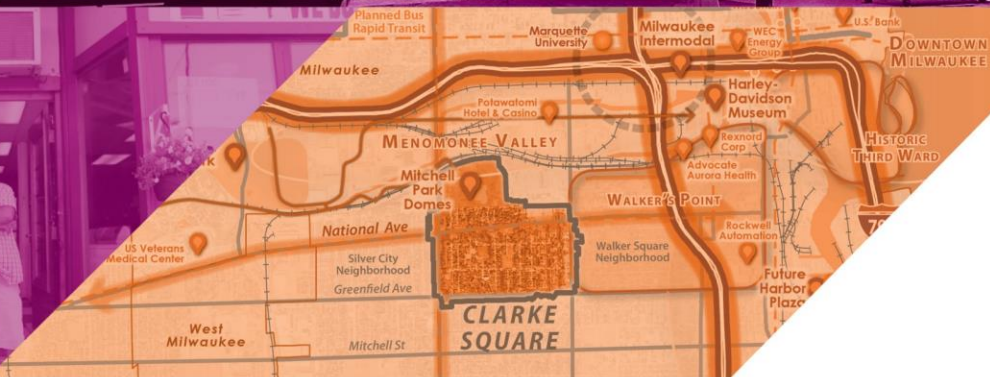


COMMERCIAL MARKET ANALYSIS FOR THE Clarke Square Neighborhood



PUBLIC PRESENTATION – AUGUST 22, 2019



Agenda

1. Introduction and Project Objectives
2. Stakeholder Input
3. Assets and Opportunities
4. Demographic Analysis
5. Commercial Market & Land Use Analysis
6. Retail Gap Analysis
7. Guiding Principles and Creative Strategies



Market Study Objectives



S. Cesar E. Chavez Drive near W. Scott St

- **Uncover market and demographic trends** affecting the community's housing, retail, and employment base
- **Consider regional and local place-based** development opportunities
- Build upon existing **assets and project momentum**
- **Identify under-served markets and niches** in the community and ties to specific subareas and/or development opportunities
- **Develop qualitative and quantitative goals, objectives, and action items** that are tied to the community vision and can be used for future benchmarking and visioning

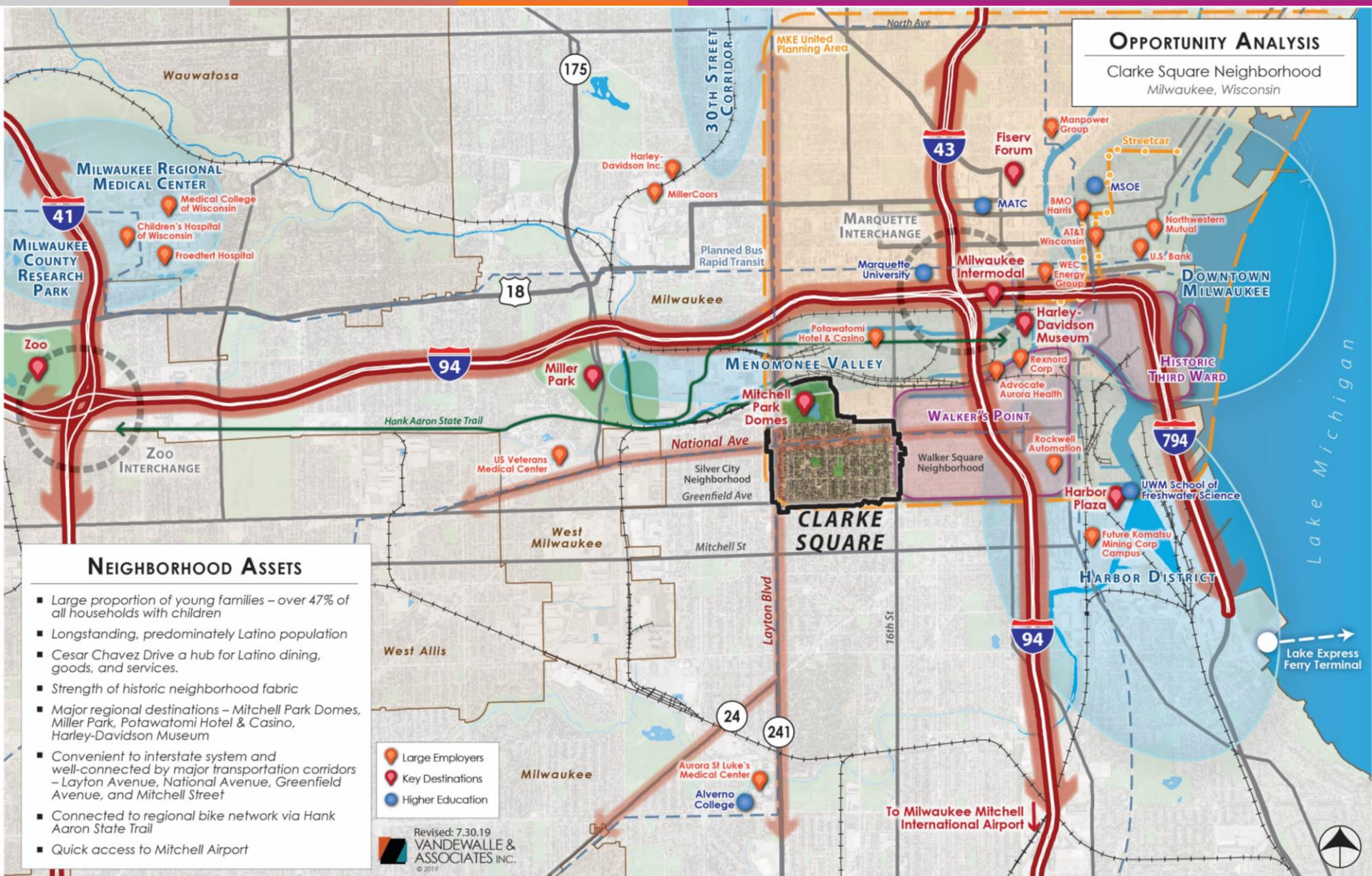
Stakeholder Input

Stakeholder Input – Themes

- The neighborhood is relatively young and has **many families with kids** and intergenerational households. There is a need for more low-cost youth activities, hangouts, and jobs.
- There is a need to clean up crime in order to attract new businesses and residents. Need more **“eyes on the street”** and in Clarke Square Park.
- **Future Cristo Rey Jesuit High School** and **Mitchell Park Domes Campus Re-envisioning** are seen as major opportunities.
- Build on **faith congregations** and existing community organizations.
- Important to **maintain and build on Latino culture and heritage**. Promote specialty stores, keep bilingual culture, and remain visitor friendly.
- Build on the **growing arts scene**, including murals, artist-in-residence, and youth/art classes.
- **Energy and investment is pushing west** from Walker’s Point to Clarke Square.
- Interest in a **marketplace with local vendors** – food, DIY, artesanía, etc.

Assets and Opportunities

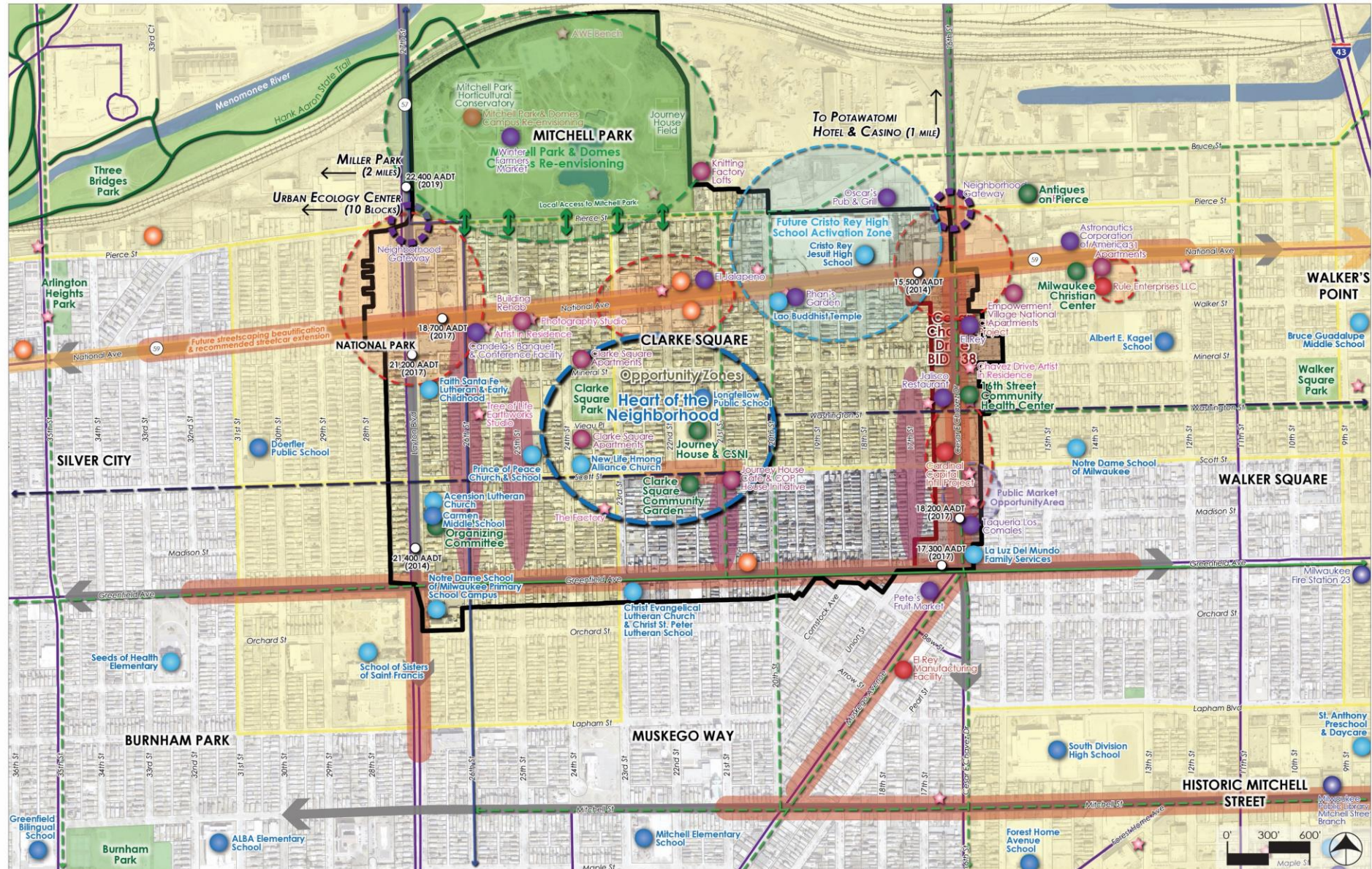
Opportunity Analysis



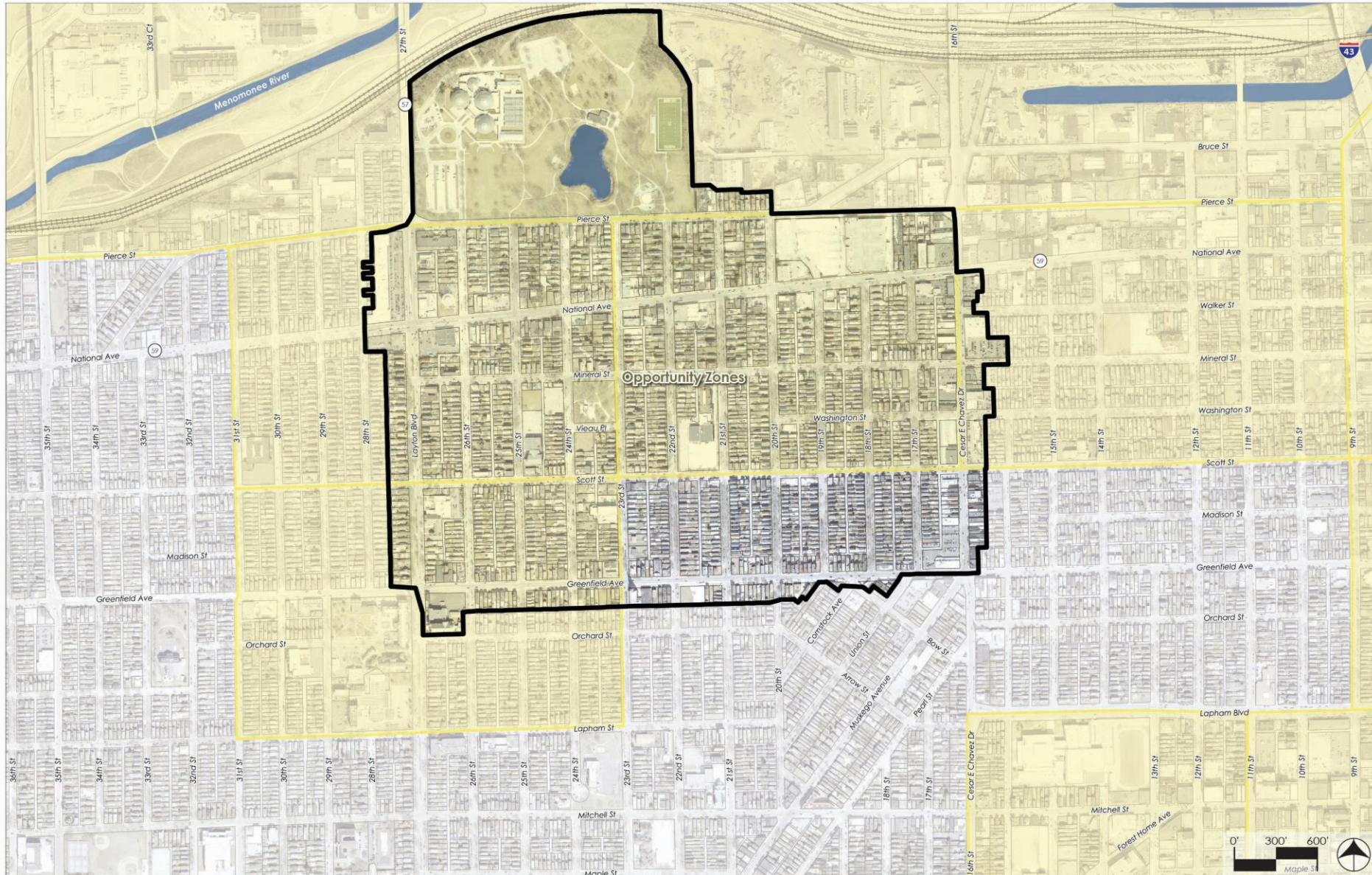
Study Area Assets

- Longstanding, predominately **Latino population**
- Large proportion of **households with children** – over 47%
- Cesar Chavez Drive a **hub for Latino dining, goods, and services.**
- Strength of **historic neighborhood fabric**
- **Major regional destinations** – Mitchell Park Domes, Miller Park, Potawatomi Hotel & Casino, Harley-Davidson Museum
- Convenient to interstate system and **well-connected by major transportation corridors** – Layton Boulevard, National Avenue, Greenfield Avenue, and Mitchell Street. Connected to regional bike network via Hank Aaron State Trail
- Quick access to **Mitchell Airport**

