

Downtown Milwaukee Entertainment & Hospitality Comparative Analysis

Submitted to:

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Greater Milwaukee Committee
247 Freshwater Way Suite 400
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May 9, 2015



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Dear Ms. Taylor,

The Greater Milwaukee Committee and The Milwaukee Downtown Business Improvement District No. 21 engaged Hunden Strategic Partners (HSP) to conduct a comparative analysis of downtown Milwaukee's entertainment and hospitality offerings, focusing on restaurants, nightlife, hotels, entertainment and convention assets. The attached is our report.

This deliverable has been prepared under the following general assumptions and limiting conditions:

- The findings presented herein reflect analysis of primary and secondary sources of information that are assumed to be correct. HSP utilized sources deemed to be reliable, but cannot guarantee their accuracy.
- No responsibility is taken for changes in market conditions after the date of this report and no obligation is assumed to revise this report to reflect events or conditions occurring after the date of this report.
- Macroeconomic events affecting travel and the economy cannot be predicted and may impact the market.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely yours,

Hunden Strategic Partners

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EXECUTIVE SUMMARY

Hunden Strategic Partners was retained by the Greater Milwaukee Committee and Downtown Milwaukee BID 21 (together considered to be the Client), to determine how downtown Milwaukee compares with its peers in terms of hospitality, entertainment and nightlife. HSP was also asked to consider how the lessons from peer cities' experiences could inform civic leadership in Milwaukee. The study comes at a critical time for the future of downtown Milwaukee, as several transformative decisions, public investments and changes may take place. These include:

- The potential development of a new arena for the NBA Milwaukee Bucks. Should a new arena not be funded and built, it is likely that the team will relocate out of the Milwaukee area, which would have a significant negative impact on civic pride and downtown economic vitality. It would also have an adverse effect on event and pedestrian activity in the BMO Harris Bradley Center neighborhood in Westtown. If a new arena is funded and built, its location and non-arena components will have a material impact on downtown development, travel patterns for cars and pedestrians and the development of other attractions nearby. An arena project that purposefully integrates and connects with the surrounding area with activated "street fronts" will enhance, energize and contribute to the expansion of existing entertainment nodes. If the development does not include outward facing amenities, such as restaurants that are active outside of event times, it will not maximize or optimize the opportunity that Milwaukee can seize at this critical time.
- The recently approved funding of a downtown streetcar system. The route and its reliability, frequency and convenience will help connect the various portions of Milwaukee's large and spread out downtown area. It should also help mitigate one of the major concerns noted in this analysis: the distance between nodes of activity in downtown. Without a car or such a streetcar, it is not likely that most visitors to downtown will walk from node to node (except in pleasant weather or during the daylight hours), due to the distance between these nodes.
- The potential expansion of the Wisconsin Center (convention center) and possibility of a new headquarters convention hotel. While no commitments have been made to either project, studies have been completed (and underscored by this analysis) that suggest that in order to compete in the convention business, this facility and its walkable hotel package need to expand. The convention and conference visitor is a customer segment that is key to a healthy urban center and its hotels (making up between 25 percent and 75 percent of hotel visitors in the peer cities). Without this segment, downtown Milwaukee's economy and hotels rely only on warm weather leisure travelers and weekday business travelers. A healthy group market can bolster the downtown hotel, restaurant and attractions economy. A robust downtown service and hospitality industry offers introductory rungs on the ladder of success that Millennials can use as an entry point to a vibrant life in downtown.

Given that all of these items are integral to downtown's development, the stakeholders in this study asked HSP to consider how the peer cities have dealt with transit, convention centers, convention hotels, entertainment districts, and new arena issues. What can be learned from how each of these downtowns have developed? What challenges does Milwaukee face that it can overcome with smart planning and development that would improve its standing and reputation as an active downtown?

While there are approximately three-dozen U.S. cities of similar size to Milwaukee, HSP chose a smaller set of cities to use as a comparison. Cities were selected using a number of criteria, including population, the existence of four distinct seasons (eliminating most extreme southern or California cities), and the existence of at least one major league professional sports team. HSP also tried to keep a balance of cities that developed during different time periods. For example, Milwaukee saw extensive development during the industrial revolution, as did Pittsburgh, St. Louis and Baltimore, with more densely developed downtowns. Cities like Indianapolis and Kansas City developed more slowly during the 1800s, but saw a bigger growth spurt in the early 1900s. The peer set also included those that have experienced rapid growth more recently, such as Portland, Charlotte, Nashville and Salt Lake City. Finally, HSP avoided comparing Milwaukee to any downtown or city/metro that is either declining in population or has seen a recent decline in size (such as Cleveland or Detroit). Nearby familiar cities like Chicago and Minneapolis-St. Paul are too large to provide a reasonable comparison in most categories, with metro populations of 9 million and 3.5 million, respectively. However, the concert theater seat analysis did include Chicago, at the request of the stakeholders.

The purpose here is to determine those cities that Milwaukee would like to consider its competitive set, which will skew toward the term “aspirational”. As such, Milwaukee today may compare at or below average in certain categories, but the peer set shows what can be accomplished by a city and downtown within such a size cohort.

The cities chosen as peers are shown in the following table.

Table 1

| Peer Cities | | |
|--------------------|------------------------|------------------------------------|
| City | MSA Population 2010 | TV Media Market Population 2011 |
| St. Louis, MO | 2,789,873 | 3,107,851 |
| Portland, OR | 2,232,717 | 3,092,602 |
| Charlotte, NC | 2,223,685 | 3,024,014 |
| Salt Lake City, UT | 1,091,718 | 3,017,796 |
| Indianapolis, IN | 1,892,368 | 2,897,038 |
| Pittsburgh | 2,360,733 | 2,881,200 |
| Nashville, TN | 1,675,886 | 2,634,001 |
| Kansas City | 2,009,342 | 2,361,149 |
| Cincinnati, OH | 2,116,811 | 2,340,448 |
| Baltimore | 2,710,489 | 2,269,540 |
| <i>Average</i> | 2,110,362 | 2,762,564 |
| <i>Milwaukee</i> | 1,556,711 | 2,200,432 |

Source: US Census, HSP

The average population of the city metropolitan populations is 2.1 million and the average media market size is 2.8 million. Milwaukee’s MSA is somewhat smaller than the average of the group, by approximately 25 percent. The media market is also smaller than the group average, by 20 percent. However, if one considers

the Milwaukee Combined Statistical Area (CSA)* of 2,026,000 residents as of 2010, its population is very similar to the average of the others.

However, when consider another key metric of downtown health, the downtown residential population and the downtown daytime employee population, Milwaukee's figures place it in the middle or upper portion of the group, depending on the metric. The table below shows the comparison.

Table 2

| Downtown Population (Sorted by Combined Residential & Office Population) | | | | | | |
|--|--|----------|---------------------|----------|---------------------------------|----------|
| Peer City | Estimated True Residential Population* | Rank | Downtown Employment | Rank | Downtown Day + Night Population | Rank |
| Baltimore | 40,000 | 1 | 122,000 | 1 | 162,000 | 1 |
| Pittsburgh | 16,000 | 7 | 105,000 | 2 | 121,000 | 2 |
| Kansas City | 17,000 | 6 | 100,000 | 3 | 117,000 | 3 |
| Portland | 24,000 | 3 | 83,000 | 5 | 107,000 | 4 |
| Milwaukee | 25,000 | 2 | 81,000 | 6 | 106,000 | 5 |
| St Louis | 15,000 | 10 | 89,000 | 4 | 104,000 | 6 |
| Indianapolis | 23,000 | 4 | 73,000 | 8 | 96,000 | 7 |
| Charlotte | 16,000 | 7 | 75,000 | 7 | 91,000 | 8 |
| Salt Lake City | 16,000 | 7 | 69,200 | 9 | 85,200 | 9 |
| Cincinnati | 18,000 | 5 | 60,000 | 10 | 78,000 | 10 |
| Nashville | 11,000 | 11 | 50,000 | 11 | 61,000 | 11 |
| Average (rounded) | 20,000 | | 82,000 | | 103,000 | |

* Average between downtown zip code population and local source estimates
 Source: Hunden Strategic Partners, US Census Bureau, various downtown organizations

Milwaukee's estimated true downtown resident population of 25,000 (higher than the 2010 official count of 21,395 by the US Census Bureau) ranks it second only to Baltimore in this group. Its downtown employee population is 81,000, which ranks it sixth out of the eleven peer cities. The combined total of the two results in a combined total of 106,000, just slightly less than Portland and fifth in the group.

This report acts as a current comparison of downtown assets, but also sets a benchmark from which to continually measure how Milwaukee changes and grows over time relative to these same peers.

Summary of Chapters

The report is broken down into five chapters:

- Chapter 1 Economic and Demographic Profile of Downtown Milwaukee
- Chapter 2 Convention Center & Hotel Analysis
- Chapter 3 Restaurant & Nightlife Analysis
- Chapter 4 Sports, Concert & Entertainment Venue Analysis
- Chapter 5 Transit Analysis

Summaries of each are provided below.

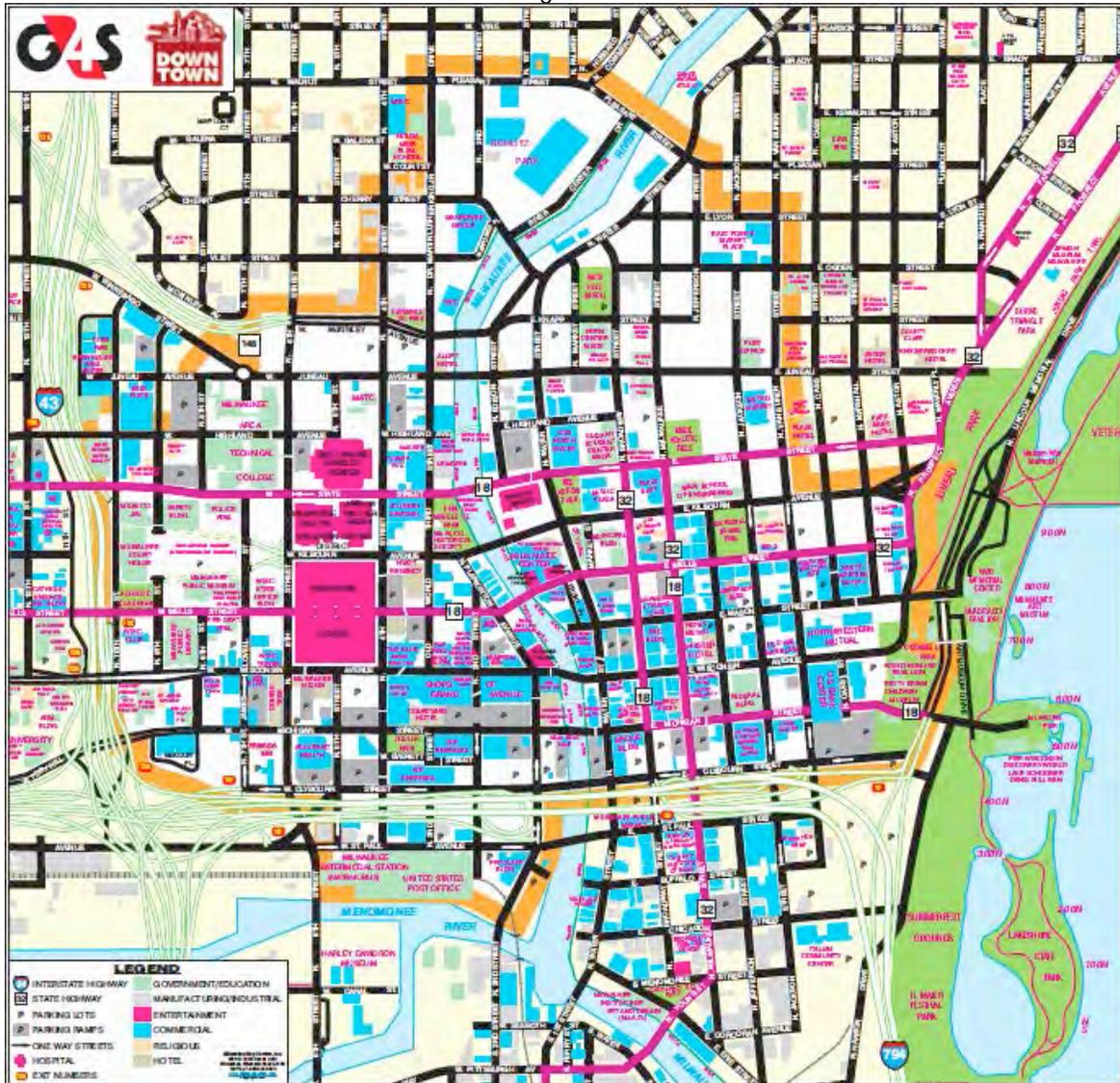
Economic and Demographic Profile of Milwaukee and Downtown

In 1998, the Milwaukee Downtown business improvement district (BID) was established to act as the collective voice of the more than 400 property owners within the BID's boundaries. The BID is a 150-block area in the center of downtown with boundaries at 10th Street on the west, Lake Michigan on the east, Schlitz Park on the north and St. Paul Avenue on the south.

The distance from McKinley Avenue on the northern edge of downtown to the Third Ward's southern core is about one mile. The downtown's surrounding character changes abruptly on either side, with the northern edge transitioning into attractive historic residential neighborhoods, the west side becoming a mix of industrial and historic blue-collar residential areas with long commercial strips, and the southern edge being made up of the wide and heavily-industrialized Menomonee Valley. Milwaukee is noted for retaining some of America's best-preserved ethnic neighborhoods, architecture, churches and cultural traditions including markets, restaurants, and cuisine.

The following is a map of the Downtown Milwaukee BID.

Figure 3



While the BID does not include the Historic Third Ward, the ward is considered by most to be part of downtown and its renaissance. Even the neighborhood just to the south of the Third Ward is considered by some to be part of the expanding presence of downtown, primarily due to residential, office and hotel developments, highlighted by the Iron Horse Hotel.

The table below shows the population characteristics of the state, CSA, MSA, County, City and downtown.

Table 4

| | Population and Growth Rates | | | | |
|-----------------------------------|-----------------------------|-------------|-------------|---------------|-------------------------------|
| | Population | | | | Percent Change 2000 - 2010 |
| | 1990 | 2000 | 2010 | 2013 Estimate | |
| United States | 248,709,873 | 281,421,906 | 308,745,538 | 316,128,839 | 9.7% |
| State of Wisconsin | 4,891,769 | 5,363,675 | 5,686,986 | 5,742,713 | 6.0% |
| Milwaukee-Racine-Waukesha CSA | n/a | n/a | 2,040,498 | 2,026,243 | -- |
| Milwaukee-Waukesha-West Allis MSA | 1,607,183 | 1,500,741 | 1,555,908 | 1,569,659 | 3.7% |
| Milwaukee County | 959,275 | 940,164 | 947,735 | 956,023 | 0.8% |
| City of Milwaukee | 628,088 | 596,974 | 594,833 | 599,164 | -0.4% |
| Downtown Milwaukee | -- | 17,048 | 21,395 | -- | 25.5% |
| City Pop. As % of County | 65.5% | 63.5% | 62.8% | 62.7% | |
| Downtown Pop. As % of City | -- | 2.9% | 3.6% | -- | |

Source: U.S. Census Bureau

The officially recorded population of downtown Milwaukee increased by more than 25 percent from 2000 to 2010, although based on local estimates, the number is now approximately 25,000. Over this period (and since 2010), there have been multiple residential developments in downtown neighborhoods. Neighborhoods such as the Historic Third Ward have seen numerous warehouses being developed into condominiums, apartments and mixed-use developments to accommodate more downtown residents and commerce. Many of these residents are empty nesters and young professionals.

