

Riverworks Retail Assessment & Development Strategy
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1.0 Area Description, Historical Use, and Neighborhood Involvement

For the purpose of this report, Riverworks is bounded by Humboldt Avenue to the east, Port Washington Road to the west, Olive Street to the north, and Vienna Avenue to the south. The report is organized into three phases:

- Phase I: Market Analysis
- Phase II: Development Analysis
- Phase III: Retail Development Plan

2.0 Phase I: Market Analysis

The following statistics summarize the target area's economic and demographic profile. The profile is based on Urban Decision Systems *Full Data Report* for a three-mile radius from the intersection of East Capitol Drive and North Richards Street.

- Population is projected to decrease from 2002 to 2007 at a rate of 12%
- 184,000 people live in a three-mile radius and there are 43,918 households
- Median age is 29
- 46% of the study area is male; 54% is female
- 69% of the study area has a high school education
- 53% of the study area is African-American; 39% is White
- 2002 estimated median household income was \$43,918
- 55% of the population over 16 is in the labor force
- 61% of study area residents are owner occupants
- 1990 median property value for the study area is \$55,000

The Riverworks area is a strong regional shopping district with significant traffic generators and key retail intersections:

Key Traffic Generators:

- Wal-Mart
- Tri-Land Center with Office Depot and Walgreens
- Jewel-Osco
- Outpost Foods
- WTMJ
- U-Haul
- Manufacturing usages in the Riverworks area
- Social Development Commission headquarters

Key Intersections (Ranked)

- Capitol Drive and Holton Street: This is the best retail intersection within the Riverworks area. It still offers development potential through the Telesmith site. Additionally, if the U-Haul site could be purchased for a reasonable value, it would also make for a tremendous retail site (over 100,000 square feet available).

- Capitol Drive and Richards Street: This is the second best retail intersection within the Riverworks area. With the development projects being pursued through NMIDC, this intersection will be almost completely developed.
- Capitol Drive and Humboldt Boulevard: This lighted intersection possesses the only remaining undeveloped greenspace within the area. The parcel is currently owned by Milwaukee Area Technical College. Given its proximity to Shorewood, it might be an excellent location for a smaller boutique-like development.
- Capitol Drive and 2nd Street: Given the difficulty in access and acquisition, this intersection has some retail potential but will be developed last.
- Capitol Drive and Palmer Street/1st Street: Given the difficulty in access and acquisition, this intersection has some retail potential but will be developed last.

There are also two major competitive commercial districts to the Riverworks area: Oakland Avenue (Shorewood) and Bayshore Mall. Northeast Milwaukee Industrial Development Corporation (NMIDC) has taken the first steps in correcting the safety perception plus it has engaged in a streetscaping project that will physically redefine the street. Both of these steps will make it easier to attract higher end retailers and compete with other commercial districts.

Identification of Local, Regional, and National Retailers

The following is a preliminary list of the retailers NMIDC should target, based on the market analysis and the sequence of retail penetration:

- Big to Mini Box Retailers Retail Segments
 - Target
 - Kohl's Department Stores
 - Burlington Coat Factory
- Apparel & Sporting Goods Retail Segments
 - Rainbow
 - Athlete's Foot
 - Foot Locker
 - TJ Max
- Food/Entertainment Retail Segments
 - Blimpie
 - Papa John's
 - George Webb
 - Hooters
 - IHOP
 - Pizza Hut
- Art Supplies/Crafts/Hobbies Retail Segments
 - Michaels
- Book Stores & CDs/Music/Tapes/Cards/Postal/Video Store Retail Segments
 - Half Price Books, Records & Magazines
 - Value Music Concepts
 - Factory Card Outlet
 - The UPS Store

The following is a list of franchise retailers or services that would be appropriate for the Riverworks area:

- Denny's
- Breadsmith
- Atlanta Bread
- Bojangles
- Flowerama
- Midas Auto Service Experts

3.0 Phase II: Development Analysis

This phase presents the barriers and opportunities to development within the Riverworks area.