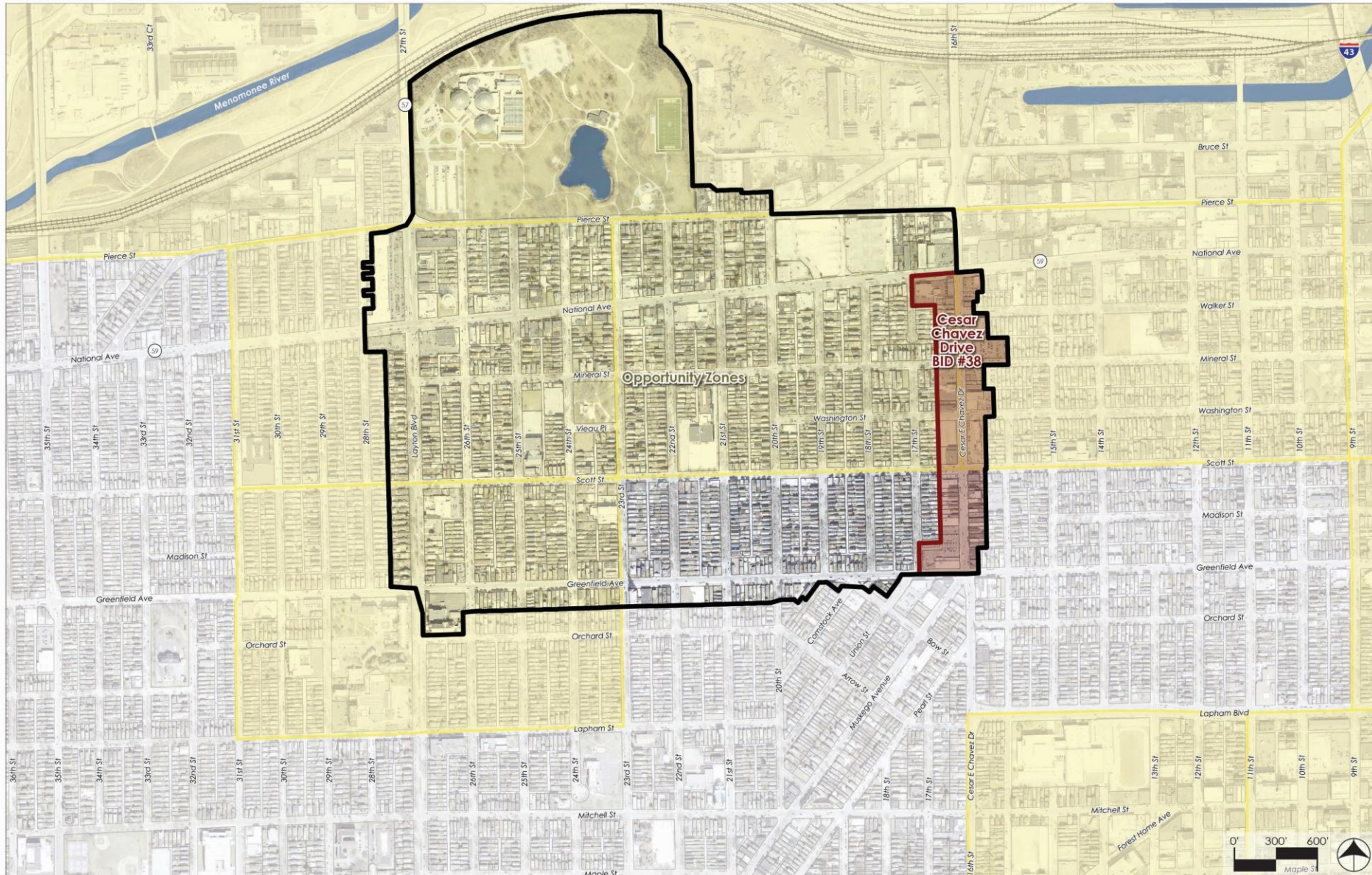
Local Assets and Opportunities



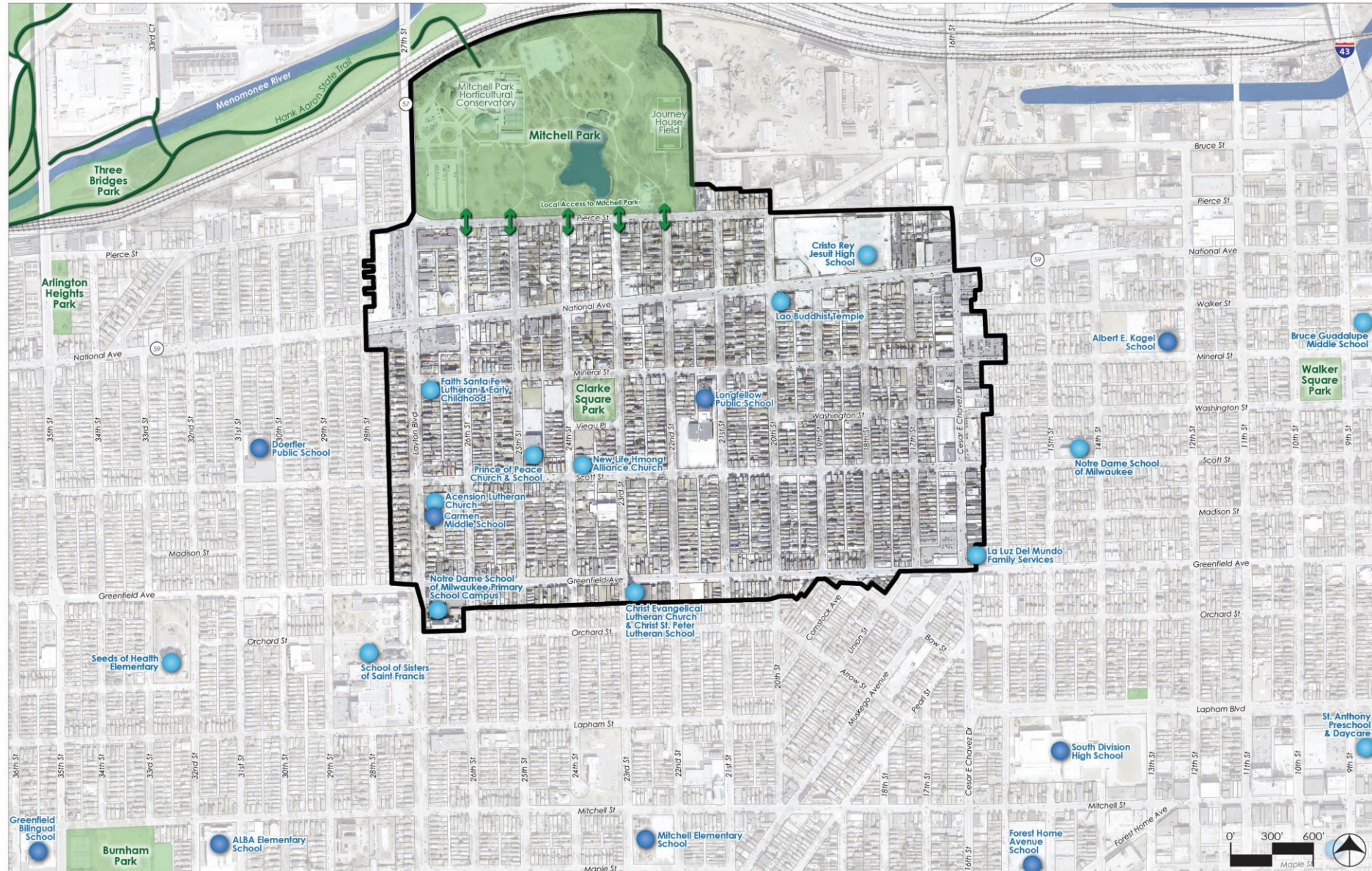
Identified Districts – Opportunity Zones



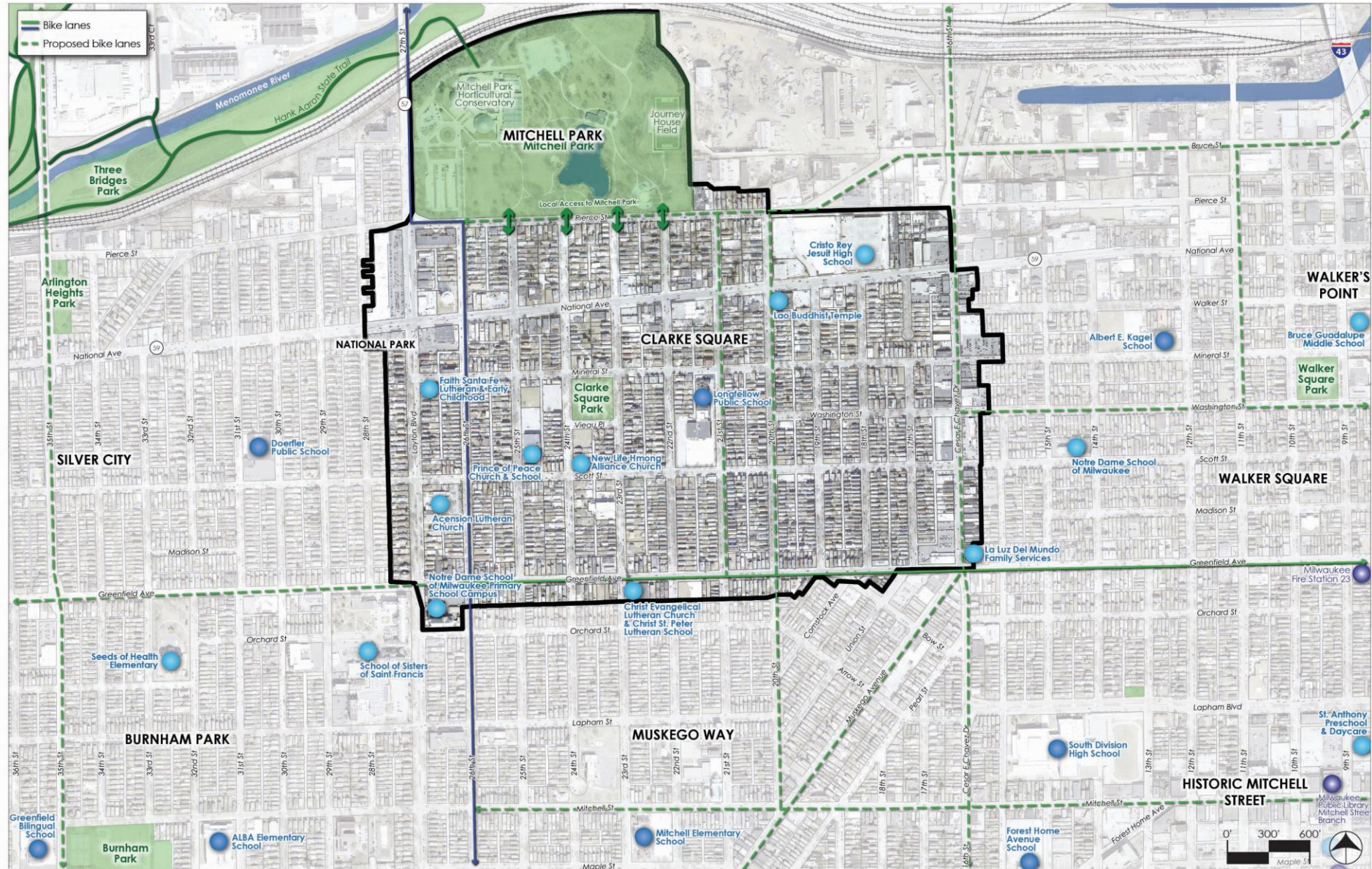
Identified Districts – Business Improvement District



