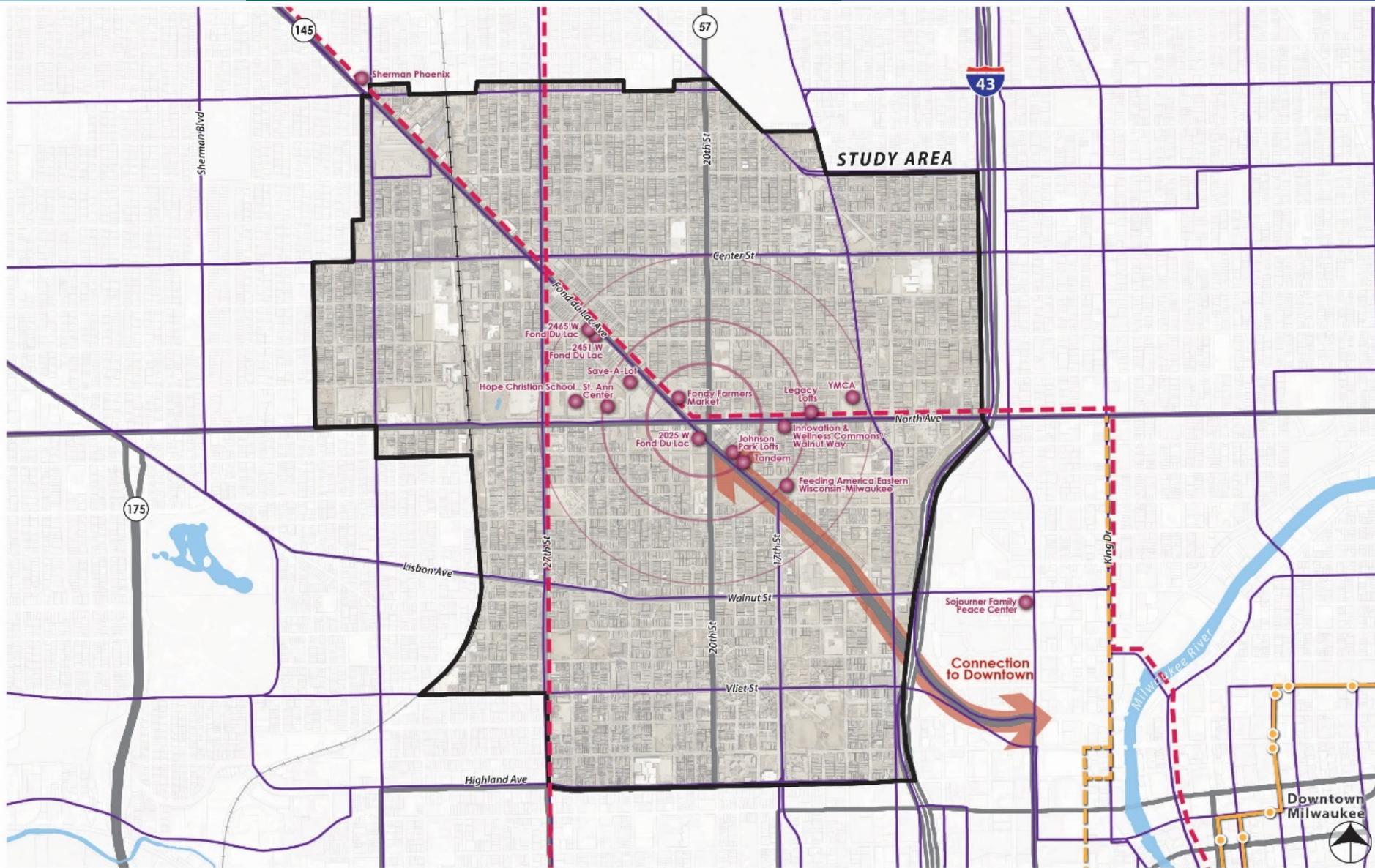
Building Momentum - Recent Investments & Catalytic Projects

This area has been a focus for investment in recent years, driven by both public and private sectors.

The projects identified with pink dots on the map on the following page reflect **over \$80 million in investment** within the Study Area. Together, these projects and major investments have endeavored to improve quality of life, provide housing, provide healthy food and shopping options and local business development, and attract people to visit the Study Area.

These efforts provide a solid foundation for the next wave of projects and investments that can improve the market potential of this area.

Building Momentum - Recent Investments & Catalytic Projects



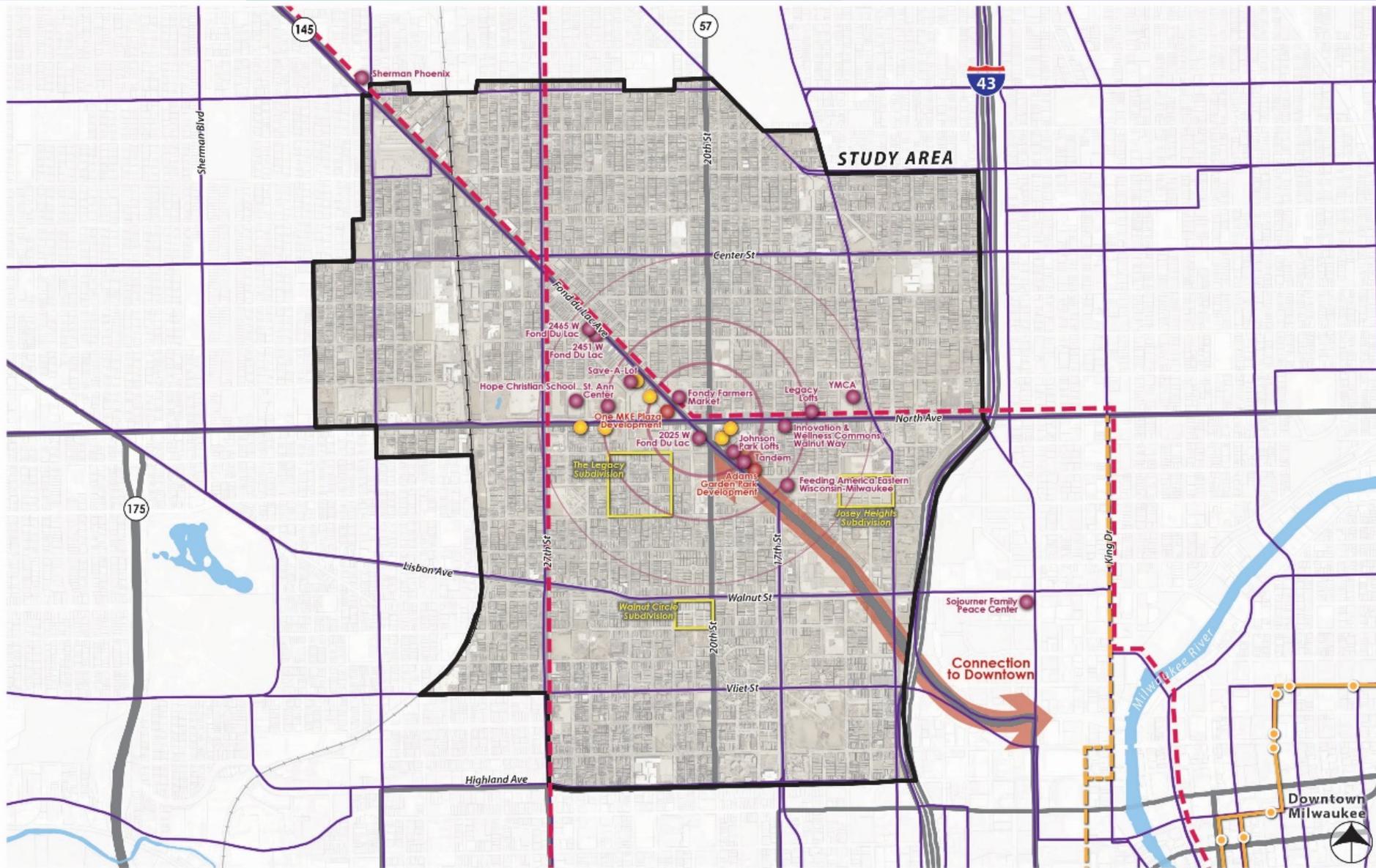
Building Momentum - Planned Projects, Subdivisions & Charette Sites

The planned One MKE Plaza/Ikon hotel and conference center is anticipated to build on recent downtown investments and the upcoming Democratic National Convention. A reuse of the former Sears Block, this project is expected to serve as a catalyst for bringing new people to the Study Area and fostering homegrown businesses and innovation. In addition to 80 hotel rooms and about 24,600 sf of conference space, 35,000 sf square on the first floor would be designed as a hub for entrepreneurship, encouraging tech and innovation businesses.

Lindsay Heights sites were identified in a 2016 visioning charette, which resulted in design and development recommendations for six opportunity sites in Lindsay Heights. The potential remains to implement these recommendations, which were oriented around skills training, food and wellness, youth activities and engagement, sustainable strategies, and Walnut Way linkages.

This area includes City-owned subdivisions where the City is offering \$1 lots and \$20,000 forgivable second mortgage loans. Current market conditions have precluded these lots from being developed (cost to construct is lower than anticipated assessed value), but these areas pose significant opportunities for new residential construction should market conditions or funding equations change.

Building Momentum - Planned Projects, Subdivisions & Charette Sites

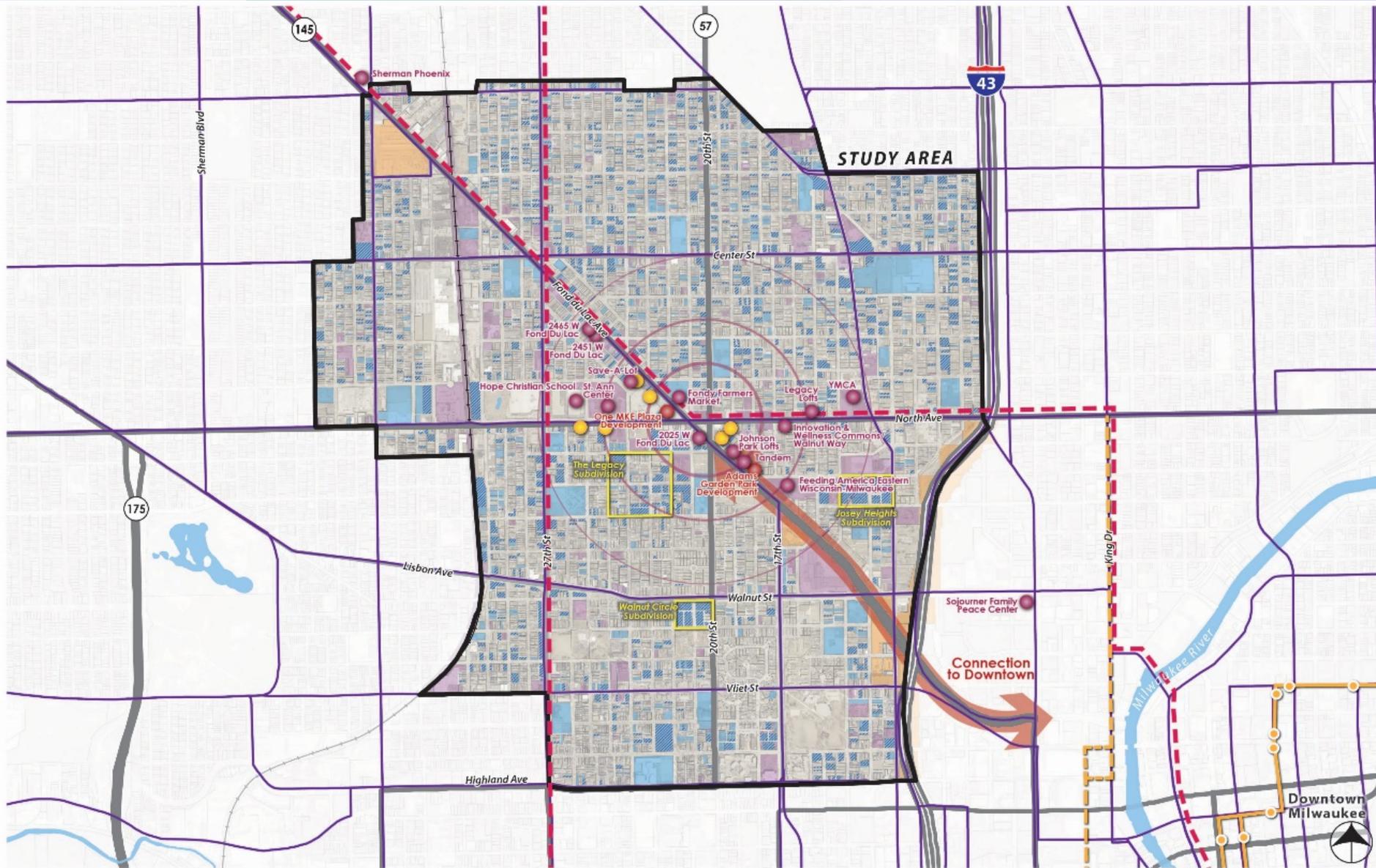


Building Momentum - Publicly-owned, Tax-Exempt, and Vacant Parcels

There are numerous parcels owned by the City of Milwaukee, County, or other tax-exempt entities. Opportunities exist to return these to taxable uses, find additional productive uses for them, or beautify them. The City and the BIDs should seek to limit the amount of new tax-exempt uses within core commercial areas.

Between 2000 and 2018, the number of vacant parcels decreased from 2,037 to 1,890. In that period, 809 new buildings were constructed, with 602 of those built on vacant lots. Although the inventory of vacant parcels is decreasing, there are still many vacant parcels available for investment.

Building Momentum - Publicly-owned, Tax-Exempt, and Vacant Parcels



Demographic Analysis

Demographic Analysis

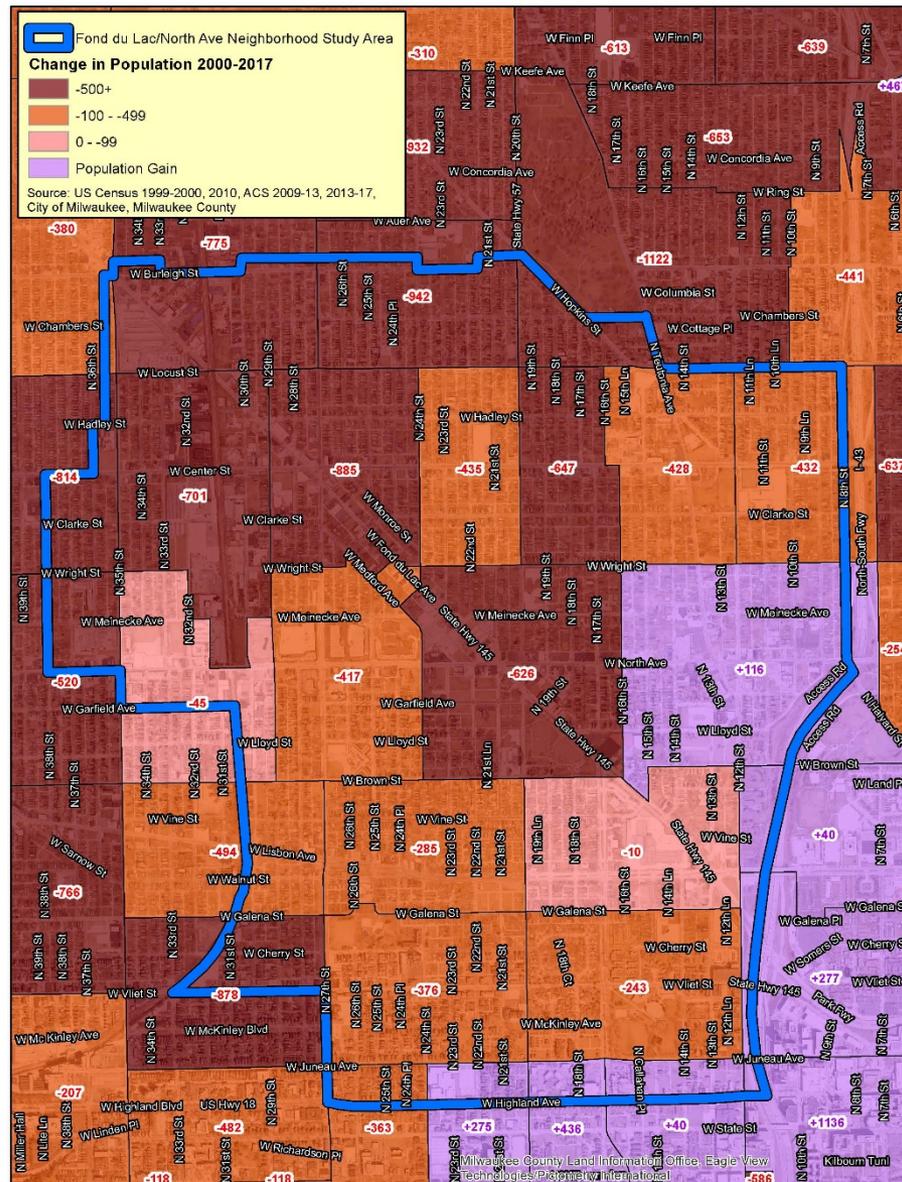
24% Population Decline since 2000

- 2000 Census: 43,000
- 2017 Estimate: 32,500

Census tracts closer to downtown and the I-43 corridor have experienced population gains or relatively smaller losses than areas to the north and west.

While limited economic opportunities and slower recovery from downturns likely influence locational decision making, average household size may be a factor in the Area's population decline. While the Area still generally has more persons per household (3.01) than the City as a whole (2.50), this has declined significantly from 3.22 in 2000.

Deteriorating housing stock, higher vacancy rates at existing homes, and fewer total residential units also affect these figures. Single family units comprised most new construction in recent years while duplexes were a higher percentage of demolitions, resulting in a net loss of several hundred units since 2000.