As of 2010, there were more than 81,000 workers in downtown Milwaukee. This was an increase of 3.8 percent from 2000. The largest employment sectors in downtown Milwaukee are finance and insurance followed by professional, scientific and technical services, with 20.9 percent and 12.7 percent of the total downtown employment, respectively. The top two private categories are generally well-compensated industries, suggesting that there is potent economic vitality within those who are employed downtown. In addition, government employment accounts for nearly 19 percent of the downtown employment.

The focus of this study is the downtown area and it has seen significant change in the past several years. A number of studies have been completed related to downtown and specific assets. The following are facts and statistics that help tell the story of the downtown transformation.

- More than \$2.6 billion in private and public investment has occurred downtown since 2005. Nearly \$1 billion new projects are currently underway, including the \$450 million, 1.1 million-square foot Northwestern Mutual Towers and Commons, expected to employ 1,000 additional people downtown. Many more projects are proposed, including the new Bucks arena.
- More than 5.5 million attendees visit events at the Bradley Center, Henry W. Maier Festival Grounds and the Wisconsin Center District annually.
- The downtown office market of 11.8 million square feet accounts for more than 42 percent of the total area's office market.
- Class A office space vacancy rate was 9.8 percent as of the fourth quarter of 2014 and the average lease rate was \$22.28 per square foot.

- Retail vacancy downtown decreased from 16 percent to 13 percent between Q1 2012 and Q4 of 2014. The average lease rate increased to \$18.88 from \$18.79 per square foot.
- Convention attendance has increased by nearly 130 percent between 2007 and 2014. Convention room nights increased by 26 percent during the same period.
- Since 2000, the downtown population has increased by more than 25 percent. Population in the city limits has essentially been flat over the period.
- The median income of downtown households increased by 38.4 percent since 2000, compared with 2.2 percent for all city households.
- More than 5,000 housing units have been added to downtown since 2005. Approximately \$550 million in housing developments have been added between 2005 and 2012.

Overall, the city of Milwaukee and Milwaukee County have experienced very little population growth in the past two decades compared to the state of Wisconsin and the United States. However, the downtown and metropolitan area have each experienced growth, signifying that residents are locating in the surrounding suburban communities and downtown. The resurgence of downtown is not fully documented in this report, but the analysis shows that serious investment in housing and housing demand are supporting higher prices and new development. In addition, there is continued development of real estate and other investment in the downtown area. The presence of numerous educational institutions in the downtown area, multiple Fortune 500 companies, and numerous entertainment venues are what is attracting residents to a more urban lifestyle in similar cities provides ongoing support for this exciting time for downtown Milwaukee.

The downtown population primarily consists of educated professionals of various age groups. Many are renters, although there is a strong contingent of residential owners. Nearly all are rehabbed or new units. The resurgence in downtown residents is helping to fuel the viability of restaurants and shops. It is also making employers consider locating downtown if they want to attract the best talent. Yet the customers who support the many events and facilities downtown are mostly from outside of the downtown residential base. As such, the successful strategy going forward for downtown is to continually consider how to attract and retain visits from residents from outside the downtown area, including the suburbs, exurbs and, for certain events and activities, a catchment area that includes all of Wisconsin and northern Illinois.

Convention Center & Hotel Analysis

Critical to the health of downtown is the ability to offer event and hotel spaces that accommodate the market willing and able to come to downtown Milwaukee. In most instances and cities, this means considering the health of the convention center facilities as well as the critical hotels and hotel room blocks that support the ability of the center to put a compelling package together. This group business, whether it is for social, religious, educational, corporate or association events, is an important third leg of the hotel demand stool (the other legs being corporate and leisure transient business). The more and better the event and hotel package, the more likely visitors and residents (not to mention new businesses) are to see Milwaukee as a vibrant and attractive place to visit or permanently locate.

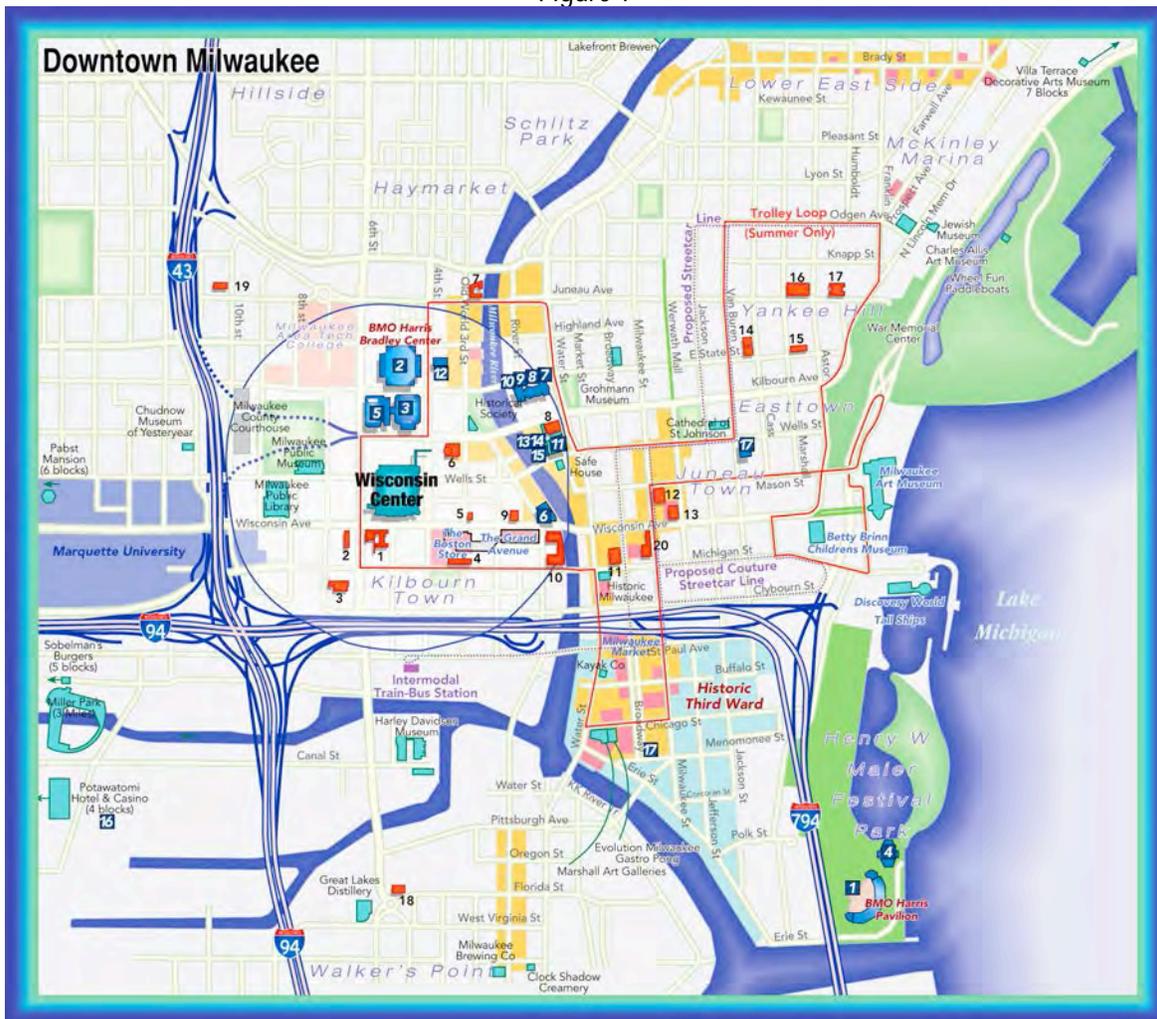
Downtown Milwaukee features one major convention facility and a number of hotels. The convention center is called the Wisconsin Center and is part of a multi-facility district called the Wisconsin Center District. It includes the 4,100-seat Milwaukee Theater and the 12,700-seat UW Panther Arena.

The Wisconsin Center opened in two phases in Downtown Milwaukee in 1998 and 2000. The \$185 million facility has 189,000 square feet of exhibit space.

When originally opened as the Midwest Express Center in 1998, the Wisconsin Center was designed with a Phase III expansion in mind, extending to the north to Kilbourn Avenue. In May of 2014, the Wisconsin Center District was the subject of a feasibility study outlining the District's competitive needs and proposing a modest expansion of 60,000 feet of new exhibit space, a 14,000 square-foot junior ballroom, and additional meeting rooms. Because this expansion initiative coincides with the current efforts to build a new Milwaukee Bucks NBA area, the study suggested a master plan to redevelop the downtown corridor between 4th and 6th Street as a pedestrian-friendly sports and entertainment district.

The following map shows the Wisconsin Center with a radius drawn depicting the “walkable” distance from the facility. Any hotels (shown in orange) outside of this area would not be considered walkable by meeting planners and make it more difficult to create a competitive block of hotel rooms for major events.

Figure 1



The details of the numbered hotels included in the body of the study.

The next table shows the Wisconsin Center's space breakdown relative to the peer cities chosen.

Table 5

| Milwaukee Peer Downtown Convention Centers | | | | | | | | |
|--|--------------------------------|-------------------------------------|----------------------|------------|-------------|-----------------|------------------------------|---------------------|
| Rank | City | Convention Center Name | Total Function Space | Exhibit SF | Ballroom SF | Meeting Room SF | Number of Breakout Divisions | Largest Ballroom SF |
| 1 | Indianapolis | Indiana Convention Center | 729,551 | 558,000 | 57,072 | 114,479 | 98 | 33,335 |
| 2 | Salt Lake City | Salt Palace Convention Center | 671,220 | 510,600 | 45,000 | 115,620 | 75 | 45,000 |
| 3 | St. Louis | America's Center Convention Complex | 636,924 | 485,000 | 28,416 | 123,508 | 88 | 28,416 |
| 4 | Nashville | Music City Center | 519,943 | 353,143 | 75,400 | 91,400 | 75 | 57,500 |
| 5 | Kansas City | Kansas City Convention Center | 420,030 | 287,820 | 70,394 | 61,816 | 43 | 46,484 |
| 6 | Pittsburgh | David L. Lawrence Convention Center | 419,921 | 312,756 | 31,212 | 75,953 | 61 | 15,660 |
| 7 | Baltimore | The Baltimore Convention Center | 407,216 | 300,000 | 36,672 | 70,544 | 61 | 36,672 |
| 8 | Charlotte | Charlotte Convention Center | 406,490 | 280,000 | 75,000 | 51,490 | 46 | 40,000 |
| 9 | Portland | Oregon Convention Center | 356,782 | 242,000 | 59,400 | 55,382 | 70 | 34,200 |
| 10 | Cincinnati | Duke Energy Convention Center | 296,974 | 195,320 | 57,311 | 44,343 | 39 | 39,985 |
| | Average | | 486,505 | 352,464 | 53,588 | 80,454 | 66 | 37,725 |
| 11 | Milwaukee | Wisconsin Center | 265,841 | 188,695 | 37,506 | 39,640 | 38 | 37,506 |
| | Amount Needed to Reach Average | | 220,664 | 163,769 | 16,082 | 40,814 | 28 | 219 |

Source: Hunden Strategic Partners, Smith Travel Research, Mpoint, Cvent, U.S. Census Bureau

The total function space in peer convention centers ranges from 265,841 square feet in Milwaukee (the smallest) to nearly 730,000 square feet in Indianapolis. The average for the set is 486,505 square feet, which is 220,664 square feet greater than (nearly double) the Wisconsin Center total.

Exhibit space in peer convention centers ranges from 188,695 square feet in Milwaukee (the smallest) to 558,000 square feet in Indianapolis. The average for the set is 352,464 square feet, which is 163,769 square feet more than (nearly double) the Wisconsin Center total. Ballroom space in peer convention centers ranges from 31,212 square feet in Pittsburgh (the smallest) to 75,000 square feet in Nashville and Charlotte. The average for the set is 53,588 square feet, which is 16,082 square feet more than the Wisconsin Center total.

Milwaukee has about half of the meeting space of the peer set average and is the smallest amount in the set. The number of breakouts of the meeting space totals 38 at the Wisconsin Center compared with the average of 66 for the peer set.

The largest ballroom at the Wisconsin Center meets the average of the set. The largest ballroom is also the newest, located in Nashville. It totals 57,500 square feet, which is 20,000 square feet larger than the grand ballroom in Milwaukee. For most measures, the Wisconsin Center is at about half of the level of the average of the peer set, except for the largest ballroom.

The next table is perhaps the most important when determining the competitiveness of a destination and its ability to package appropriately sized groups for the convention center. It shows the package of walkable and

CBD rooms relative to the convention center. Walkable rooms are those within 1,500 linear feet of the convention center.

Table 6

| Milwaukee Comparable Destinations' Downtown and Walkable Hotel Package | | | | | | | | | |
|--|--------------------------------|---------------------------|-------------------------------------|----------------------|-------------------------------------|----------------------|---------------------------|-----------------|----------------------|
| Walkable Rank | City | Walkable Hotel Room Count | Walkable | CBD Hotel Room Count | CBD | # of Walkable Hotels | Avg. | # of CBD Hotels | Avg. |
| | | | Rooms per 1,000 SF of Exhibit Space | | Rooms per 1,000 SF of Exhibit Space | | Walkable Room Count/Hotel | | CBD Room Count/Hotel |
| 1 | Indianapolis | 6,259 | 11 | 7,033 | 13 | 20 | 313 | 26 | 271 |
| 2 | Baltimore | 6,057 | 20 | 8,560 | 29 | 19 | 319 | 32 | 268 |
| 3 | Salt Lake City | 4,360 | 9 | 7,921 | 16 | 17 | 256 | 30 | 264 |
| 4 | St. Louis | 3,864 | 8 | 5,976 | 12 | 11 | 351 | 16 | 374 |
| 5 | Nashville | 3,352 | 9 | 4,922 | 14 | 10 | 335 | 18 | 273 |
| 6 | Charlotte | 2,819 | 10 | 4,884 | 17 | 9 | 313 | 19 | 257 |
| 7 | Pittsburgh | 2,600 | 13 | 5,315 | 27 | 9 | 289 | 19 | 280 |
| 8 | Cincinnati | 2,380 | 10 | 3,291 | 14 | 4 | 595 | 9 | 366 |
| 9 | Kansas City | 2,248 | 8 | 2,621 | 9 | 6 | 375 | 10 | 262 |
| 11 | Portland | 1,914 | 8 | 6,712 | 28 | 8 | 239 | 31 | 217 |
| | Average | 3,585 | 11 | 5,724 | 18 | 11 | 339 | 21 | 283 |
| 10 | Milwaukee | 1,994 | 11 | 4,066 | 22 | 5 | 399 | 23 | 177 |
| | Amount Needed to Reach Average | 1,591 | 0 | 1,658 | -4 | 6 | -60 | -2 | 106 |

Source: Hunden Strategic Partners, Smith Travel Research, Mpoint, Cvent, U.S. Census Bureau

As shown, there are a number of metrics in the table, beginning with the walkable hotel room count. This figure ranges from 1,914 in Portland to 6,259 in Indianapolis, with an average of 3,630. Milwaukee's walkable room count is near the bottom of the rankings (10th out of 11) and is 1,591 rooms short of the average of the peer set. Interestingly, while the Milwaukee total is not much more than half of the average and only one-third of Baltimore and Indianapolis, on a basis relative to the convention center size, it is exactly average. The average here is not ideal, however. The optimal number of walkable hotel rooms per 1,000 square feet of exhibit space is about 15. Only Baltimore exceeds this metric.