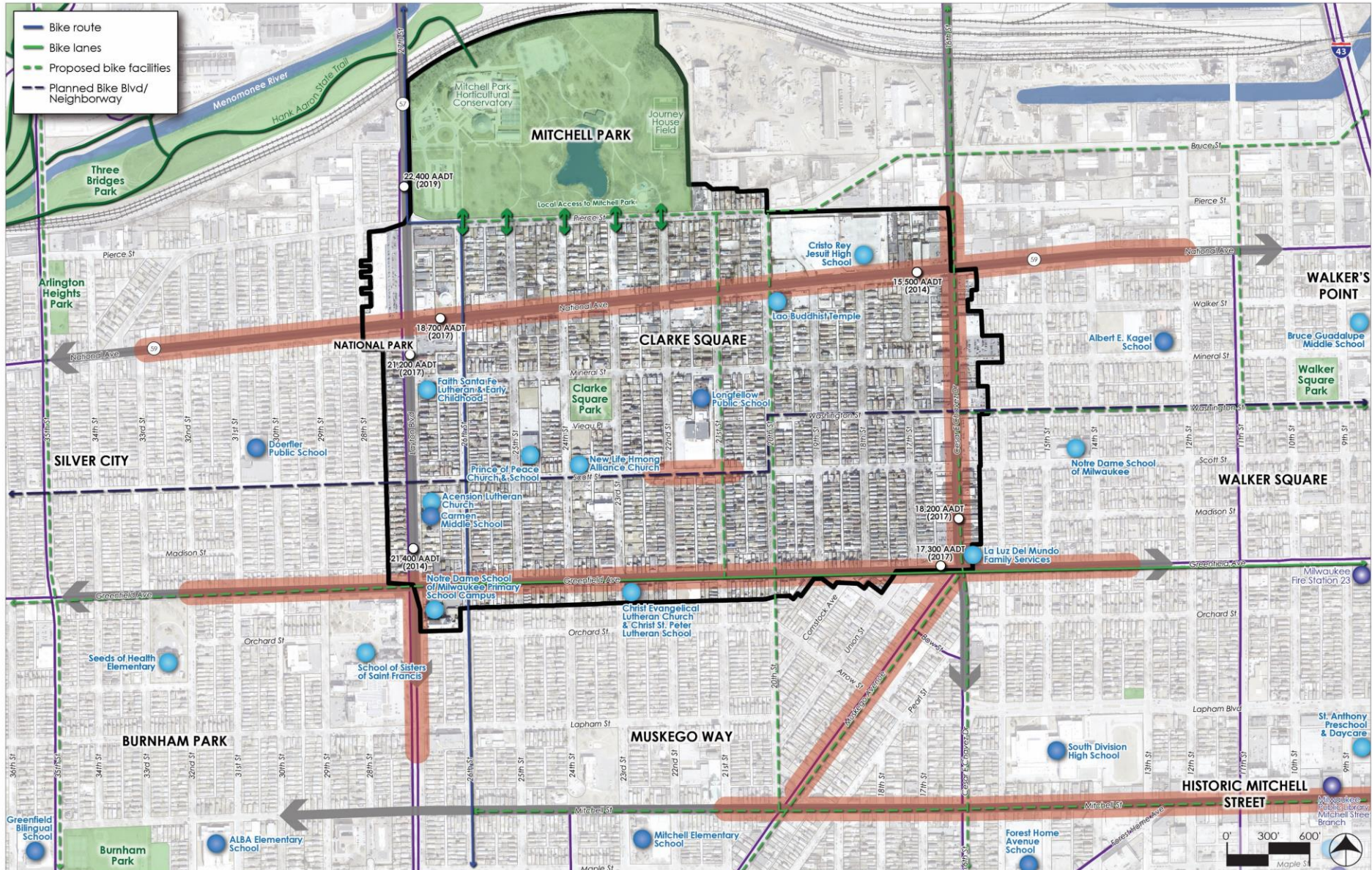
Community Framework – Parks, Schools, and Faith-Based Organizations



Community Framework – Neighborhoods, Public Facilities, and Bike Facilities

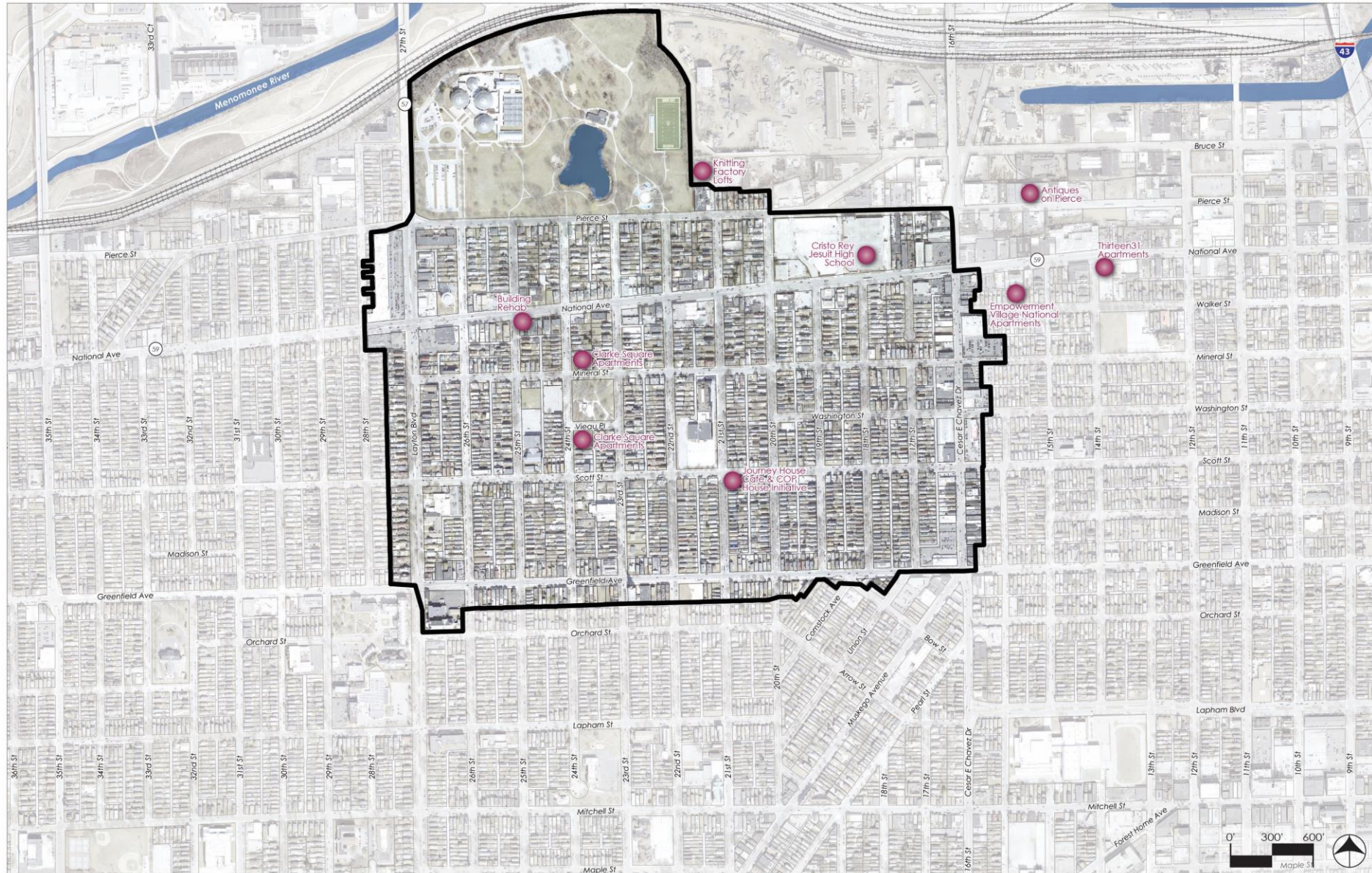


Community Framework – Commercial Corridors, Street Connections, Bus Routes



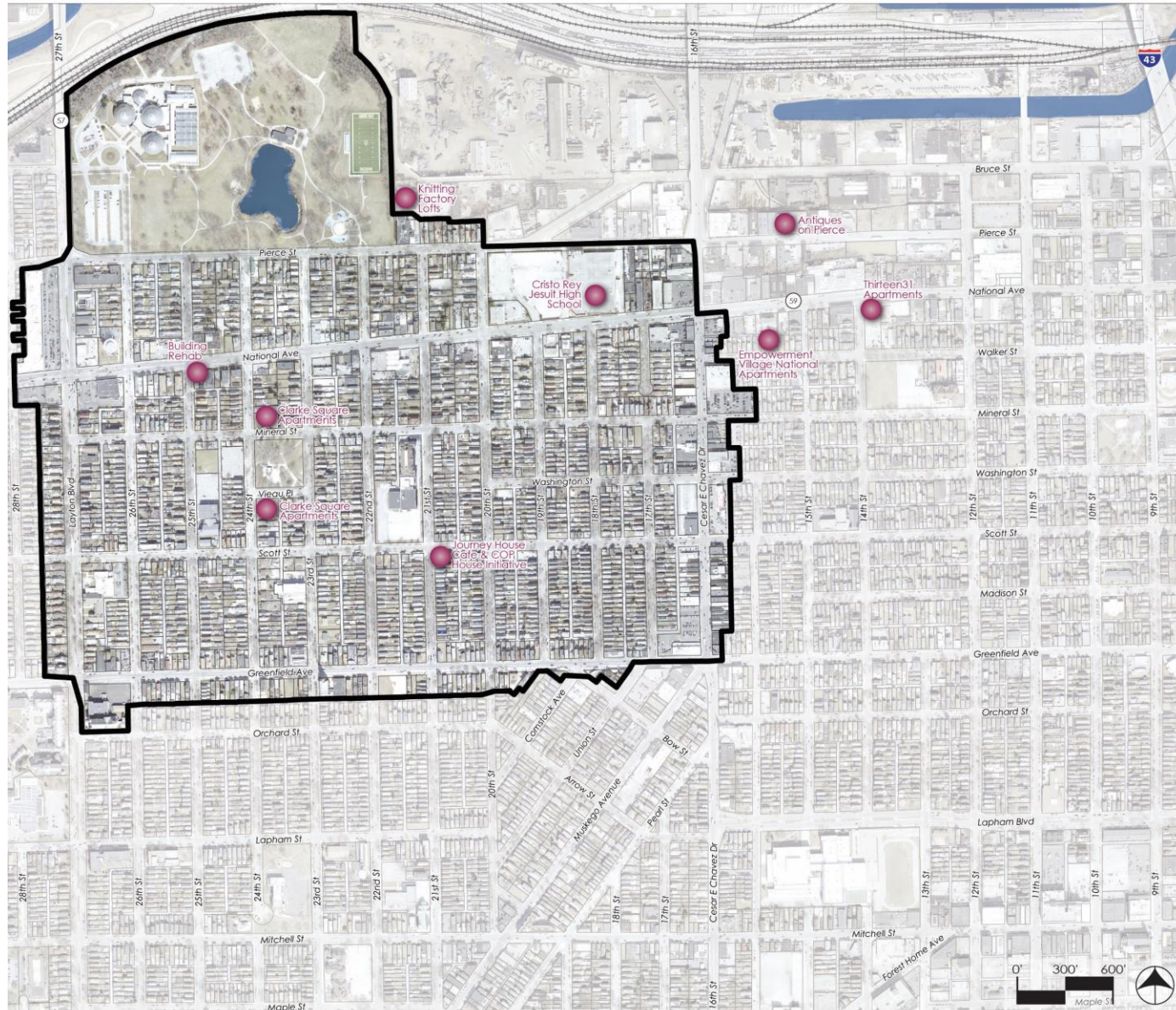
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Building Momentum — Recent Investments and Catalytic Projects

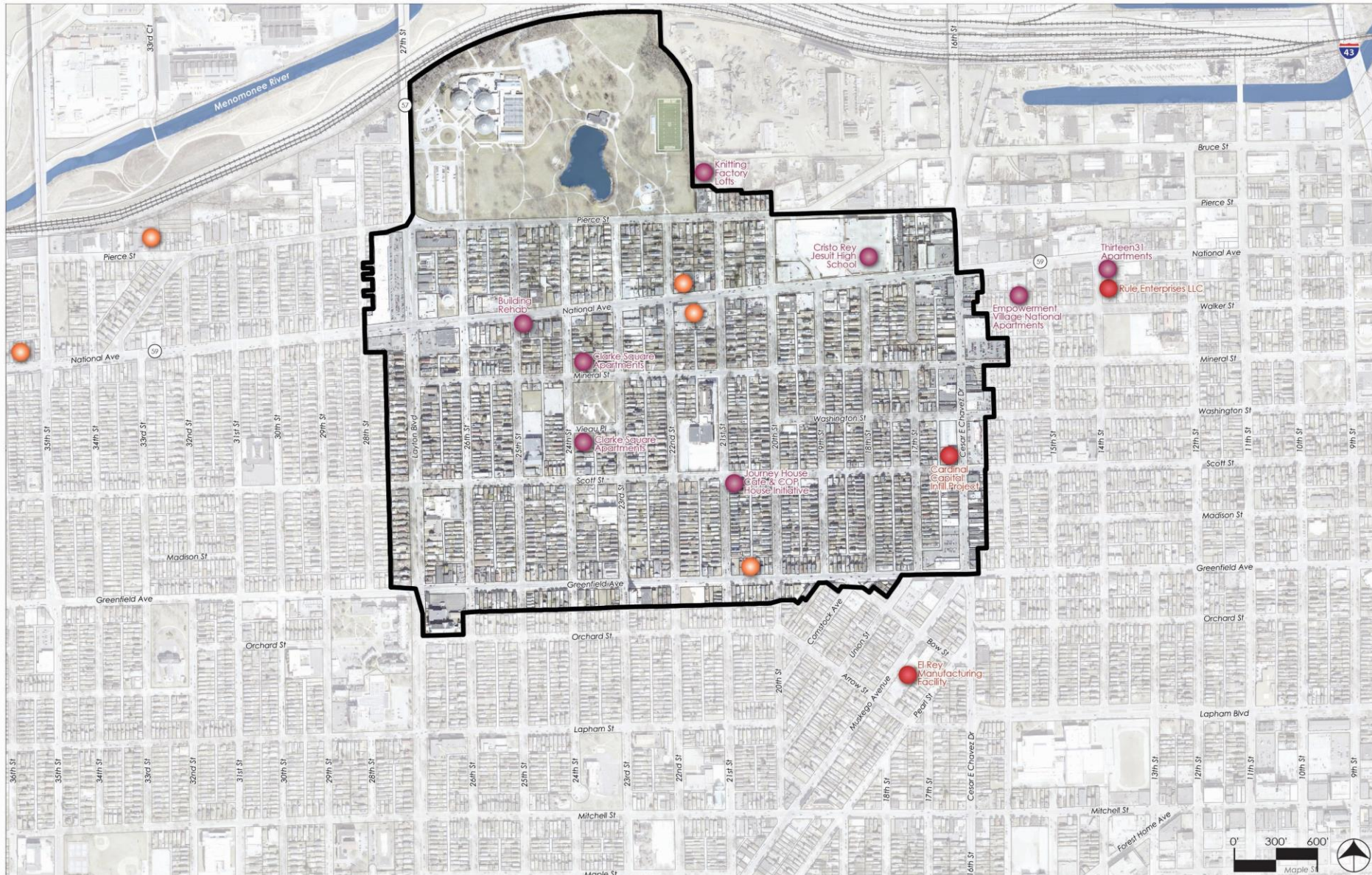


Building Momentum — Recent Investments and Catalytic Projects

- **Antiques on Pierce**
- **Thirteen31 Apartments**
- **The Factory**
- **Building Rehab at 2433 W. National**
- **Knitting Factory Lofts**
- **Clarke Square Apartments**
- **Cristo Rey Jesuit High School**
- **Journey House Café & COP House Initiative**