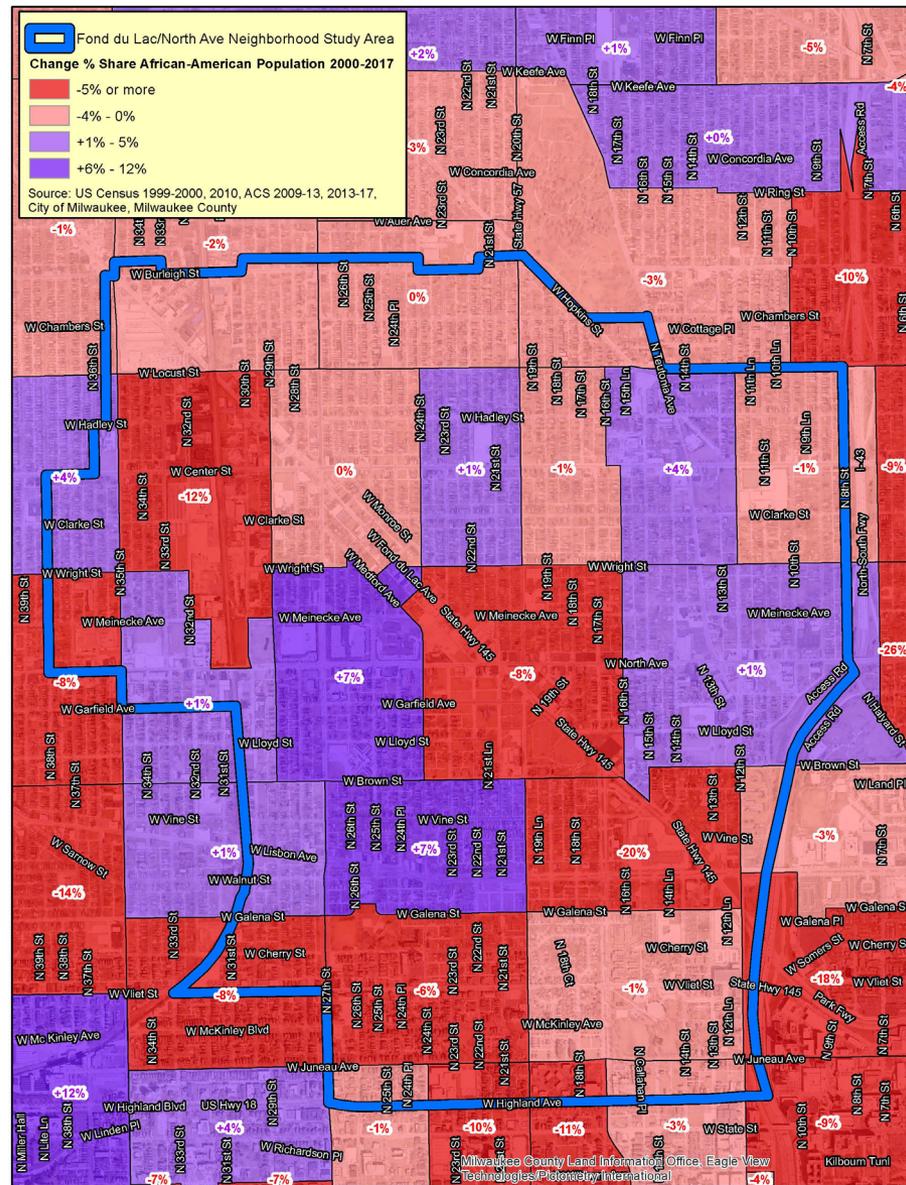
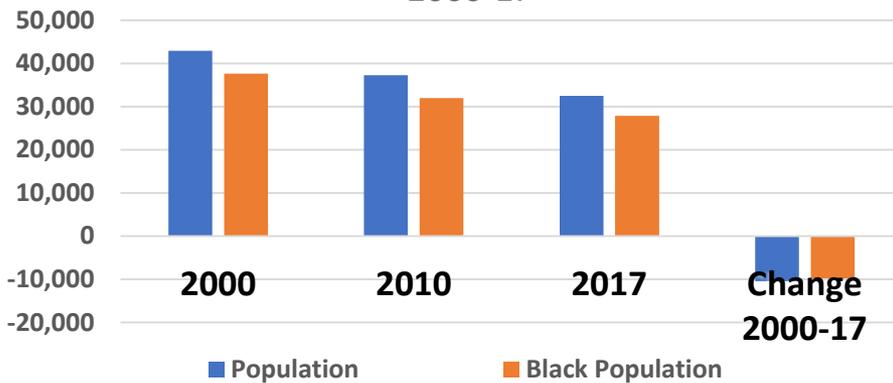
Demographic Analysis

Change in % Share of African-American Population since 2000

- 2000 Census: 88%
- 2017 Estimate: 86%

The area continues to be predominately African American, with small and growing Asian (6%) and Hispanic (4%) populations. The white population has decreased slightly (5% to 4.5%) since 2010, suggesting limited signs of gentrification. These demographics nonetheless indicate a need for culturally-relevant businesses and policies that recognize a history of racial disparities in Milwaukee County.

Fond du Lac Ave/North Ave Area Population 2000-17



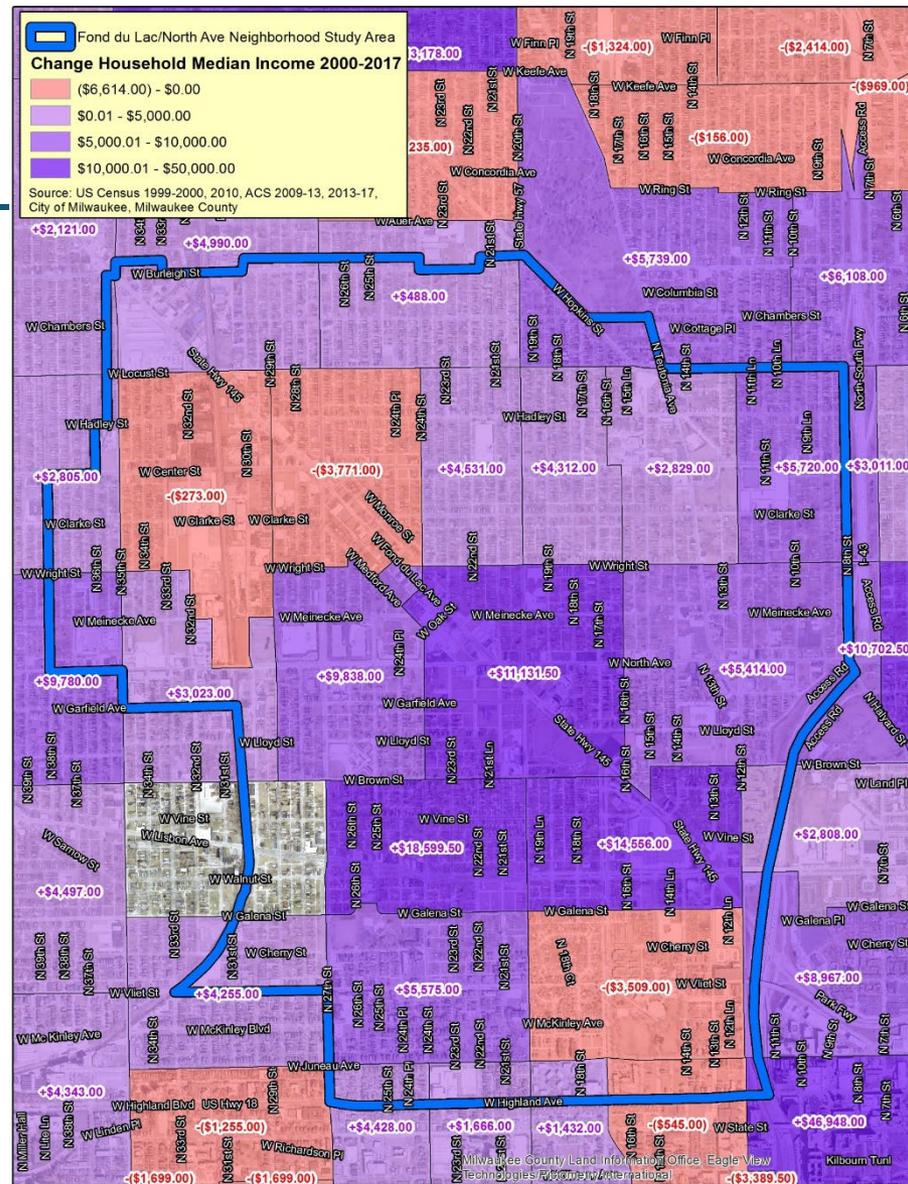
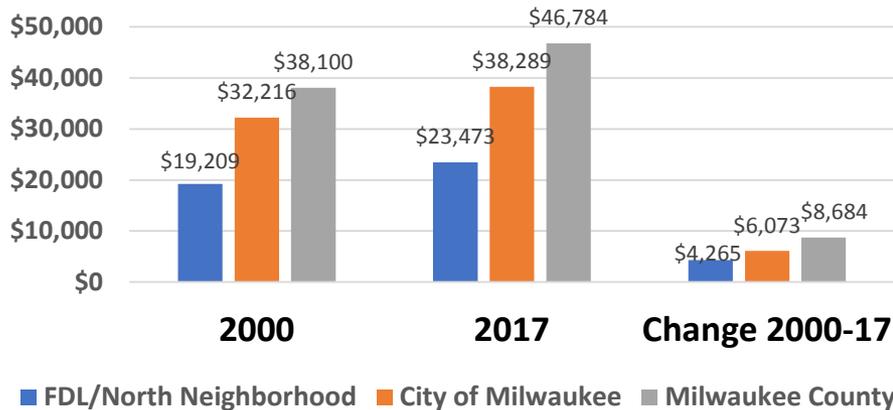
Demographic Analysis

Median Household Income

- 2000 Census: \$19,209
- 2017 Estimate: \$23,473

While the median household income has increased by about \$4,000 in real dollars since 2000, when accounting for inflation of about 2% per year through 2017, the purchasing power of today's median income has actually decreased by roughly the same amount. This is likely a consequence of sustained population decline, entrenched poverty, and stagnation in the number of households in middle- and upper-income brackets in the area.

Estimated Median Household Income 2000-17

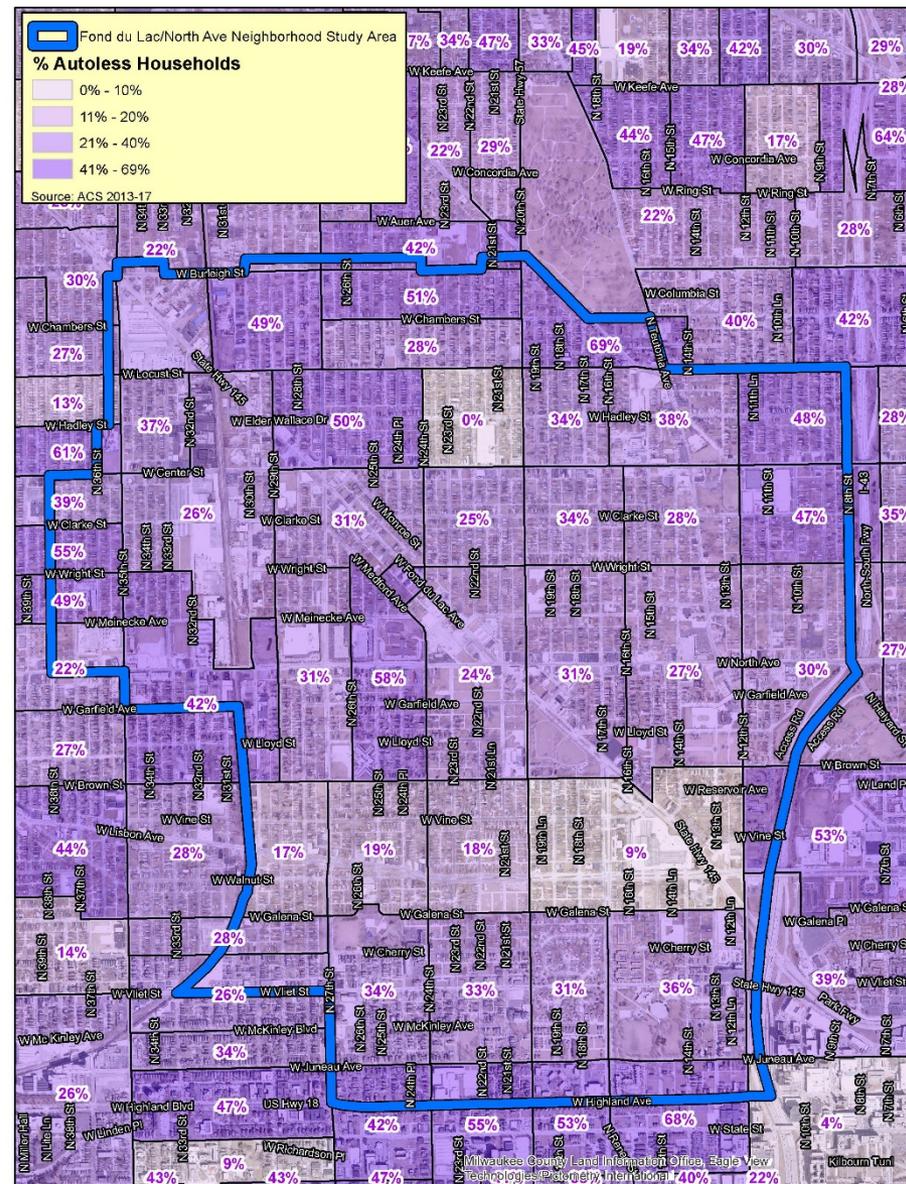


Demographic Analysis

Autoless Households

- 2017 estimate: 34% of households have no vehicle

Lack of access to a vehicle indicates a need for local shopping options and amenities. It also affirms the importance of walkability and pedestrian-friendly design. Future developments should strive to feature strong transit access and visibility, including tenets of Transit-Oriented Development (TOD) that cluster around existing and future MCTS bus stops and connections to the Hop streetcar. Businesses in the Area may also consider expanded on-demand and delivery-based business models to reach fewer mobile customers.



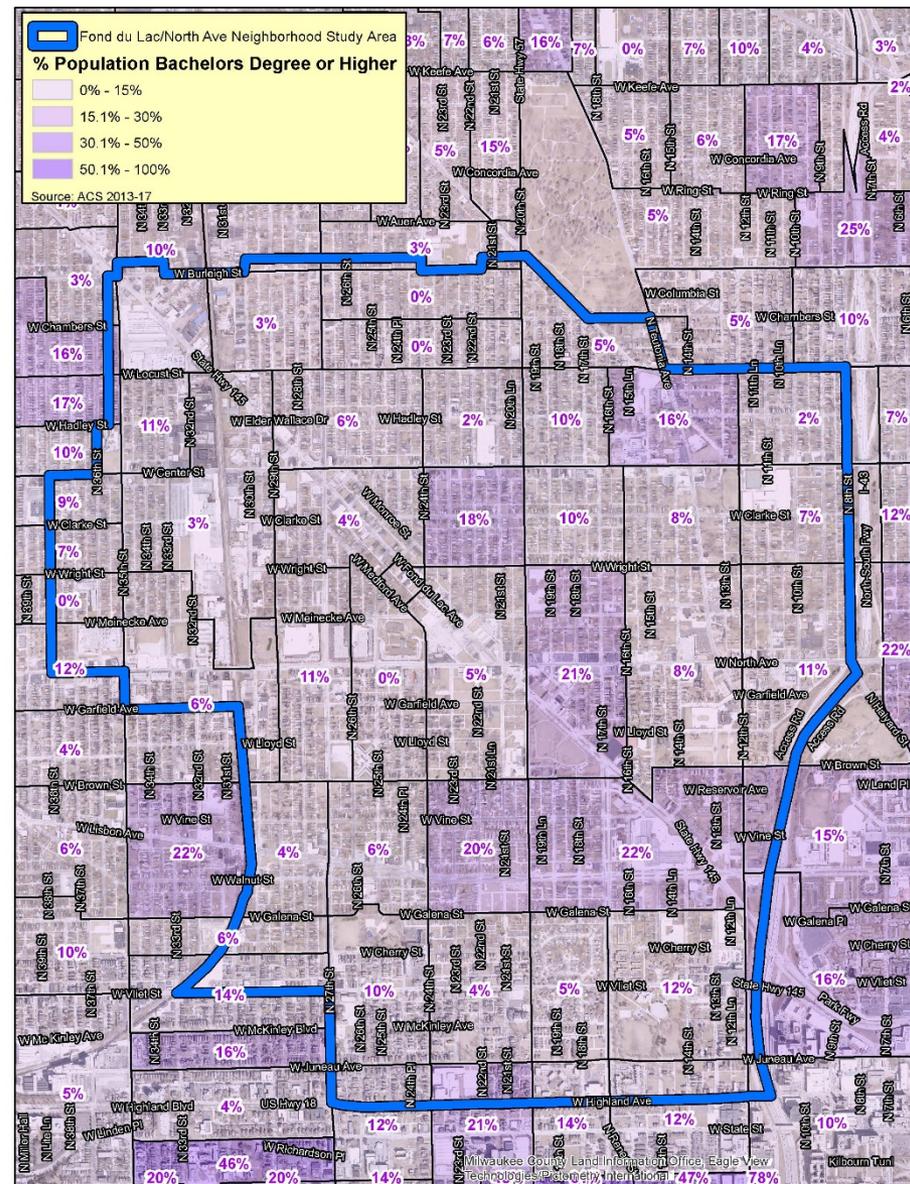
Demographic Analysis

Education

2017 estimate of the population over age 25 has Bachelors Degree or higher:

- Fond du Lac and North Area: 9%
- Citywide: 24%

This suggests a need for businesses offering jobs and training in careers that do not require postsecondary degrees. There is also significant opportunity to pursue Live-Learn Neighborhood initiatives, described later in this report.