The Central Business District (CBD) hotel room count is also important when considering the ability of the community to host large events. Meeting and event planners often have to contract with hotels outside the walkable radius, even if they would prefer not to. Milwaukee has just over 4,000 hotel rooms downtown and this compares with a peer set average of 5,724, or approximately 1,660 less than the average.

Milwaukee has more than the average number of CBD hotel rooms relative to exhibit space. Milwaukee's hotels, on average, are smaller than the average of the hotels in the peer cities (177 rooms vs. 275 rooms). This makes creating group room blocks difficult. However, for the five walkable hotels, the hotel size averages 399 rooms in Milwaukee versus 339 rooms for the peer set.

Overall, Milwaukee would be well served by a large 800 – 1,000-room convention hotel adjacent to the Wisconsin Center, especially if the facility expands. The number of available rooms and large hotels is simply too limited currently to keep Milwaukee competitive.

The next table shows the largest headquarters hotel in the peer set.

Table 7

| Milwaukee Comparable Destinations' Headquarter Hotels | | | |
|---|----------------|---|-------|
| Rank | City | Largest Walkable Quality Convention Hotel | Rooms |
| 1 | St. Louis | Renaissance Grand | 1,018 |
| 2 | Indianapolis | JW Marriott Indianapolis | 1,005 |
| 3 | Salt Lake City | Omni - Under Development | 1,000 |
| 4 | Kansas City | Kansas City Marriott Downtown | 983 |
| 5 | Nashville | Omni Nashville Hotel | 800 |
| 6 | Baltimore | Hilton Baltimore | 757 |
| 8 | Charlotte | Westin Charlotte | 700 |
| 9 | Pittsburgh | Westin Convention Center | 616 |
| 10 | Portland | Hyatt Portland | 600 |
| 11 | Cincinnati | - | 0 |
| Average | | | 831 |
| 7 | Milwaukee | Hilton Milwaukee City Center | 729 |

Source: Hunden Strategic Partners

The largest hotel is in St. Louis, with 1,018 rooms. Cincinnati has large hotels near the convention center, but they are not of high quality or size to adequately service the needs of the convention center. Otherwise the smallest convention hotel is the new 600-room hotel underway in Portland. The average is 831 rooms, compared with 729 rooms in the Hilton Milwaukee City Center. Kansas City just announced a deal (not included in the metrics above) to build an 800-room Hyatt hotel adjacent to their convention center in a public-private deal that has taken approximately ten years to formulate.

In today's competitive convention market, the market has demanded and received top-quality hotel and convention center packages, usually connected to each other, in most major U.S. cities and now even in second and third-tier cities. For a community to be competitive in the industry, a convention center alone will not suffice. First, the Wisconsin Center should be upgraded and expanded to include the elements necessary to compete. However, it should not be expanded if a plan for a matching hotel package is not included. Clearly, the destination package must include a solid-quality convention hotel package, which often means at least one major convention hotel adjacent or attached to the convention center.

The number of walkable hotel rooms from a convention center's front door should be approximately 15 per 1,000 square feet of exhibit space. For Milwaukee, this means the optimal quality hotel package within 1,500 feet of the Wisconsin Center is 2,900 rooms, or about 1,000 more than currently exist. If this could be developed within one large convention hotel, it would immediately put Milwaukee in contention for many more events than it currently qualifies for. Other cities have recognized that neither a convention center nor a nice hotel is compelling enough on its own, but rather the entire package of quality meeting space, a large quality meeting space, a large quality hotel room block and proximity between the two are essential to remain competitive in today's meetings market.

Restaurant & Nightlife Analysis and Connectivity of Key Assets

The peer cities were analyzed to determine how many restaurants and bars are located in each downtown. But perhaps just as important, HSP analyzed each downtown to determine how connected their assets were. Specifically, it is important to understand how connected or close the restaurants and nightlife are to the major demand generators that bring people to the downtown, especially those who do not live in the downtown area. For these visitors, whether from the suburbs or beyond, they generally come downtown for an event or an attraction. Before and/or after, they often want to eat, drink and extend their stay. Shopping is often also on the agenda if the opportunity presents itself. If the nodes of dining activity are not easily walkable from the attraction or event, then visitors are more likely to go to their car and drive home (or go back to their hotel). Not having the node of dining and bars and other nightlife easily connected means that much economic impact is being left on the table (or more correctly, being taken back from whence it came).

Making sure that the nodes of restaurants and bars are near enough to the demand generators is critical to lengthening a visitor's stay downtown, as this invites walkability between the restaurant and event, before and/or after the event. The restaurants and bars are the 'glue' that helps stick the rest of the assets of downtown together. Office workers, too, would much rather be able to walk from work to a pre-show restaurant and then the show, rather than have to get in their car to make this same transaction. Anytime someone has to make a choice to drive, they may just drive home.

The table below shows the distance from the convention center (as one example of a major demand generator) to the nightlife and dining nodes. Anything beyond 1/3 of a mile is going to be a stretch for someone on foot willing to make that walk.

Table 8

| Peer City Distance from Convention Center to Nightlife/Dining Nodes | | |
|---|---|--------------------------------|
| City | Entertainment District | Distance to Conv. Ctr. (Miles) |
| Baltimore | Power Plant Live | 0.50 |
| Charlotte | EPICENTRE | 0.10 |
| Indianapolis | Circle Centre Mall / Wholesale District | 0.10 |
| Kansas City | Power & Light District | 0.10 |
| Nashville | Lower Broadway | 0.20 |
| Portland | Old Town-Chinatown | 0.60 |
| Salt Lake City | Area South of City Creek Mall | 0.10 |
| St. Louis | Ballpark Village/Laclede's Landing/Garment District | 0.50 |
| Cincinnati | The Banks/Newport on the Levee | 0.60 |
| Pittsburgh | Cultural District | 0.30 |
| <i>Average</i> | | <i>0.31</i> |
| Milwaukee | Milwaukee Street | 0.60 |
| | Brady Street | 1.60 |
| | Historic Third Ward | 1.30 |
| | Water Street | 0.50 |
| | Old World Third Street | 0.20 |
| | Jefferson Street | 0.70 |

Source: Hunden Strategic Partners

The average distance of the primary entertainment/dining node in the peer cities is .31 miles (or about three blocks from the convention center). The most difficult or long distance situations are in Cincinnati and Portland, whereas the most compact entertainment and dining nodes relative to the convention center are located in Indianapolis, Kansas City and Salt Lake City. Charlotte's EPICENTRE is not a large area, so it is hard to suggest that it is as competitive.

However, in Milwaukee, only Old World Third Street falls within the easily walkable territory from the convention center (and for that matter, the arena). All of the other nodes of nightlife, especially Brady Street and the Historic Third Ward, are too far from these demand generators.

Downtown Visitor Track

The following figure is a map of the downtown area that displays where tourist photos have been geo-tagged within the city. This map will be an indication of tourist travel corridors and patterns. The blue represents local pictures taken, while red are pictures taken by tourists; yellow may be either.

Figure 2



The primary areas of activity are along the riverfront down into the Historic Third Ward. Also, a major tourist pathway is along Wisconsin Avenue and terminates at the lakefront where the Milwaukee Art Museum is located. The area along Brady Street to the north is also an area of activity, with most being local. Notice that most out-of-town visitors stick to where the city infrastructure of the city appears to be the densest, or in other words, where there are few (if any) gaps in the urban fabric. Open spaces between buildings and large swaths of surface parking tend to minimize pedestrians and activity. On the above map, Wisconsin Avenue is the only east-west link that is obvious (to visitors) in the center of the built-up downtown area, so visitors stick to that street. Wells and State Streets have comparatively no appeal to pedestrians, due to a number of open spaces. With a new streetcar line, this pattern of visitor tracking will likely adjust to include more of the downtown area.

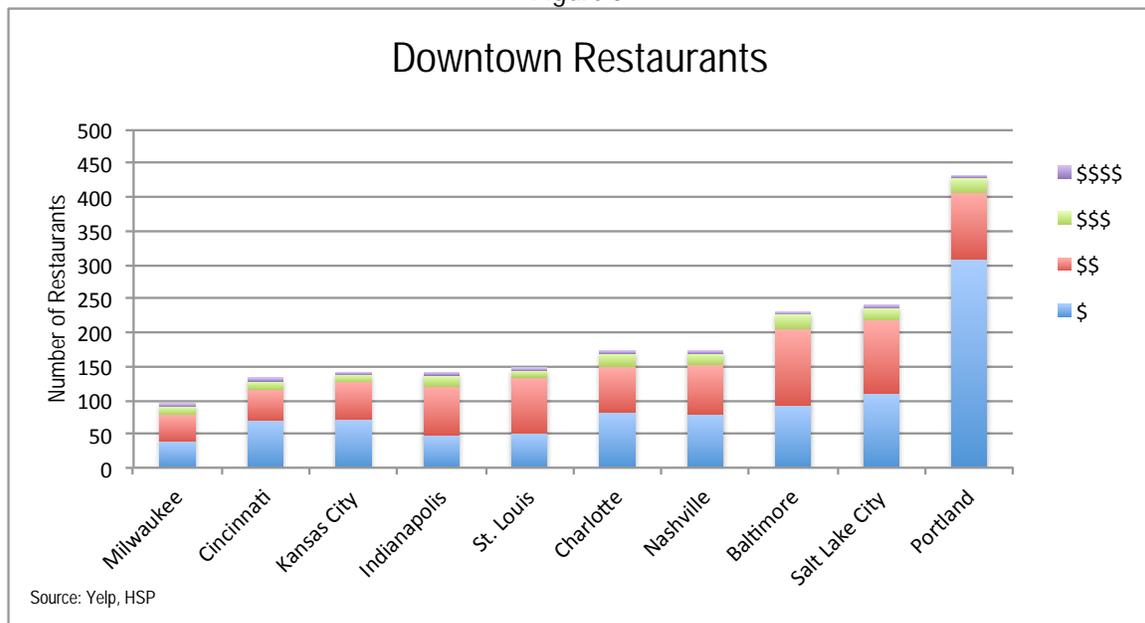
Possibly Milwaukee's most glaring challenge is the transportation necessary to connect downtown hotel guests and visitors with the most popular attractions in the city. Connectivity is the key. Simply having public transportation or a car is not enough. The urban experience should be a fabric, with fibers connecting the various components, more like a varied quilt than a set of disconnected fabric scraps. Currently, there are a

number of areas of downtown that are nodes of activity, however there are major breaks in the activity due to undeveloped or underdeveloped swaths of the city that make walking from one node to another an unlikely activity. Areas with surface parking lots or empty storefronts or large buildings with blank walls facing the street detract from the pedestrian experience. The more densely packed the urban experience with a new store, restaurant, office or other use every 20 – 30 feet, the better. Large blank areas that breakup that experience signal an incomplete downtown and usually induces some fear in the pedestrian, especially at night. Filling those holes in the fabric with active uses expands the experience and knits the total downtown into an overlapping sea of unique experiences.

One way to shorten the perceived distance between nodes is to enlarge the nodes themselves. For every block that the entertainment area expands, the distance from node to node shrinks accordingly. If each district expands toward the others by one block, then two blocks of perceived distance between the two will have been erased. This distance between demand generators/event centers and restaurant/bar nodes is a critical gap for Milwaukee compared with its peers. In order to truly compete for the market that wants a truly walkable downtown, these distances should be minimized and gaps filled.

The next table shows the total number of downtown restaurants in each of the peer cities, based on an analysis of Yelp!'s listings and categories. The totals represent establishments listed under the restaurant category on Yelp!. Establishments categorized specifically as a bar or lounge were not included in the restaurant totals.

Figure 3



As shown, Portland has more restaurants than any of the other cities, however this is driven by the massive number of food trucks that are parked in food truck lots in the downtown area. This provides a major cultural twist for Portland compared to most cities, so it cannot be discounted in terms of its value and impact. Milwaukee only has about 100 restaurants in its downtown compared with between 140 and 250 for the

balance of the group (except for Portland, with more than 400). While Milwaukee has a number of unique and memorable food experiences, the overall number of options is limited in Milwaukee relative to its peers.

The next table shows the breakdown of the figures above.