Review of Existing Development Efforts

There are several existing development efforts currently underway within Riverworks that impact future retail opportunities within the area, including:

- Phase One: NMIDC Development – The construction of 21,000 sq. ft. of new retail. The project was expected to begin in June 2003
- Phase Two: NMIDC Development – The construction of 20,000 sq. ft. of new retail space. Half-Price Books and Sally Beauty have already expressed interest in the site. This project is expected to draw a higher class of retail as more and more retailers become interested in the area.
- Phase Three: NMIDC Development – The conversion of the current Carriage Cleaners site from dry cleaner to either food or service retail.
- Tri-Land Acquisition of Telesmith: Tri-Land Development just recently released its option to the Telesmith property because it was unable to get Pick N Save, who is interested in sites east of the river.
- Repositioning efforts by Tri-Land for its existing center: Tri-Land Properties is examining the different development options to reposition its current center located at 400 East Capitol Drive. Tri-Land is interested in physically designing the center to accommodate a freestanding Walgreens and move Office Depot closer to Capitol Drive. This effort might result in existing center tenants looking for new space.
- Riverworks Business Improvement District Streetscaping Project: The BIDs streetscaping project will have a substantial impact on how retailers and consumers view the district. The improvements will minimize the vehicular nature of the corridor and provide an improved physical image.

4.0 Phase III: The Retail Development Plan

The Riverworks Development Plan is based on the following key principles:

- Plan is based on market and development analysis
- Plan includes projects and tools that will trigger the target area's marketplaces
- Plan calls for a phased implementation plan
- Plan includes tools and projects that will create wealth for central city residents

Phased Development Strategy

- *Phase I: Redefining the District* - The first phase of the redevelopment strategy is designed to redefine public perceptions of the area through a combination of real estate projects, small store lease-up efforts, media stories and streetscaping improvements. The planned outcome is to have consumers view the area as a connected shopping district instead of several stand-alone shopping centers.
 - Real Estate Projects:
 - Completion of Capitol and Richards projects including the two phases on the vacant land behind Aldi's and Carriage Cleaners and the redevelopment of Carriage Cleaners
 - Reposition Tri-Land Property (requires the acquisition of Jimbo's Car Wash)
 - Reposition and Expand Outpost Food Center (requires the acquisition of the former Duffy Mailing building)
 - Small Store Lease-Up: NMIDC should work with the owners of the Jewel-Osco anchored center and the Blockbuster-anchored center to lease-up their current small store vacancy. NMIDC staff should seek permission to market these vacancies at the May International Council of Shopping Centers Convention
 - Media Campaign: NMIDC should aggressively pursue a media campaign based in part on the following story lines:
 - Release of the retail plan
 - New real estate projects
 - Streetscape project
 - Streetscape Project
- *Phase II: Gateway Development* – The second phase is to facilitate two development projects at the district's gateways. Currently, the district does not have an identifiable entrance point. Although the streetscape project will provide a strong street identification, the district requires real estate projects at its entranceways to reinforce the streetscape efforts.
 - Capitol Avenue and Humboldt Boulevard, Northside: Of all the district locations, this site has the best chance at securing a higher-end retail user or casual dining given its proximity to the river and Shorewood. The site is also located off of a good intersection, which will allow for easy access.
 - Capitol Avenue and 2nd Street, Southside: This intersection is the western gateway to the district. The site does not possess the same potential as the eastern gateway nor does it have the same types of access or exposure. Nonetheless, the site does have retail potential. It could also be converted into parking so as to develop the office building directly to the west. This building is identified in Northeast Milwaukee Industrial Development's Office of Community Service Plan.
- *Phase III: Catalytic Project Phase* – The Riverworks area has one remaining catalytic site within its boundaries, Capitol Drive and Holton Street (Telesmith building). This site was formerly under option by the Tri-Land Development Group. NMIDC should market this site and provide pre-development funds to the next development team. The next development team will need to secure a wider site either through acquisition or easement with WTMJ. With a wider site, a development team could attract Target or Kohl's to the site.
- *Phase IV: In-Fill Development Phase* – The final phase is an infill development effort. The market pressure created through the first three phases will make it more attractive to pursue the following infill developments:

- Capitol Avenue and Palmer Street/1st Street
- Capitol Avenue and Humboldt Boulevard, Southside

Tools of Development

- Self Development/Joint Venture by NMIDC
- Franchise Development
- Brokerage Outreach
- For-Profit Developer Grant Assistance