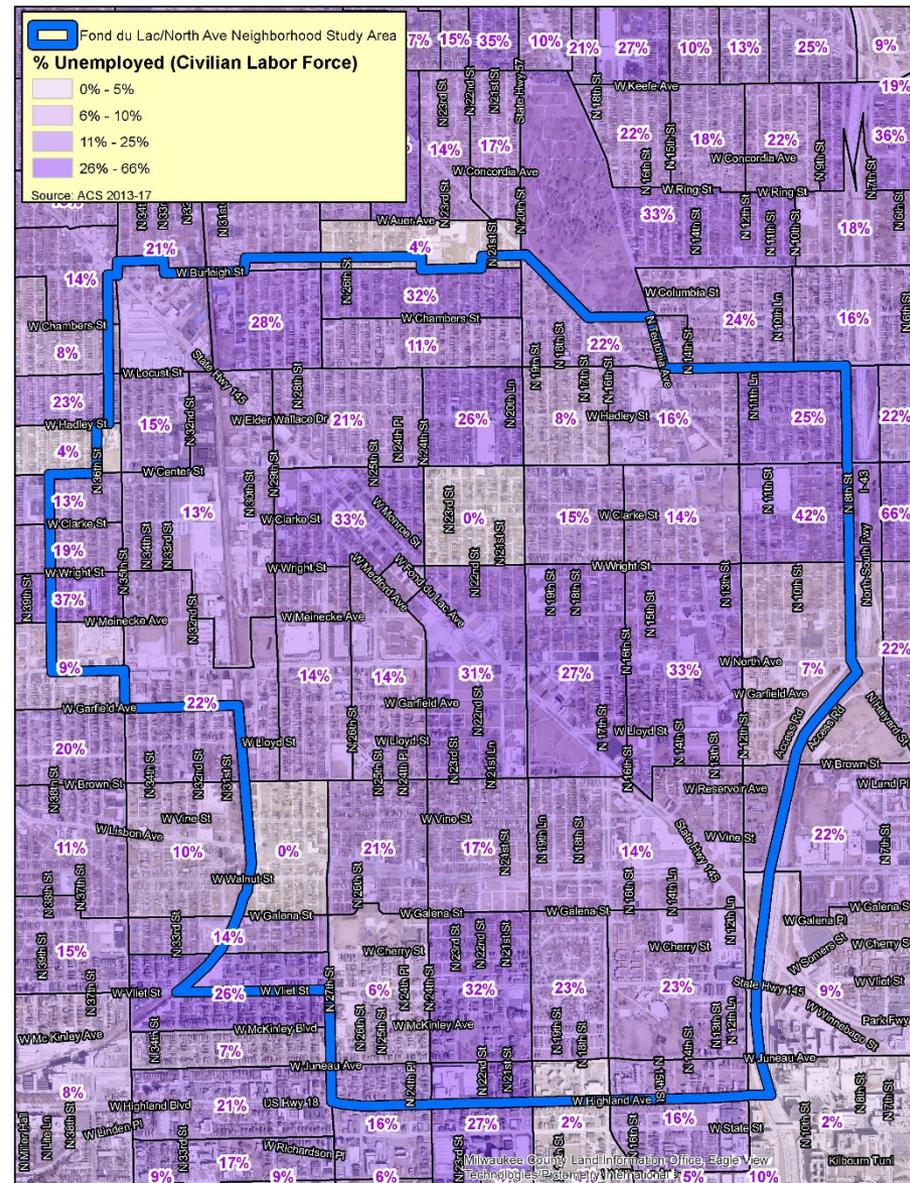
Demographic Analysis

Unemployment

2017 Estimates of Unemployed Labor Force:

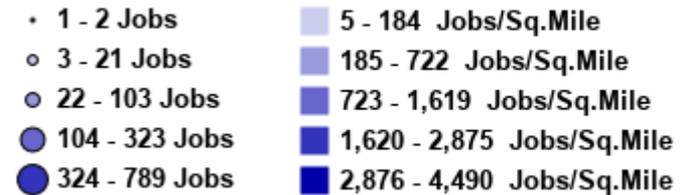
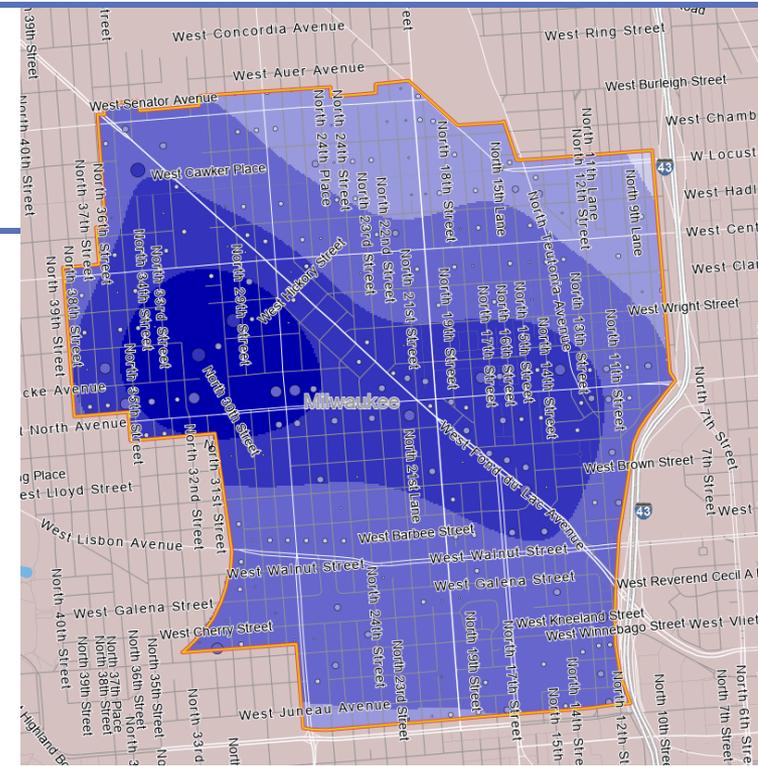
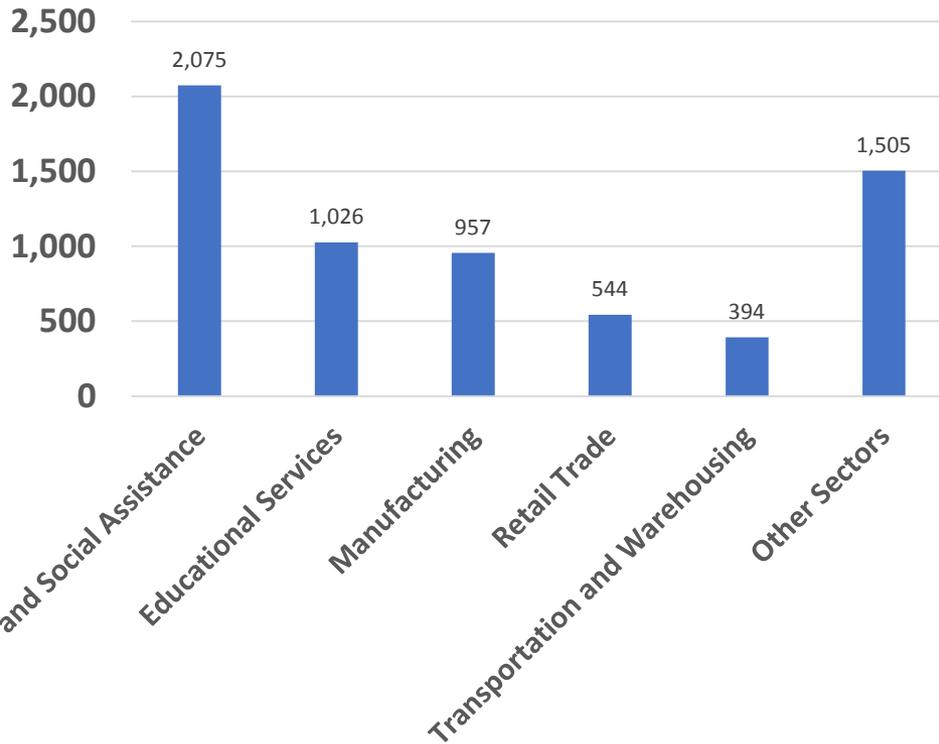
- Fond du Lac/North Ave Area: 19%
- Milwaukee County: 7%

A higher unemployment rate indicates lower average disposable incomes as compared to the rest of Milwaukee County. As such, Area residents are more likely to prioritize purchases of household basics and essentials and may be inclined to make these purchases closer to home when possible.



Jobs by Industry

6,500 total jobs located within the Study Area (2015)

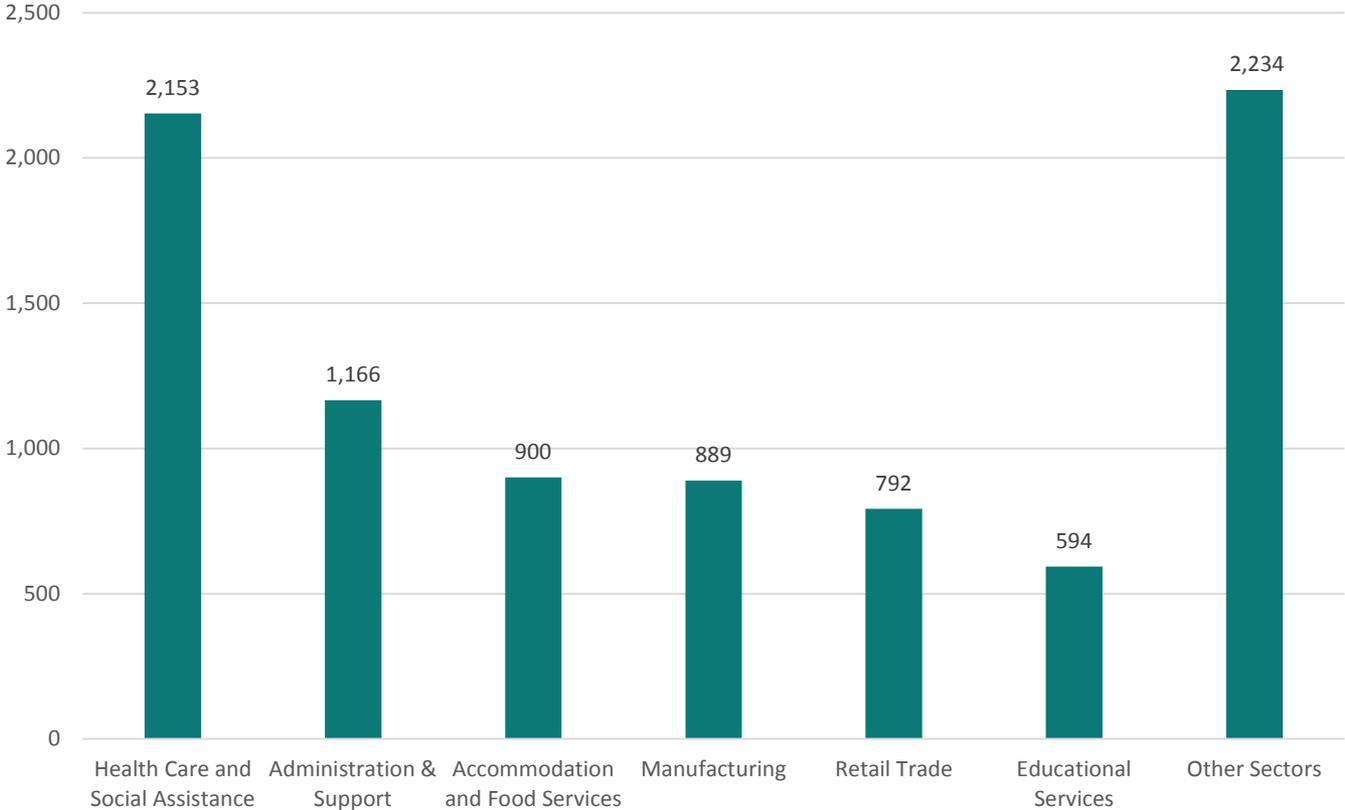


Source: LEHD On the Map

Leading job sectors in the Study Area include health care, social assistance, and education. The heaviest concentrations of employment are along the 30th Street industrial corridor (led by Master Lock) and along the Fond du Lac Avenue commercial corridor.

Resident Employment Profile

8,700 total resident jobs (2015)



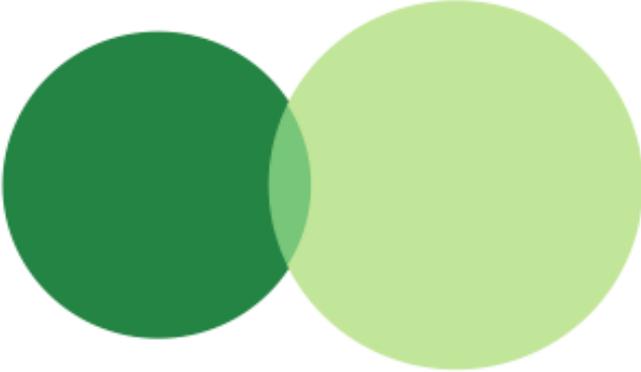
Source: LEHD On the Map

Leading job sectors among area residents include health care and administration, as well as blue-collar jobs in food services and manufacturing. Other sectors include transportation, government, finance, and service-based businesses. Jobs held by residents are not necessarily located within the Study Area.

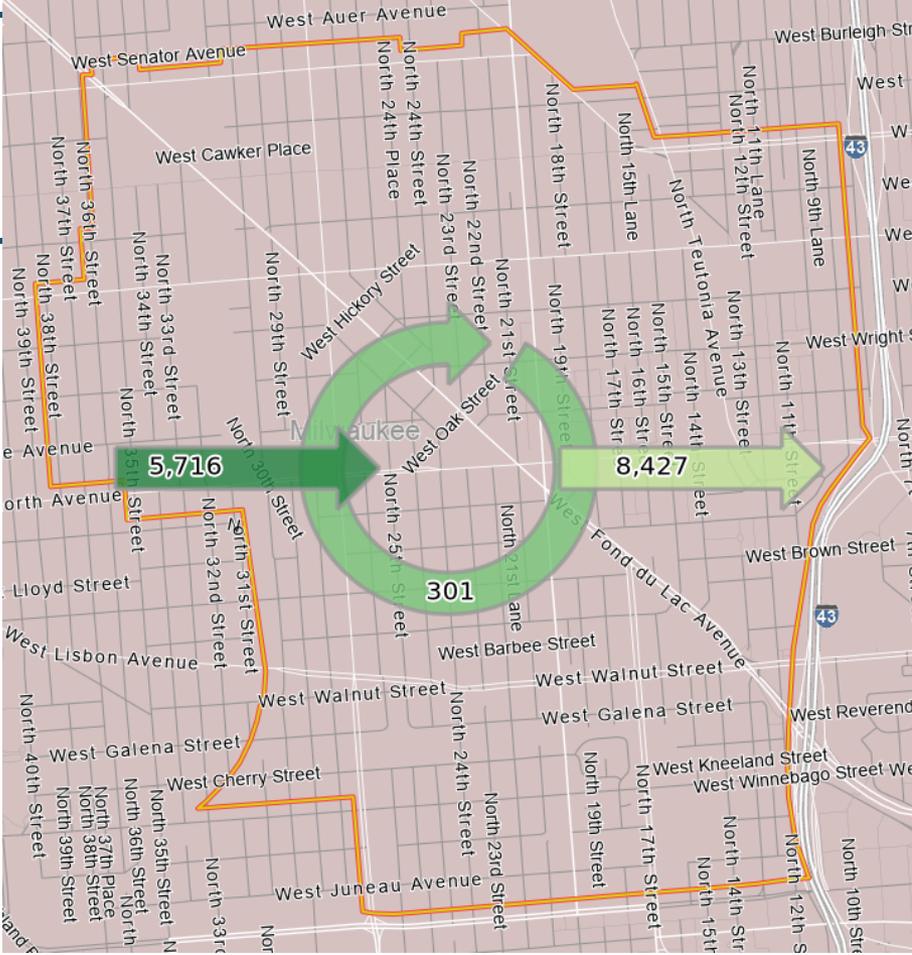
Commuter Flows

Inflow/Outflow Job Counts (2015)

Just 5 percent of the 6,500 estimated jobs in the Study Area in 2015 were filled by residents.



- 5,716 - Employed in Selection Area, Live Outside
- 8,427 - Live in Selection Area, Employed Outside
- 301 - Employed and Live in Selection Area



- Employed and Live in Selection Area
- Employed in Selection Area, Live Outside
- Live in Selection Area, Employed Outside

Source: LEHD On The Map

Residential Market Analysis

Residential Marketplace: A Snapshot

Fond du Lac & North Planning Area

- Median age of existing housing stock is 70+ years with nearly 73 percent of all housing units constructed prior to 1960.
- Approximately 50 percent of the existing housing stock reflects single-family residences, followed by duplexes at roughly 30 percent. The remaining 20 percent consists of various multifamily forms.
- New/newer construction housing options are currently limited throughout the planning area, especially as it relates to market rate housing.
- Renter households account for two-thirds of all occupied housing units with ownership levels standing at approximately one-third.
- Most new/newer housing units represent affordable multifamily rental offerings. With very few new/newer market rate units.
- The rental market is in a tight condition among new/newer projects. Both affordable and market rate apartment developments of scale are all 100 percent occupied, some with lengthy waiting lists.
- Rent levels among most affordable housing communities typically range from \$500 to \$800 monthly per unit (i.e., 50 to 60 percent of AMI).
- Over 75 percent of all single-family home sales are occurring at price points below \$75,000, most of which reflect older stock.

Source: Tracy Cross & Associates, Inc.

Housing Characteristics: A Comparison

Fond du Lac & North Planning Area, City of Milwaukee & Milwaukee County

2019 Estimates

Attribute	Fond du Lac & North Planning Area	City of Milwaukee	Milwaukee County
Housing Units Constructed Prior to 1960	72.6%	67.5%	59.2%
Renter-Occupied Housing Units ⁽¹⁾	70.0%	65.1%	48.9%
Owner-Occupied Housing Units ⁽¹⁾	30.0%	34.9%	51.1%
Average Length of Residence (Renter-Occupied Units)	7.6 Years	6.5 Years	6.5 Years
Average Length of Residence (Owner-Occupied Units)	22.3 Years	18.9 Years	18.5 Years
Median Owner-Occupied Housing Value ⁽²⁾	\$36,050	\$129,347	\$168,634
Median Renter Occupied Rent Level	\$798	\$826	\$857
⁽¹⁾ Renter- and owner-occupied housing unit percentages for the Fond du Lac & North Planning Area include an estimate for those ownership duplex units that include one owner and one renter.			
⁽²⁾ Reflects a combination of median single family home assessed values and recent single family closing activity. Excludes duplexes because of rental implications.			

- The age of the housing stock in the Fond du Lac & North Planning Area exceeds that of the city of Milwaukee and Milwaukee County.
- Length of residency in the planning area is greater than the city and the county, likely because of the lack of new product to allow for more normal mobility.
- Housing values and rent levels in the planning area fall below the city and the county.

Source: Tracy Cross & Associates, Inc.

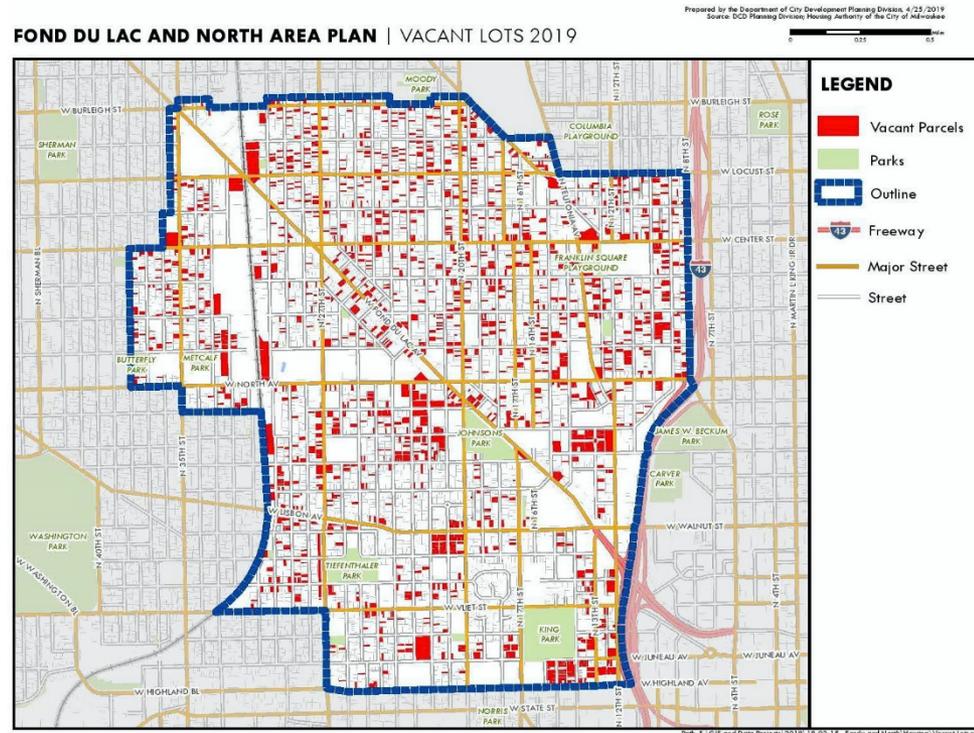
Source: Environics Analytics

Other Market Observations

Fond du Lac & North Planning Area

- While new/newer affordable and market rate apartment communities in the Fond du Lac & North Planning Area are at 100 percent occupancy, many with waiting lists, roughly 20 percent of all housing units in the planning area are vacant, again reflecting the aging housing stock.
- In a typical apartment market, renter households pay 30-35 percent of their gross income in rent. In the Fond du Lac & North Planning Area, a full 43 percent of all renter households pay **50 percent or more**.
- Incomes and housing values in those portions of the planning area south of North Avenue are roughly 14 percent higher than those north of North Avenue.
- Ample vacant land is available for future residential development (1,890 vacant parcels.)

Source: Tracy Cross & Associates, Inc.



Representative Rental Apartment Communities

Fond du Lac & North Planning Area

Development	Year Built	Total Units	Unit Types		Occupancy Level
			Affordable	Market Rate	
Legacy Lofts	2018	64	84%	16%	100%
Capuchin Apts	2011	38	100%	---	100%
Franklin Square	2010	37	100%	---	100%
Lisbon Terrace	2010	24	100%	---	100%
Prairie Apts	2009	24	100%	---	100%
Teutonia Gardens	2008	24	100%	---	100%
Prince Hall Village	2008	24	100%	---	100%
Fond du Lac Center	2007	24	100%	---	100%
New Village Townhomes	2006	24	100%	---	100%
Johnson Lofts	2004	24	100%	---	100%
Garfield Park Apts	Pre-2000	69	100%	---	100%
Lindsay Commons	Pre-2000	115	100%	---	100%
Just Outside Planning Area					
Washington Park TH	2018	40	100%	---	100%
The Griot Apartments	2018	41	85%	15%	100%
Garfield School Apartments	2017	30	100%	---	100%

Source: Tracy Cross & Associates, Inc.



Single-Family Closings by Price Range

Fond du Lac & North Planning Area

While the overall median closing price in the Fond du Lac & North Planning Area falls below \$40,000, 55 single family homes were sold and closed at price points of \$75,000 and above during the past 36 months.

