



ABSTRACT
COMMERCIAL REAL ESTATE

Presentation to CARW - Past, Present and Future of Downtown Madison

▶ *Heather Ewing, Founder and CEO,
ABSTRACT Commercial Real Estate*

▶ *Jason Ilstrup, President,
Downtown Madison, Inc. (DMI)*

▶ *Agenda:*

▶ *About DMI and the BID*

▶ *What Makes a Successful
Downtown*

▶ *Downtown Madison - 2020 and
Beyond*

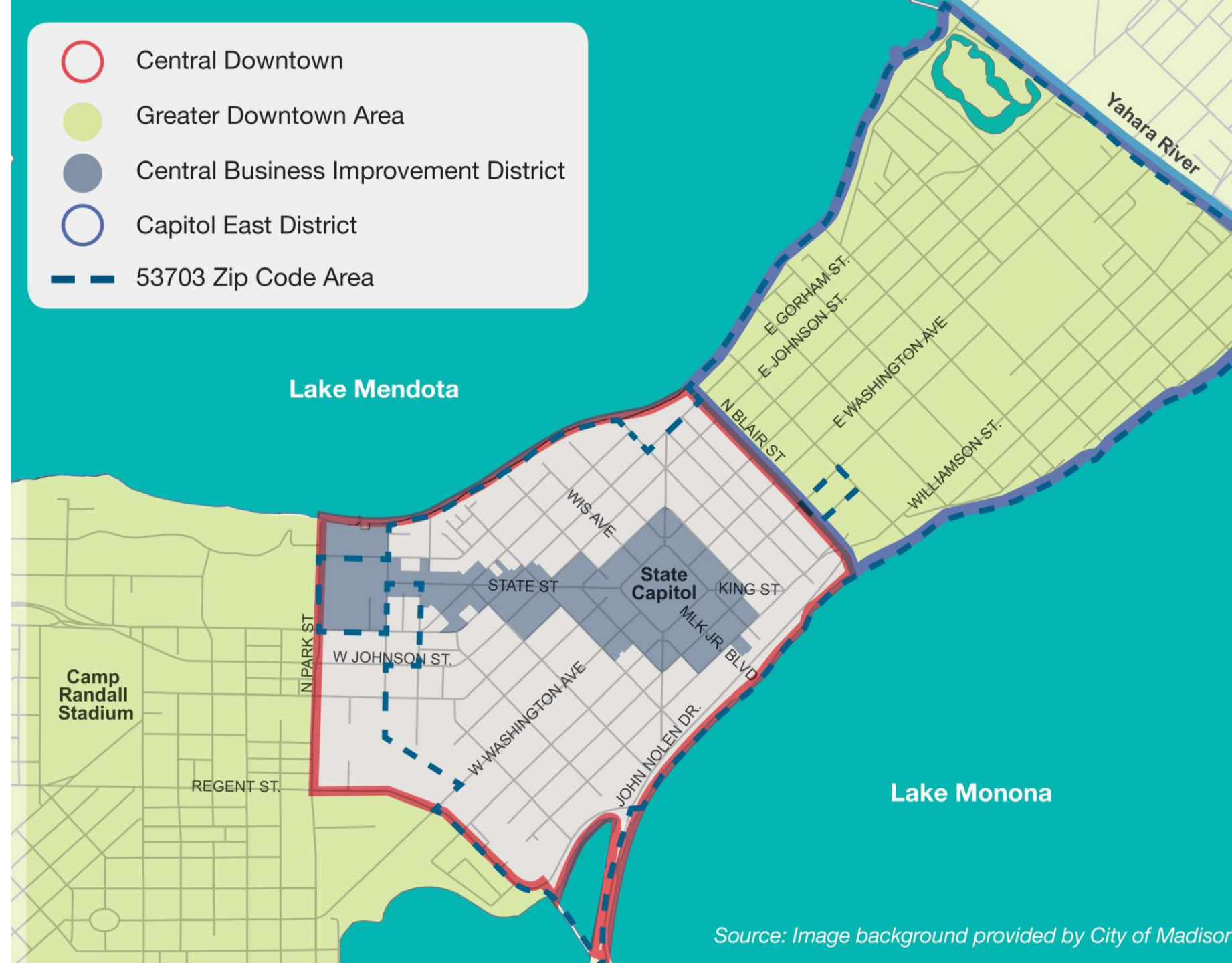
▶ *2020/21 Recap*

▶ *Downtown Madison Today*

▶ *The Future of Downtowns*

▶ *Downtown Madison*

Map & Boundaries



Source: Image background provided by City of Madison

Madison's Central Business Improvement District

► Formed in 1999, Madison's Central Business Improvement District (BID) is a City of Madison assessment district encompassing State Street (from Park Street to the Capitol Square) and the Capitol Square area (the Square plus most 100 block streets or “spokes” off the Square). The constituents are the property and business owners within the district.

► Madison's Central BID supports the downtown Madison shopping, dining and entertainment district through marketing, events, information ambassadors and other programs. A few favorites are Lunch Time Live, Maxwell Street Days, Madison Night Market and more.