Table 9

| Milwaukee Comparable Destinations - Downtown Restaurants Ratings | | | | | |
|--|-----|------|--------|----------|-------|
| City | \$ | \$\$ | \$\$\$ | \$\$\$\$ | Total |
| Milwaukee | 39 | 40 | 12 | 4 | 95 |
| Cincinnati | 70 | 46 | 12 | 5 | 133 |
| Kansas City | 71 | 56 | 11 | 2 | 140 |
| Indianapolis | 48 | 72 | 17 | 4 | 141 |
| St. Louis | 51 | 83 | 10 | 1 | 145 |
| Charlotte | 82 | 68 | 19 | 4 | 173 |
| Nashville | 79 | 73 | 17 | 4 | 173 |
| Baltimore | 92 | 113 | 22 | 3 | 230 |
| Salt Lake City | 110 | 108 | 18 | 5 | 241 |
| Portland | 309 | 97 | 23 | 3 | 432 |
| Average | 95 | 76 | 16 | 4 | 190 |

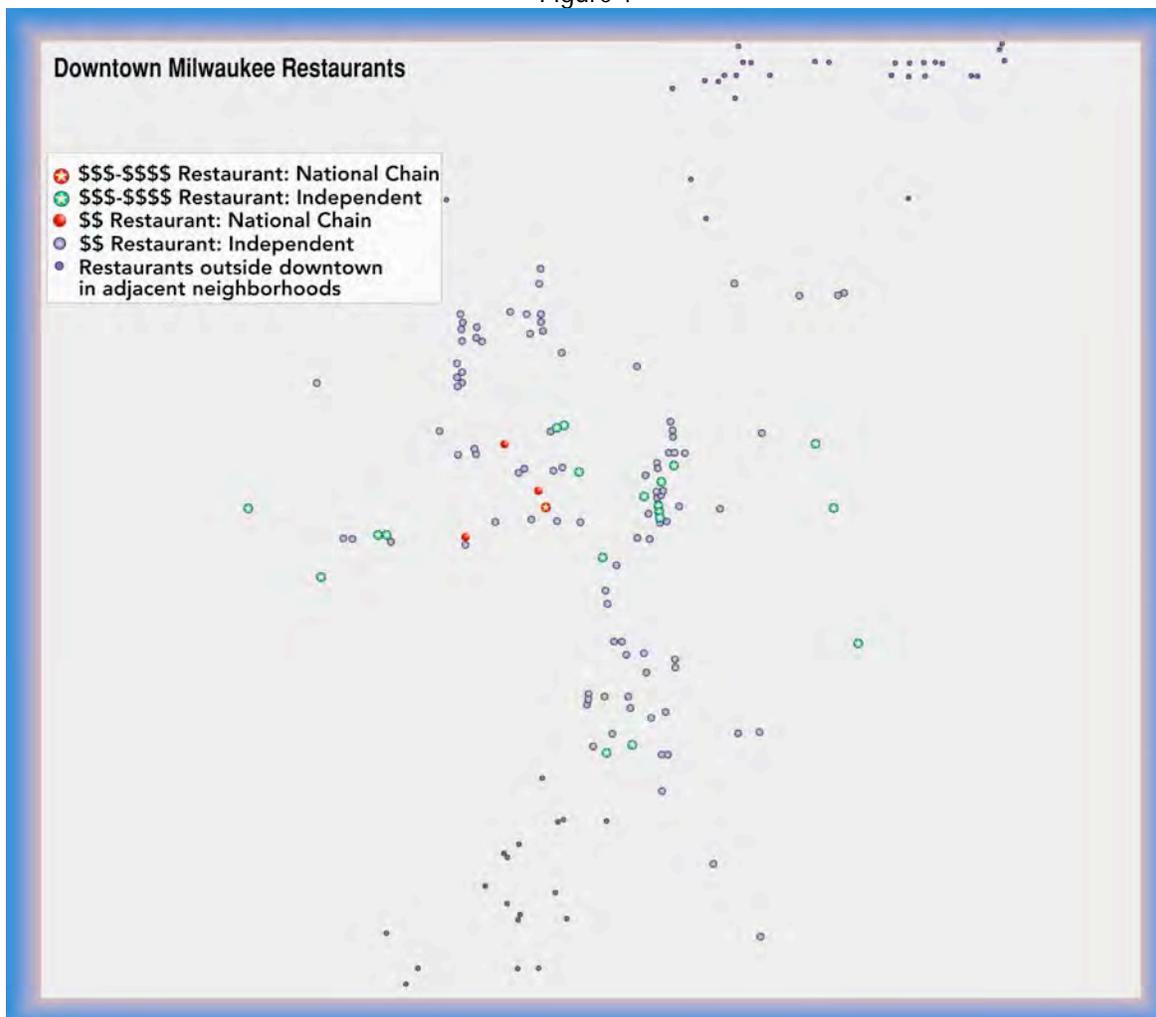
Source: Yelp, HSP

In terms of very nice and expensive restaurants, downtown Milwaukee is right at the average for the peer set at four restaurants. However, as the price level declines, Milwaukee's relative share of restaurants declines. At the "\$\$\$" level, Milwaukee has 12 options versus an average of 16 for the peer set. At the "\$\$" level, Milwaukee has just more than half of the average of the group, with 40. At the "\$" level, Milwaukee has less than half of the average. However, if Portland is removed, then the peer set average is 68. In any case, Milwaukee's downtown has fewer options, by a large margin, than the peer cities.

The following maps and data show the location of the restaurant and bar options in Milwaukee's downtown relative to demand generators. There are three maps. The first shows the options without the demand generators shown, to provide a sense of how dispersed or connected the options are. Those with connected options are considered to be healthier and more attractive/active than those where the options are spread out. This is mitigated or exacerbated by the relative proximity of the dining and nightlife options to the convention centers and arenas in each city.

The following map shows downtown Milwaukee, with dots representing the restaurants. Nothing else is shown, to give a sense of clustering, or lack thereof.

Figure 4



As is evident, there is quite a variety of restaurants in the area, although very few national chains. While this is good to create character for downtown, it also may make downtown a bit less hospitable seeming for those suburbanites or visitors whose psychographic profile points them to the familiar. A good mix of both chain and independent options can attract all types of visitors.

What is more striking, and this will become evident after viewing the peer cities, is the dispersed nature of the restaurants. While there are a few concentrations of restaurants, most of the rest are spread throughout. In a densely built area, this would be a great situation. However, in the current state of development of downtown, it means that there are few strong nodes of dining and nightlife. Since these dots are spread throughout several larger areas, it is difficult for visitors to orient toward a central point (or points) to work from, even within an area of more concentrated options. The solution for this situation is to work to induce more development of restaurants and bars within the existing nodes, but also as links between nodes. The easiest, although most expensive, option is to infill develop within existing strong areas. The least expensive and most risky is to develop are in areas between existing nodes.

The next map shows the restaurants in relation to the hotels, retail and attractions.

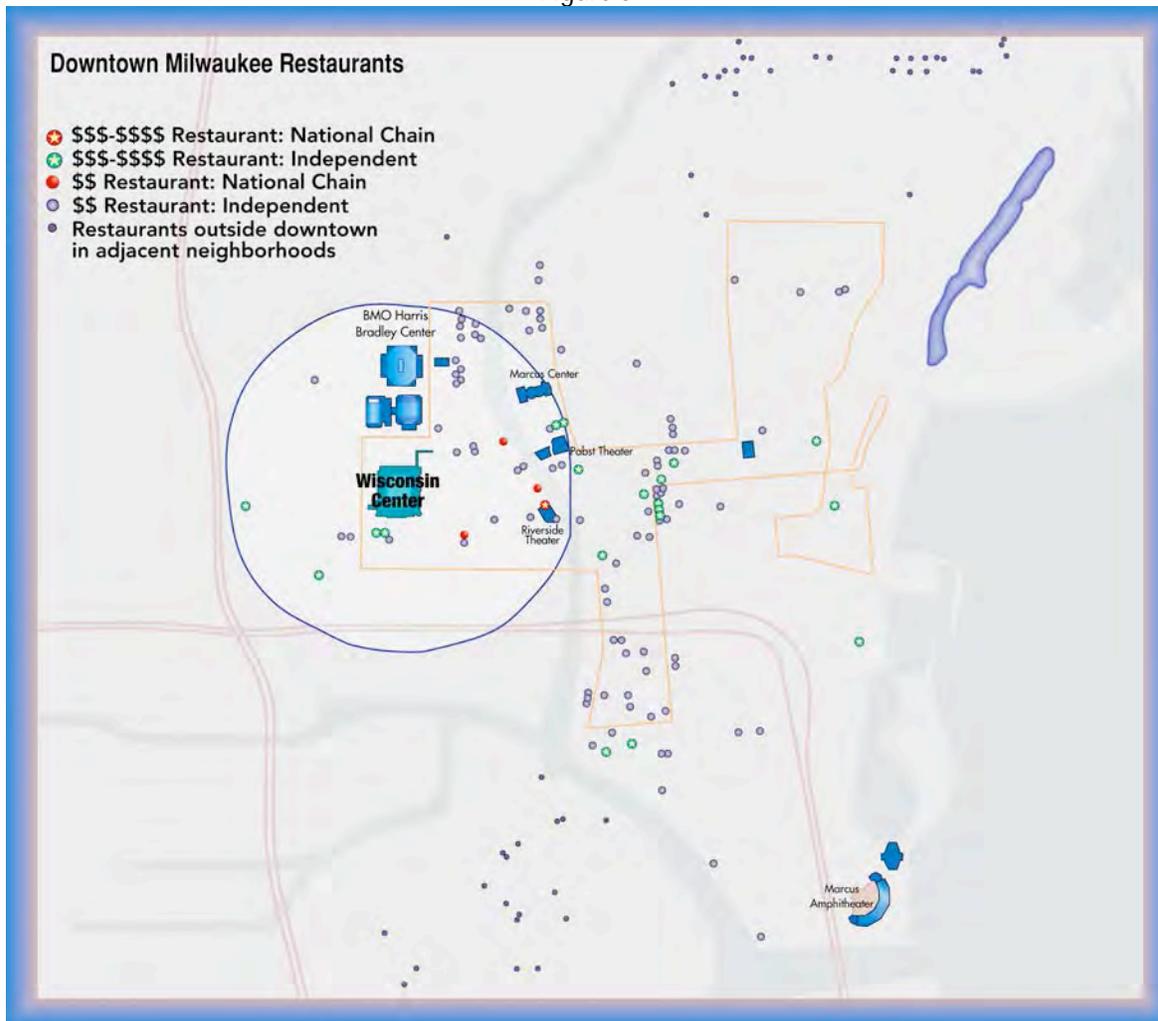
Figure 5



While the Third Ward is popular and known for its walkable blocks, the restaurants are not necessarily concentrated. Because of the well-developed nature of this area, this is not necessarily a negative thing and in fact is positive. It means that there is activity beyond one intersection or block. Alternatively, Milwaukee is a concentrated stretch of restaurant activity, as is Brady (although more spread out from east to west).

The final map shows the restaurants in relation to the convention, major entertainment and sports facilities, as well as the former seasonal trolley loop.

Figure 6



The challenge shown by this map is the lack of restaurants close to the major convention and sports demand generators. This lack of “easy” walkable dining options before and after games, concerts, and conventions may contribute to the feeling that there is not as much happening downtown. There certainly is, but it is not obvious right outside of the major event facilities. This means those from the suburbs are more likely to get in their cars and drive home instead of walking across the river to Water Street or Milwaukee. It is simply just a block or two too far for this type of psychographic visitor to tolerate.

By filling in areas near the Wisconsin Center and new arena with restaurants, this issue can be mitigated. It may not help the existing restaurants and bars, but by connecting the new with the existing, it will create a stronger, more connected downtown scene. Those from neighboring suburbs and communities will feel safer and more secure. If they walk to restaurants one or two times, it will encourage more expansive pedestrian activity in subsequent trips, with walks four to five blocks from the car, which will reveal many more options. But first, these guests need to be retained and retrained in the downtown experience. This happens when

they are made comfortable with their surroundings. Comfort to explore is achieved by developing nearby attractive restaurants, bars and other entertainment near the event generators.

After reviewing the distribution of restaurants and nodes of activity, it is clear that Milwaukee has some urban fabric gaps relative to its peers. Several of the peer cities that have faced the same issues have developed light rail or streetcars (and Milwaukee will soon have its own streetcar) to mitigate the issue by connecting the nodes that are tough to walk between for the less intrepid pedestrians. Many of the cities are fortunate to be oriented linearly, such as Kansas City and Salt Lake City. Milwaukee is challenged in that its nodes are arrayed in more of a triangular fashion (in the most simple configuration). When including all the nodes, the distance and direction between the Third Ward, Brady, Water, Milwaukee and Wisconsin can be complex for a transit route.

Efforts should be made to develop infill sites that will further join areas that currently are not as tied together. The stronger and larger each node becomes, the less distance there will be between the nodes, which will make the perceived need for transit less than it currently appears.

Sports, Concert & Entertainment Venue Analysis

The development of a new arena for the Bucks is a critical component for the entertainment assets of downtown. While the location has been chosen, how it connects and integrates with the rest of downtown will be a hallmark of its success or isolation.

The timing of this analysis is critical due to the impending decisions related to the NBA Bucks. If the new owners cannot determine a plan for a new arena, the team could be moved to a city where a new facility exists that fits today's requirements for generating revenue inside and outside the building.

The following figure shows all the major league teams that have moved (and expansion teams that sometimes sprang up in their absence) since 1980.

Table 10

| Milwaukee Comparable Destinations - Downtown Sport Venues (sorted by Total Seats) | | | | | |
|---|-------------|------------------|---------------|--------------------|--------------------------|
| City | Arena Seats | Number of Arenas | Stadium Seats | Number of Stadiums | Total Sports Venue Seats |
| St. Louis | 22,000 | 1 | 109,975 | 2 | 131,975 |
| Baltimore | 14,400 | 1 | 117,360 | 2 | 131,760 |
| Pittsburgh | 24,187 | 2 | 103,496 | 2 | 127,683 |
| Cincinnati | 17,000 | 1 | 107,798 | 2 | 124,798 |
| Charlotte | 20,200 | 1 | 84,655 | 2 | 104,855 |
| Indianapolis | 18,345 | 1 | 84,500 | 2 | 102,845 |
| Nashville | 29,049 | 2 | 67,000 | 1 | 96,049 |
| Salt Lake City | 20,400 | 1 | - | - | 20,400 |
| Portland | 19,980 | 1 | - | - | 19,980 |
| Kansas City | 18,972 | 1 | - | - | 18,972 |
| Average | 20,453 | 1.2 | 96,398 | 1.9 | 87,932 |
| Milwaukee | 31,333 | 2 | - | - | 31,335 |

Source: AudArena 2012 International Guide

In terms of arenas and arena seats, Milwaukee scores above the average, as it has two arenas and more than 31,000 total seats. This provides an opportunity for more events downtown on a consistent basis, especially during the colder months when outdoor festivals are much less likely. This is important because Milwaukee is very popular and busy in the summer, but the colder months are much more challenging for restaurants, hotels and related businesses.

However, because there is no football or baseball stadium downtown, Milwaukee's total number of sports venue seats is near the bottom of the peer set. This results in a missed opportunity for more event activity from the venues that are not located downtown.

The next table shows the theater seat summary.

Table 11

| Milwaukee Comparable Destinations - Downtown Theater Venues | | | |
|---|--------------------|---------------|------------------|
| City | Amphitheater Seats | Theater Seats | Number of Venues |
| Chicago | 10,500 | 27,626 | 10 |
| Nashville | - | 12,043 | 6 |
| Kansas City | - | 13,236 | 4 |
| Portland | - | 8,056 | 4 |
| Pittsburgh | -- | 6,958 | 3 |
| Salt Lake City | - | 6,186 | 3 |
| Cincinnati | - | 5,209 | 2 |
| St. Louis | - | 4,192 | 1 |
| Charlotte | - | 4,000 | 3 |
| Baltimore | - | 4,155 | 2 |
| Indianapolis | - | 2,650 | 2 |
| Average | - | 8,574 | 3.6 |
| Milwaukee | 23,000 | 10,191 | 5 |

Source: AudArena 2012 International Guide

Two cities feature an amphitheater today and Indianapolis is in the process of developing one. This is an advantage for Milwaukee, especially in the summer. The number of auditorium and theater seats in Milwaukee totals more than 10,000, which compares to an average of about 8,600. That average includes the nearly 28,000 seats in Chicago. Without including Chicago, Milwaukee far outshines the peer set of cities. And given that Chicago is seven times larger than Milwaukee, the fact that Milwaukee has more than one-third as many seats is a strong sign.