June 2016 – June 2019

Price Range	Total Closings		Those Constructed in 2000 or Later	
	Number	Percent	Number	Percent
Under \$25,000	91	39.9	1	1.7
\$25,000 – \$49,999	47	20.6	6	10.0
\$50,000 – \$74,999	35	15.4	15	25.0
\$75,000 – \$99,999	16	7.0	11	18.3
\$100,000 – \$124,999	13	5.7	10	16.7
\$125,000 – \$149,999	15	6.6	10	16.7
\$150,000 & Above	11	4.8	7	11.6
Totals:	228	100.0	60	100.0
Median:	\$37,256		\$93,168	

Source: Southeast Wisconsin Multiple Listing Service



2019 Assessed Single-Family Home Values

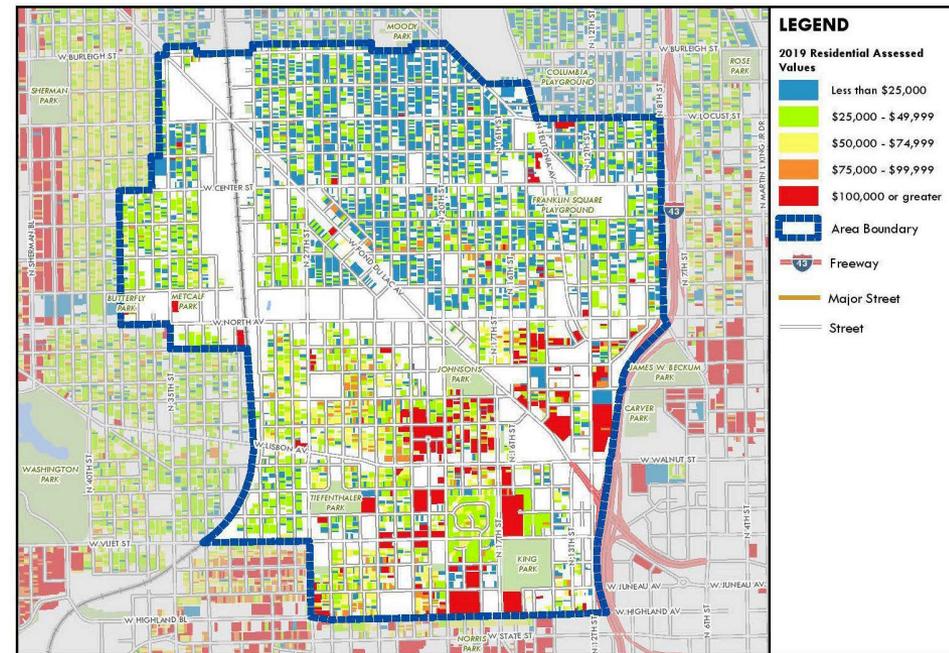
Fond du Lac & North Planning Area

Price Range	Number	Percent
Under \$5,000	5	0.2
\$5,000 – \$9,999	61	2.0
\$10,000 – \$14,999	220	7.2
\$15,000 – \$19,999	564	18.4
\$20,000 – \$24,999	416	13.6
\$25,000 – \$29,999	284	9.3
\$30,000 – \$34,999	179	5.8
\$35,000 – \$39,999	175	5.7
\$40,000 – \$44,999	187	6.1
\$45,000 – \$49,999	219	7.2
\$50,000 – \$59,999	177	5.8
\$60,000 – \$69,999	152	5.0
\$70,000 – \$79,999	70	2.3
\$80,000 – \$89,999	44	1.4
\$90,000 – \$99,999	55	1.8
\$100,000 – \$124,999	156	5.1
\$125,000 – \$149,999	67	2.2
\$150,000 and Over	29	0.9
Total:	3,060	100.0
Median Value:	----- \$34,900 -----	

Source: City of Milwaukee

FOND DU LAC AND NORTH AREA PLAN | RESIDENTIAL ASSESSMENTS 2019

Prepared by the Department of City Development Planning Division, 5/10/2019
Source: CDD Planning Division; City of Milwaukee Information and Technology Management Division



Ref: S, GIS and Data Projects (2019), P-02-13 - Fond du Lac and North Area Plan (Housing, 2019, Assessed)

Households by Income Qualifications

A Driver for Understanding Residential Rent and/or Purchase Power Capabilities

Despite lower overall incomes in the Fond du Lac & North Planning Area, nearly 2,000 households earn incomes of \$51,398 or more annually.

Income Category ⁽¹⁾	Actual Income Range	2019 Estimated Number of Existing Households by Age				
		Under 35 Years	35 – 54 Years	55 – 74 Years	75+ Years	Total
At or Below 30% AMI	\$15,419 or Below	1,070	990	980	220	3,260
30 to 40% AMI	\$15,420 - \$20,559	304	262	224	60	850
40 to 50% AMI	\$20,560 - \$25,699	299	257	217	58	831
50 to 60% AMI	\$25,700 - \$30,838	197	170	139	45	551
60 to 70% AMI	\$30,839 - \$35,978	194	168	132	42	536
70 to 80% AMI	\$35,979 - \$41,118	219	247	184	36	686
80 to 90% AMI	\$41,119 - \$46,257	139	157	117	23	436
90 to 100% AMI	\$46,258 - \$51,397	45	52	38	9	144
100% AMI or Greater	\$51,398 or Above	475	814	593	87	1,969
Total:	---	2,942	3,117	2,624	580	9,263

⁽¹⁾ AMI, or Area Median Income, is based upon the host Milwaukee County estimated 2019 median of \$51,398.

Source: Environics Analytics

Guiding Principles and Strategies

Residential Market

Looking Beyond the Numbers

Fond du Lac & North Planning Area

Lower incomes and housing values along with a declining population base are items that cannot be overlooked, but they do not tell the whole story:

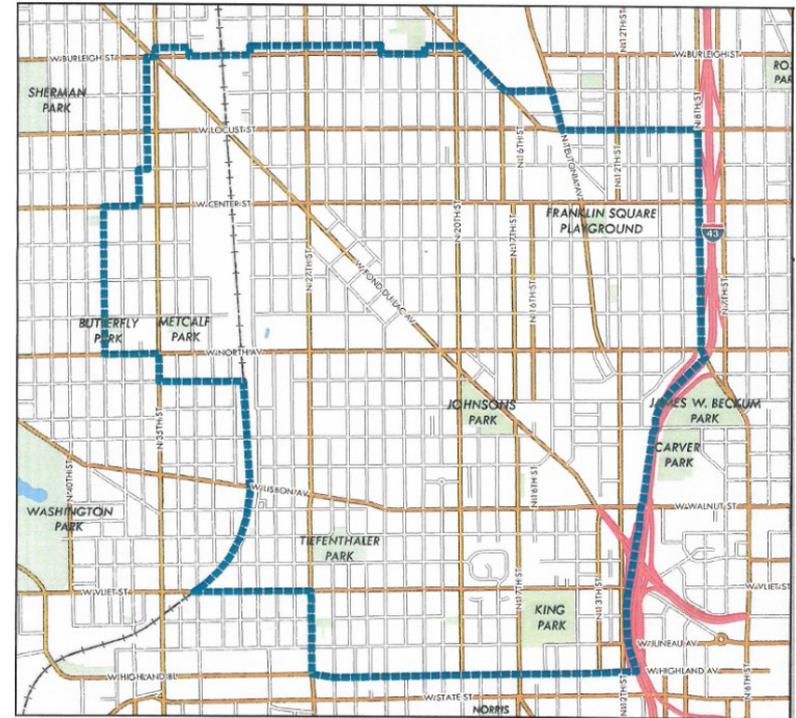
- While incomes are concentrated in the lower ranges, there is also a significant number of households in the planning area with moderate to higher incomes.
- The tightness of the new/newer construction apartment market (100 percent occupancies), while represented almost entirely by affordable units, shows the clear need and desirability for new product.
- If only population and household growth statistics are used to determine the demand for new housing, potentials would be negative. In urban areas throughout the country with aging housing stock, however, annual *replacement* demand is typically calculated at one-half percent of the existing housing stock. For the Fond du Lac & North Planning Area, this translates to a replacement demand derivative of at least 50 new units annually, a rate that could double or triple in a given year where “appropriate product and pricing” is made available.
- For the most part, new housing demand is currently only being satisfied by affordable rental units, which is appropriate and should continue on the basis of income distributions. Other opportunities do exist, however, considering some depth in the moderate- to higher-income ranges, along with activity in the existing home market at higher price points.
- An opportunity exists to build upon all of the major assets and recent redevelopment initiatives in the planning area by thinking strategically and looking at what others have done in similar markets.

Source: Tracy Cross & Associates, Inc.

Residential Directives

Fond du Lac & North Planning Area

- Looking beyond the numbers and in an effort to retain existing households and promote the potential for new household growth, a true hierarchy of development/redevelopment initiatives and housing products should be established going forward. In broad terms, these include:
 - Rehabilitation of existing housing stock.
 - New affordable housing developments.
 - New market rate housing developments.
- Within these three broad categories, a multitude of housing forms (including new product concepts) should be established to build upon, and most importantly, **improve** the diversity of housing that already exists within the planning area.
- This effort needs **full orchestration** to ensure that all of the housing initiatives are implemented sequentially, or ideally, simultaneously. In addition, the distribution of the various housing forms should be proportionate to area incomes.



Source: Tracy Cross & Associates, Inc.

The Hierarchy of Housing Products

Fond du Lac & North Planning Area

Rehabilitation

- Remodeling and refurbishment of existing single-family and duplex homes (landlords and homeowners alike).

New Affordable Housing

- Residential Adaptive Reuse and New Construction Multifamily Rental
- Conventional Townhome Rentals
- Ranch Villa or Duplex Rentals

New Market Rate Housing

- Multifamily Rentals
- For Sale Townhomes/Rowhomes
- For Sale Single-Family Ranch Patio Homes
- For Sale Conventional Single-Family Homes

Source: Tracy Cross & Associates, Inc.



Development/Redevelopment Guidelines: A Summary

Fond du Lac & North Planning Area

In addition to establishing a major **rehabilitation program** for the Planning Area, the following new construction housing products could be brought to market:

Product Type	Product Style	Garage Condition	Unit Size Range (Sq. Ft.)	Monthly Rent Range or Price Range
Affordable				
Multifamily Rentals	Stacked Flats	None	600 - 1,100	TBD
Conventional Townhome Rentals	Two-Story Townhomes	None	800 - 1,200	TBD
Ranch Villa/Duplex Rentals	Attached Ranches	None	800 - 1,100	TBD
Market Rate				
Multifamily Rentals	Stacked Flats	None	600 - 1,250	\$800 - \$1,450/Mo.
Townhomes/Rowhomes	Three-Story Townhomes	Two-Car	1,250 - 1,550	\$90,000 - \$110,000
Single-Family Ranch Patio Homes	Single Family Ranches	Two-Car	1,350 - 1,500	\$110,000 - \$140,000
Conventional Single-Family Homes	Single Family	Two-Car	1,600 - 2,400	\$140,000 - \$200,000

Source: Tracy Cross & Associates, Inc.

Rehabilitation/Revitalization Guidelines

Fond du Lac & North Planning Area

- Create a complete and thorough identification of single-family homes and duplexes in need of remodeling and renovation (if not done already).
- Rank these homes based upon disrepair.
 - 1) Modest Renovations Required
 - 2) Medium Renovations Required
 - 3) Heavy Renovations Required
 - 4) Beyond Repair (Demolition)
- Once evaluated, map to identify neighborhood clusters based upon ranking.
- Create action plan and prioritize based upon economies of scale, while also determining all potential financial assistance methods, owner/resident involvement, sweat equity, etc.

Source: Tracy Cross & Associates, Inc.



Affordable Housing Guidelines – No. 1

Residential Adaptive Reuse and New Multifamily Rentals

Product Description

Multi-story building(s) with single level apartment residences. Surface parking provided where possible.

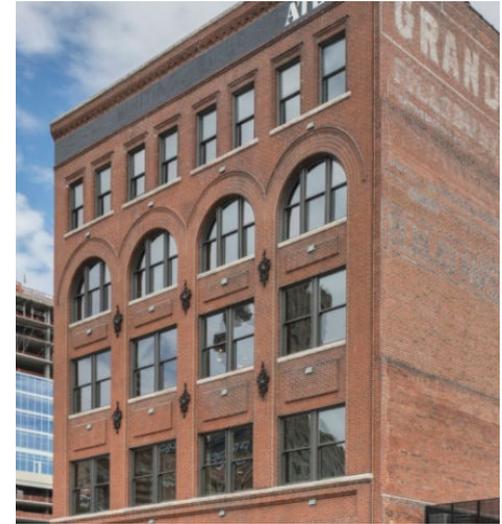
Plan Criteria

Plan Designation	Unit Type	Unit Style	Bedroom/ Bath Mix	Plan Size (Sq. Ft.)
AF-APT 1	Junior 1 BR	Flat	1/1.0	600
AF-APT 2	1 BR	Flat	1/1.0	750
AF-APT 3	2 BR	Flat	2/1.0	900
AF-APT 4	3 BR	Flat	3/2.0	1,100

Rental Rate Criteria

TBD based upon funding and financing mechanisms to be put in place, i.e., tax credits, tax increment financing, other subsidies, etc.

Source: Tracy Cross & Associates, Inc.



Affordable Housing Guidelines – No. 2

Conventional Townhome Rentals

Product Description

Higher-density two-story garageless townhome units configured in 10- or 12-unit buildings.

Plan Criteria

Plan Designation	Unit Type	Unit Style	Bedroom/ Bath Mix	Plan Size (Sq. Ft.)
AF-TH 1	2 BR	Two-Story	2/1.5	800
AF-TH 2	2 BR	Two-Story	2/1.5	1,000
AF-TH 3	3 BR	Two-Story	3/2.5	1,200



Rental Rate Criteria

TBD based upon funding and financing mechanisms to be put in place, i.e., tax credits, tax increment financing, other subsidies, etc.

Source: Tracy Cross & Associates, Inc.

Affordable Housing Guidelines – No. 3

Ranch Villa or Duplex Rentals

Product Description

Single level attached ranches without garages configured in five-unit buildings, which can be duplexed or tri-plexed where necessary. Reasonable surface parking.

Plan Criteria

Plan Designation	Unit Type	Unit Style	Bedroom/ Bath Mix	Plan Size (Sq. Ft.)
AF-RV 1	1 BR	Ranch	1/1.0	800
AF-RV 2	2 BR	Ranch	2/2.0	1,100



Rental Rate Criteria

TBD based upon funding and financing mechanisms to be put in place, i.e., tax credits, tax increment financing, other subsidies, etc.

Source: Tracy Cross & Associates, Inc.

Market Rate Housing Guidelines – No. 1

Multifamily Rental Apartments

Product Description

Multifamily building(s) with single level residences. Surface parking where possible and a modicum of community amenities.

Plan Criteria

Plan Designation	Unit Type	Unit Style	Bedroom/ Bath Mix	Plan Size (Sq. Ft.)
MR-APT 1	Junior 1 BR	Flat	1/1.0	600
MR-APT 2	1 BR	Flat	1/1.0	700
MR-APT 3	1 BR	Flat	1/1.0	800
MR-APT 4	2 BR	Flat	2/2.0	1,000
MR-APT 5	2 BR	Flat	2/2.0	1,100
MR-APT 6	3 BR	Flat	3/2.0	1,250



Rental Rate Criteria

At the time of market entry, rents should be positioned 35% percent below new/newer competitive counterparts located immediately to the east/southeast to limit leakage of existing residents and induce spillover. In today's dollars, that range would be roughly \$800 to \$1,450 monthly.

Source: Tracy Cross & Associates, Inc.

Market Rate Housing Guidelines – No. 2

Townhomes/Rowhomes

Product Description

Three-story townhomes with integral two-car garages configured in 6-unit buildings. Lower levels in lieu of basements.

Plan Criteria

Plan Designation	Unit Type	Unit Style	Bedroom/Bath Mix	Plan Size (Sq. Ft.)
MR-TH 1	2 BR	Three-Story	2/1.5	1,250
MR-TH 2	2 BR	Three-Story	2+Loft/2.5	1,450
MR-TH 3	3 BR	Three-Story	3/2.5	1,550



Pricing Criteria (Market Rate Sales Price to End Consumer)

Generally between \$90,000 and \$110,000 in current dollars, which will allow the product to target households earning incomes in the \$30,000 - \$40,000+ range and align an adequate number of resale units which are currently being sold annually at similar price points.

Source: Tracy Cross & Associates, Inc.

Market Rate Housing Guidelines – No. 3

Single-Family Ranch Patio Homes

Product Description

Narrow module ranch single-family homes with rear-access two-car garages. Slab construction/no basements.

Plan Criteria

Plan Designation	Unit Type	Unit Style	Bedroom/ Bath Mix	Plan Size (Sq. Ft.)
MR-RV 1	2 BR	Ranch	2/2.0	1,350
MR-RV 2	3 BR	Ranch	3/2.0	1,500
MR-RV 3	3 BR	Ranch	3/2.0	1,650



Pricing Criteria (Market Rate Sales Price to End Consumer)

Generally between \$110,000 and \$140,000 in current dollars, which will allow the product to target households earning incomes in the \$40,000 - \$50,000+ range and align an adequate number of resale units which are currently being sold annually at similar price points.

Source: Tracy Cross & Associates, Inc.

Market Rate Housing Guidelines – No. 4

Conventional Single-Family Homes

Product Description

Narrow lot conventional single-family homes with rear-access two-car garages. Slab construction/no basements.

Plan Criteria

Plan Designation	Unit Type	Unit Style	Bedroom/ Bath Mix	Plan Size (Sq. Ft.)
MR-SF 1	2 BR	Two-Story	2+Loft/1.5	1,600
MR-SF 2	3 BR	Two-Story	3/2.5	1,750
MR-SF 3	3 BR	Two-Story	3/2.5	1,850
MR-SF 4	3 BR	Two-Story	3+Loft/2.5	1,950
MR-SF 5	3 BR	Two-Story	3+Den/2.5	2,100
MR-SF 6	4 BR	Two-Story	4/2.5	2,400



Pricing Criteria (Market Rate Sales Price to End Consumer)

Generally between \$140,000 and \$200,000 in current dollars, which will allow the product to target households earning incomes in the \$50,000+ category and align an adequate number of resale units being sold annually at similar price points.

Source: Tracy Cross & Associates, Inc.

Product Planning Criteria

Putting it all Together

The implementation of the residential development/redevelopment directives will be challenging, especially on the basis of cost versus attainable rent/price and appraised value. **Note: the expected cost of construction is likely to exceed attainable market rate rents/prices by 30-40 percent.** For overall planning purposes, the following factors should help guide the process:

- Each product line must be efficient and cost-effective from a design standpoint (value-engineered). This can be achieved while still offering functional units.
- There should be no wasted space.
- There should be no basements (for now).
- There should be Four-corner (box-on-box) construction elevated properly. (Limit design intricacies from a cost basis but create tasteful elevations.)
- Push densities by offering “to the street” product, smaller lot sizes, front to back living, and integrated products where possible. (This will allow for a lower-level cost basis.)
- There should be a strong use of colors versus complicated architecture or materials.

Note: All suggested product lines have a proven track record relative to efficiency and desirability in similar areas of Milwaukee itself or other markets (with similar demographics) nationally.

Source: Tracy Cross & Associates, Inc.

Four-Corner Construction



Product Integration for Improving Densities



Geographic Positioning

Fond du Lac & North Planning Area

- Rehabilitation units will take their own geographic course based upon the identification and strategic planning process which, again, must be “all encompassing.”
- Affordable multifamily units can be interspersed throughout the planning area, primarily concentrated near major commercial and/or transportation corridors.
- Affordable townhome and ranch villa development, too, can be positioned at various locations throughout the planning area, although allocated to vacant land assemblages that are generally larger in size in order to create critical mass.
- Market rate rental development (initially) should be positioned in the southeast portion of the planning area in order to represent an extension of the surge in multifamily development occurring in and around downtown Milwaukee to the east/southeast.
- While market rate townhome, patio home, and single-family development can occur on scattered lots, obviously areas such as Josey Heights, Walnut Circle, and Legacy, all reconfigured, represent a logical starting point for any development of scale.