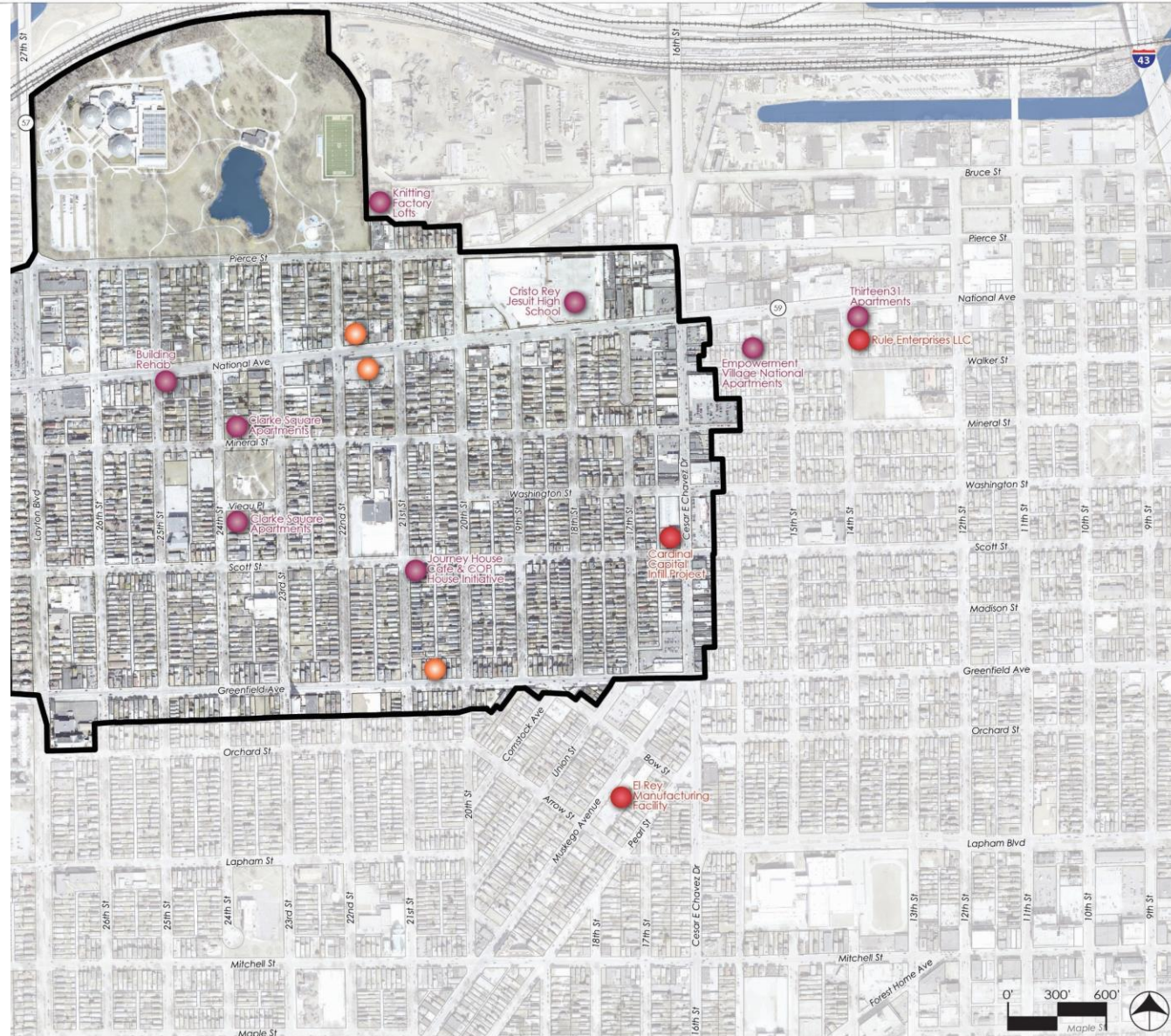


Building Momentum — Planned Projects and Redevelopment Sites

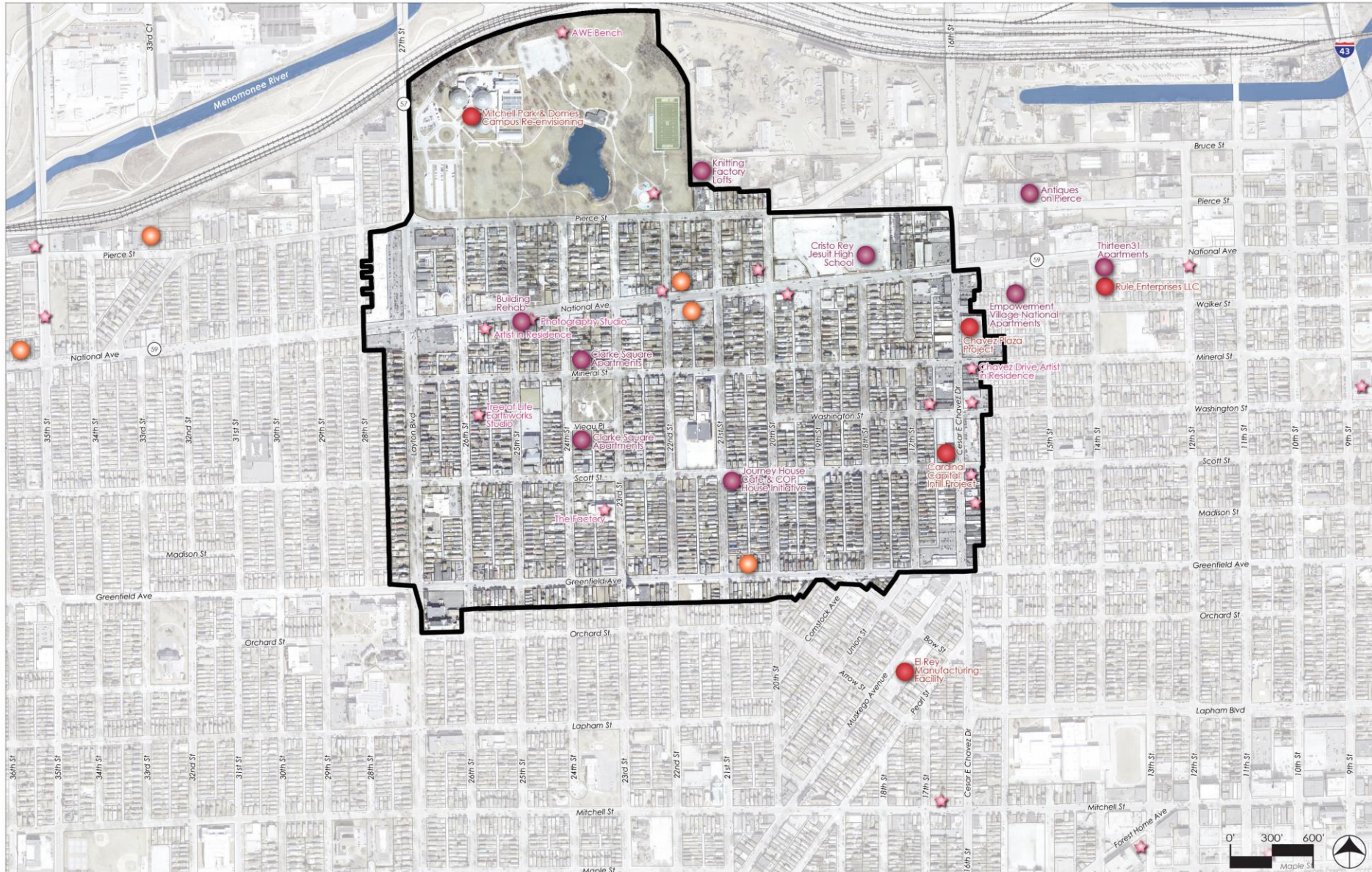


Building Momentum — Planned Projects and Redevelopment Sites

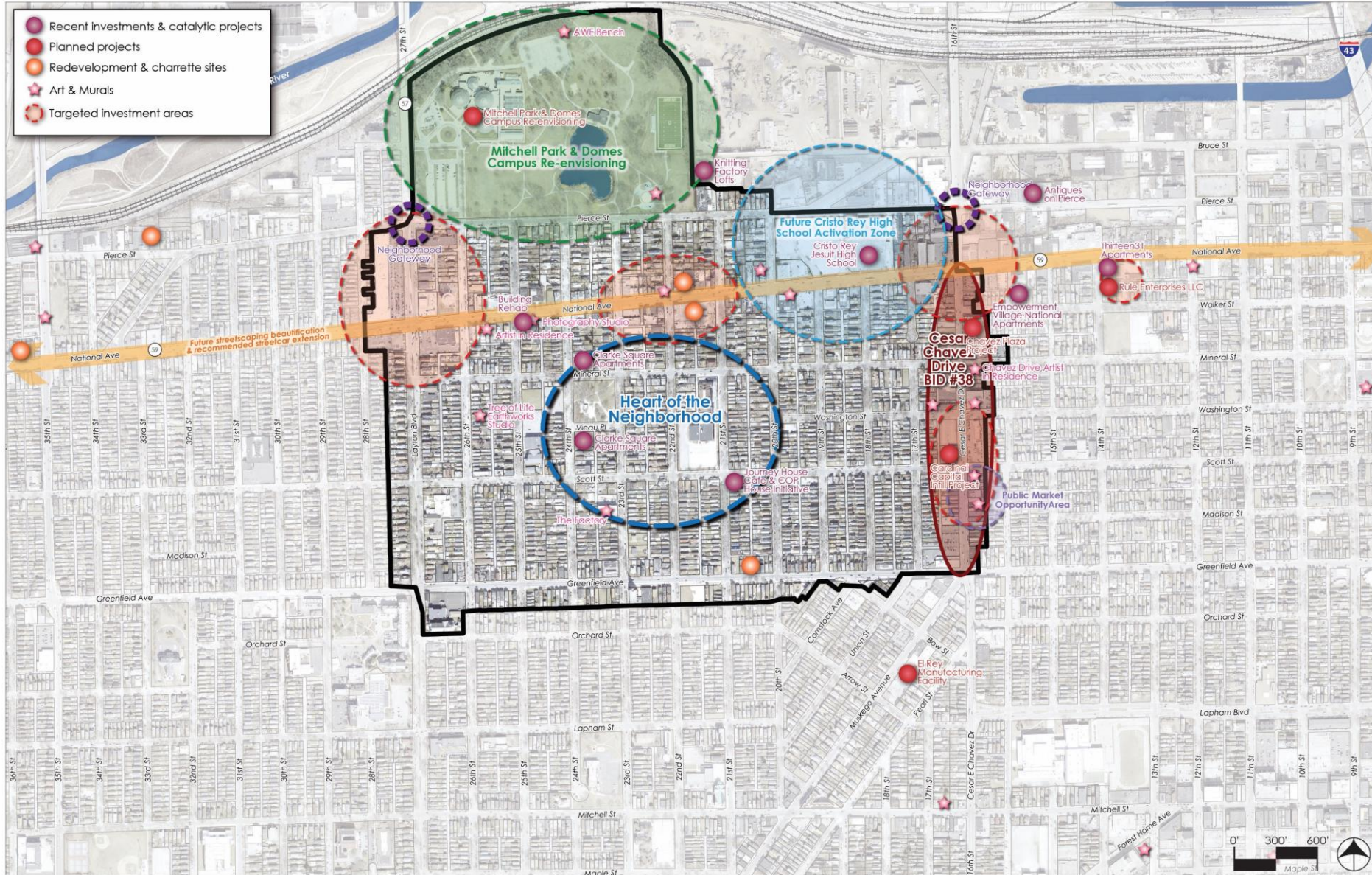
- **Four-story apartment, 1300 block of National, Rule Enterprises**
- **El Rey mfg building expansion, Muskego Way**
- **Infill project on former Dental Associates site, Chavez Drive, Cardinal Capital**
- **Reinvestment sites (Design Charette, 2014)**