MISSION STATEMENT.

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

- ▶ *Strong residential base that supports local businesses*
- ▶ *Large number of employees working downtown in a wide array of businesses*
- ▶ *A diverse set of events and activities happening at all hours of the day*
- ▶ *A healthy tourism economy attracting people to downtown*

Successful Downtowns

Downtown Madison Pre-COVID

- ▶ *Residents: 32,996 (2020)*
 - ▶ *15 to 34 years old: 84.4%*
- ▶ *Number of Employees: 52,260 (2021)*
- ▶ *Largest Employers (Private):*
 - ▶ *Unity-Point Health-Meriter*
 - ▶ *SSM Health St. Mary's*
 - ▶ *Findorff*
 - ▶ *MGE*
 - ▶ *EatStreet*
 - ▶ *Zendesk*

Downtown Madison Pre-COVID

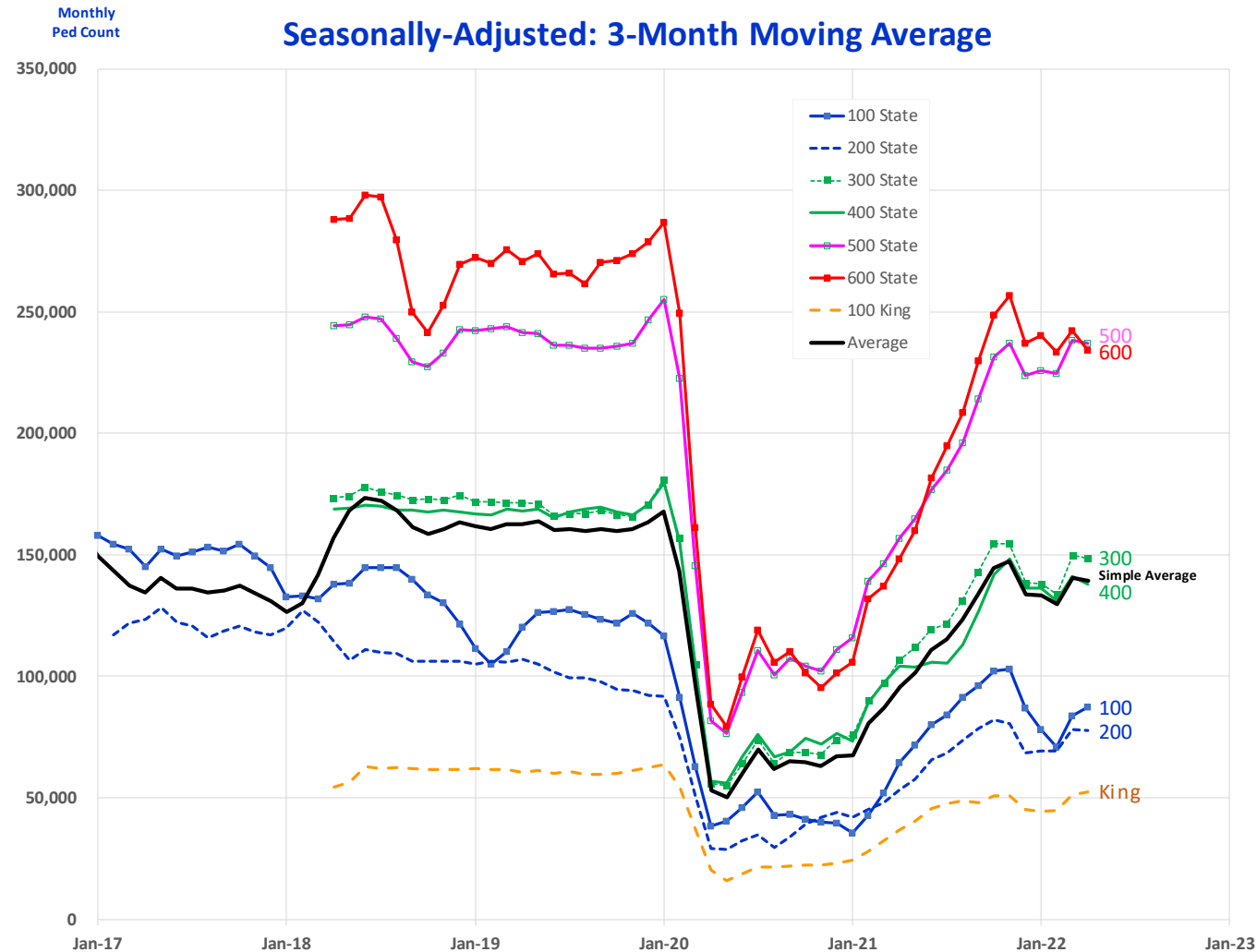
- ▶ *UW Madison:*
 - ▶ *Students: 47,936 (Fall 2021)*
 - ▶ *Faculty/Staff: 24,186*
 - ▶ *Living Alumni: 459,324*
- ▶ *City Wide Taxes Generated from CBD: 10.2%*
- ▶ *Tourism Spending: \$303.7 Million (2019)*
- ▶ *Most Visited Locations:*
 - ▶ *Memorial Union (2.2 Mil)*
 - ▶ *Union South (1.5 Mil)*
 - ▶ *Alliant Energy Center (725k)*
 - ▶ *Henry Vilas Zoo (700k)*