Source: Tracy Cross & Associates, Inc.



Making the Numbers Work Residentially

Fond du Lac & North Planning Area

Affordable housing alternatives will be the most manageable residential initiative as programs through WHEDA (tax credits) and other sources are already in-place and functioning. To bridge the gap that will exist between the cost of constructing market rate for sale housing and appraised values, however, creative financing/funding and a major **collaborative effort** will be required. Specifically, once cost estimates can be determined for a particular for sale product, a pre-appraisal or “prospective value upon completion” should be performed prior to construction to determine the gap between costs (including reasonable margins) and the expected appraised value. Assistance will then be required to close the gap and move forward with construction.

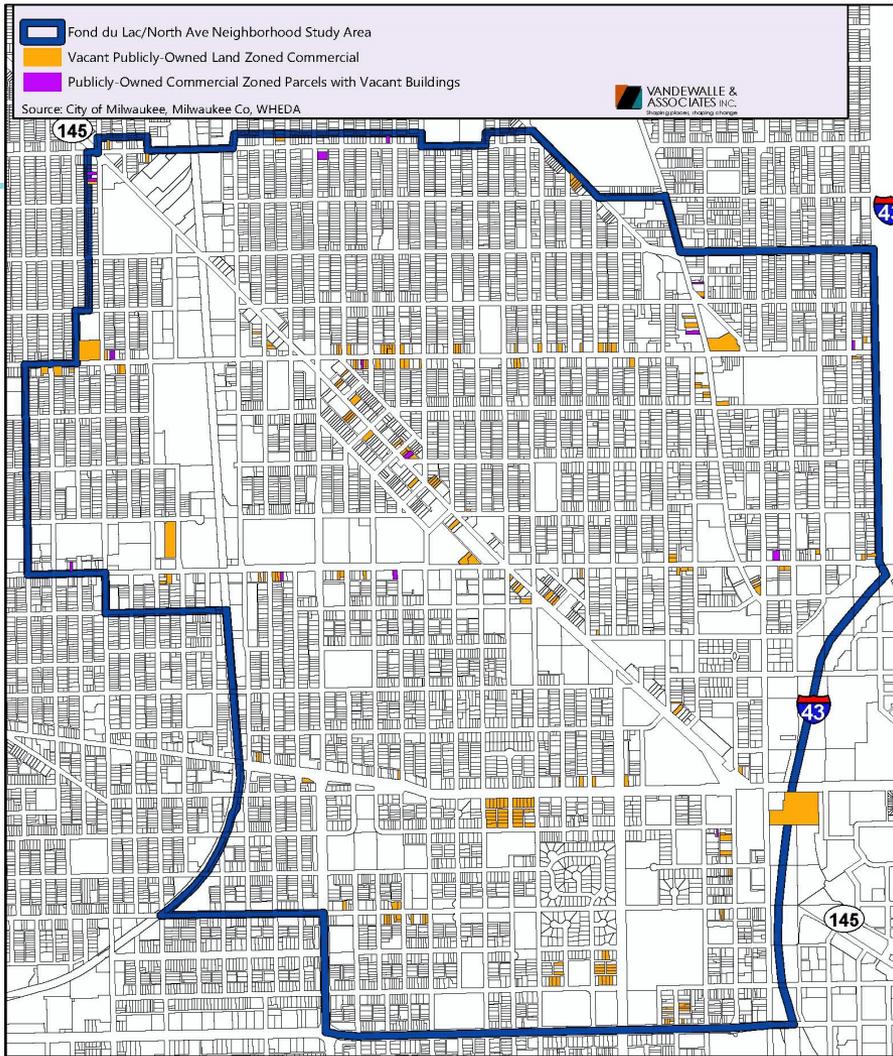
- Increased Buyer Incentives for New Construction to Close Appraisal Gap
- WHEDA New Construction Loan Products
- TIDs and Opportunity Zones
- Investment from Philanthropy
- Temporary Tax Abatement (Will Need State Involvement/Approval)
- Lease w/Option to Buy Scenario
- Down Payment Assistance

Revitalization of existing homes will also require significant assistance, which should come in the form of the City of Milwaukee’s TIN program, the Strong Homes Loan Program, the Rental Rehabilitation Loan program, and the Live/Work Duplex program, etc., along with **significant community and neighborhood involvement**. Other methods such as state and federal grants should also be thoroughly investigated, along with private fundraising efforts. (Look closely at how John George has raised funds to renovate 1,500+ homes in Detroit.)

Source: Tracy Cross & Associates, Inc.

Retail/Commercial Market Analysis

Commercial Market Overview



Source: City of Milwaukee (MPROP)

While the area struggles with scattered-site vacancy – 45% of commercially zoned parcels and 18% by area are vacant, including lots without a permanent structure – the estimated percentage of unoccupied square feet of commercially zoned retail buildings is somewhat lower at about 11%. Retail-oriented vacancies are clustered along the area’s major corridors (North Avenue, Fond du Lac Avenue, Center Street).

Land Use Analysis	Parcels	Acres
Study Area Totals	8,571	1,498
Total Commercial Parcels*	752	266.7
Vacant Commercial*	342	48.4
% Commercial Vacancy	45.5%	18.2%
Est. Retail Building Sq Ft*		2,342,463
Est. Total Vacant Retail Bldg Sq Ft*		257,983
Percent Vacant Commercial Bldg Sq Ft		11.0%

*commercially zoned parcels, excluding industrial categories

Commercial Market Overview

City-owned Properties

Raw land is an asset that may be consolidated for larger-scale development over the long-term and, given the City's ownership of nearly 162 acres in the area, should continue to be offered as a low- to no-cost development incentive. Vacant storefronts, which tend to be relatively small and inexpensive to buy or rent, offer opportunities for neighborhood-serving businesses along key corridors. When paired with resources from local BIDs and Brew City Match, resident- and minority-owned startup businesses stand a greater chance of succeeding in the long run.

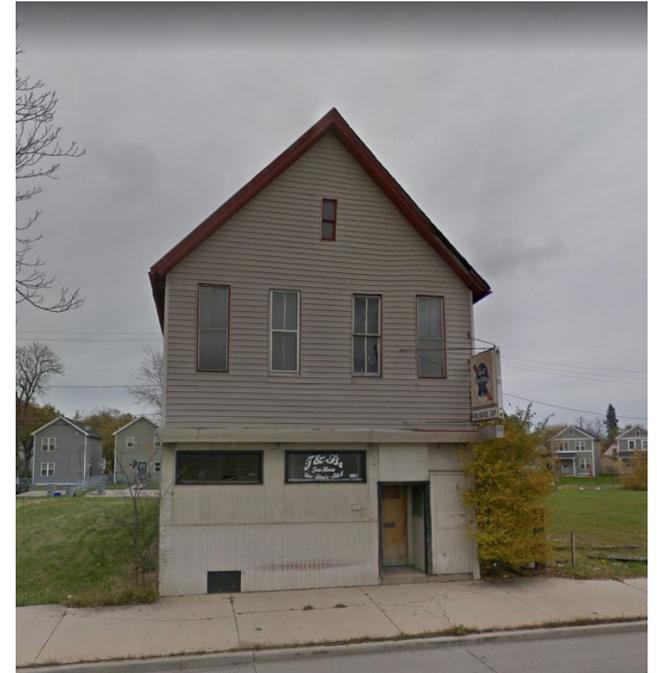
Vacant Land

- 1,442 out of 1,953 vacant parcels are publicly owned (74%)
- By area, 161.9 out of 227.5 vacant acres are publicly owned (71%)
- 271 out of 1,953 vacant parcels are publicly owned and zoned commercial (14%)
- By area, 43 out of 227.5 acres are publicly owned and zoned commercial (19%)

Vacant Buildings

- 170 out of 491 vacant buildings are publicly owned (35%)
- By area, 250,946 out of 980,552 vacant building sq feet are publicly owned (26%)
- 18 out of 491 vacant buildings are publicly owned and zoned commercial (4%)
- By area, 42,295 out of 980,552 vacant building sq feet are publicly owned and zoned commercial (4%)

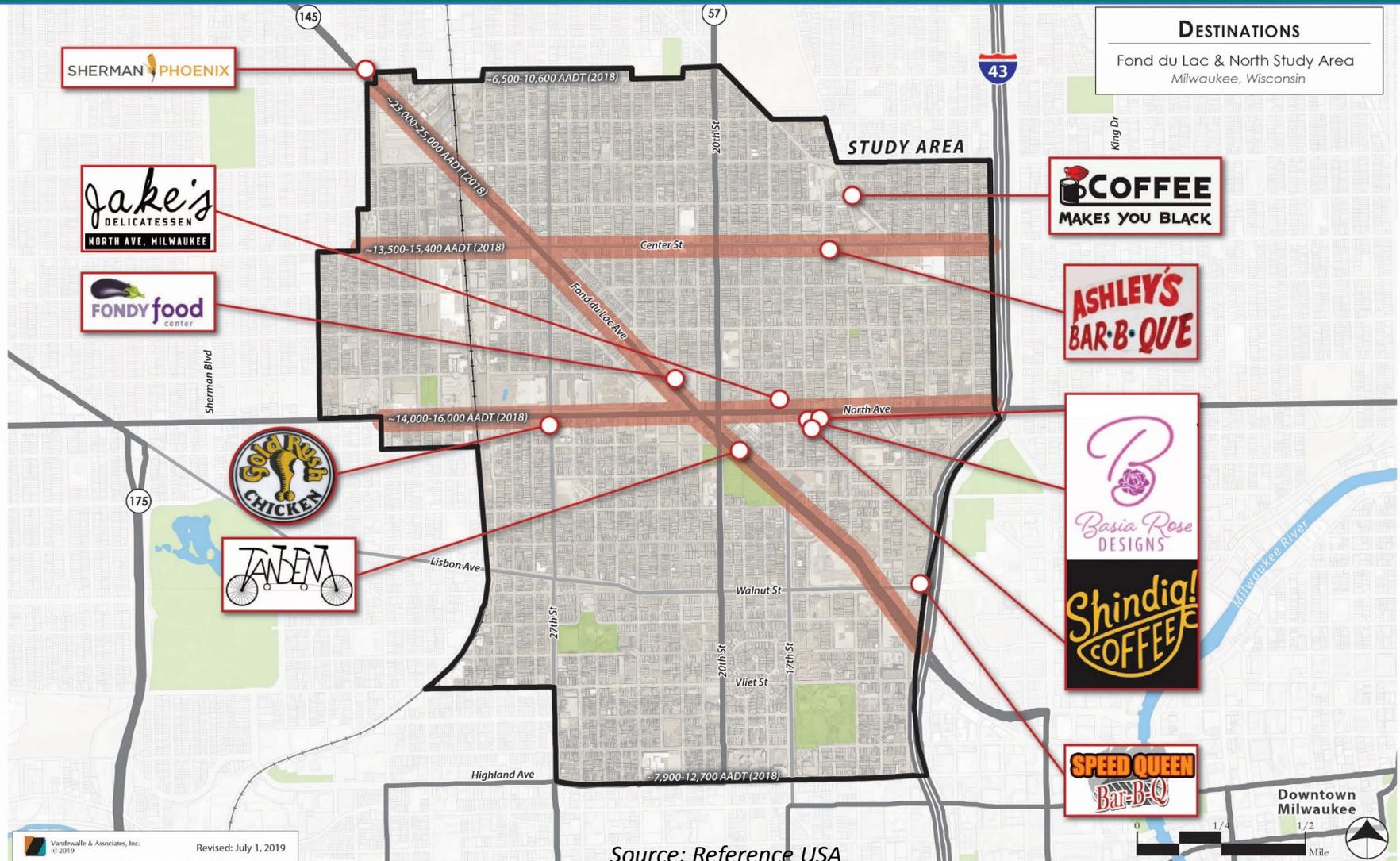
Source: City of Milwaukee (MPROP)



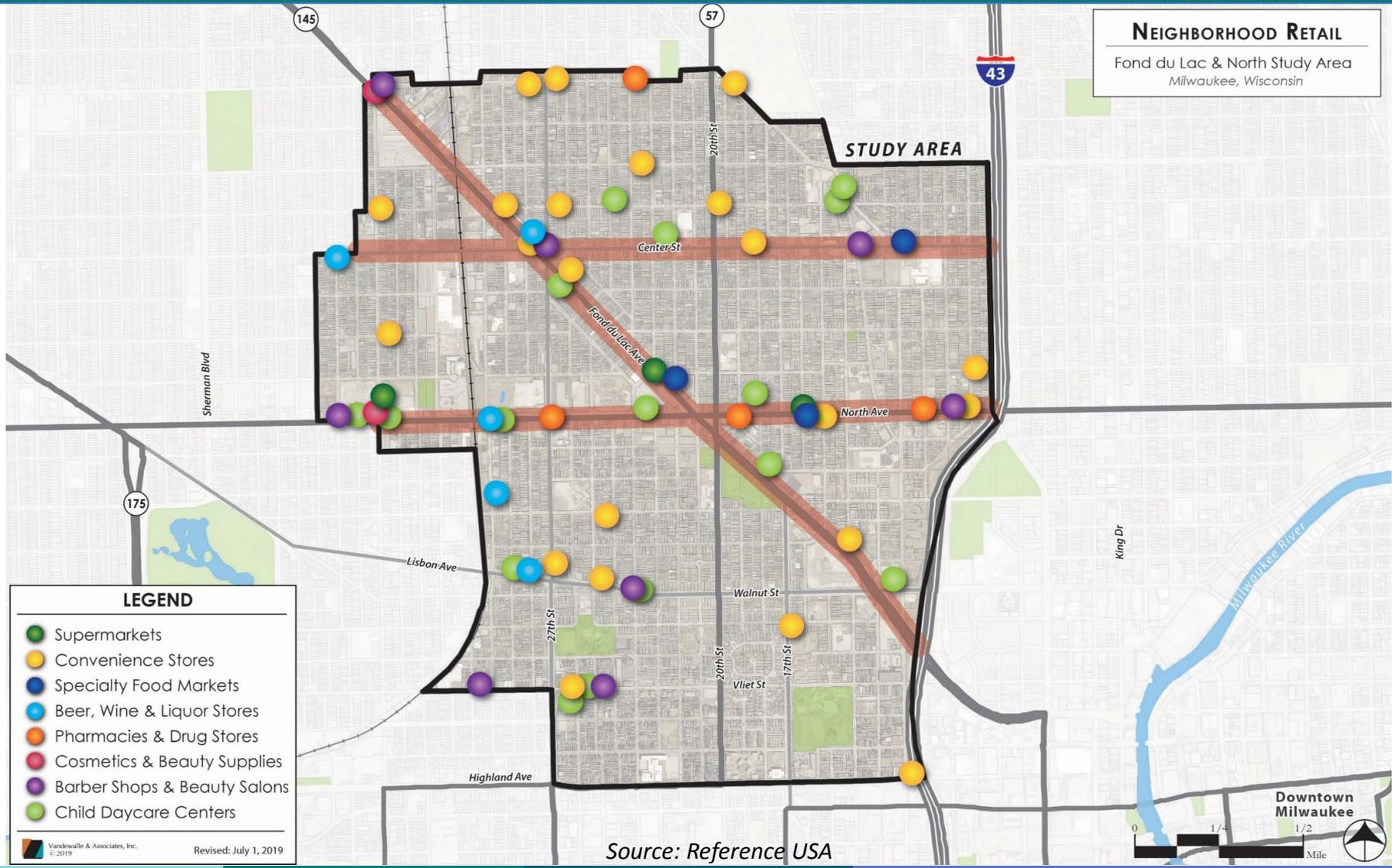
2444 W. Fond du Lac Ave.

Many of the retail destinations in the Study area are food-related and represent a mix of long-standing businesses (Jake's Deli, Gold Rush Chicken, Speed Queen BBQ) alongside newer options with a boutique twist (Shindig, Tandem).

The Fondy Food Market remains a stalwart for fresh food options and community enrichment, and the recently opened Sherman Phoenix provides a range of neighborhood-serving food, shopping, and services, many of which are minority-owned and operated.

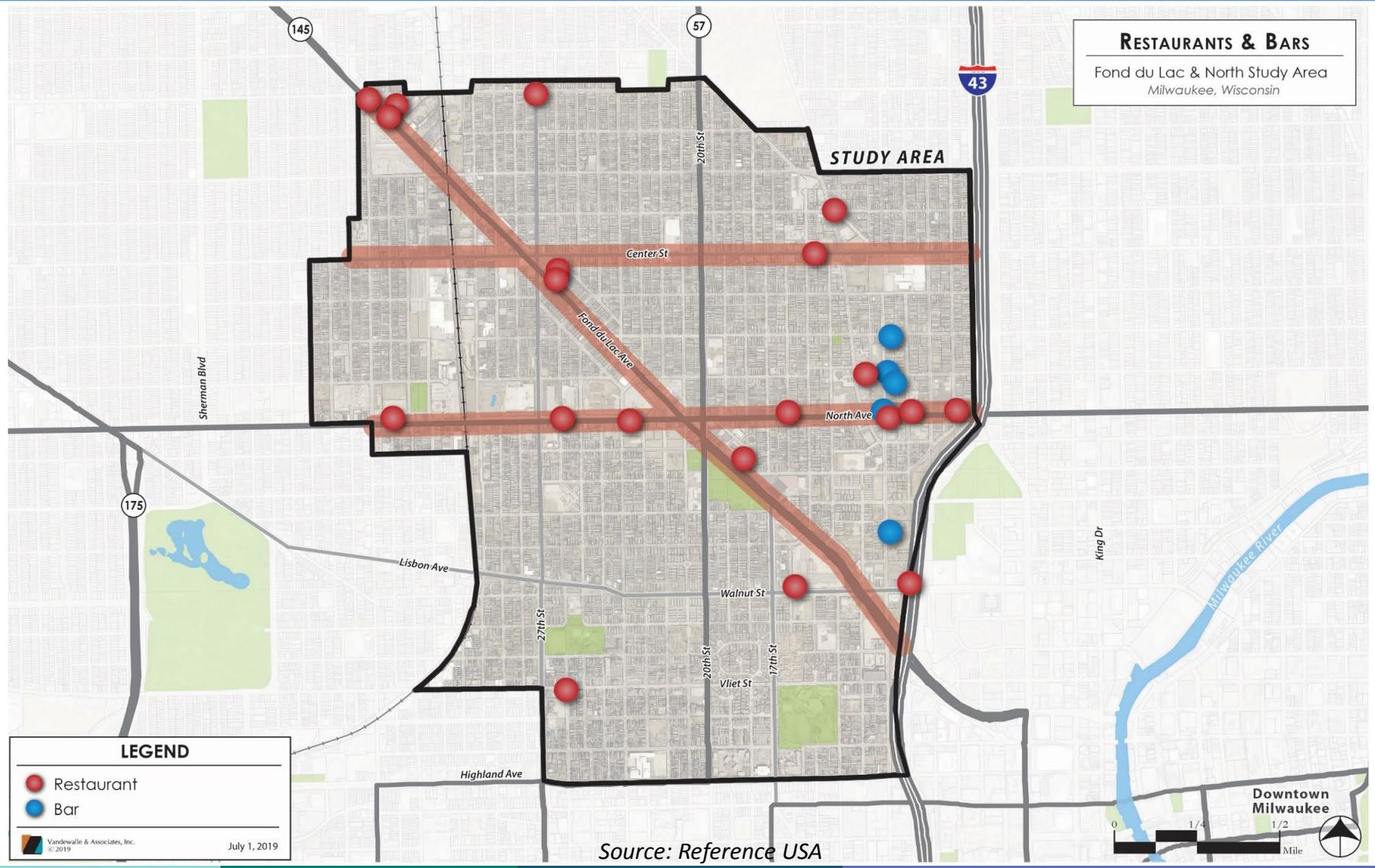


Many of the existing retail options in the neighborhood are limited to a few categories that meet residents' daily needs. Many of these are in the form of corner stores that offer a limited variety of food, drink, and household goods. Beauty services and childcare centers are also prevalent throughout the study area. Other specialty/destination retail stores are relatively scarce, with the exception of the Sherman Phoenix immediately northwest of the Study Area.