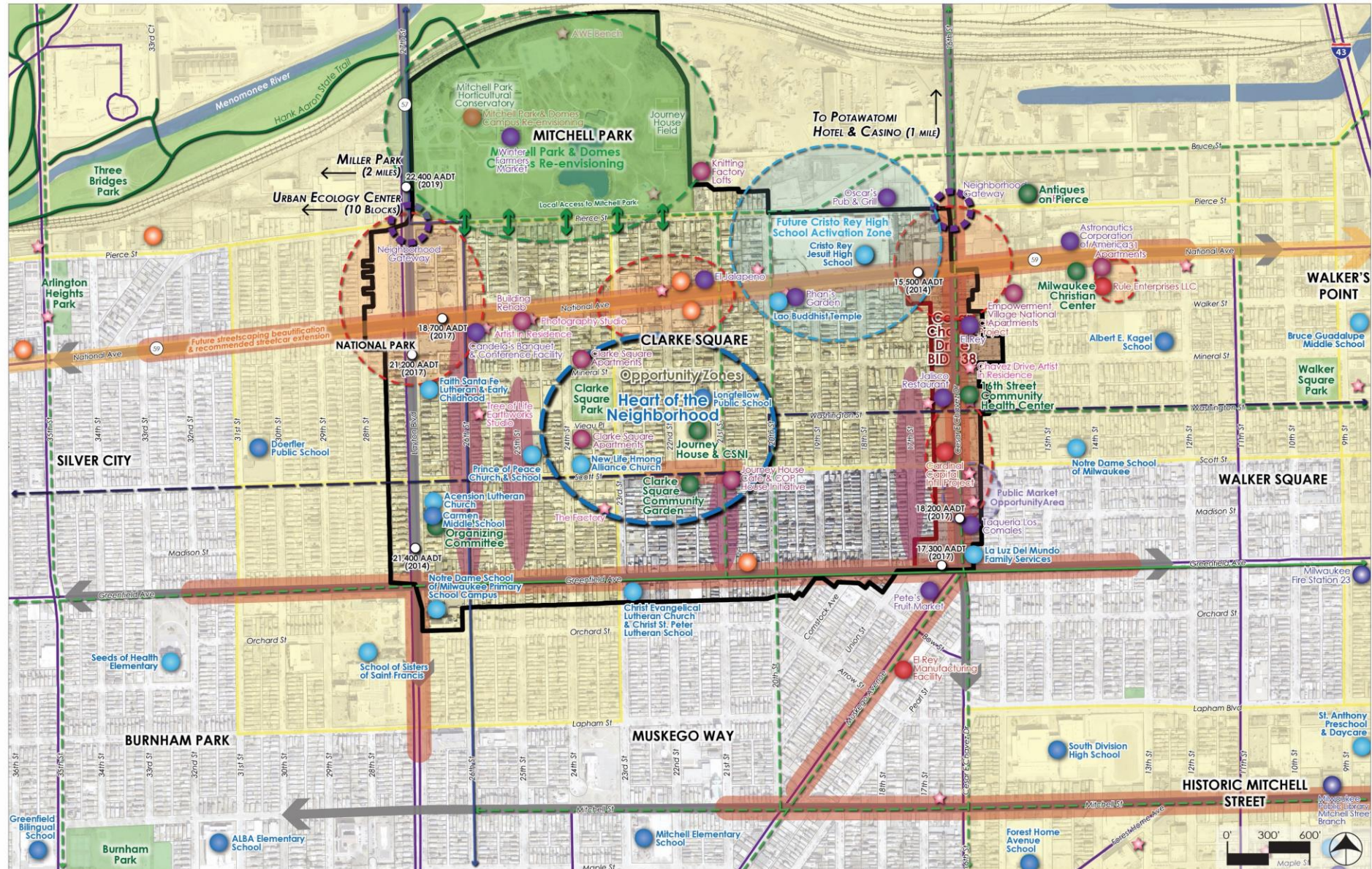
Building Momentum — Artists and Makers



Building Momentum — Opportunity Areas



Local Assets and Opportunities



Demographic Analysis

Neighborhood Demographics

Trends and Comparisons

Clarke Square Demographics	2000	2010	2019	2024
Total Population	9,009	8,739	8,087	8,023
Total Households	2,662	2,631	2,426	2,411
Average Household Size	3.33	3.25	3.26	3.26
Total Housing Units	2,977	2,933	2,941	2,951
Owner Occupied Housing Units	22.9%	22.1%	18.1%	18.2%
Renter Occupied Housing Units	66.5%	67.6%	64.4%	63.5%
Vacant Housing Units	10.6%	10.3%	17.5%	18.3%
Median Age		27.4	27.9	28.6
Median Household Income			\$25,812	\$29,165
Median Home Value			\$81,769	\$85,798
Per Capita Income			\$10,757	\$12,515

- The neighborhood is today home to about **8,000 people and 2,400 households**, representing declines of about 10% and 9%, respectively, since 2000.
- The area's housing units are about **two-thirds renter occupied**, which has remained relatively stable over time.
- **Vacancy rates have increased** while the overall **number of units has been flat**.

Source: ESRI Business Analyst

Neighborhood Demographics

Trends and Comparisons

Demographic Comparison (2019)	Clarke Square	City of Milwaukee	Milw. County
Total Population	8,087	585,612	939,979
Land Area (sq. mi.)	0.53	96	241
Population Density/sq. mi.	15,258	6,088	3,900
Total Households	2,426	226,756	380,717
Average Household Size	3.26	2.50	2.41
Total Housing Units	2,941	259,175	424,514
Owner Occupied Housing Units	18.1%	35.0%	43.0%
Renter Occupied Housing Units	64.4%	52.5%	46.7%
Vacant Housing Units	17.5%	12.5%	10.3%
Median Household Income	\$25,812	\$39,934	\$49,241
Median Home Value	\$81,769	\$131,951	\$174,961
Per Capita Income	\$10,757	\$21,827	\$27,952
Median Age	27.9	31.8	35.5

- **8th most dense neighborhood in Milwaukee**, exceeding the City average by about 2.5 times and the Milwaukee County average roughly four times over.
- The **median age (27.9) and average family size in Clarke Square (3.26)** are much lower and higher, respectively, than these comparison areas.
- **Median household incomes and property values** are well below City and County figures.

Source: ESRI Business Analyst

Neighborhood Demographics

Race, Income and Household Composition

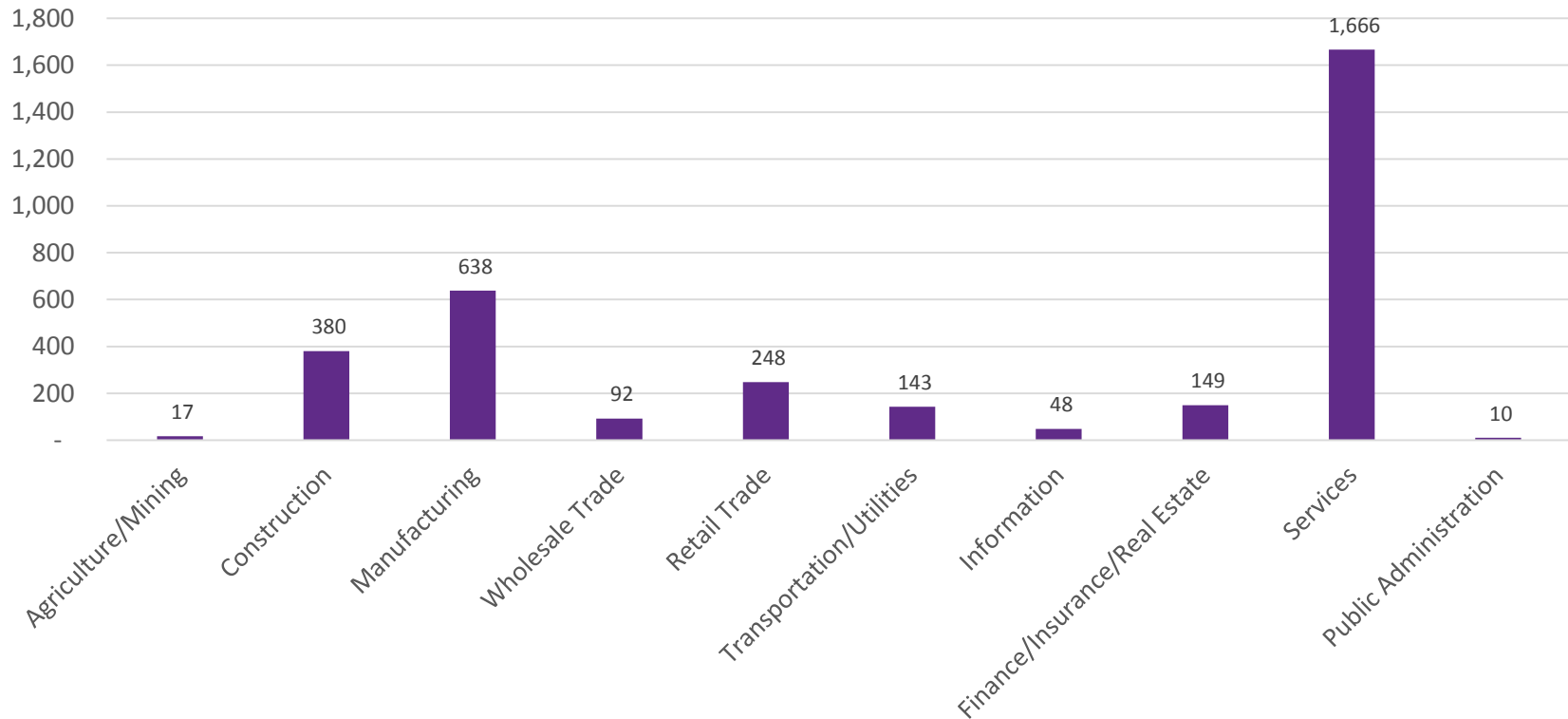
- Clarke Square is one of Milwaukee's **most diverse neighborhoods** - residents of Hispanic origin (of any race) are a large majority (73%) with strong black (12%) and Asian (3%) communities as well.
- The area struggles with entrenched poverty but also comprises many households of **working and middle class means**.
 - The average household income in the neighborhood is roughly \$35,000.
 - Low (<\$25,000) and very low income (\$<15,000) households constitute nearly half of all households.
 - About 25% of households earn more than \$50,000 per year.
- **47% of households have one or more children**, and the proportion of **intergenerational households (8.5%)** is nearly double the City average.
- Higher income households, especially those of Latino composition, may be attracted to the area due to **strong cultural ties and amenities geared toward Milwaukee's Spanish-speaking and immigrant populations**.

Source: ESRI Business Analyst

Resident Employment Profile

~3,400 total resident jobs

2019 Employed Population 16+ by Industry



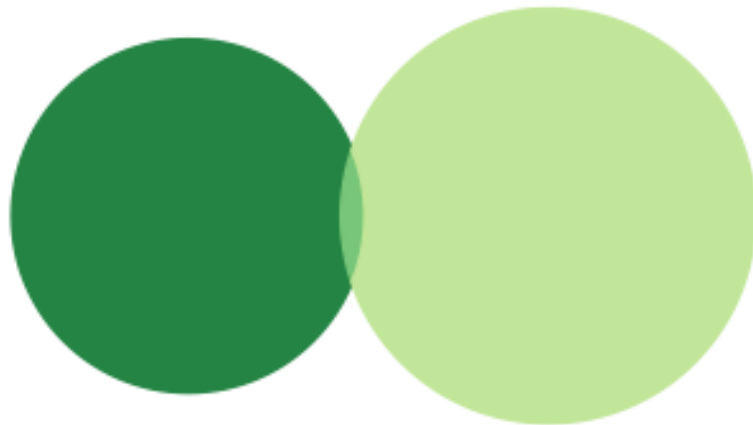
Source: ESRI Business Analyst

Area residents predominantly hold service-based positions, as well as blue collar jobs in construction and manufacturing. These sectors comprise nearly 80% of Clarke Square residents' jobs. Other notable sectors include transportation, real estate/finance and retail. Jobs held by residents are not necessarily located within the Study Area.

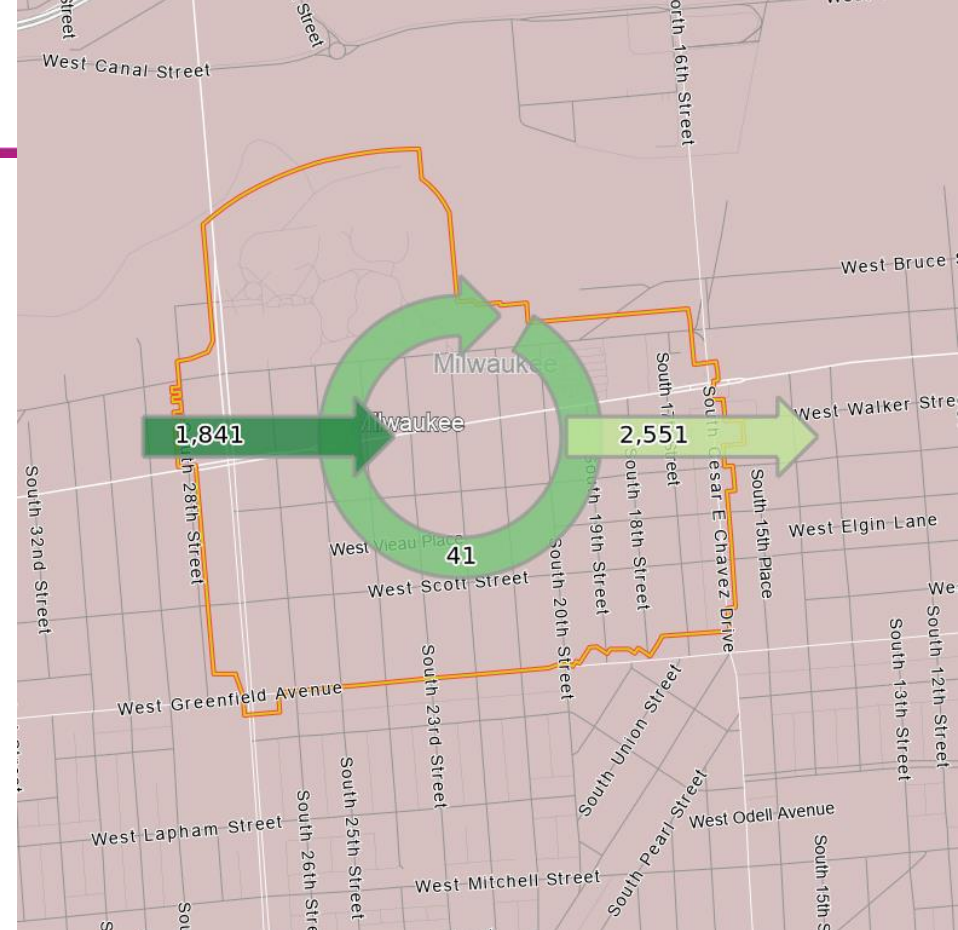
Commuter Flows

Inflow/Outflow Job Counts (2015)

The neighborhood is home to about 1,840 jobs, the vast majority of which are filled by commuters living outside of Clarke Square. By contrast, most residents travel outside of the neighborhood to get to work.