Milwaukee also has five venues in downtown, more than the average of 3.6 for the peer set. Milwaukee also has a major casino within close proximity to downtown with a hotel, which no other downtown has besides Cincinnati.

In terms of theater/stage seats and opportunities, downtown Milwaukee fares well. Milwaukee is excelling and should find ways to promote this advantage to those in Chicago as well as Madison. In terms of sports seats, Milwaukee does not fare as well. While it has two arenas (and will again if the Bucks' arena is developed as proposed), it does not have any baseball or football stadiums to generate crowds during those seasons. This is a missed opportunity.

One conclusion can be drawn for any future development, such as a new arena for the Bucks. First, the community will lose much downtown activity if the team is lost, so finalizing an arena deal to retain the team is critical. Second, a new Milwaukee Bucks arena can create synergy with existing nodes of activity or it can be an island that is removed from existing entertainment areas. To create the most return on investment in terms of community development, the development should be as integrated as possible into the surrounding, walkable activity nodes. To the extent new restaurants and bars are developed, the downtown would be best served by options that do not replicate what is already downtown or in the suburbs. New, creative offerings will enhance the new arena development as well as the downtown. This will make it a more interesting destination for visitors from all over the country, not just the metro area. Nearly every new arena being

developed today is an anchor in a larger mixed-use entertainment district that often includes residential developments, but nearly always includes restaurants, bars and retail.

Transit Analysis

Public transit is generally considered an investment that provides the best return when density is highest, however, it can also serve as a catalyst to enhance density and development. In Milwaukee, the very reason that one might want a streetcar or other public transit option is directly tied to the fact that, as established in this report regarding downtown entertainment and dining areas, the nodes of activity are spread far enough apart that walking is inconvenient.

The table below shows the public transportation in each of the peer cities chosen.

Table 12

| Milwaukee Comparable Destinations - Public Transportation | | | | | | | | | |
|---|-------|------------|-----------|-----------------|--------------------|------------------------|----------------------|--------|----------------|
| City | Buses | Bus Routes | Lightrail | Lightrail Lines | Unlimited Day Pass | Unlimited Monthly Pass | Trolleys/ Circulator | Subway | Commuter Train |
| Baltimore | ✓ | 57 | ✓ | 3 | \$3.50 | \$64.00 | - | ✓ | ✓ |
| Charlotte | ✓ | 50 | ✓ | 1 | \$6.60 | \$88.00 | ✓ | - | - |
| Cincinnati | ✓ | 79 | - | - | - | \$70.00 | ✓ | - | - |
| Indianapolis | ✓ | 31 | - | - | \$2.00 | \$60.00 | - | - | - |
| Kansas City | ✓ | 65 | - | - | \$3.00 | \$50.00 | - | - | - |
| Nashville | ✓ | 55 | - | - | \$5.25 | \$84.00 | - | - | - |
| Portland | ✓ | 79 | ✓ | 4 | \$5.00 | \$100.00 | ✓ | - | ✓ |
| Salt Lake City | ✓ | 131 | ✓ | 3 | \$6.25 | \$83.75 | - | - | ✓ |
| St. Louis | ✓ | 75 | ✓ | 2 | \$7.50 | \$78.00 | - | - | - |
| Average | | 69 | | 2.6 | \$4.89 | \$75.31 | | | |
| Milwaukee | ✓ | 50 | - | - | \$4.00 | \$64.00 | ✓ | - | - |

*Day and monthly passes are for all available public transportation
 Source: Respective Public Transportation Authorities, HSP

As shown, Milwaukee currently does not have a light rail option, although it does have a bus system that services most of downtown. However, a recently approved streetcar system is in the development process. This is a major step for the downtown and community at large and represents a major investment in connectivity.

The Milwaukee Common Council took a step forward on transit on February 10th, 2015 by approving the first leg of a modern downtown streetcar. The Seasonal Downtown Trolley Loop was a stepping-stone to a true, permanent downtown circulator or streetcar system. Downtown would function more coherently as a single downtown area with a permanent transit service, with covered transit stations and lighted readout signs telling commuters when the next streetcar is arriving. In a city core that is as expansive as Milwaukee's, a system of intersecting transit lines (such as Baltimore and Portland) or streetcar tracks set up as a downtown-area

circulator (such as Cincinnati or Kansas City) appears to be a positive path to tie the city's attractions and people together, and to jump-start new urban development.

The following figure shows the prior Milwaukee trolley route and the proposed streetcar lines with expansions.

Figure 8



As shown, the proposed streetcar line will link most of the critical entertainment and nightlife areas, however the initial phase would not connect to the Wisconsin Center or Bucks arena.

When young professionals choose the city in which they want to settle, or when international corporations are scouting places to locate a regional headquarters office, they are looking for the qualities that matter most to new employees who have a choice. Those qualities amount to a cosmopolitan energy, such as overall quality of life, a vibrant street life, diverse and international cuisine, a healthy arts scene, a variety of sports and personal athletic and recreational options, and the ease of a diverse transportation system. Larger cities

understand that providing a variety of transportation alternatives to its residents attract both educated employees and companies looking for quality employees.

Very few American downtowns have a rail streetcar system in place, or if they do, it is limited to only one linear street (Tampa, Memphis and Charlotte are good examples of this, although Charlotte is preparing for expansion). However, other cities with a variety of crisscrossing streetcar lines and light rail lines have downtowns that are experiencing electrifying urban growth, especially in the growing residential and tourist/entertainment sectors. San Diego, Portland, Denver, Seattle, Dallas, Toronto, Washington, Minneapolis-St. Paul, Salt Lake City, and the traditional transit cities of Boston, New York, Philadelphia, Chicago and San Francisco are all experiencing an urban renaissance, with the most new development being clustered near rail transit stations. As previously stated, it is a necessary step to begin the Milwaukee streetcar line as it is proposed, although this is not a transit system so much as a circulator. It would be helpful for Milwaukee to expand the proposed streetcar route from the proposed initial route to also include the area from West Wisconsin street northward to the new NBA Bucks arena and Old World 3rd Street. That link will be critical to the success of the entire line due to the large numbers of people that would see and potentially use the streetcar during events and on weekends when Old World 3rd Street is active.

Milwaukee's downtown area is one of the larger footprints of American cities, with attractions spread out from the Lakefront, westward over a mile-and-a-half to Marquette University, and from Ogden Avenue a mile south to the Historic Third Ward and Festival Park. A year-round permanent streetcar circulator makes more sense in Milwaukee than in many of its peer cities due to an expanding lakefront residential base, cold winters that make walking unpleasant, and a hotel geography that is quite spread out. The numerous theaters and nodes of nightlife activity require that any transit option, such as the recently approved streetcar, should be operating with frequent service late into the night in order for the public to trust that they will not be stranded late at night at their downtown destination once the establishments close up for the evening.

Connectivity is a key to fostering a critical mass of a mix of real estate uses and both residential and tourism growth. A well-designed corridor of transit, one that is easy to understand and see (such as rails or electrified wires, attractive well-lighted stations and distinctive urban landscaping), even if a train is not actually within eyesight, attracts people. The streetcar project is a first step in the development of a more comprehensive transit system and solution for the area, including downtown. However, the streetcar is not a transit system in and of itself. It is a promising first step that can show how frequent, reliable, safe and modern connectivity via attractive public transit can enhance the viability of the areas it is connecting. As it is today, this city with a large downtown and a generous amount of distinctive architecture lacks focus on connectivity, and the streetcar is a positive development and mobility option for many people who otherwise may not go downtown, or who would not move from node to node within downtown. In the future, light rail lines or bus rapid transit routes from the suburbs into the city's downtown would be logical next step to link these critical population centers with the heart of the region, downtown Milwaukee.

Conclusions

Milwaukee's downtown has a number of assets that it should be proud of, including event facilities and theaters, museums, restaurants and historic buildings. However, because its downtown is so geographically large, it can be perceived as not as active as other cities with the same number of assets within a smaller area. So while on a numeric comparative basis Milwaukee's downtown may be fairly comparable in a variety of measures, the spread out nature of the downtown means that visitors do not necessarily feel like there is a

large hub of activity, but rather multiple spread out smaller nodes of bars, restaurants and entertainment options. In addition, in several key measures (except for entertainment/concert seats), Milwaukee's number and size of comparable assets, like hotel rooms, convention space, restaurants and bars is lower than most of the peer cities.

The next table shows the overall scorecard versus the peer cities as of 2015.

Table 13

| Summary of Comparative Downtown Analysis (Milwaukee Compared with Peer Set) | | | | | | | | | | | |
|---|------------------------|--------------------------------|--------------------------|-----------------------------|--------------------------------------|----------------------|--------------------------|------------------------------------|---|--|------------------------|
| | Convention Center Size | Walkable Quality Hotel Package | Largest Convention Hotel | Interesting/Boutique Hotels | Inexpensive Restaurants | Upscale Restaurants | Transit Connectivity | Walkability to Most Nodes | Stage Theater & Concert Seats (non-arena) | Entertainment Nodes & Proximity to Demand Generators | Sports Venues & Seats |
| Milwaukee | Smallest | Second from Last | Just Below Average | Among Highest | Least | Average | N/A | Average | Highest | Average | Below Average |
| High City/Cities | Indianapolis | Indianapolis | St. Louis, Indianapolis | Milwaukee, Cincinnati | Portland*, Salt Lake City, Baltimore | Portland & Baltimore | Portland, Salt Lake City | Indianapolis, St. Louis, Nashville | Milwaukee | Nashville, Kansas City, Indianapolis | St. Louis & Baltimore |
| Low City/Cities | Milwaukee | Portland | Cincinnati | Indianapolis | Milwaukee | St. Louis | Indianapolis, Nashville | Portland, Kansas City | Salt Lake City | Cincinnati, Salt Lake City | Portland & Kansas City |

* Includes numerous permanent food trucks
Source: HSP, Yelp, other sources

As is described throughout the report and shown in map and data form, Milwaukee excels in the number of interesting boutique and historic hotels. It also has the most stage theater and concert seats of any downtown in the peer set. Milwaukee's downtown is average in terms of the number of upscale restaurants and walkability to most nodes of activity. It is also average in terms of proximity between entertainment nodes and demand generators.

Milwaukee suffers in terms of the smallest convention center and the second to lowest walkable convention hotel package. Its largest convention hotel is slightly below the average in terms of room count. Milwaukee also has the fewest number of inexpensive restaurants. While it has recently approved a downtown streetcar – a major step forward for the community – it has no dedicated rail-based transit service (along with laggards Indianapolis and Nashville). Downtown Milwaukee's number of sports venue seats is below average due to the location of Miller Park outside of downtown. The activity associated with the numerous home Brewers' games is mostly isolated to the tailgating in the parking lot, but lost to downtown venues for the most part due to its location.

HSP was asked to analyze downtown Milwaukee in terms of its entertainment and hospitality assets in relation to its peers. How did it stack up? As shown in the table above, the results are mixed. No downtown has the best or most of every category (not even New York City). If it did, it is likely comparing itself to a weaker set of peers. HSP chose this set of peers because it provides an aspirational challenge to Milwaukee.

As of the beginning of 2015, the key conclusions begin with encouragement to springboard off of the areas of success. These success areas include:

- A strong cluster of stage/concert venues and seats. Milwaukee should promote and cross-promote the advantage it has in the music, performance and theater scene. There is much entertainment happening that locals and visitors should be more aware of, which will introduce more activity to downtown.
- The unique boutique hotel selection. Milwaukee, for its size, has a wide variety of boutique historical and cutting edge hip hotels of all sizes. Most of the visitor population has no idea of the experiences awaiting them within the hotels that Milwaukee offers. This includes some branded hotels developed within historic buildings. Hotels, such as the Iron Horse, despite its location outside of the heart of downtown, can become a key part of the Milwaukee experience and not just a place to sleep. Milwaukee can introduce many new visitors to downtown by leveraging these catalytic hotel experiences. In-house surveys show that the key markets for hotels like the Pfister and Iron Horse are major metros like New York, Washington, DC, and Chicago, yet also weekend 'staycations' for those within an hour's drive.

The areas of focus and challenge were made evident in this analysis as well. While Milwaukee's downtown is healthy overall and on an expansion track, there are categories that HSP identified in its analysis that showed where it is weakest compared with the peer set:

- The convention center and walkable hotel package are both extremely undersized. Regardless if the Wisconsin Center expands, it requires a new convention hotel to at least correct the balance of rooms to convention center size. As it stands today, the hotel room deficit near the Center is about 400 rooms. With the proposed expansion of the center, that gap will require an 800- to 1,000-room hotel to keep the package competitive. This hotel should be within a block or connected to the convention center. Walkability is a key consideration for meeting and convention planners and Milwaukee is currently at a disadvantage in this category.
- While Milwaukee meets the average number of the peer set for high-end restaurants, downtown Milwaukee features far fewer restaurants at every other level of price compared to its peers. More restaurants opening will encourage more investment and the development of nodes of activity. Milwaukee also has a deficit of chain restaurants downtown. While it may seem counter-intuitive to seek chain restaurants in a downtown area, at least a few of these help mitigate one of the hurdles that many visitors have with downtowns...the unfamiliarity of the environment. Having familiar names provides comfort for certain types of visitors. However, for those looking for a unique experience, downtown should always seek to induce the opening of more and varied independent restaurants, bars and clubs, as this is what makes it unique from other cities and the suburbs. Having more of both types of offerings will help downtown's reputation and perception, as well as overall economy.
- Connectivity is Lacking. Due to the large physical area taken up by downtown, Milwaukee's nodes of dining and nightlife activity are fairly spread out and there is no easy way to experience them all without using a car. There are nodes north (Brady Street) and south (Historic Third Ward) and several in the central portion of downtown. The recently approved streetcar is a great start to mitigating these issues. The additional strategy to minimize the real and perceived distance between activity nodes is to encourage development in the 'gap' areas between the nodes. As these underdeveloped parcels are developed, the gap between the nodes disappears. People are more willing to walk farther when a large area is more densely developed (dense urban "fabric" compared with open parking lots or uninhabited buildings).

While additional infill will not solve the problem completely, it will go a long way to making it seem less pressing. There will be simply enough to do in more places.

- The area immediately around the Wisconsin Center and Bucks Arena is lacking obvious dining and other options. This discourages visitors from staying downtown and encourages them to go to their cars and exit the downtown area. By inducing new restaurant and related development outside the front doors of the convention center and new arena, much economic impact will be recaptured relative to the leaked spending that is occurring now. Any new arena development should take a cue from other successful cities (peer cities and others) and include restaurant, bars or at least strong connectivity to existing restaurant, bar and entertainment areas:
 - The new arena in Sacramento is making non-arena activities and streetlife a key component,
 - The Sprint Center in Kansas City has the Power & Light District right outside its front door,
 - Indianapolis developed Georgia Street into a quasi-pedestrian entertainment district connecting Bankers Life Fieldhouse and the convention center,
 - Cincinnati is developing The Banks between its two major sports venues downtown,
 - Pittsburgh developed an entertainment district between its two major sports venues,
 - San Diego, San Francisco, Denver, Los Angeles, Louisville, Nashville and others have purposefully located key entertainment areas and arenas in the same location to create synergy and spread economic development and opportunity beyond just the arena.