Beyond the aforementioned food destinations that are primarily independently owned and operated, many of the restaurant options along the primary commercial corridors of Fond du Lac and North Avenues are fast-food chains.

A cluster of businesses classified primarily as drinking establishments are clustered in the vicinity of North Avenue and 12th Street.



Properties for Sale and Lease

There are approximately 28 total non-residential properties either for sale or lease within the study area as of June 2019. Of those 28, there are approximately 630,000 sf for sale and 920,000 sf for lease space available. Retail uses alone only make up two of these listing with a total of just over 10,000 sf available, while mixed-use (some combination of retail, residential, and office) makes up seven of these listings with nearly 33,000 sf available.

Generally speaking, mixed-use listing averages a much higher cost per square foot (\$21 per sf for sale) as compared to industrial/warehouse uses alone (\$9 per sf for sale). This is partially because of the uses but also because of the location of the properties listed. The mixed-use properties are located in more high-visibility locations, whereas the industrial/warehouse uses are not.

Total Space Available	
Total "For Sale" Properties	Total "For Lease" Properties
630,000 sf	920,000 sf
21 listings	7 listings

For Sale	Average Per SF Price	Total Space Available	Number of Listings
Mixed-Use (retail, residential, office)	\$21	33,000 sf	7
Retail (alone)	\$40	10,000 sf	2
Industrial/Warehouse	\$9	520,000 sf	8
Other (office, warehouse, industrial mix)	\$46	69,000 sf	5

For Lease	Average Per SF Price	Total Space Available	Number of Listings
Industrial/Warehouse	\$2	640,000 sf	2
Office	\$9	24,000 sf	3
Other (office and industrial mix)	Unknown	255,000 sf	2

Source: 42Floors, CityFeet, LoopNet

Properties for Sale and Lease

Retail uses alone are higher than both mixed-use and industrial, however, with an average of \$40 per sf for sale. This is mostly because of their locations along North Avenue in one of the most traveled corridors within the study area.

Overall, the highest average cost per square foot of the available for-sale properties is the mix of office, warehouse, and industrial. These uses average \$46 per sf for sale. This is also partially because of location in more highly visible locations than the industrial/warehouse uses and the addition of more finished areas within the building for office spaces. Together these have helped to create the higher costs.

Note that this analysis includes only a snapshot of available properties for private sale from readily available databases and sources. As detailed earlier in this section, City-owned properties constitute a significant proportion of available land and building space and may be available for sale at significantly below-market rates, in turn influencing the volume and terms of “arm’s length” transactions between private parties.

Total Space Available	
Total “For Sale” Properties	Total “For Lease” Properties
630,000 sf	920,000 sf
21 listings	7 listings

For Sale	Average Per SF Price	Total Space Available	Number of Listings
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Office	\$9	24,000 sf	3
Other (office and industrial mix)	Unknown	255,000 sf	2

Source: 42Floors, CityFeet, LoopNet

Recent Commercial Sales

Since the start of 2018, there have been 25 sales of non-residential property in the study area. Of those sales, 17 were retail or mixed use (retail, office, and residential mixed). Within those 17 sales, there was a total of approximately 289,000 sf and \$2.28 million property value. The average price per square foot of all combined sales was approximately \$11.

The majority of retail and mixed-use properties sold is located near the major thoroughfares of the study area, such as North Avenue, West Fond Du Lac Avenue, and West Center Street.

Building Use	Number of Sales Since 2018	Total Value of Property Sold	Average \$ Per SF	Total SF Sold
Retail (alone)	10	\$1,700,000	\$12	264,000 SF
Mixed-Use	7	\$580,000	\$11	25,000 SF
Total	17	\$2,280,000	\$11	289,000 SF

Source: City of Milwaukee

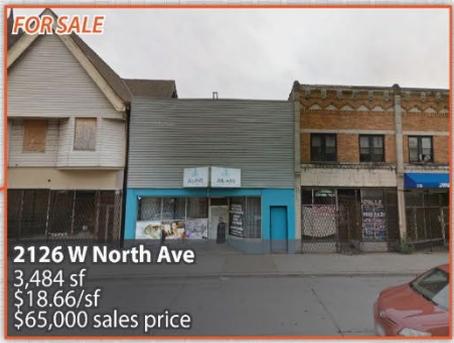


FOR SALE



2679 N 30th St
3,400 sf
\$20.58/sf
\$69,969 sales price

RETAIL MARKET
PROPERTIES SOLD & PROPERTIES FOR SALE
2018-2019
Milwaukee, Wisconsin



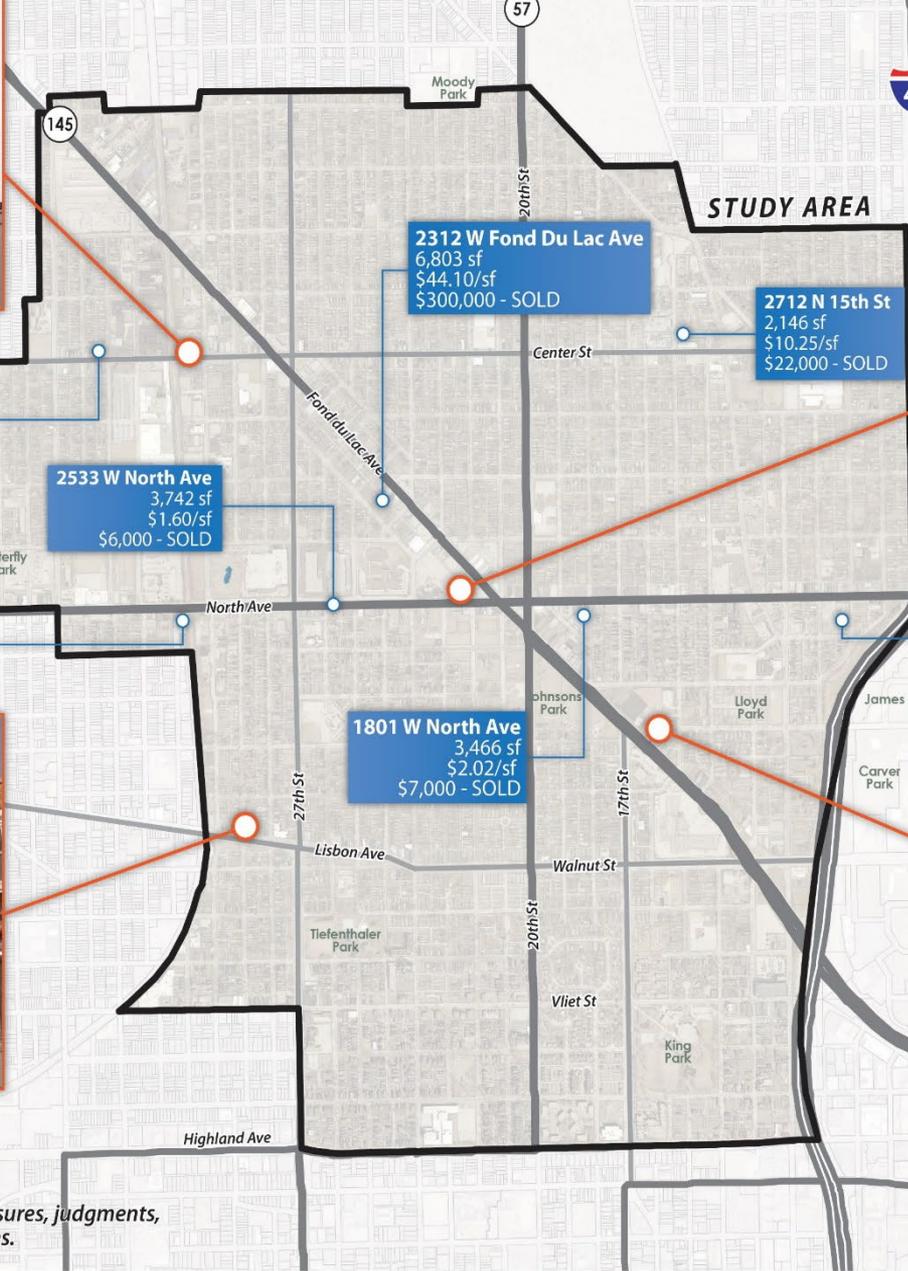
2126 W North Ave
3,484 sf
\$18.66/sf
\$65,000 sales price



1540 W Fond Du Lac Ave
14,120 sf
\$35.34/sf
\$499,000 sales price



2808 W Lisbon Ave
3,012 sf
\$21.58/sf
\$65,000 sales price



Note: Recent sale comparables exclude foreclosures, judgments, and sales to public or quasi-public entities.



Retail Gap Analysis

- Overall, retail demand within the study area itself appears to be fairly well served - **only about 8% leaks out of the area.**
- But the food and drink sector has the most unmet demand, about 15%.
- **Median disposable income in the area is about \$17,660.**

Source: ESRI Business Analyst

Interviews with residents and neighborhood leadership suggest **a desire to keep their money within the neighborhood** and thus support local business with large aggregate spending potential for the right business types.



Note: Additional details on the Study Area (0-5 minute drive time from Fond du Lac and North intersection. Comparison drive times in the vicinity (10 minutes) and region (20 minutes) can be found at the back of this report.

Retail Gap Analysis

Supportable Retail Square Footage and Estimated New Store Feasibility (0-5 min. drive)

Industry Group	Retail Gap	Median Sales PSF	Supportable Square Feet	Average SF	New Store Feasibility
Auto Parts, Accessories & Tire Stores	(\$2,399,579)	\$238	(10,082)	3,250	No
Furniture & Home Furnishings Stores	(\$5,408,362)	\$417	(12,985)	2,600	No
Electronics & Appliance Stores	\$3,600,463	\$595	6,051	2,000	Yes
Bldg Materials, Garden Equip. & Supply Stores	\$6,960,507	\$506	13,763	2,000	Yes
Health & Personal Care Stores	(\$18,254,217)	\$565	(32,294)	9,000	No
Clothing Stores	\$2,568,800	\$238	10,793	2,400	Yes
Shoe Stores	\$211,246	\$238	888	2,900	No
Jewelry, Luggage & Leather Goods Stores	(\$1,962)	\$595	(3)	1,200	No
Sporting Goods/Hobby/Musical Instr Stores	\$3,603,460	\$298	12,112	1,800	Yes
Office Supplies, Stationery & Gift Stores	\$1,457,619	\$238	6,124	1,800	Yes
Food/Beverage Industries					
Restaurants/Other Eating Places	\$2,050,288	\$476	4,307	2,500	Yes
Drinking Places - Alcoholic Beverages	\$498,348	\$476	1,047	1,500	No
Special Food Services	\$438,356	\$476	921	1,500	No
Grocery Stores (including convenience stores)	(\$16,000,897)	\$500	(32,002)	2,500	No
Specialty Food Stores	\$155,747	\$400	389	1,500	No
Beer, Wine & Liquor Stores	(\$7,290,660)	\$400	(18,227)	2,600	No

Source: ESRI Business Analyst; Urban Land Institute



Specific retail (non-service) segments that may have potential for new locations, depending on the size of the store, include:

- **Electronics,**
- **home and garden,**
- **clothing and shoes,**
- **sporting goods and hobby stores, and**
- **bars and small-scale restaurants.**

Caveat: traditional market retail gap analysis and national trends do not necessarily translate to the Study Area but are instructive as a baseline for further study.

Market Potential

Pet Grooming and Pet Products

Product/Consumer Behavior	Expected # of Households	Percent
Household (HH) owns any pet	3,206	35.0%
HH owns any bird	129	1.4%
HH owns any cat	1,081	11.8%
HH owns any dog	2,430	26.6%
HH owns 1 cat	729	8.0%
HH owns 2+ cats	358	3.9%
HH owns 1 dog	1,466	16.0%
HH owns 2+ dogs	981	10.7%
HH used packaged dry cat food in last 6 months	1,128	12.3%
HH used packaged dry dog food in last 6 months	2,269	24.8%
HH Bought pet food in last 12 months: from grocery store	1,833	20.0%
HH used professional pet service in last 12 months	1,067	11.7%
HH used professional pet service: boarding/kennel	227	2.5%
HH used professional pet service: grooming	856	9.4%

Source: ESRI Business Analyst



One specific opportunity mentioned by neighborhood stakeholders was pet care and retail. No locations in the Study Area exclusively provide pet food, grooming, or boarding, though there are options in neighboring areas.

As a relatively stable and growing retail sector for which barriers to entry are fairly low, there may be some unmet demand in the Study Area for these kinds of services as a means to recirculate local dollars within the neighborhood.

As estimated by ESRI, about 35% of households own at least one pet. If even a relatively small proportion of these 3,200 households frequented such a store, there may be enough sales within the neighborhood and nearby to support a small specialty operation.

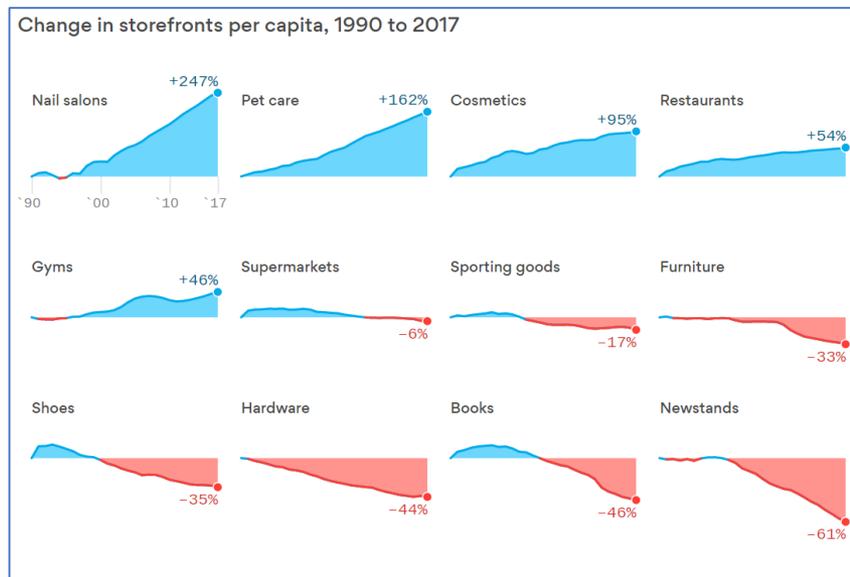
Changing Retail Marketplace

“Big Picture”

At the national level, there are significant shifts in the retail and commercial service marketplace, in part based on an increased preference for online shopping for everyday items, from clothing to groceries. E-commerce sales volume has grown almost 92 percent since 2013, significantly outpacing brick and mortar sales. Because of this shift, many cities are encountering challenges in filling retail vacancies because of excess supply. In many cases, this has resulted in disinvestment in the older retail centers, and properties that were once prime retail destinations sit vacant for long period of time, with no guarantee of finding a new retail tenant.

Nationally and locally, retail offerings that can't be easily replicated online, including stalwart local services, personal care stores, discount retailers, and dollar stores are increasing, while hardware and other soft line goods are declining in real numbers and in average store size.

Nail and waxing salons — in addition to pet grooming shops, cosmetics stores, tattoo parlors, and gyms — stand out as growth sectors, while traditional, independent apparel, book, and hardware stores continue to decline.



Data: Bureau of Labor Statistics, Federal Reserve Bank of St. Louis; Chart: Axios

By the numbers

- **Between 1990 and 2017**, the number of nail salons for every 100,000 Americans nearly tripled, from fewer than two to nearly seven.
- **Pet grooming surged one and a half times**, and cosmetics almost doubled.
- **The common theme:** These offerings can't be easily replicated online.

Changing Retail Marketplace

Desired Business & Service Mix

In general, it is strongly desired to pursue a business and service mix that is oriented to local residents, is supported by local residents, and includes significant proportions of black-owned and resident-owned businesses. In addition to the potentially viable market opportunities in the retail gap data described earlier in this report, consultant insights and stakeholder interviews suggested additional needs and desires for specific business types within the study area. These types of businesses should be encouraged and considered in the Brew City Match program. They include:

- Medical services, including clinics and dentists
- Dry cleaning
- Pet grooming
- Healthy food options, including healthy takeout, grocery stores, and improved options at corner stores
- Banks serving local business owners and residents

Because of corporate site selection criteria and preferences for business that serve the local community, retail chains are not actively desired or anticipated in the Study Area. Therefore, promotion of entrepreneurial opportunities and resources offers perhaps the best short-term strategy for neighborhood-level commercial growth.

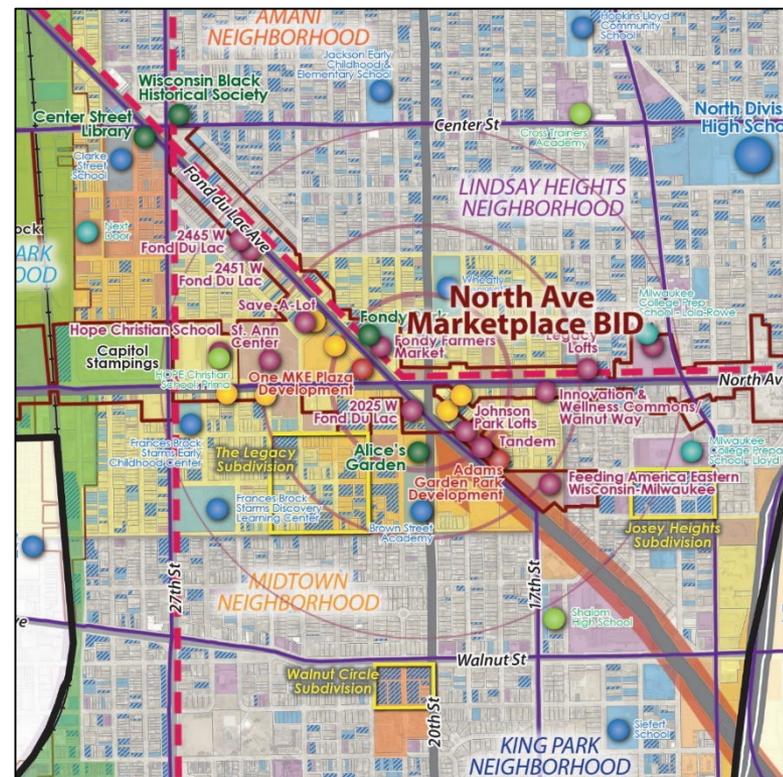


Changing Retail Marketplace

Implications for Study Area

Because of the changing retail landscape, the City should prioritize locations where retail would be concentrated and more flexible in other areas that are currently devoted to retail. Specifically, the City should cluster retail development along its main commercial corridors (Center Street, North Avenue, and Fond du Lac Avenue); in particular, retail development should be concentrated on the Fond du Lac and North Avenue intersection.

By-appointment retail, services, and online-sales-based business models that rely less on visibility and foot traffic should be located outside of these core retail areas. Decreasing the overall amount of available retail square footage will make the remaining square footage more competitive and increase occupancy rates in core areas. In the meantime, the City should continue to support transitional uses in empty storefronts such as artists-in-residence, pop-up stores, and other entrepreneurial ventures.



Guiding Principles and Strategies

Retail/Commercial Market

Capitalize on the Concentrated Efforts and Resources Dedicated to the Area

The Study Area has seen an influx of investment and attention in recent years. In addition to recent catalytic projects and investment described earlier in this report, several institutions have made commitments to the area. For instance, **LISC-Milwaukee** has selected Fond du Lac and North Avenues as a focus area for their Brew City Match collaboration, which seeks to revitalize historic corridors by connecting new businesses with real estate, training, and funding.