Dark Green	1,841 - Employed in Selection Area, Live Outside
Light Green	2,551 - Live in Selection Area, Employed Outside
Medium Green	41 - Employed and Live in Selection Area



- Dark Green Arrow: Employed and Live in Selection Area
- Light Green Arrow: Employed in Selection Area, Live Outside
- Medium Green Arrow: Live in Selection Area, Employed Outside

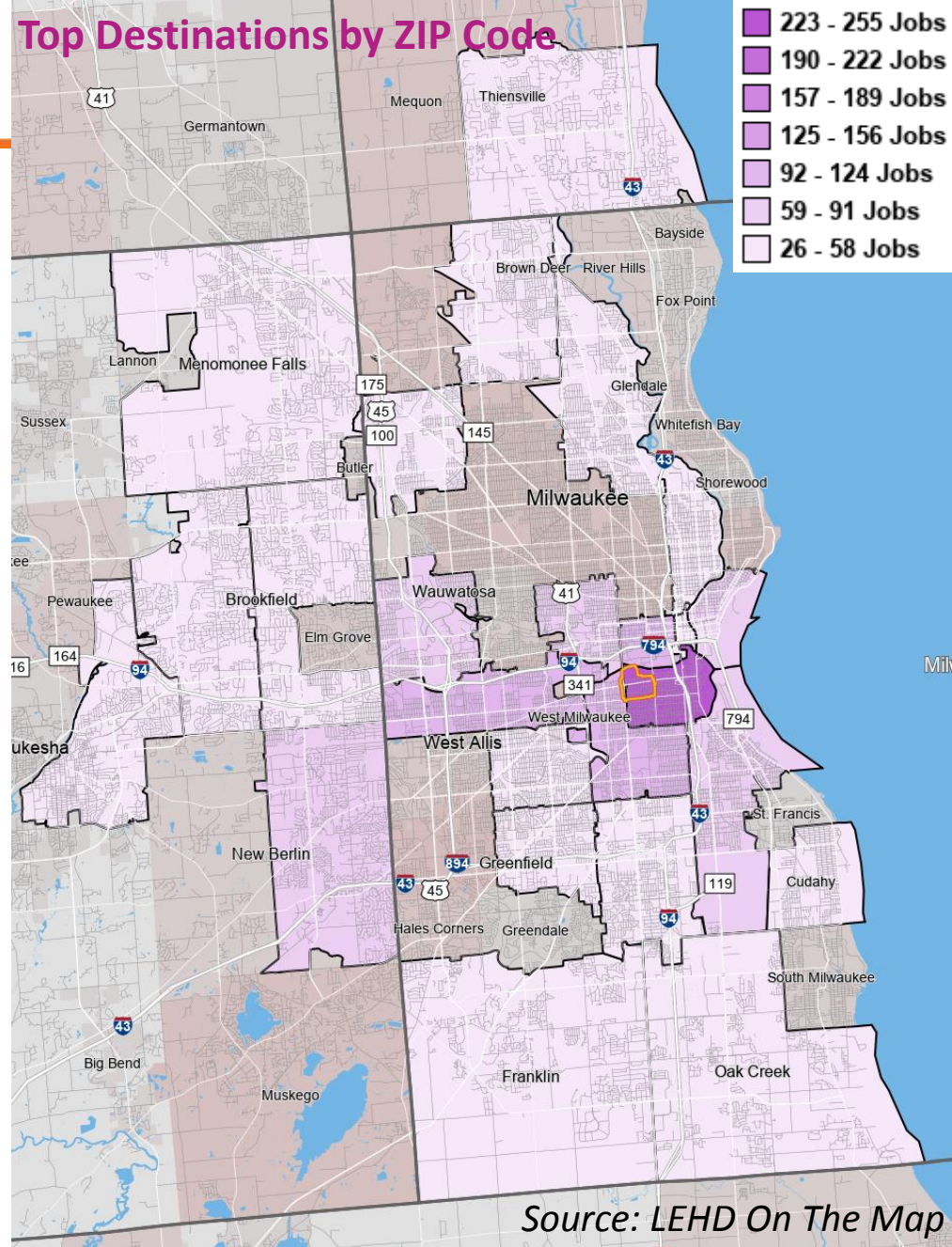
Source: LEHD On The Map

Resident Work Locations

Top Destinations (2015)

- Neighborhood residents predominantly work within the City of Milwaukee and surrounding suburbs.
- ZIP Codes in the south central and western portion of the City (including the Menomonee Valley) and adjacent suburbs nearest the neighborhood having the largest concentrations of workers.

Top Commuter Destinations	Count	Share
All Places (Cities, CDPs, etc.)	2,264	100.0%
Milwaukee	1,080	47.7%
Wauwatosa	124	5.5%
West Allis	90	4.0%
New Berlin	69	3.0%
Waukesha	52	2.3%
Brookfield	50	2.2%
Cudahy	49	2.2%
Greenfield	48	2.1%
Oak Creek	45	2.0%
Menomonee Falls	41	1.8%
All Other Locations	616	27.2%



Commercial Market & Land Use Analysis

Existing Land Use

- The study area is primarily residential (about 41% by land area).
- Significant public spaces (Mitchell Park, Clarke Square Park, Longfellow School/Journey House, etc.) make up about 25% of the neighborhood.
- Commercial uses of any type constitute about 15% of Clarke Square and are concentrated along the key corridors of National Avenue, Chavez Drive, and to a lesser degree Greenfield Avenue.



Vacant Lots and Buildings

Land Use Analysis	Parcels	Acres
Study Area Totals	1443	310.7
Total Commercial Parcels	160	48.3
Vacant Commercial	11	1.7
% Commercial Vacancy	0.8%	0.5%
Est. Total Bldg. Sq. Ft (all land uses)		6,107,830
Est. Comm. Bldg. Sq. Ft.		1,036,105
Est. Total Vacant Comm. Bldg. Sq. Ft.		2,314
% Vacant Comm. Bldg. Sq. Ft.		0.2%

Source: City of Milwaukee (MPROP)



Milwaukee County Land Information Office, Eagle View Technologies/Rectometry International

Existing Business Mix

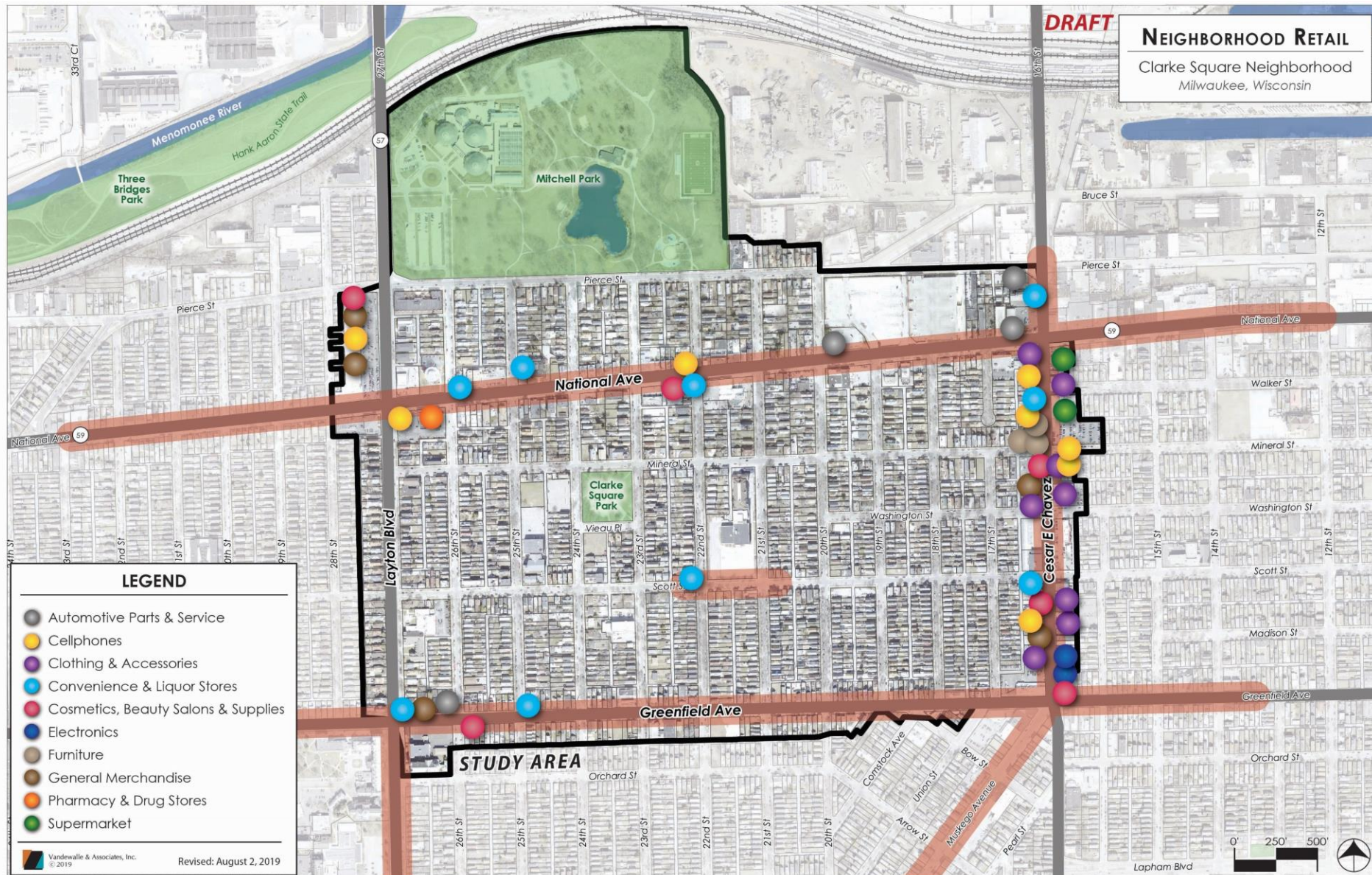
Business Inventory by Category

Category	Number of Businesses
Administration & Education	6
Arts & Leisure	2
Automotive Parts & Service	4
Wireless/Cell Phones	8
Clothing and Accessories	8
Construction, Warehousing & Transportation	6
Convenience & Liquor Stores	9
Cosmetics, Beauty Salons & Supplies	6
Electronics	2
Financial & Insurance	9
Furniture	2
Gas Stations	4
General Merchandise	5
Healthcare	6
Hotel	1
Manufacturing & Wholesale	3
Pharmacy & Drug Stores	1
Professional Services	12
Real Estate Leasing	2
Religious Organizations	12
Restaurants & Catering	20
Social Services	6
Supermarket	3
Total Businesses	137

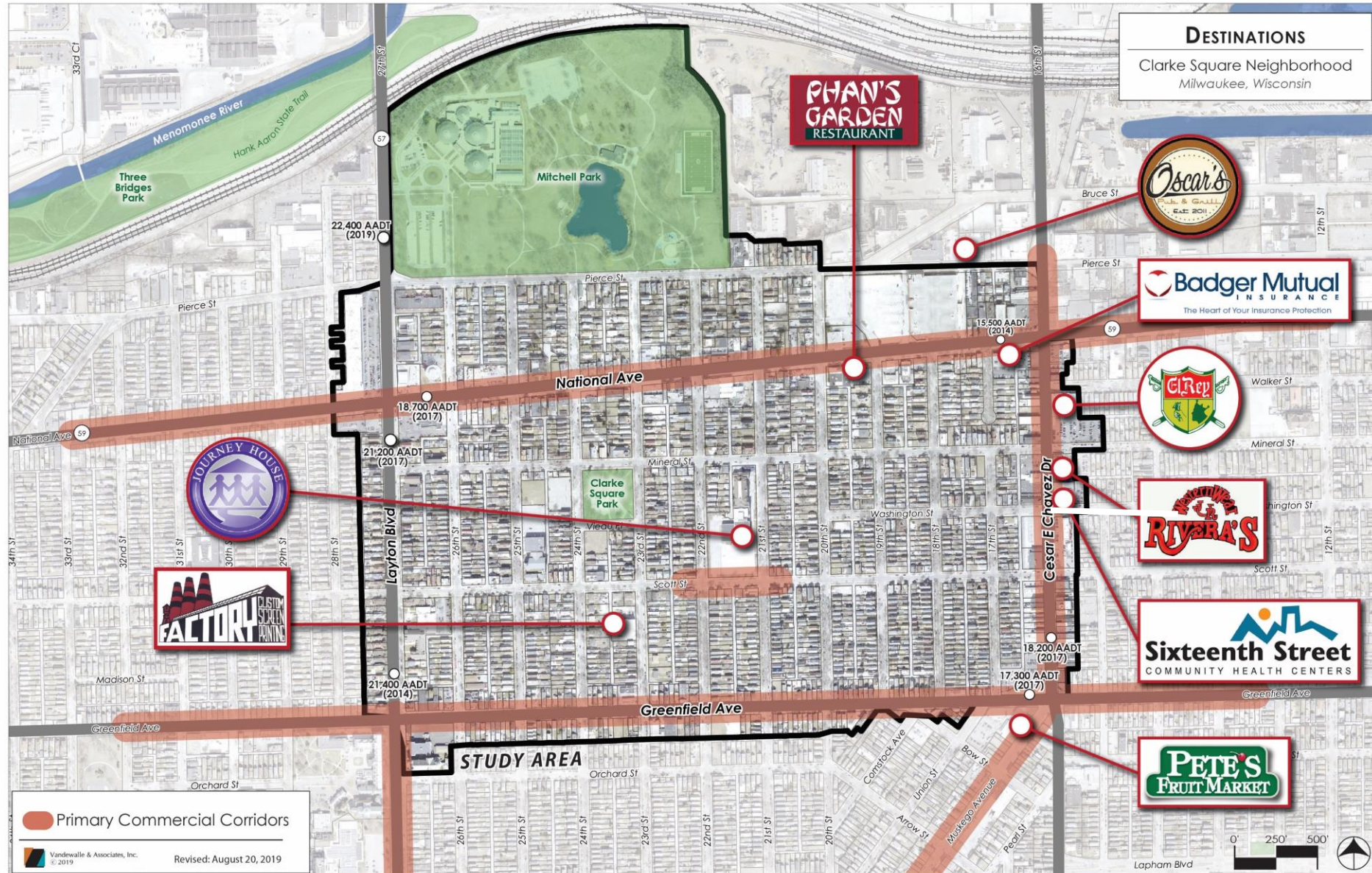
Sources: Reference USA, BID #38, Google Maps

- Clusters with the most locations within the study area include:
 - restaurants
 - service providers
 - religious organizations
 - convenience stores
 - cell phones
 - financial, payday loan and insurance providers
 - and clothing and accessories stores
- Having a larger number of a certain kind of business does not necessarily suggest an oversupply, as customers may travel from outside the Study Area for certain types of businesses, nor does a lack of certain businesses suggest that area residents want or need one or more new locations.
- Rather, this inventory gives a snapshot of what is already present in and near Clarke Square, much of which includes small, independently owned retail that is oriented toward residents, as well as specialty operations that cater primarily to Spanish-language customers.