- ▶ *Work from Home:*
 - ▶ *Prior to COVID 78% Never Worked from Home*
 - ▶ *During the Pandemic, 80% work from Home at Least 1 Day per Week*
- ▶ *Transportation:*
 - ▶ *Metro Transit Ridership:*
 - ▶ *2019: 12,856,514*
 - ▶ *2020: 4,693,426*
 - ▶ *Pedestrian Counters (500 Block of State Street):*
 - ▶ *July 2019: 283,465*
 - ▶ *July 2020: 109,636*
 - ▶ *May 2022: 237,200*
- ▶ *Roughly 45-50% of Employees Worked Downtown Regularly in Q2 of 2022*

Downtown During COVID

Comparison across blocks

This chart captures how the blocks' pedestrian traffic compares with one another; there is a remarkable “pairing” of performance.



Downtown During COVID

► *Tourism:*

- *Visitor Spending Downtown (2020): \$114.8 Million*

- *62% Decrease from 2019*

- *2021: \$188 Million*

► *Events:*

- *Nearly All Events Cancelled in 2020 with Partial Cancellations in 2021*

- *Dane County Farmers Market*

- *Concerts on the Square*

- *Art Fair on the Square*

- *UW Athletics*

- *Mad Lit*

- *Dane Dances*

Downtown Madison During COVID

- ▶ *Vacancy Rates:*
 - ▶ *Multi-Family Rental:*
 - ▶ 2019: 4.46%
 - ▶ 2020: 5.89%
 - ▶ 2021: 5.28%
 - ▶ *Office Space:*
 - ▶ 2019: 7.35%
 - ▶ 2020: 9.05%
 - ▶ 2021: 10.9%
 - ▶ *BID Retail Space:*
 - ▶ 2019: 7.1%
 - ▶ 2021: 10.2%

- ▶ *Residential Growth*
 - ▶ *4,000 Apartment Units in Development*
- ▶ *Employment Base*
 - ▶ *Roughly 45-50% of Employees Are Back Working Downtown*
- ▶ *Events*
 - ▶ *Events Are Back Downtown*
- ▶ *Tourism*
 - ▶ *Leisure Led Recovery*
 - ▶ *Back to 2019 Numbers in Late 2023*
 - ▶ *2022 Q1 - ADR Near 2019, Occ. Up*
 - ▶ *Corporate and Convention Slower*
 - ▶ *550 New Hotel Rooms in Development*
 - ▶ *Embassy Suites, Moxy, Wilson and Mifflin*

Downtown Madison Today

► *COVID Accelerated Trends, Some Beneficial:*

► *Rethinking the use of public space:*

► *Outdoor dining/retail*

► *Pedestrian/bike ways*

► *Delivery/take-out economy*

► *Mixed use downtowns; everything available with a 15-minute walk/bike ride*

► *Workers working everywhere*

Future of Downtowns - How They've Changed



Rethinking Public Space

Photos Courtesy of the City of Madison

Streeterly Program and Protected Pedestrian Malls/Bike Ways



Placemaking and Public Part

Photos Courtesy of the Lake Front Porch Project and Madison 365

Lake Front Porch on Wilson St. and Vel Phillips Statue

15 Minute City - Mixed Use Development

▶ *Over 4000 Apartment Units and 600 Hotel Rooms in Development - [DMI Downtown Development Tracker](#)*

▶ *Apartments*

▶ *[oLive Madison](#)*

▶ *Wilson Street - SWIB, Mortenson, Apex*

▶ *E. Washington - LZ, Baker's Place, 929*

▶ *Regent Street - Trinitas, Park/Regent*

15 Minute City - Mixed Use Development

▶ *Hotels*

- ▶ *The Moxy*
- ▶ *Embassy Suites*
- ▶ *Boutique - E. Wilson St.*

▶ *Cultural Amenities*

- ▶ *Lake Monona Waterfront Project*
- ▶ *Wisconsin History Museum*



Development Projects Downtown SWIB Site and Baker's Place

Photos courtesy of Potter Lawson and MGA



Development Projects Downtown oLiv and Apex

Photos courtesy of Core Spaces and Kahler Slater/Knothe Bruce



Development Projects Downtown

Moxxy Hotel and Embassy Suites

Photos courtesy of Gary Brink and Mortenson



**PROGRESS
CENTER FOR
BLACK WOMEN**



Intentional Support for an Equitable Downtown

The Progress Center and The Culture Collectives

Photos courtesy of the Progress Center and Madison 365

Future of Downtown Madison

- ▶ *Now is the time to reimagine a vibrant and equitable Downtown Madison where everyone is welcome.*
- ▶ *Create soulful spaces for every soul in our community*

Thank you!

Questions?

www.downtownmadison.org

www.ABSTRACTcommercialRealEstate.com