By making smart choices with new developments and their locations, many of these issues can be mitigated. Downtown Milwaukee can improve its position and reputation within its own metro area as well as nationwide. The city is vibrant and has so much to offer. It can now use these timely major developments, such as the new arena and streetcar, to enhance the downtown, fill in the gaps, connect the attractions and induce the development of more hotels, restaurants and bars to the downtown area. Creating the conditions for success will invite private development to fund and develop more projects downtown. This, in turn, will shrink or eliminate any of the deficits profiled in this report and result in a vibrant, attractive and competitive downtown to live, work and visit.

Report Layout

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About Hunden Strategic Partners

Hunden Strategic Partners is a full service real estate development advisory practice specializing in destination assets. With professionals in Chicago, Minneapolis and Indiana, Hunden Strategic Partners provides a variety of services for all stages of destination development in the following primary areas:

- Real estate market and financial feasibility and financial consulting
- Owner's representation and operating consulting
- Strategy and master planning
- Public incentive analysis
- Economic, fiscal, and employment impact analysis (cost/benefit)
- Economic and tourism policy/legislation consulting
- Organizational development
- Research and statistical analysis
- Developer solicitation and selection; Private management company solicitation and selection

Hunden Strategic Partners professionals have provided all of the above services for hundreds of client projects worldwide for the public, non-profit and private sectors. In addition, our professionals have prior professional career experience in municipal and state government, economic and real estate development, real estate law, hotel operations and non-profit management. Over 70 percent of our clients are public entities, such as municipalities, counties, states, convention bureaus, authorities and other quasi-government entities empowered to conduct real estate, economic development and tourism activities.

Limiting Conditions

HSP relied on primary and secondary sources of information for the assumptions made in this report and assumes these sources to be accurate. Assumptions created for the analysis were based on the data available to HSP during the study period as well as professional judgment.



No responsibility is taken for unforeseen events occurring after the date of the analysis, including war and terror attacks, natural disasters and major economic recessions.

This report is intended to be used as a tool for decision-making by the contracting parties related to this Project and for no other purpose.



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ECONOMIC & DEMOGRAPHIC ANALYSIS

Local market area characteristics, such as population, demographics, the local economy, access, quality of downtown and tourist attractions influence how visitors and residents perceive an area and whether they are likely to visit again or potential move there. This section profiles Milwaukee and the downtown area, including an overview of the economic characteristics of the market and the area.

Overview

The City of Milwaukee is located on the southwest shore of Lake Michigan in southeast Wisconsin. It is the largest city in the state of Wisconsin, and the 31st most populous city in the United States. The city is the main cultural and economic center of the Milwaukee-Racine-Waukesha metropolitan area, which has a population of 2,040,498, according to 2013 US Census estimate. Some of the regional population hubs and notable areas near Milwaukee include:

- Madison – 80 miles west
- Chicago – 92 miles south
- Green Bay – 119 miles north
- Minneapolis/St. Paul – 330 miles northwest

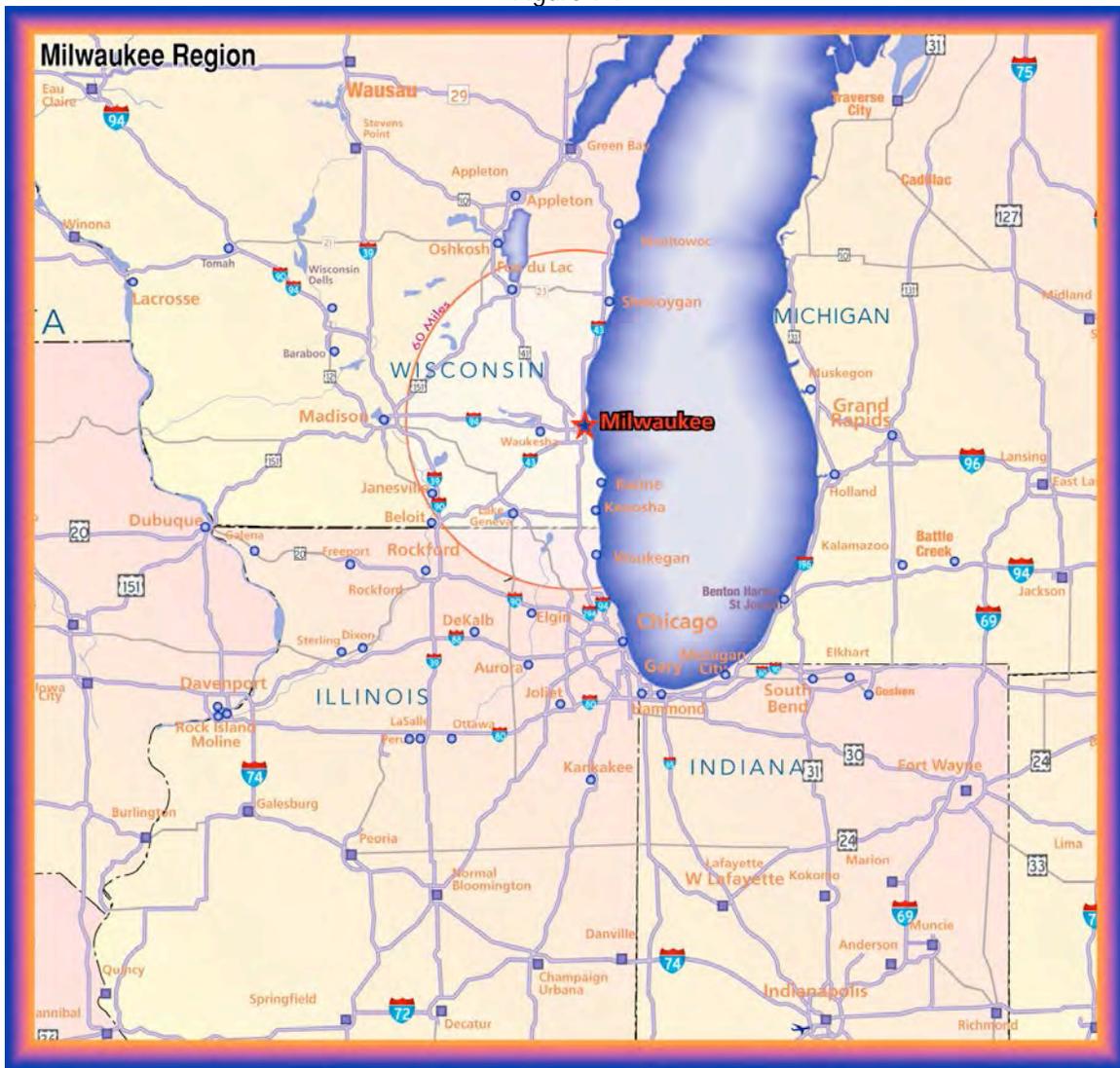
Often known for its brewing traditions, Milwaukee became synonymous with Germans and beer in the 1850's. The city was once home to four of the world's largest breweries, Schlitz, Blatz, Pabst, and Miller, and was the leading beer producer in the world for many years. While the city has experienced a decline in its position as a world-leading beer producer, its one remaining major brewer, Miller Brewing Company, remains a key employer in the city. The city remains the second largest beer-maker in the United States.

Due to its easy access to Lake Michigan, Milwaukee has historically been home to manufacturing, stockyards, shipping, and rendering plants. However, many of these prior uses of downtown buildings and real estate have declined or moved elsewhere, leaving a ready stock of historic structures that have been rehabilitated into residential, retail and restaurant developments.

The city's location on Lake Michigan makes it an attractive location for boating, windsurfing, kite-surfing and other recreational pursuits. Milwaukee hopes to become the epicenter for water science and water industry conferences, having been designated a U.N. Global Compact City as an international hub of water research and technology by the United Nations after establishing the Water Council in 2009. It is also home to numerous festivals near the waterfront each year on the Summerfest grounds. Overall, the downtown area has seen a continual transformation from a manufacturing hub to an eclectic and burgeoning city center, complete with revitalized neighborhoods and unique urban experiences.

The following figure shows a map of the region.

Figure 1-1



Downtown Milwaukee is an expansive area that has expanded beyond its historic center east of the Milwaukee River at Wisconsin Avenue. By the end of the 1800s, Milwaukee had become a mighty industrial city and its bustling downtown reflected that rapid growth and economic power.

The once-famous department store Gimbel's got its start as one of America's largest department stores in Milwaukee on the eastern banks of the Milwaukee River at Wisconsin Avenue. West Wisconsin Avenue also is still home to the large The Bon Ton Stores department store company, (and local nameplate, The Boston Store). Although the company has co-headquarters in York, Pennsylvania, the CEO and majority of the company's workers are located in downtown Milwaukee. The recent growth of a robust residential population in new lakefront high-rises and in converted century-old industrial or warehouse buildings in the Third Ward have prompted businesses to stay in downtown and attract new businesses. Many live theaters, performing arts facilities, museums, civic structures and large-capacity sports arenas are spaced throughout the



downtown core on both sides of the Milwaukee River, spanning about 1.4 miles from the lakeshore to I-43 and Marquette University.

The distance from McKinley Avenue on the northern edge of downtown to the Third Ward's southern core is about one mile. The downtown's surrounding character changes abruptly on either side, with the northern edge transitioning into attractive historic residential neighborhoods, the west side becoming a mix of industrial and historic blue-collar residential areas with long commercial strips, and the southern edge being made up of the wide and heavily-industrialized Menomonee Valley. Milwaukee is noted for retaining some of America's best-preserved ethnic neighborhoods, architecture, churches and cultural traditions including markets, restaurants, and cuisine.

In 1998, the Milwaukee Downtown business improvement district (BID) was established to act as the collective voice of the more than 400 property owners within the BID's boundaries. The BID is a 150-block area in the center of downtown with boundaries at 10th Street on the west, Lake Michigan on the east, Schlitz Park on the north and St. Paul Avenue on the south.

The following is a map of the Downtown Milwaukee BID.

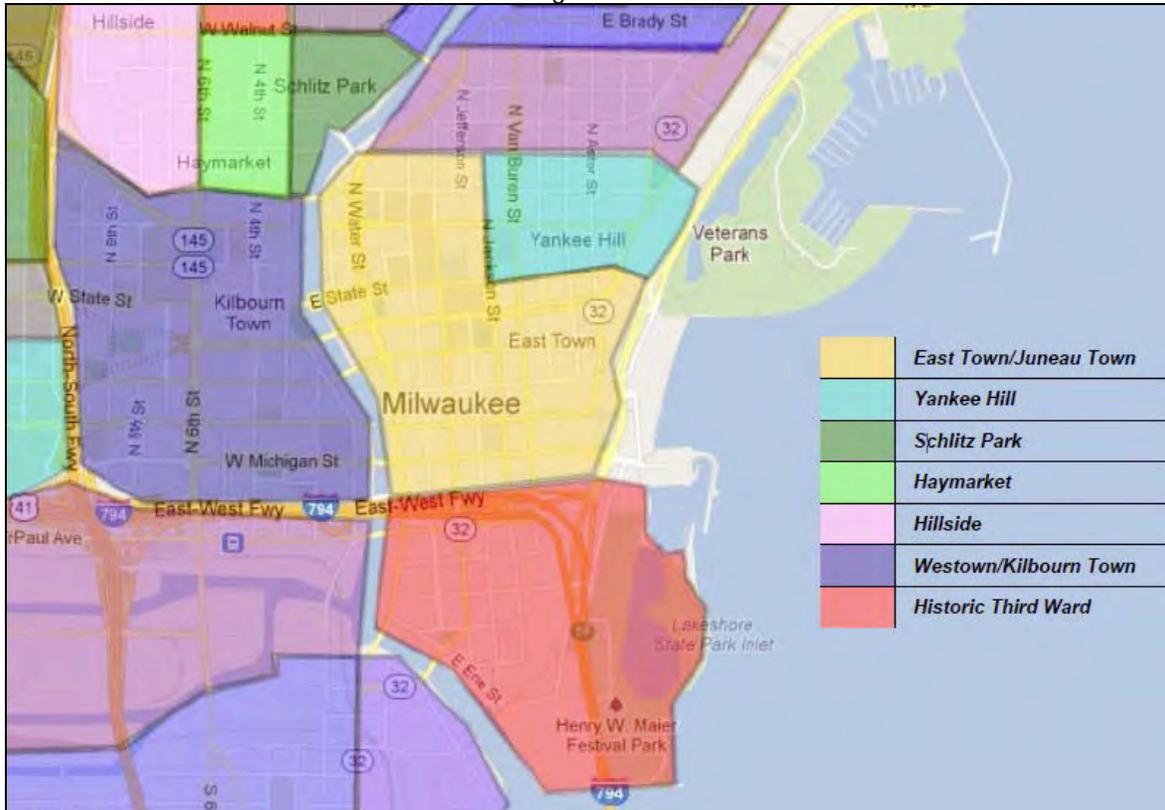
Figure 1-2



While the BID does not include the Historic Third Ward, the ward is considered by most to be part of downtown and its renaissance. Even the neighborhood just to the south of the Third Ward is considered by some to be part of the expanding presence of downtown, primarily due to residential, office and hotel developments, highlighted by the Iron Horse Hotel.

The following figure shows the neighborhoods of downtown Milwaukee.

Figure 1-3



Airport Access

Milwaukee is home to two airports, General Mitchell International Airport (MKE) on the southern edge of the city and the smaller Timmerman Field on the north side. Mitchell Airport is served by 12 airlines, including Southwest, Frontier, American, and United, and offers roughly 240 daily departures and arrivals. Approximately 90 cities are served nonstop from Mitchell International Airport, which is the busiest in Wisconsin and the 34th busiest in the United States. Since 2005, the airport has been connected by the Amtrak Hiawatha train service, which provides airport access via train to Chicago and downtown Milwaukee. In 2011, Airports Council International recognized MKE as the third fastest growing airport in the world, primarily due to the fact that an outbound flight at MKE is \$78 less than the national average, and the relatively short automobile commute from Chicago (especially its affluent northern suburbs) make MKE an attractive and less congested alternative to O'Hare International Airport or Midway Airport in Chicago.

Highway Access

Two of Wisconsin's interstate highways intersect in Milwaukee. Interstate 94 routes north from Chicago to enter Milwaukee and continues west to Madison. Interstate 43 enters Milwaukee from the southwest where it begins at Beloit, Wisconsin near the Illinois state line north of Rockford, and continues north to Green Bay. As of 2014, a designation of a new interstate Highway, I-41, begins just inside of Illinois where I-94 and U.S. 41

converge. The new I-41 follows I-94 and 894 northward along the U.S. 41/45 corridor to Appleton and then to Green Bay. The highway is being widened and upgraded to interstate-grade along the way, and an interstate designation could make the region more attractive to areas of Wisconsin along that corridor.