The **Zilber Family Foundation** identified Lindsay Heights as one of two pilot neighborhoods for their Zilber Neighborhood Initiative, which brings together the people who live, work, or serve in the area to improve the quality of life for residents. One result of this effort was the Lindsay Heights Quality of Life Plan. The Lindsay Heights Charette Report identified this area as having gained momentum and developed several redevelopment concepts for sites throughout the neighborhood.

Recognizing the recent emphasis on this area and potential it possesses, the **City of Milwaukee** has initiated an update of the Fond du Lac and North Areawide Plan, and the **Greater Milwaukee Foundation** and **Zilber Family Foundation** have provided funds for local organizations to lead the outreach for the Plan Update.

Because of this level investment and the drive of local community leaders and openness to try to things, there is a growing energy within the Study Area; this momentum could lead to innovative projects, creative entrepreneurship, and productive partnerships. The cumulative effect of these efforts could result in transformative impacts. The Study Area is primed to begin this work now.

“Capitalize on LISC Milwaukee’s investments to spark and grow small businesses in historically underinvested, minority communities. It’s a critical tool for supporting families of color to build generational wealth.”

Donsia Strong Hill,
LISC-Milwaukee

Guiding Principles and Strategies

Deploy Creative Strategies to Build on Momentum

As described earlier in this report, some of the elements of a traditional market study do not apply to this Study Area. This means looking beyond the needs uncovered in a traditional market analysis and adopting creative ideas to shift the market and increase nontraditional opportunities to grow market potential. These include:

- In order to overcome lack of traditional financial resources, pursue community ownership, equity ownership, and workers collective models, which rely on shared investment to get started and which provide benefits to its membership/owners/employees.
- Pursue collaborative spaces such as coworking spaces, talent hubs, and convening and gathering spaces in order to leverage knowledge already in the Study Area.
- Diversify the mix of goods, retail, and services within the Study Area. Focus on the business/service types suggested earlier in this report.
- Diversify the business formats and embrace new models. For example, a successful business could be a combination of traditional storefront retail, app-based or online sales, and custom orders.
- Consider small leasable spaces for internet-based companies with smaller retail presences.

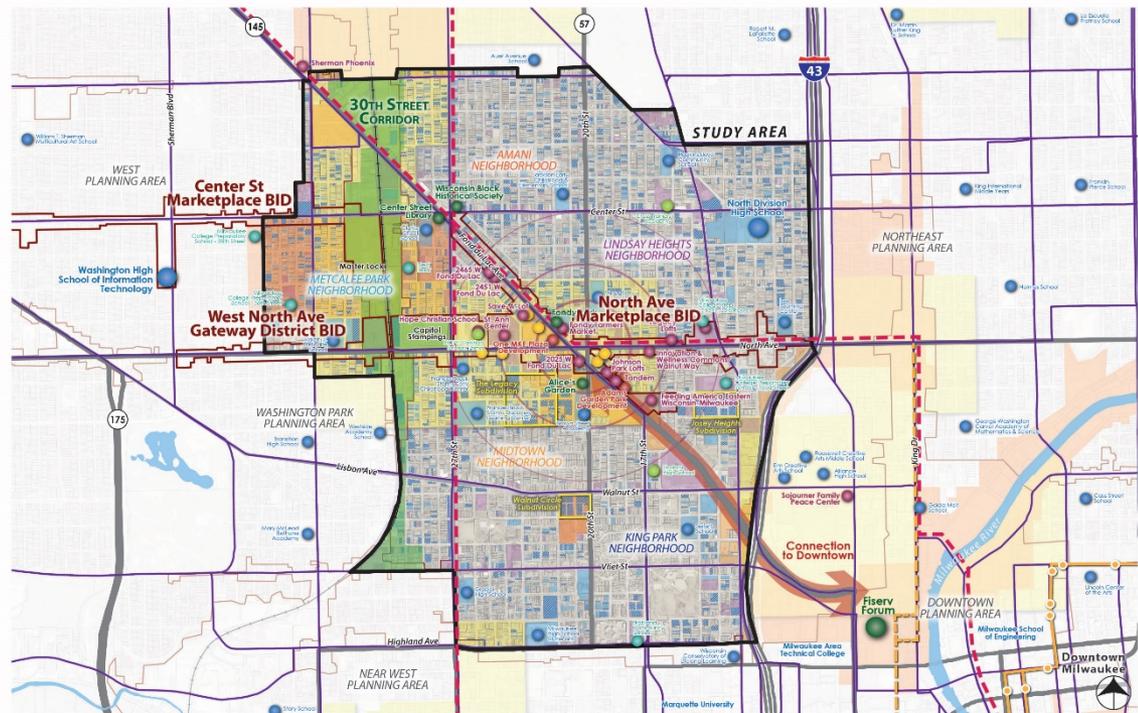


Local Assets and Opportunities

Build on Community Assets to Increase Opportunities

In addition to local assets illustrated in the map at right, the Study Area's advantageous location within the greater Milwaukee area offers access to regional employment hubs and opportunities to grow its role with the greater Milwaukee market. There is also palpable potential to harness the recent resurgence, investment, and growing energy in Downtown as it naturally spreads to the west to the Study area – just minutes away.

Likewise, recent momentum, catalytic projects, and promising trends – such as increasing assessed values for single-family and multifamily housing and decreasing number of vacant parcels since 2000 – indicate that the Study Area is primed for the next stage of revitalization.



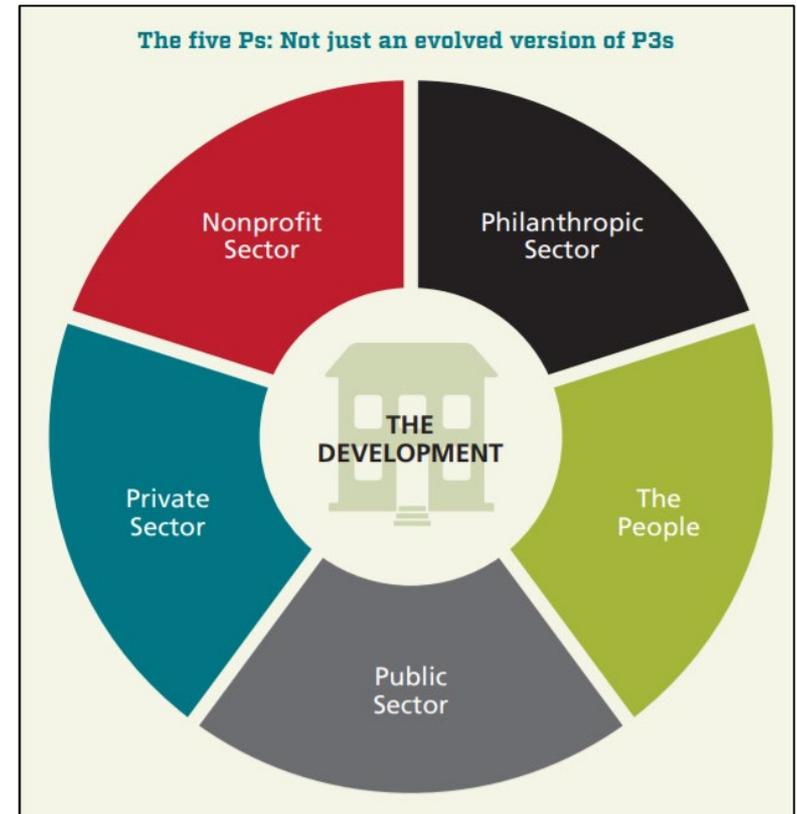
Guiding Principles and Strategies

Consider Vacant and Publicly-Owned Properties as Potential Opportunities

Vacant parcels, particularly those which are publicly owned, hold great potential to increase tax base and create value within the Study Area. Of the 491 vacant buildings in the Study Area, 18 (or 4%) are publicly owned and commercially zoned. These present the most natural commercial opportunities, although all vacant lots could be evaluated for suitability for infill and reinvestment.

The City or County could work with private sector developers or partners to develop P3 or P5 partnerships. Such collaborative efforts result in projects that not only find a productive use for the land, but also provide essential community benefits such as job creation, affordable housing, infrastructure, public amenities, education resources, and other improvements to quality of life. Priority should be given to projects that address known community needs, have transformative potential, and which are consistent with adopted plans, policies, and the guiding principles and recommendations in this report.

This approach was successfully utilized in Madison, WI, where the City of Madison and Madison Gas & Electric partnered to purchase vacant land and strategically reposition properties within the Capitol East District. It has resulted several multi-million-dollar mixed use projects and about 50 startups and small companies within the District.



Source: Calvin Gladney, Mosaic Urban Partners

Guiding Principles and Strategies

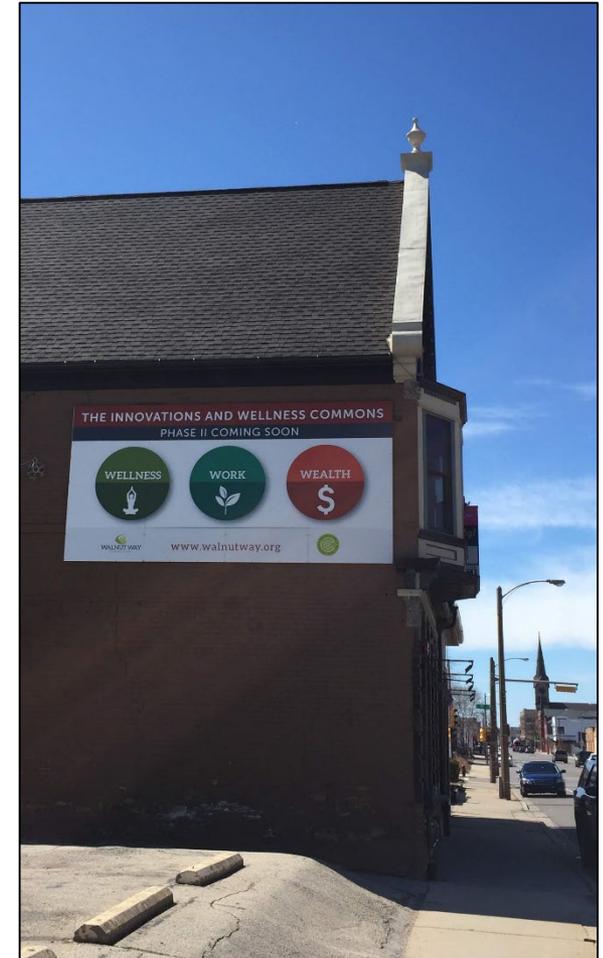
Build on Growing Support for Collaborations

There is a strong appetite for locally-based collaborative models and organizations to serve the Study Area – not only to provide essential services, but also to provide economic development tools and build local capacity to help lift the residents out of poverty. These collaborative/equity ownership models have multiple purposes and fulfill multiple needs, including triple bottom line objectives.

There is ample opportunity build on existing creative models in the area such as Walnut Way, Blue Skies Landscaping, and Sherman Phoenix. Furthermore, in Chicago, the Corner Store Campaign seeks to address the “long history of injurious business practices, ingrained racial tensions, and unhealthy food options that typifies many inner-city corner stores.” This type of campaign involves collaboration of residents, corner store owners, elected officials, and community leaders.

Additional ideas for the Study Area include:

- **Develop Contractor Businesses with Job Training** – Launch businesses to fill a demonstrated market need for affordable contractor work. Within the businesses, provide career training and jobs for current residents. This would involve cross-sector collaboration to identify staff and mentors, provide funds for training, and connect residents to training – ideally building on similar efforts currently in development such as One Hope Made Strong Inc./ EWS Electric in the Study Area and Journey House’s Construction & Design Academy in Clarke Square.



Guiding Principles and Strategies

Build on Growing Support for Collaborations

- **Expand Ecotourism** – Building on existing Lindsay Heights EcoTour project, pursue businesses and projects that incorporate solar, local food, and climate change adaptation features. Build on this theme to attract more interest and investment to the Study Area.
- **Develop Collaborative Hubs** that provide the essential business and startup support that the Study Area needs. These hubs could capitalize on local knowledge and sources of local support or partners for business ideas. They could also direct current residents to small business resources, provide networking opportunities, and lay the groundwork for further collaboration within the Study Area.

Such models reflect the growing trend to share limited resources and increase collaboration, as different groups and organizations bring unique strengths and expertise to the table – whether related to or small business incubation, redevelopment, economic development, or other fields. Other successful examples include The Water Council in Milwaukee and StartingBlock Madison.

The proposed One MKE Plaza project takes this a step further by creating connections and cross-pollination with other neighborhoods or sectors that are not far from the Study Area – partners such as successful entrepreneurs operating in other parts of Milwaukee, regional anchor employers, leaders of Fortune 500 companies, and myriad community-serving organizations. Ideally, there would be two-way flow of information into and out of the Study Area, introducing the local community to new ideas or career options, building on specialized expertise, fostering mentoring or training relationships, providing exposure, and enabling networking and collaboration.



Considerations for Plan Update

Considerations for Plan Update

Focus on Live-Learn Neighborhood Development

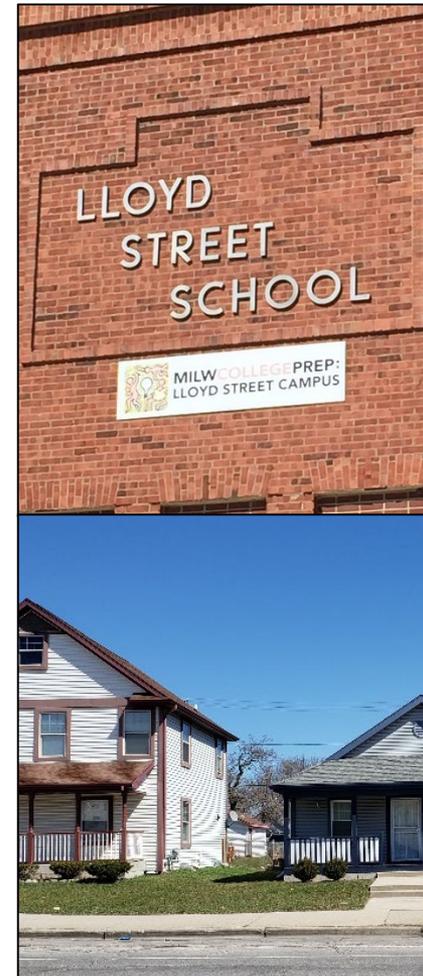
The Live-Learn Initiative is a roadmap for central city revitalization that uses education as the driving economic force. The power of the idea comes from bringing together multiple neighborhood voices, strong school and business partnerships, and a clear shared vision—then applies their collective energy to transform the area’s existing educational assets into the economic lifeblood of a healthy, attractive, and vibrant neighborhood. Focusing on individual schools and the surrounding neighborhood, the purpose of the Live-Learn reinvestment initiative is to develop a compelling future vision to re-brand the area as a unified "learning campus" district. The two core objectives of this vision include the following.

Rebuilding A Healthy Neighborhood by fostering physical, social, and economic health, including a walkable, bikeable neighborhood; arts and cultural programming; healthy food; green architecture, green technology, and green streets.

Nurturing Budding Career Pathways by strengthening the educational focus through the school’s shared facilities, connections, and activities, including:

- High school programs with career-building experiences
- Flex spaces, including vacant storefronts and other unused spaces to be used by the community for meetings and classes
- Physical and programmatic connections to higher and continuing education courses
- Support for entrepreneurship such as mentors, business plan guidance, shared phones and copiers, workspaces, and tools
- Intern/apprentice job pathways in fields such as building trades, architecture, design, urban planning, energy and sustainability, entrepreneurship, basic finance, and basic real estate.

This concept is being advanced by Vandewalle & Associates in Muncie, IN. See nextmuncie.com



Considerations for Plan Update

Implement Traffic Calming Measures on Commercial Corridors

Traffic moves very quickly down North and Fond du Lac Avenues. While the high traffic counts on these main thoroughfares have some benefits for business on the corridors, the speeding cars and dangerous driving habits by some drivers create a hostile pedestrian environments. The net effect is unfavorable for a thriving business district. The Plan Update should recommend measures to slow traffic, not only to increase safety, but also to encourage drivers to slow down and see what the Study Area has to offer. Examples of traffic calming measures include:

- Road diets
- Enhanced crosswalks
- Widened sidewalks/narrowed roadways
- Edgeline striping
- Signage
- Medians
- Curb bumpouts

According to the Federal Highway Administration, traffic calming measures can reduce traffic speed, reduce collisions, and improve safety for pedestrians and people on bikes. Road diets, which involve repurposing a traffic lane for other modes or uses, are a powerful tool for urbanized areas that can help improve safety, nurture lively neighborhoods, and increase local business sales.

As traffic speeds decrease in the Study Area, local businesses or BIDs could consider increased sidewalk amenities and outdoor dining.

Annual Average Daily Traffic

Center Street:

- ~13,500-15,400 AADT

North Avenue:

- ~14,000-16,000 AADT

Fond du Lac Avenue:

- ~23,000-25,000 AADT

Considerations for Plan Update

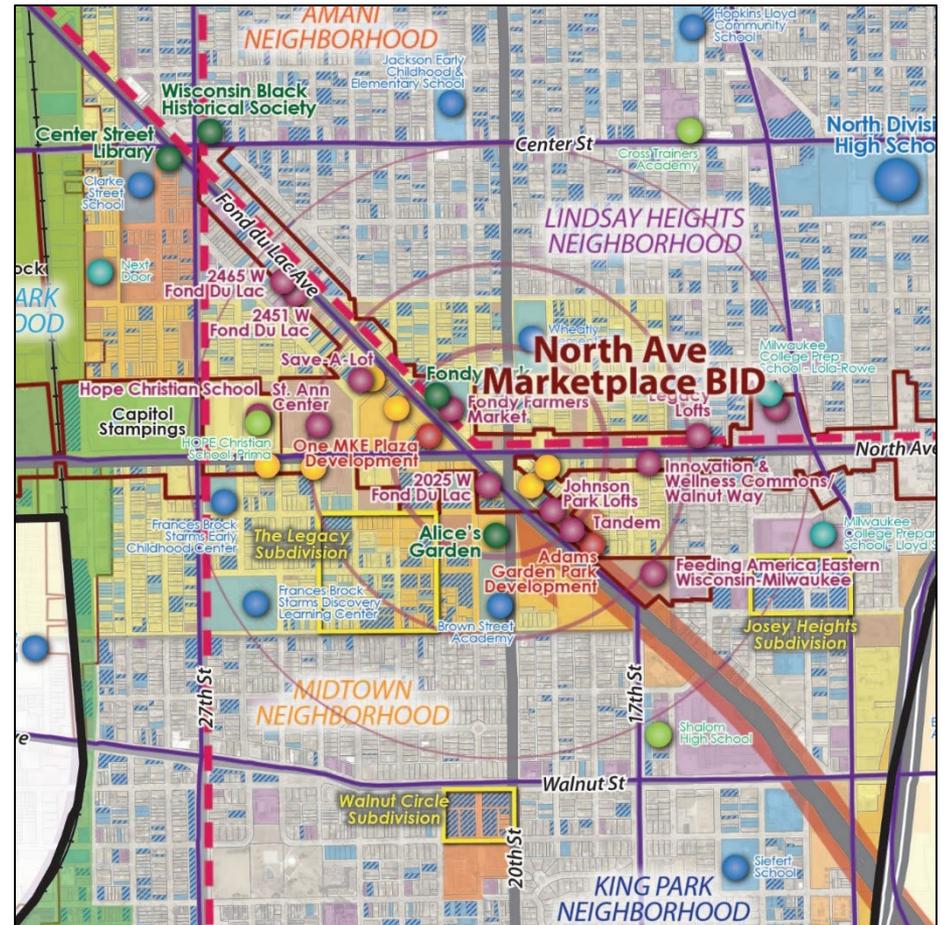
Land Use and Redevelopment Recommendations

To advance momentum and build upon catalytic projects and community investments underway in the Study Area overall, the Plan update should prioritize the following as it relates to redevelopment and land use:

- **Build on the tremendous existing assets within the area and offer opportunities for complementary developments** – with the commercial districts and destinations each with their own market/client base with needs for additional businesses.