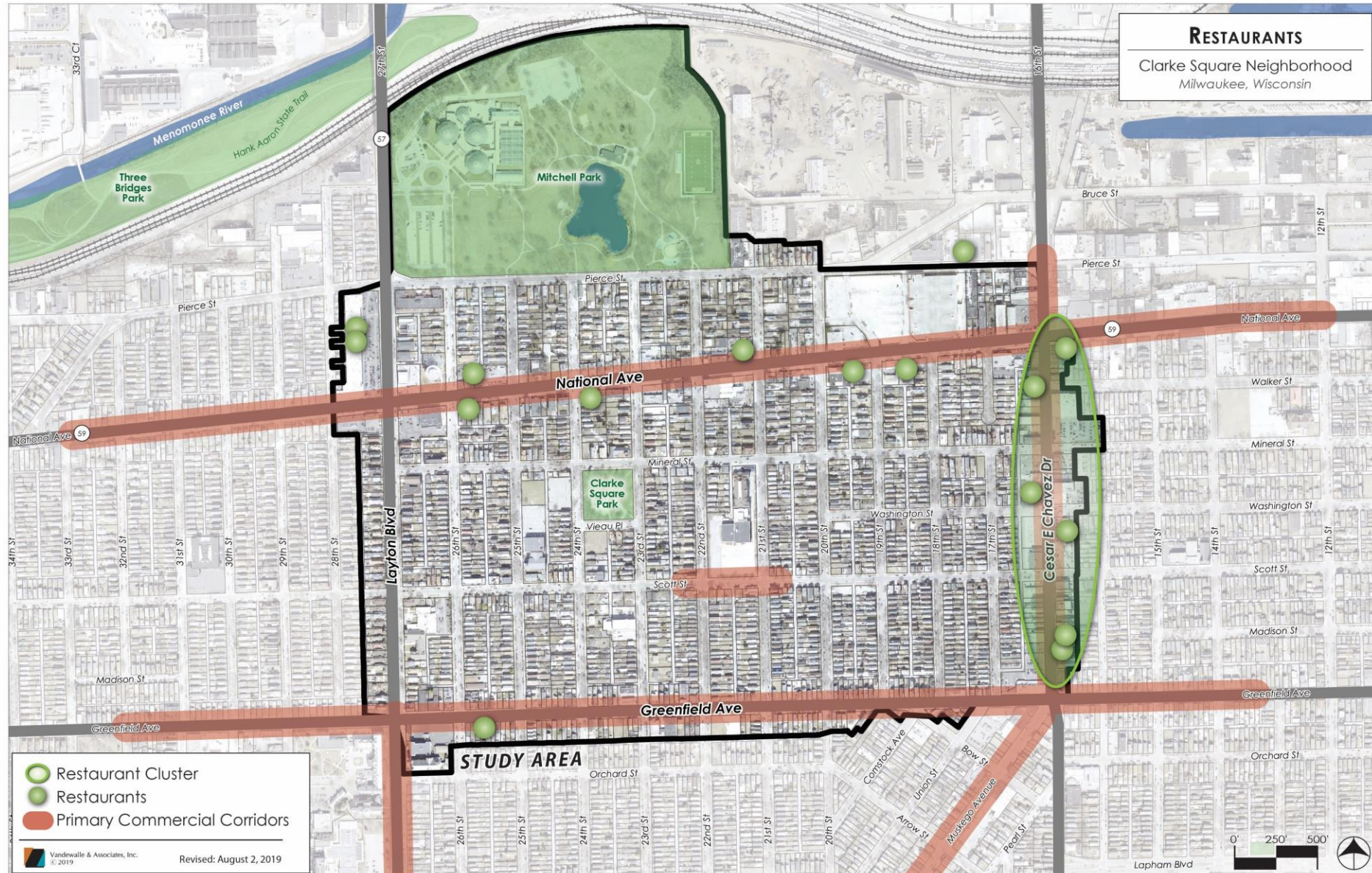
Neighborhood-Serving Retail



Destination Businesses



Restaurants and Bars



Commercial Properties Recently Sold, for Sale and Lease

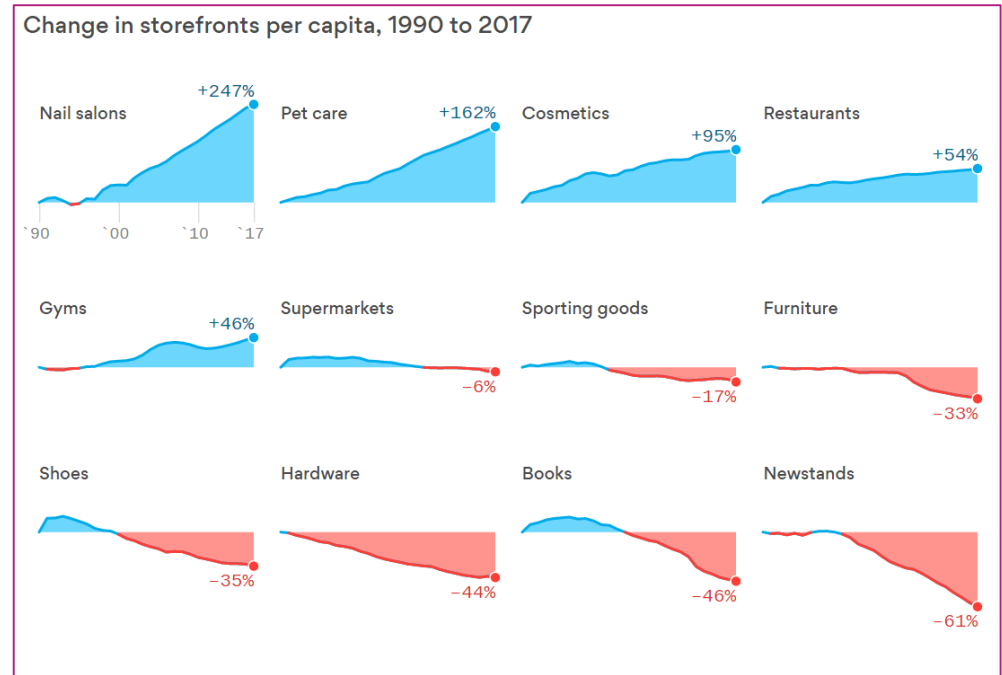


Retail Gap Analysis

Changing Retail Marketplace

“Big Picture”

- Larger trends are making the business landscape somewhat tougher for particular businesses segments, particularly the advent of convenient online shopping for even the most basic of daily needs, from clothing to groceries.
- Due to this shift, many cities are encountering challenges in filling retail vacancies due to excess supply of brick-and-mortar buildings.
- For example, neighborhood-level hardware and other soft line goods (apparel, books) are declining in real numbers and in average store size.
- On the other hand, service providers like nail and waxing salon, pet grooming shops, cosmetics stores, tattoo parlors, and gyms, stand out as growth sectors.
- Nonetheless, the potential success of new businesses in Clarke Square is subject to many other localized factors. Nationally and locally, **retail offerings that can't easily be replicated online – including stalwart local services, personal care stores discount retailers, and dollar stores – are increasing.**

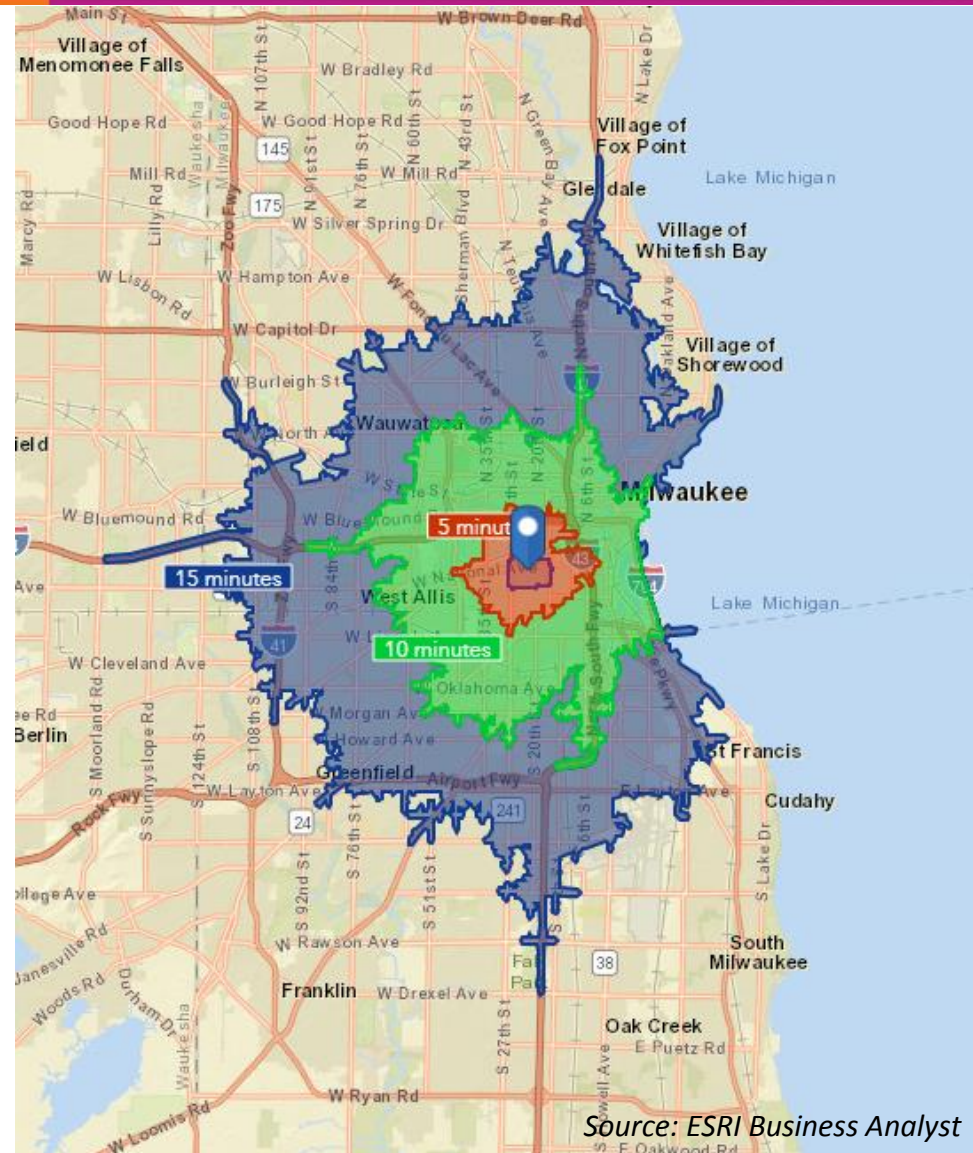


Data: Bureau of Labor Statistics, Federal Reserve Bank of St. Louis; Chart: Axios

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.
- Based on a number of factors:
 - **distance**
 - **drive time distance from the study area**
 - **competing areas**
 - **relative attractiveness of the complementary commercial establishments in/near the study area.**
- The following analysis is based on scenarios capturing estimated demand from the neighborhood to metro levels, that is, within **5, 10, and 15-minute drive time bands radiating from the heart of Clarke Square**, roughly the northern edge of Journey House and Longfellow School.
- These area includes most of the City of Milwaukee and portions of other municipalities that area residents may shop when specific retail offerings are not available in their neighborhood.



Retail Gap Analysis

Neighborhood Implications

- Overall, retail demand within the primary market area (0-5 minute drive) appears to be fairly well served - **only about 7% leaks out of the area.**
- The **food and drink sector is a net importer of demand** from outside the neighborhood, as total sales are nearly double the expected amount for the size and spending profile of Clarke Square.
- Median disposable income in the area is about \$22,618, suggesting a majority of residents are **value-oriented and appreciate low-cost, convenient retail options** within their neighborhood that meet day-to-day needs.
- The area's taquería restaurant cluster, along with El Rey Foods supermarket, form a **regional draw that may offer expansion potential** for complementary businesses and spinoffs (suppliers, importers, etc.) that do not necessarily compete with existing offerings.



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	\$5,811,218	\$238	24,417	3,250	Yes
Furniture & Home Furnishings Stores	\$132,971	\$417	319	2,600	No
Electronics & Appliance Stores	(\$4,999,978)	\$595	(8,403)	2,000	No
Lawn & Garden Equip & Supply Stores	\$4,320,814	\$506	8,543	2,000	Yes
Health & Personal Care Stores	\$54,116	\$565	96	9,000	No
Clothing Stores	\$4,969,683	\$238	20,881	2,400	Yes
Shoe Stores	\$3,953,524	\$238	16,611	2,900	Yes
Jewelry, Luggage & Leather Goods Stores	\$653,238	\$595	1,098	1,200	Maybe
Sporting Goods/Hobby/Musical Instr Stores	\$362,921	\$298	1,220	1,800	No
Office Supplies, Stationery & Gift Stores	(\$1,265,010)	\$238	(5,315)	1,800	No
Food/Beverage Industries					
Restaurants/Other Eating Places	(\$3,101,581)	\$476	(6,516)	2,500	No
Drinking Places - Alcoholic Beverages	\$94,230	\$476	198	1,500	No
Special Food Services	(\$25,209,631)	\$476	(52,961)	1,500	No
Grocery Stores	(\$33,771,133)	\$500	(67,542)	2,500	No
Specialty Food Stores	(\$28,243,071)	\$400	(70,608)	1,500	No
Beer, Wine & Liquor Stores	(\$5,582,177)	\$400	(13,955)	2,600	No

Source: ESRI Business Analyst; Urban Land Institute

Specific retail (non-service) segments that may have some potential for new locations within the immediate study area, depending on the location and size of the store, include:

- **auto parts**
- **home and garden**
- **clothing and shoes**
- **jewelry**

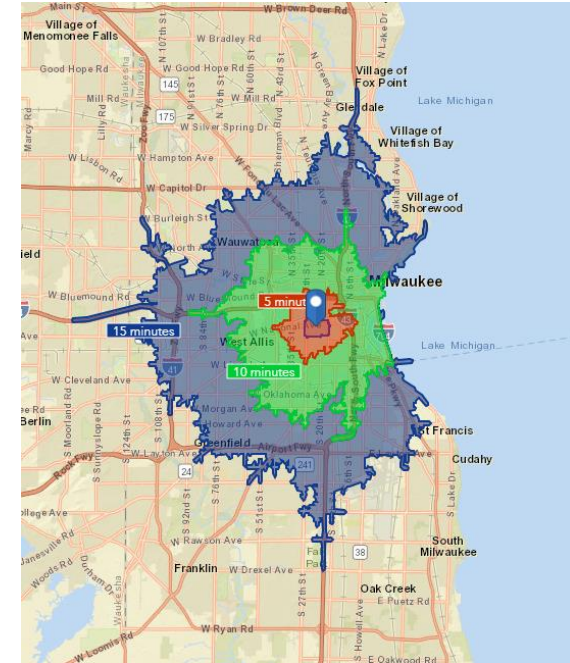
Please note that this type of analysis primarily measures more of what an area already has rather than what it should, so the data in this and the tables that follow should be considered a baseline for which additional analyses should be performed to test the market viability of specific business types. Entrepreneurial resources, such as those available through Brew City Match and the Chavez Drive BID, will help facilitate the businesses development process and help ensure the long-term health of new businesses, particularly those for which direct comparables do not exist in the neighborhood or broader region.