Milwaukee's network of limited-access highways is somewhat limited in both its geographic reach and its capacity. Interstate-894 is the southwestern portion of the city's outer loop. I-794 extends east from the newly rebuilt Marquette interchange to Lake Michigan before turning south over the Hoan Bridge toward the airport. U.S. Route 41/45 (often running concurrently) provides north-south freeway transportation on the western side of the city, extending to the far northwest and connecting to Fond du Lac and Oshkosh. Milwaukee does not have a completed loop around the city, as the northern portion of the urban beltway highway was never built, and most likely never will. Despite having a truncated freeway grid, five freeways radiate outward from the metro area.

Milwaukee's suburbs extend along each of these freeways as far as 30 miles out from central Milwaukee. Though I-94 in the city of Milwaukee is considered very narrow, often dangerous, congested, with limited visibility, the interstate is expected to undergo significant renovations later this decade. The highway serves Milwaukee Brewers crowds at Miller Park, the State Fairgrounds, the Milwaukee County Zoo, and traffic funneling to and from Waukesha and Washington Counties, representing a large portion of the area's suburban population.

Rail Access

Milwaukee's Amtrak station was renovated in 2007 to create the Milwaukee Intermodal Station near downtown Milwaukee and the Historic Third Ward. It provides Amtrak riders access to Greyhound lines and Jefferson City Lines intercity bus transportation. The Hiawatha Amtrak express service runs up to seven times daily between Milwaukee and downtown Chicago, including stops at the Milwaukee Airport Railroad Station.

The Badger Bus and station in downtown Milwaukee provides bus service between Milwaukee and Madison, Wisconsin. Stops include UW Madison Memorial Union, Milwaukee Bus Depot and Milwaukee Airport. The Milwaukee County Transit System, which includes more than 400 buses on 50 bus routes, provides services within Milwaukee County.

Population

In general, the size of a local population base can help determine the potential demand for many types of developments, including hotels, entertainment venues, sports venues and restaurants.

The table below shows the population characteristics of the state, CSA, MSA, County, City and downtown.

Table 1-4

| Population and Growth Rates | | | | | |
|-----------------------------------|-------------|-------------|-------------|---------------|-------------------------------|
| | Population | | | 2013 Estimate | Percent Change 2000 - 2010 |
| | 1990 | 2000 | 2010 | | |
| United States | 248,709,873 | 281,421,906 | 308,745,538 | 316,128,839 | 9.7% |
| State of Wisconsin | 4,891,769 | 5,363,675 | 5,686,986 | 5,742,713 | 6.0% |
| Milwaukee-Racine-Waukesha CSA | n/a | n/a | 2,040,498 | 2,026,243 | -- |
| Milwaukee-Waukesha-West Allis MSA | 1,607,183 | 1,500,741 | 1,555,908 | 1,569,659 | 3.7% |
| Milwaukee County | 959,275 | 940,164 | 947,735 | 956,023 | 0.8% |
| City of Milwaukee | 628,088 | 596,974 | 594,833 | 599,164 | -0.4% |
| Downtown Milwaukee | -- | 17,048 | 21,395 | -- | 25.5% |
| City Pop. As % of County | 65.5% | 63.5% | 62.8% | 62.7% | |
| Downtown Pop. As % of City | -- | 2.9% | 3.6% | -- | |

Source: U.S. Census Bureau

The four counties that form the Milwaukee-Waukesha-West Allis MSA recorded a 3.7 percent population increase between 2000 and 2010. The larger and more recently introduced Combined Statistical Area totaled just over two million in 2010. The population in the City of Milwaukee remained nearly constant (and has increased in population as of the 2013 estimate), while Milwaukee County experienced a population increase of 0.8 percent. The Milwaukee population as a percentage of the County, at 62.8 percent, is lower than the 65.5 percent in 1990. However, the share of the city's population living downtown has increased from 2.9 percent in 2000 to 3.6 percent in 2010 (data for 1990 was not available for the downtown population). The state of Wisconsin has experienced more growth than the Milwaukee area in the past decade, as its population increased by more than 300,000 from 2000 to 2010. Overall, the Milwaukee area and the state of Wisconsin have experienced less population growth than the nation as a whole.

Over the last ten years, there have been multiple residential developments in downtown neighborhoods. Neighborhoods such as the Historic Third Ward have seen numerous warehouses being developed into condominiums, apartments and mixed-use developments to accommodate more downtown residents and commerce. Many of these residents are empty nesters and young professionals.

Diversified Economy

A healthy and diversified economy provides not only employment and disposable income for a market's residents; it also helps provide resilience from economic downturns. Markets that have historically relied on one sector have often had difficulty adapting and recovering when the market shifts from that sector. This can lead to an overall loss of local income and employment. In turn, a declining local economy, prompted by a single market sector, will often lead to declining population trends, as has been the case in many industrial cities. Markets with diversified employment can often withstand economic downturns better than those reliant on one industry.

The following figure shows the 2013 number of employees by sector for Milwaukee County.

Table 1-5

| Milwaukee County Employment by Industry - 2013 | | |
|--|-----------|---------------------|
| Description | Employees | Percentage of Total |
| Total employment | 588,152 | 100% |
| By industry | | |
| Farm employment | 120 | 0.02% |
| Nonfarm employment | 588,032 | 99.98% |
| Private nonfarm employment | 523,512 | 89.01% |
| Health care and social assistance | 93,552 | 15.91% |
| Manufacturing | 54,666 | 9.29% |
| Retail trade | 50,041 | 8.51% |
| Administrative and waste management services | 44,970 | 7.65% |
| Accommodation and food services | 39,635 | 6.74% |
| Finance and insurance | 35,077 | 5.96% |
| Other services, except public administration | 33,694 | 5.73% |
| Professional, scientific, and technical services | 32,702 | 5.56% |
| Educational services | 27,472 | 4.67% |
| Management of companies and enterprises | 18,528 | 3.15% |
| Wholesale trade | 18,491 | 3.14% |
| Transportation and warehousing | 17,566 | 2.99% |
| Real estate and rental and leasing | 16,001 | 2.72% |
| Construction | 14,221 | 2.42% |
| Arts, entertainment, and recreation | 13,024 | 2.21% |
| Information | 10,774 | 1.83% |
| Utilities | 2,564 | 0.44% |
| Forestry, fishing, and related activities | (D) | -- |
| Mining | (D) | -- |
| Government and government enterprises | 64,520 | 10.97% |
| State and local | 52,203 | 8.88% |
| Local government | 40,326 | 6.86% |
| State government | 11,877 | 2.02% |
| Federal, civilian | 9,359 | 1.59% |
| Military | 2,958 | 0.50% |

(D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals
Source: Bureau of Economic Analysis, Hunden Strategic Partners

Health care and social assistance is the largest category, accounting for nearly 16 percent of total employment, followed by manufacturing, retail trade, and administrative and waste management services, and accommodation and food services.

Local government employment is the largest component of government employment in Milwaukee County, accounting for nearly seven percent of total employment. Overall, employment through government enterprises comprises nearly 11 percent of total jobs in the county.

The following table shows the employment by category for downtown Milwaukee as of 2010.

Table 1-6

| Downtown Milwaukee Employment by Category - 2010 | | |
|--|-----------|---------------------|
| Description | Employees | Percentage of Total |
| Total employment | 81,001 | 100.0% |
| By industry | | |
| Farm employment | 0 | 0.0% |
| Nonfarm employment | 81,001 | 100.0% |
| Private nonfarm employment | 65,697 | 81.1% |
| Finance and insurance | 16,893 | 20.9% |
| Professional, scientific, and technical services | 10,258 | 12.7% |
| Accommodation and food services | 5,697 | 7.0% |
| Health care and social assistance | 5,356 | 6.6% |
| Administrative and waste management services | 5,076 | 6.3% |
| Management of companies and enterprises | 4,320 | 5.3% |
| Educational services | 3,374 | 4.2% |
| Information | 3,079 | 3.8% |
| Other services, except public administration | 1,963 | 2.4% |
| Utilities | 1,723 | 2.1% |
| Arts, entertainment, and recreation | 1,646 | 2.0% |
| Real estate and rental and leasing | 1,608 | 2.0% |
| Retail trade | 1,403 | 1.7% |
| Wholesale trade | 1,338 | 1.7% |
| Manufacturing | 1,133 | 1.4% |
| Transportation and warehousing | 502 | 0.6% |
| Construction | 324 | 0.4% |
| Mining | 4 | 0.0% |
| Forestry, fishing, and related activities | 0 | 0.0% |
| Government and government enterprises | 15,304 | 18.9% |

Source: U.S Census Bureau, Milwaukee Downtown, Hunden Strategic Partners

As of 2010, there were more than 81,000 workers in downtown Milwaukee. This was an increase of 3.8 percent from 2000. The largest employment sectors in downtown Milwaukee are finance and insurance followed by professional, scientific and technical services, with 20.9 percent and 12.7 percent of the total downtown employment, respectively. The top two private categories are generally well-compensated industries, suggesting that there is potent economic vitality and potential within those who are employed downtown. In addition, government employment accounts for nearly 19 percent of the downtown employment, highlighted by the majority of city employees.

Income and Housing

The depth and strength of a market's employment base and income levels is an indicator of its ability to support attractions and associated tourism, hotel, meeting and event facilities and especially entertainment facilities. Indicators of a market's overall wealth and growth can include trends in its income and employment.

The following table provides data on home ownership, income and retail sales, based on the latest data from the US Census Bureau.

Table 1-7

| Income, Spending and Other Demographic Data | | | | |
|---|---------------|-----------|------------------|-----------|
| Category | United States | Wisconsin | Milwaukee County | Milwaukee |
| Homeownership rate, 2008-2012 | 65.5% | 68.6% | 51.9% | 44.5% |
| Median value of owner-occupied housing units, 2008-2012 | \$181,400 | \$169,000 | \$162,900 | \$134,400 |
| Persons per household, 2008-2012 | 2.61 | 2.42 | 2.44 | 2.52 |
| Median household income, 2008-2012 | \$53,046 | \$52,267 | \$43,599 | \$35,823 |
| Persons below poverty level, percent, 2008-2012 | 14.9% | 12.5% | 20.9% | 28.3% |
| Private nonfarm employment, 2012 | 115,938,468 | 2,388,855 | 449,241 | --- |
| Private nonfarm employment, percent change, 2011-2012 | 2.2% | 1.5% | 0.7% | --- |
| Retail sales per capita, 2007 | \$12,990 | \$12,904 | \$10,720 | \$6,640 |

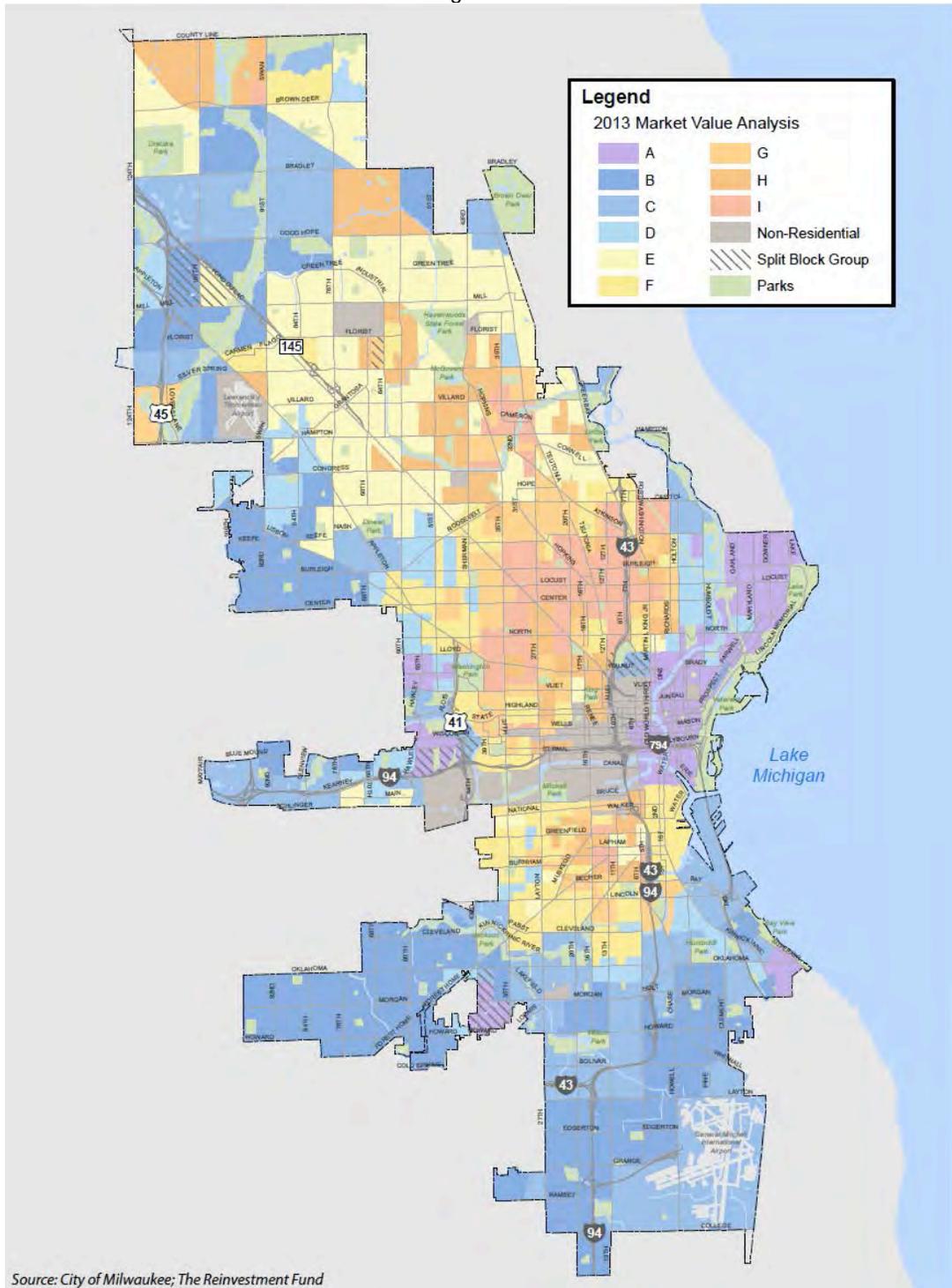
Source: US Census Bureau

The average home ownership rate between 2008 and 2012 is approximately 17 percent lower in Milwaukee County than in the State of Wisconsin and 13 percent lower than the United States. The homeownership rate is even lower in the city of Milwaukee, averaging 44.5 percent from 2008 through 2012. The median household income in the city of Milwaukee is approximately \$17,000 less than the state and national average, while the poverty rate is significantly higher and the United States and Wisconsin. Retail sales per capita in the city were approximately \$6,000 less than the state and national average.

The median value of owner occupied housing units in the city is \$134,400, which is approximately \$35,000 less than the state average and \$47,000 less than the national average. These real estate values are determined by a combination of factors, including density, quality of schools and income levels.