Next Steps:

- **Lindsay Heights:** Build on the growing ecotourism initiative.
- **Walnut Way:** Build on existing health and wellness initiatives – promote businesses including retail, personal, and community services.
- **Center Street:** Build on the existing personal services cluster to diversify business types and maintain the area as a destination.

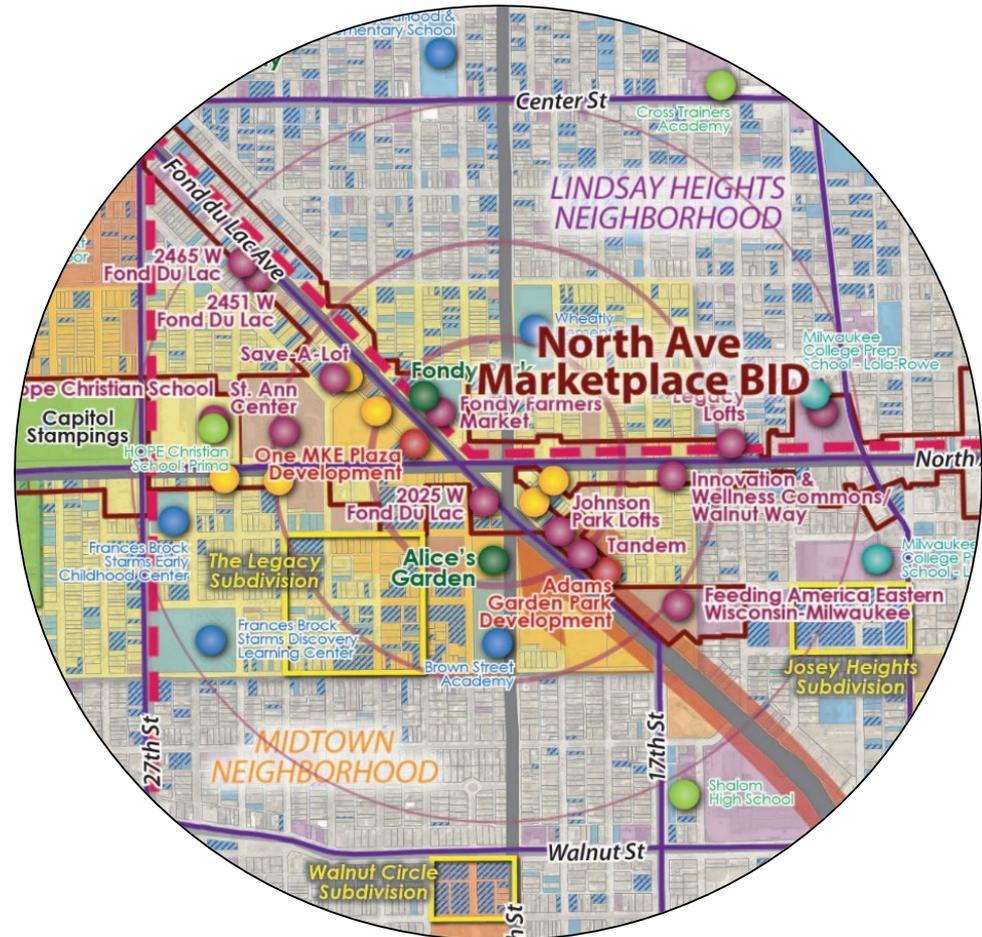


Considerations for Plan Update

Land Use and Redevelopment Recommendations

- **Target energy and investment in the Fond du Lac and North Avenue intersection as a center point for the Study Area.** In doing so, continue to activate the area with retail and service uses most needed in the market and those that are complementary to the surrounding existing uses: Fondy Food Market, Fondy Park, Tandem, One MKE Plaza. Uses may include restaurant/café food, entertainment and active spaces for community gathering, arts-related events, and health and wellness services.

Next Steps: Identify sites in the Fond du Lac and North intersection that can be targeted for reinvestment and for specific uses, potentially connected to businesses growing out of the Brew City Match program. Consider issues or potential barriers to advancing redevelopment or reuse and work through the channels as appropriate to remove barriers in order to see success in this high priority area.



Considerations for Plan Update

Land Use and Redevelopment Recommendations

- **Target resources strategically to advance commercial corridors throughout the Study Area with retail and commercial uses most needed in the market,** including: medical services--clinics and dentists; laundry and dry cleaner services; pet grooming; healthy food options including healthy takeout and transforming corner stores into well-rounded food markets; and banks to serve local business owners and residents.

Next Steps:

- Identify specific sites to target for needed land uses. Work through site zoning and approvals issues to promote success and relative ease of process.
- Work with existing and aspiring small business owners/entrepreneurs and organizations to recruit needed businesses to the area. Be creative and look beyond market data to explore community needs and opportunities for innovative business and destination development. Business development with collaborative hubs and networks will allow for organic, creative, local business growth.
- Work with medical/dental service providers and the banking community to discuss hurdles and strategies to increase new banking and medical/dental options in the area.
- Consider barriers that may exist to advancing these efforts – including the need for entrepreneur business startup support in both financial and business capacity development. Set the stage for success by teeing up support and networks.



Considerations for Plan Update

Land Use and Redevelopment Recommendations

- Seize the opportunity presented by the high demand for contractor businesses, construction, and manufacturing trades through targeted efforts to ***locate job training, contractor startups, and trade-oriented businesses in the Study Area.***

Next Steps:

- Advance the Live-Learn Neighborhood approach of focusing on existing schools and social service hubs as lifelong learning and career opportunity development. Necessary next steps may include a Live-Learn campus land use study or plan. Consider existing school and social service campuses, their current offerings, adjacent land uses, and available sites/land for advancement of job training and trade-oriented business startup. Review land use and zoning designations and take appropriate steps to modify as appropriate

Conclusion: Although challenges exist, the trajectory of the Fond du Lac and North Area is undoubtedly positive. Now is the time to capitalize on the growing energy in the Study Area, the dedication of local leadership and organizations aligned around improving market opportunities in the Study Area, and the overall revitalization of downtown neighborhoods.



Appendix:

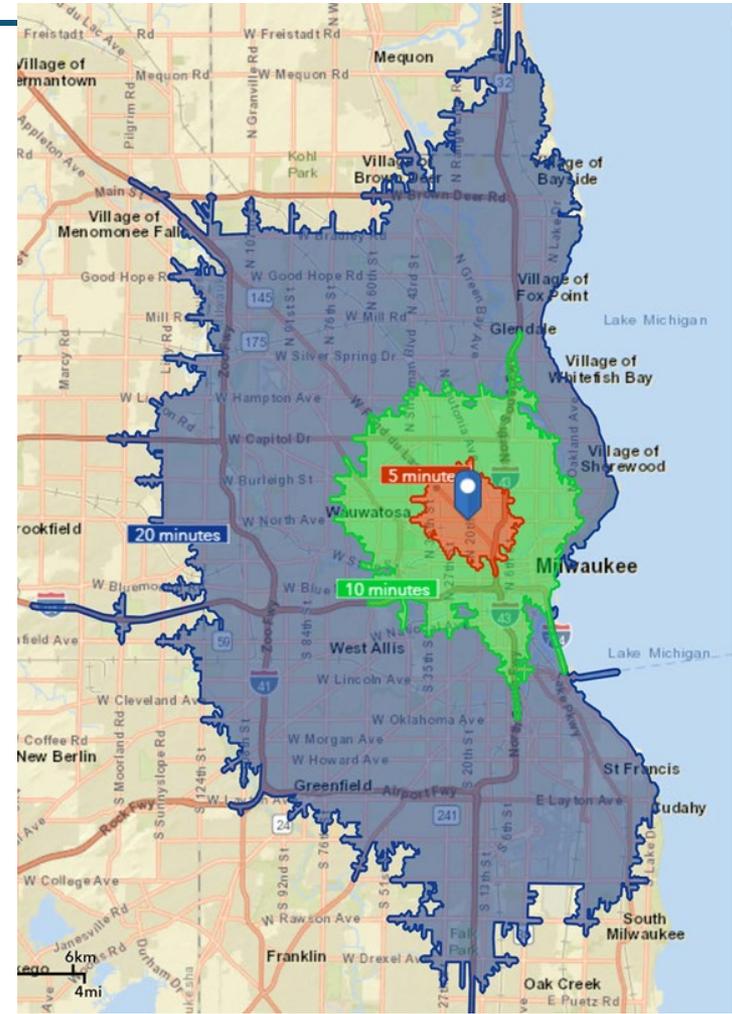
Retail Gap Analysis (5-, 10-, and 20-minute drive times)

Retail Market Analysis

Trade Area Delineation

A retail trade area is the area from which the majority of the customers of the total volume of business is generated. Understanding a site's trade area is an important first step to understanding the market opportunities that exist on that site. The size and shape of a trade area is typically based on a number of factors, including distance to the site, drive time distance to the site, competing areas, and the relative attractiveness of the complementary commercial establishments around the site.

The following analysis is based on scenarios capturing estimated demand from the neighborhood to metro levels, that is, within 5-, 10-, and 20-minute drive time bands radiating from the center of the Study Area (the Fond du Lac Avenue/North Avenue intersection). These area includes most of the City of Milwaukee and portions of other municipalities where area residents may shop when specific retail offerings are not available in their neighborhood.



Retail Market Analysis

Commercial activity – services along with retail – is often categorized based on the character of population that it serves. These categories include:

- **Convenience Centers (0-5-minute drive time)**
Convenience centers are small commercial agglomerations serving the daily needs of area residents.
- **Neighborhood Centers (5-10 minutes)**
As the name implies, neighborhood centers typically serve the needs of people living in close proximity. These are smaller (75,000+) square foot centers usually anchored by a grocery store and/or pharmacy with other small retail.
- **Community Centers (10-20 minutes)**
Community centers are typically anchored by a discount department store and may include other "big box" anchors along with specialty retail. The total gross leasable area of a community center is usually more than 250,000 square feet.
- **Regional Centers (20+ minutes)**
Regional centers serve the largest number of people and may include millions of aggregate square feet of space. They are almost always anchored by one or more department stores along with specialty retail stores that serve as destinations within the metro area and beyond.

The Study Area is a combination of neighborhoods that compete with nearby areas and each other for these various levels of commercial activity, but the existing business mix along key commercial corridors falls primarily in the convenience and neighborhood categories. The heavily residential character and location of the Study Area near downtown and in close proximity to regional retail centers on the City's periphery are reflected in the scale and offerings of neighborhood businesses.



Retail Market Analysis

Retail Gap Analysis

Retail sector gap or “leakage” analysis is a tool that compares existing levels of retail sales within a defined trade area to the potential retail sales based on the demographic characteristics and the number of households in the area.

The existing retail sales are essentially the current retail supply, and the potential retail sales are essentially the retail demand. If retail sales (supply) exceed potential sales (demand), it is generally assumed that the market for that sector is saturated and there is not room for additional stores. If retail demand exceeds supply, it indicates that the trade area is experiencing retail “leakage,” meaning that customers in the trade area are leaving the trade area to find shopping opportunities elsewhere. If a sector is experiencing leakage, there is unmet consumer demand for stores in this sector and new stores in this sector might be feasible.

The following tables show estimates of retail potential (demand), existing retail sales (supply) and retail surplus/leakage (demand minus supply) for key retail sectors within the three drive time areas. As the following summary tables highlight, each trade area has unmet demand for several retail sectors. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. A positive value indicates that the trade area is “leaking” sales to other area and customers within the trade area are shopping in other communities.

Supply >
Demand =
Saturation

Demand >
Supply =
Leakage

Retail Gap Analysis

ESRI calculates sales potentials based on national averages that are adjusted for trade area demographics. Potential sales from within the primary trade area are estimated to be below average relative to the City and region, while potential sales for both the secondary and tertiary areas are at or above average.

All sales within the primary trade area are estimated to total \$177 million, or about 92 percent of the total demand/sales potential. There is an estimated \$15 million in unmet demand potential sales from the primary Fond du Lac/North trade area (0-5-minute drive time), most of which is in the form of retail trade (NAICS 44-45).

By comparison, the secondary trade area (5-10-minute drive) appears significantly overserved by food and drink options but maintains a large gap in retail sectors (almost \$112 million). The regional trade area (10-20 minutes) is well served by both retail and food and drink options overall, though opportunities in specific retail sectors do exist when the data is examined at a finer scale.

Source: ESRI Business Analyst

2017 Industry Summary	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	# of Businesses
0-5 Minute Drive Time				
Total Retail Trade and Food & Drink	\$192,570,772	\$177,654,383	\$14,916,389	166
Total Retail Trade	\$174,258,665	\$162,240,554	\$12,018,111	131
Total Food & Drink	\$18,312,107	\$15,413,829	\$2,898,278	35
5-10 Minute Drive Time				
Total Retail Trade and Food & Drink	\$1,991,752,335	\$2,143,285,623	-\$151,533,288	1,628
Total Retail Trade	\$1,793,160,420	\$1,681,344,524	\$111,815,896	944
Total Food & Drink	\$198,591,916	\$461,941,099	-\$263,349,183	684
10-20 Minute Drive Time				
Total Retail Trade and Food & Drink	\$7,751,635,723	\$8,075,582,580	-\$323,946,857	3,753
Total Retail Trade	\$6,988,481,992	\$7,232,069,736	-\$243,587,744	2,555
Total Food & Drink	\$763,153,731	\$843,512,844	-\$80,359,113	1,198

Retail Gap Analysis

Supportable Retail Square Footage and Estimated New Store Feasibility (0-5 min. drive)

Industry Group	Retail Gap	Median Sales PSF	Supportable Square Feet	Average SF	New Store Feasibility
Auto Parts, Accessories & Tire Stores	(\$2,399,579)	\$238	(10,082)	3,250	No
Furniture & Home Furnishings Stores	(\$5,408,362)	\$417	(12,985)	2,600	No
Electronics & Appliance Stores	\$3,600,463	\$595	6,051	2,000	Yes
Bldg Materials, Garden Equip. & Supply Stores	\$6,960,507	\$506	13,763	2,000	Yes
Health & Personal Care Stores	(\$18,254,217)	\$565	(32,294)	9,000	No
Clothing Stores	\$2,568,800	\$238	10,793	2,400	Yes
Shoe Stores	\$211,246	\$238	888	2,900	No
Jewelry, Luggage & Leather Goods Stores	(\$1,962)	\$595	(3)	1,200	No
Sporting Goods/Hobby/Musical Instr Stores	\$3,603,460	\$298	12,112	1,800	Yes
Office Supplies, Stationery & Gift Stores	\$1,457,619	\$238	6,124	1,800	Yes
Food/Beverage Industries					
Restaurants/Other Eating Places	\$2,050,288	\$476	4,307	2,500	Yes
Drinking Places - Alcoholic Beverages	\$498,348	\$476	1,047	1,500	No
Special Food Services	\$438,356	\$476	921	1,500	No
Grocery Stores (including convenience stores)	(\$16,000,897)	\$500	(32,002)	2,500	No
Specialty Food Stores	\$155,747	\$400	389	1,500	No
Beer, Wine & Liquor Stores	(\$7,290,660)	\$400	(18,227)	2,600	No

Source: ESRI Business Analyst

For comparison, the 5-minute drive time area from the Fond du Lac and North intersection in any direction roughly corresponds with the retail gaps and demographics found within the study area itself.

Specific retail segments that may have some potential for new locations, depending on the size of the store, include electronics, home and garden, clothing and shoes, sporting goods and hobby stores, bars and small-scale restaurants.



Retail Gap Analysis

Supportable Retail Square Footage and Estimated New Store Feasibility (5-10 min. drive)

Industry Group	Retail Gap	Median Sales PSF	Supportable Square Feet	Average SF	New Store Feasibility
Auto Parts, Accessories & Tire Stores	\$10,915,022	\$238	45,861	3,500	Yes
Furniture & Home Furnishings Stores	\$15,151,387	\$417	36,378	3,600	Yes
Electronics & Appliance Stores	\$22,200,218	\$595	37,311	2,250	Yes
Lawn & Garden Equip & Supply Stores	\$39,217,009	\$506	77,542	6,800	Yes
Health & Personal Care Stores	(\$29,024,028)	\$565	(51,347)	12,500	No
Clothing Stores	(\$15,316,238)	\$238	(64,354)	3,000	No
Shoe Stores	(\$20,183,871)	\$238	(84,806)	2,600	No
Jewelry, Luggage & Leather Goods Stores	(\$2,053,078)	\$595	(3,451)	1,200	No
Sporting Goods/Hobby/Musical Instr Stores	(\$3,860,873)	\$298	(12,978)	2,000	No
Office Supplies, Stationery & Gift Stores	\$2,534,718	\$238	10,650	2,000	Yes
Food/Beverage Industries					
Restaurants/Other Eating Places	(\$229,407,871)	\$476	(481,949)	3,125	No
Drinking Places - Alcoholic Beverages	(\$23,311,970)	\$476	(48,975)	1,875	No
Special Food Services	(\$10,629,342)	\$476	(22,331)	1,875	No
Grocery Stores	(\$51,467,249)	\$500	(102,934)	3,125	No
Specialty Food Stores	(\$23,447,085)	\$400	(58,618)	1,875	No
Beer, Wine & Liquor Stores	(\$18,402,452)	\$400	(46,006)	3,250	No

Source: ESRI Business Analyst

In the 5-10-minute range (most of the City of Milwaukee and parts of inner ring suburbs), there is more limited retail potential – furniture, appliances, home and garden, gas stations, and sports/hobby and thrift stores appear to have gaps significant enough to support one or more new locations.



Retail Gap Analysis

Supportable Retail Square Footage and Estimated New Store Feasibility (10-20 min. drive)

Industry Group	Retail Gap	Median Sales PSF	Supportable Square Feet	Average SF	New Store Feasibility
Auto Parts, Accessories & Tire Stores	\$9,396,465	\$363	25,887	4,700	Yes
Furniture & Home Furnishings Stores	(\$125,000,286)	\$248	(504,033)	5,100	No
Electronics & Appliance Stores	\$26,057,981	\$713	36,547	3,100	Yes
Lawn & Garden Equip & Supply Stores	\$29,675,808	\$208	142,672	12,500	Yes
Health & Personal Care Stores	(\$195,025,412)	\$463	(421,677)	12,500	No
Clothing Stores	(\$82,440,590)	\$342	(240,820)	4,000	No
Shoe Stores	(\$36,392,885)	\$443	(82,188)	3,250	No
Jewelry, Luggage & Leather Goods Stores	\$18,904,094	\$760	24,890	1,200	Yes
Sporting Goods/Hobby/Musical Instr Stores	(\$12,178,184)	\$317	(38,457)	2,108	No
Office Supplies, Stationery & Gift Stores	(\$25,200,962)	\$216	(116,410)	2,108	No
Food/Beverage Industries					
Restaurants/Other Eating Places	(\$110,382,769)	\$476	(231,897)	4,000	No
Drinking Places - Alcoholic Beverages	\$28,947,663	\$476	60,814	2,250	Yes
Special Food Services	\$1,075,992	\$476	2,260	2,250	Yes
Grocery Stores (including convenience stores)	(\$160,877,148)	\$500	(321,754)	45,000	No
Specialty Food Stores	\$26,931,196	\$400	67,328	2,250	Yes
Beer, Wine & Liquor Stores	(\$31,614,230)	\$400	(79,036)	3,500	No

Within 10-20 minutes (edges of Bayside, Menomonee Falls, Brookfield, Greenfield, Oak Creek and east to Lake Michigan), the same categories have potential as above, with the addition of specialty food stores, bar/restaurants, and jewelry stores.