Retail Gap Analysis

Supportable Retail Square Footage and Estimated New Store Feasibility (Comparison Areas)

In the **5-10 minute ring**, (most of the City of Milwaukee and parts of inner ring suburbs), there is more limited retail potential. This may be due in part to the availability of “big box” retailers throughout this area (such as those on Miller Park Way) and specialty options available at regional malls and upscale shopping centers. **Clarke Square is not necessarily competing with these areas for retail and service providers, and in any case does not appear to have sufficient commercial property available to accommodate a very large user.**

Within **10-15 minutes** (edges of Greenfield, St. Francis, Glendale and east to Lake Michigan), there is more potential for additional retail opportunities, including automotive, furniture/home goods, electronics, lawn and garden, sporting goods, and some food and beverage sectors. While businesses with a somewhat regional draw tend to be larger locations, new businesses that may succeed in Clarke Square will still likely need to rely on significant traffic from neighborhood residents. **Therefore, accessibility and marketing that encourages local shopping will be key to their long-term success.**



Source: ESRI Business Analyst; Urban Land Institute

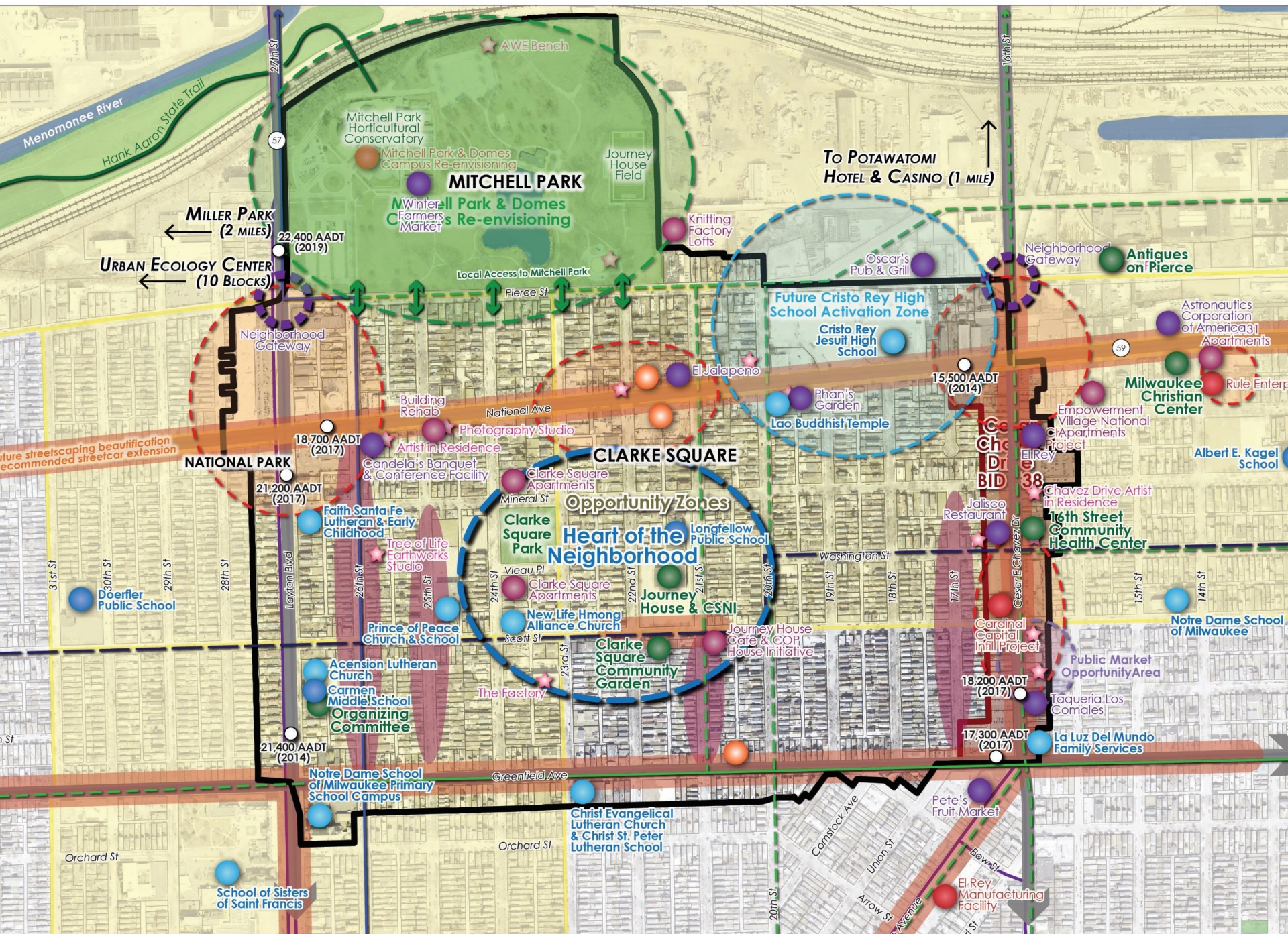
Desired Business Mix

In general, it is strongly desired to pursue a business and service mix that is oriented to local residents, is supported by local residents. 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 the following, as well as others that may be identified in the course of discussions with neighborhood residents and opportunities with specific ideas and business plans not contemplated in this report:

- **Pharmacy**
- **Healthy, affordable food options**
- **Food truck, commercial kitchen and food business incubator**
- **Community-based home improvement warehouse (e.g. Habitat ReStore)**
- **Spanish-language bookstore/café**



Guiding Principles and Creative Strategies



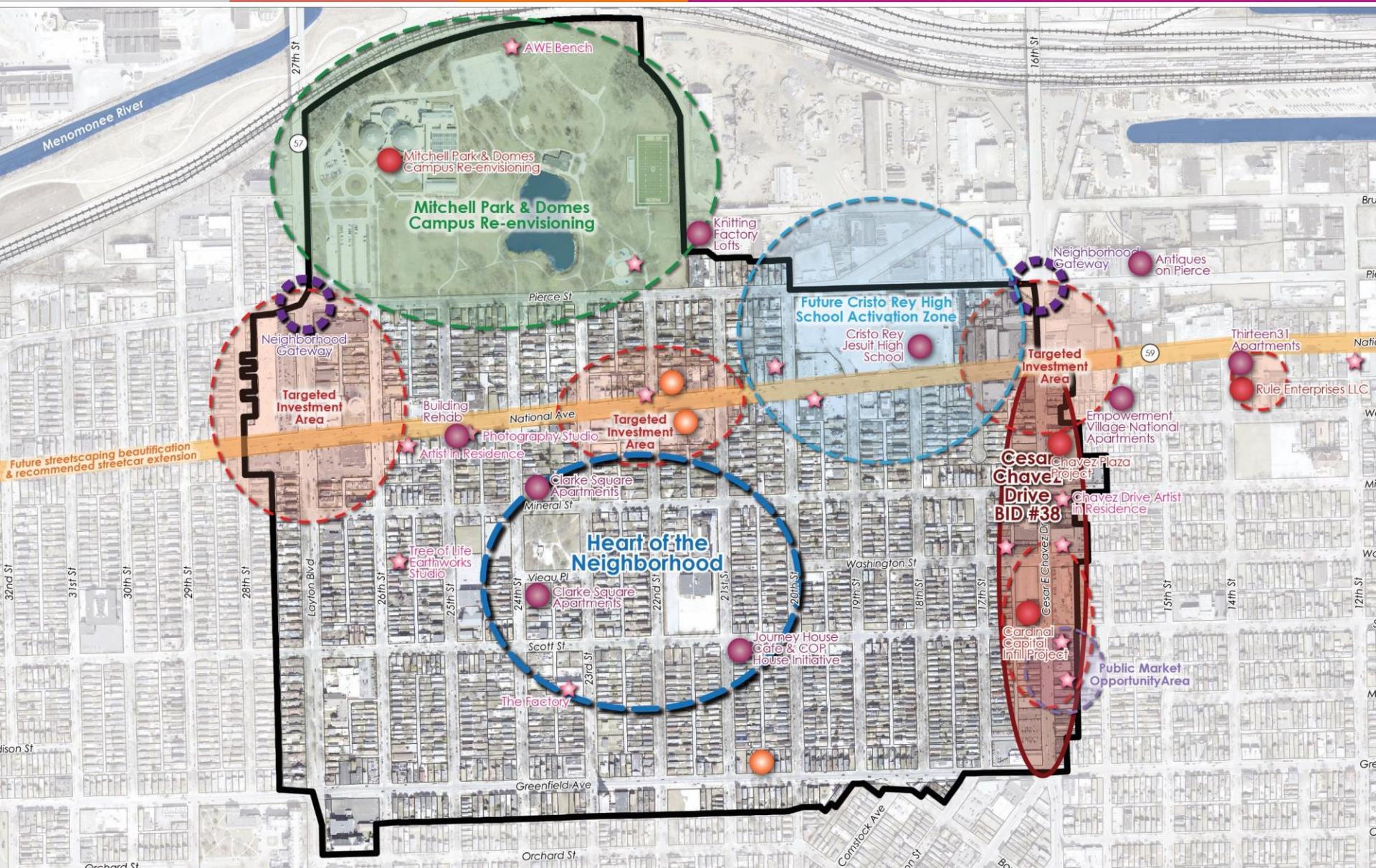
Build on Locational Advantages

Recent **new investments in greater southside** have included Clarke Square but also notably to the east, west, and north. The neighborhood must continue to use its central **location and proximity to regional employment, commercial and shopping destinations** to ensure it continues to function as a viable destination for new development of any type. National Avenue/Hwy 59, Greenfield and Historic Mitchell Street provide east west connections to near western suburbs and east to the Lake, while the 16th Street Viaduct and Layton Boulevard serve as direct connections to points north (downtown, Marquette University).

Mitchell Park and the Domes have long been a regional destination but could also be used to a greater extent as neighborhood park destination by Clarke Square residents. An opportunity exists strengthen the Park's connection to the **National Avenue business district**, while potential upgrades to the park itself being considered by the County may serve as a catalyst for other new connections and commercial business spinoffs.

Other nearby resident and visitor assets include the **Hank Aaron State Trail and Three Bridges Park** - regional and local destinations as well as recreational and commuter multi-modal routes – as well as the **Menomonee Valley/Potawatomi Casino entertainment and employment hub**.

Opportunity Areas



National Avenue Corridor

Develop a Distinct “Sense of Place”

- Throughout corridor
- Visual and physical between Mitchell Park to National Avenue
- Traffic calming at key locations
- Potential streetcar extension...

16th Street/Cesar Chavez Drive & National - Targeted Investment Area

- Gateway to the Latino heritage business district
- Gateway and streetscape features
- New developments as sites become available



National Avenue Corridor

Cristo Rey High School – Activation Zone

- Safe Routes to School program: strong access points and connections to nearby residential and retail nodes
- Recruit family-friendly businesses – restaurants that include activities, games, arcades, trivia, interactive multi-player games for all ages.
- Focus on expanded after-school activity offerings – year-round indoor and outdoor activities, small field indoor soccer/futsal.
 - Soccer variations such as “Pool Ball” currently offered at Red Lion Pub in Milwaukee.
 - Examples: Inbounds in Glendale, and Adventure Rock bouldering and climbing.
 - Possible building reuse of existing warehouse/former manufacturing building



National Avenue Corridor

22nd & National: Targeted Investment Area

- Advance a niche of “makerspace” and other DIY businesses
- Build upon neighborhood’s existing food and beverage in the underutilized area near 22nd & National.



Layton & National: Targeted Investment Area

- Heighten the sense of arrival to Clarke Square at the Layton/National “gateway” and highlight assets of the immediate area
- Opportunities to increase density/and transit-oriented development, capitalizing on proximity to Mitchell Park and downtown views while retaining local character.



Cesar Chavez Drive

Milwaukee's Latino Marketplace

- Consider implementation of a “public market” concept around Latino food, goods, clothing, gifts, and other distinctive offerings.
- Recruit businesses that complement and build on the existing business mix of culturally relevant offerings and locations offering convenient access to daily needs.



“Heart of the Neighborhood”

Build on Community Development Strengths

- Physical and programmatic improvements to Clarke Square Park to increase “eyes on the park” and the general sense of safety for users.

Seek Low-Profile Businesses in Residential Areas

- Utilize the Journey House Café/COP House as a means to spur new neighborhood-scale business development where high drive-by traffic is not needed but could serve the area, e.g. day cares, ethnic restaurants, and health and wellness businesses such as a gym, yoga, or fitness studio.



Greenfield Avenue



Support Walkable and Resident-Oriented Businesses

- Support walkable and resident-oriented businesses along Greenfield – smaller retail and corner lot commercial spaces may be attractive to newer boutique and food uses (Hispanic bakeries, coffee shops, services, etc.)
- Market larger opportunities for residential/mixed use development
- Potential for expanded spaces for community development non-profits and social service providers.

Next Steps

Focus on:

- Cristo Rey High School Activation Zone
- “Heart of the Neighborhood”
- Business opportunities consistent with Clarke Square’s established identity -- Latino heritage market, food truck park, and arts/DIY hubs

Short-term action steps:

- Conduct business inventory that distinguishes between fully vacant buildings and partially occupied buildings
- Support traffic calming measures on Pierce Street
- Explore ways to match home-based businesses with available storefronts