In the downtown area, HSP's review of residential sales showed values ranging from \$150,000 to \$2.5 million, with the majority of properties priced between \$300,000 and \$800,000. The figure below shows the value of residential units in the city.

Figure 1-1



The next figure shows the legend for the map and related data.

Figure 1-2

| MVA Cluster | Median Sales Price 2011-12 | Average Sales Price 2011-12 | Coefficient of Variance of Sales Price 2011-12 | Foreclosures as a Percent of Sales | Percent Duplex/ MultiFam Sales | Percent Water Shut Off | Percent New/ >\$10k Rehab | Percent Owner Occupied | Percent Publicly Subsidized Rental | Percent Non Residential Area |
|------------------------------|----------------------------|-----------------------------|--|------------------------------------|--------------------------------|------------------------|---------------------------|------------------------|------------------------------------|------------------------------|
| A | \$214,780 | \$234,429 | .46 | 14% | 62% | 2% | 3% | 33% | 2% | 16% |
| B | \$121,403 | \$121,067 | .38 | 21% | 11% | 1% | 4% | 69% | 3% | 13% |
| C | \$117,397 | \$113,297 | .43 | 24% | 24% | 2% | 3% | 43% | 4% | 62% |
| D | \$91,462 | \$99,228 | .55 | 31% | 53% | 3% | 3% | 44% | 6% | 13% |
| E | \$55,001 | \$64,723 | .65 | 47% | 13% | 3% | 2% | 49% | 12% | 24% |
| F | \$51,658 | \$63,400 | .73 | 49% | 61% | 6% | 2% | 34% | 6% | 27% |
| G | \$30,705 | \$44,611 | .85 | 51% | 74% | 9% | 2% | 29% | 7% | 20% |
| H | \$29,355 | \$44,001 | .91 | 51% | 29% | 9% | 3% | 33% | 9% | 20% |
| I | \$15,607 | \$29,497 | 1.09 | 65% | 57% | 16% | 4% | 26% | 7% | 24% |
| City Average of Block groups | \$78,616 | \$86,879 | .66 | 39% | 40% | 5% | 3% | 43% | 6% | 23% |

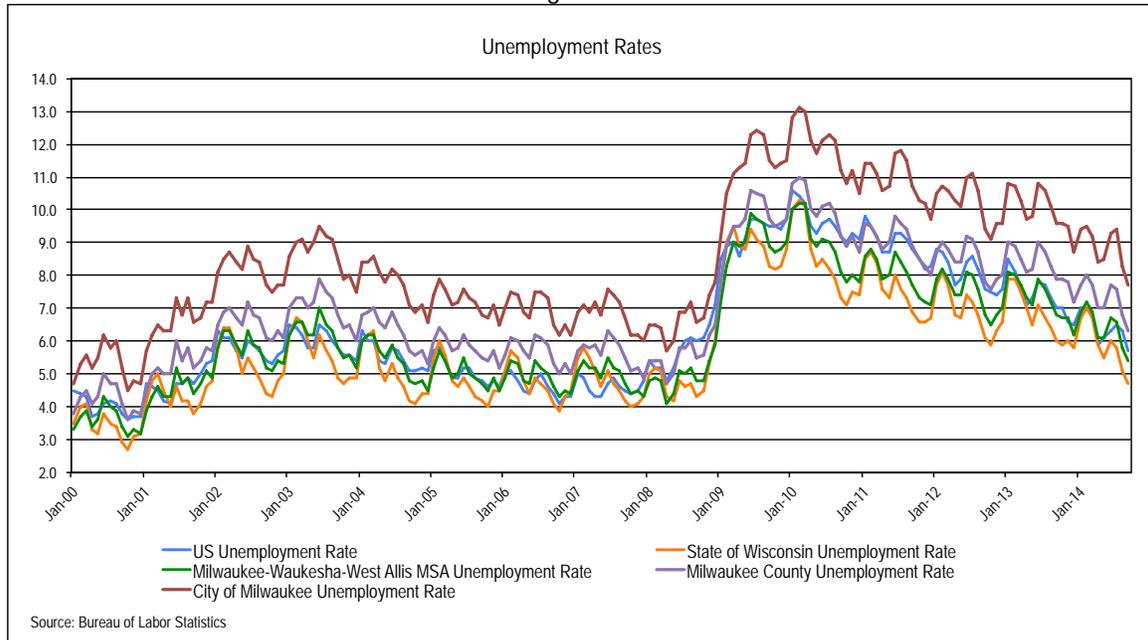
Source: City of Milwaukee, The Reinvestment Fund

As shown in the map and legend, most of the downtown real estate falls into the "A" cluster, which is the highest median and average sales price. It is also the area with the least percentage of foreclosures.

Unemployment

The following figure shows the unemployment rate in the MSA (green line), state (orange line), county (purple), city (red) and United States (blue) for 2000 through September of 2014.

Figure 1-3



The unemployment rate for the County, MSA and State follow a similar pattern as the unemployment rate in the United States, while the unemployment rate in the city of Milwaukee has consistently been one to two percentage points higher. With few exceptions, the state of Wisconsin has maintained a lower unemployment rate than the United States. The recession had a more profound impact on the city compared to the nation and state, as the spike in January of 2009 demonstrates. The unemployment rates for all four geographic areas are declining and the rate for the MSA and state remain below the national average. The City's rate has not recovered to its pre-recession level, although this is true of most areas, except the state as a whole.

Corporate Presence

In general, corporations provide stability to a market and generally consistent employment. They also provide demand for various real estate developments, especially meeting and entertainment facilities.

The following table shows the top employers in the Milwaukee area by number of employees. The light green highlighted employers represent those that have a presence in downtown Milwaukee.

Table 1-8

| Metro Milwaukee Major Employers | | |
|----------------------------------|--------------------------------|----------------|
| Company Name | Industry | # of Employees |
| Aurora Health Care | Healthcare | 22,000 |
| Wheaton Franciscan Healthcare | Healthcare | 12,000 |
| Froedtert & Community Health | Healthcare | 8,900 |
| Roundy's | Retail | 8,400 |
| Kohl's Corp | Retail | 7,800 |
| G.E. Healthcare Technologies | Healthcare | 6,000 |
| Quad/Graphics Inc. | Retail | 5,600 |
| Medical College of Wisconsin | Healthcare | 5,400 |
| Northwestern Mutual | Financial Services & Insurance | 5,000 |
| ProHealth Care Inc. | Healthcare | 4,900 |
| Wisconsin Energy Corp | Oil & Gas | 4,700 |
| Columbia-St. Mary's | Healthcare | 4,500 |
| Children's Hospital of Wisconsin | Healthcare | 4,400 |
| AT&T Wisconsin | Utilities & Telecommunication | 3,700 |
| BMO Harris Bank | Financial Services & Insurance | 3,500 |
| Wells Fargo | Financial Services & Insurance | 3,300 |
| US Bank | Financial Services & Insurance | 3,300 |
| Johnson Controls | Manufacturing | 3,200 |
| Rockwell Automation | Manufacturing | 3,000 |
| Marquette University | Education | 2,800 |
| FIS | Financial | 2,800 |
| Harley-Davidson Inc. | Motorcycles & Related Products | 2,700 |
| Potawatomi Hotel & Casino | Gaming | 2,600 |

Source: Metropolitan Milwaukee Association of Commerce

As shown, the largest employers in Milwaukee are Aurora Health Care, Wheaton Franciscan Healthcare, and Froedtert & Community Health. Aurora Healthcare, which employs approximately 22,000 employees in the Milwaukee area, is a not-for-profit healthcare system headquartered in Milwaukee that has 15 hospitals, 185 clinics, and more than 80 community pharmacies. The largest non-healthcare employers in Milwaukee are Roundy's and Kohl's, which employ approximately 8,400 and 7,800 employees in the area, respectively. The largest employers represent several industries, including healthcare, retail, and financial services and insurance. Finance, telecommunications and utility companies make up the majority of private sector employment downtown.

The next table shows the headquarters of Fortune 500 companies in the Milwaukee area, providing a slightly different perspective on local employers, from the perspective of major public corporations.

Table 1-9

| Milwaukee Area Fortune 500 Companies | | | |
|--------------------------------------|-----------------|--|------|
| Name | Location | Industry | Rank |
| Johnson Controls | Milwaukee | Automotive Interiors/Battery Manufacturing | 67 |
| Northwestern Mutual Group | Milwaukee | Financial Services | 114 |
| Manpower Group | Milwaukee | Professional Services | 140 |
| Kohl's | Menomonee Falls | Retail | 148 |
| Rockwell Automation | Milwaukee | Industrial Manufacturing | 403 |
| Joy Global | Milwaukee | Mining | 446 |
| Harley-Davidson | Milwaukee | Motorcycle Manufacturer | 449 |

Source: Fortune

There are seven Fortune 500 companies located in the Milwaukee area as of 2013. There are a variety of industries making up the list, including manufacturing, financial services, retail, automotive, and mining. Northwestern and Harley-Davidson are well-known corporations headquartered downtown.

Higher Education

The presence of colleges, universities, and educational institutions can significantly contribute to the area's economy and more importantly, provide the student and young professional demographic that gives life to a community, especially a downtown. The student population is often more willing and able to walk, bike and take public transportation, is more likely to attend festivals and concerts and often are more willing to try new cuisines. Such a demographic is key to the vitality of a community and can enliven a downtown area.

The following table shows colleges and universities in the Milwaukee area, sorted by distance from downtown.

Table 1-10

| Milwaukee Area Colleges and Universities | | | | |
|---|---------------|------------------------|------------------------|------------|
| Institution | Location | Distance from Downtown | Highest Degree Offered | Enrollment |
| Milwaukee Institute of Art & Design | Milwaukee, WI | 0.0 miles | Bachelors | 667 |
| Milwaukee School of Engineering | Milwaukee, WI | 0.0 miles | Masters | 2,658 |
| University of Wisconsin-Milwaukee | Milwaukee, WI | 1.2 miles | Doctorate | 27,416 |
| Columbia College of Nursing | Glendale, WI | 1.7 miles | Bachelors | 157 |
| Marquette University | Milwaukee, WI | 1.8 miles | Doctorate | 11,782 |
| Milwaukee Area Technical College | Milwaukee, WI | 1.8 miles | Associates | 17,961 |
| Montessori Institute of Milwaukee | Milwaukee, WI | 4.5 miles | Associates | 23 |
| Alverno College | Milwaukee, WI | 4.6 miles | Masters | 2,536 |
| Cardinal Stritch University | Milwaukee, WI | 7.1 miles | Doctorate | 4,407 |
| Medical College of Wisconsin | Milwaukee, WI | 7.3 miles | Doctorate | 1,212 |
| Wisconsin Lutheran College | Milwaukee, WI | 7.3 miles | Masters | 1,178 |
| Mount Mary University | Milwaukee, WI | 7.5 miles | Doctorate | 1,481 |
| Wisconsin School of Professional Psychology | Milwaukee, WI | 8.6 miles | Doctorate | 92 |
| Grand Total | | | | 71,570 |

Source: National Center for Education Statistics

Within two miles of downtown there are six institutions with more than 60,500 students. Within ten miles, that figure is more than 71,500 students.

The largest institution, with an enrollment of more than 27,000, is the University of Wisconsin-Milwaukee, followed by Milwaukee Area Technical College and Marquette University. Having these major education centers within the downtown area creates significant demand, economic activity and a source of talent for an expanding economy.

Educational Attainment

The level of education in a community is generally linked to income potential and hence, disposable income and long-term growth. Highly educated people have more choices in their decision to choose employment and locate themselves and their families. The higher the education level, the stronger the labor market and the more disposable income that is available to spend on recreational activities, attractions, dining out, attending cultural events and sports activities.

The following table shows the education attainment levels in the area.

Table 1-11

| Highest Education Level Attained (Population Age 25+) | | | | |
|---|--------------------|-----------|-----------|---------------|
| Population Age 25+ | Downtown Milwaukee | Milwaukee | Wisconsin | United States |
| Did Not Complete High School | 4.6% | 11.7% | 6.0% | 7.6% |
| Completed High School | 17.2% | 29.7% | 32.0% | 27.8% |
| Some College | 25.7% | 22.1% | 21.1% | 21.1% |
| Completed Associate Degree | | 6.9% | 10.0% | 8.1% |
| Completed Bachelor Degree | 31.5% | 15.1% | 18.4% | 18.4% |
| Completed Graduate Degree | 21.0% | 8.0% | 9.4% | 11.2% |

Source: United States Census Bureau

Milwaukee has a greater percentage of adults who did not complete high school compared to the state of Wisconsin and the United States, but in the downtown area, fewer than five percent failed to complete high school. Nearly one-third of downtown residents have a bachelor degree and 21 percent have a graduate degree. This is nearly triple the Milwaukee figure for graduate degree completion and nearly double the U.S. figure.

Downtown

The focus of this study is the downtown area and it has seen significant change in the past several years. A number of studies have been completed related to downtown and specific assets. The following are facts and statistics that help tell the story of the downtown transformation.

- More than \$2.6 billion in private and public investment has occurred downtown since 2005. Nearly \$1 billion new projects are currently underway, including the \$450 million, 1.1 million-square foot Northwestern Mutual Towers and Commons, expected to employ 1,000 additional

people downtown. Many more projects are proposed, including the new Bucks arena and potential expansion for Johnson Controls.

- More than 5.5 million attendees visit events at the Bradley Center, Henry W. Maier Festival Grounds and the Wisconsin Center District annually.
- The downtown office market of 11.8 million square feet accounts for more than 42 percent of the total area's office market.
- Class A office space vacancy rate was 9.8 percent as of the fourth quarter of 2014 and the average lease rate was \$22.28 per square foot.
- Retail vacancy downtown decreased from 16 percent to 13 percent between Q1 2012 and Q4 of 2014. The average lease rate increased to \$18.88 from \$18.79 per square foot.
- Convention attendance has increased by nearly 130 percent between 2007 and 2014. Convention room nights increased by 26 percent during the same period.
- Since 2000, the downtown population has increased by more than 25 percent. Population in the city limits has essentially been flat over the period.
- The median income of downtown households increased by 38.4 percent since 2000, compared with 2.2 percent for all city households.

More than 5,000 housing units have been added to downtown since 2005. Approximately \$550 million in housing developments have been added between 2005 and 2012. The following figure shows a map of the investments in the downtown area. While all of the detail cannot be seen, the vast amount of projects and total figures suggests a wide-ranging evolution is happening in the downtown area.

Figure 1-4



Specific to the hotel, convention, entertainment and nightlife, a number of projects have been completed, including nine hotel projects totaling nearly \$300 million. There have also been a number of restaurant and retail projects that have not been included, which continue to occur throughout downtown.

More detail on downtown assets will be included in the following chapters.

Demographics and Customer Segments

HSP was asked to consider the customer segments for various attractions in Milwaukee. The question revolves around whether or not certain attractions will cannibalize other attractions by advertising to the same market segments. This is often a concern when a new or expanded attraction offers something similar to what is already being offered. For example, what if a new major restaurant opens in downtown? Will that hurt existing restaurants? The answer is that the market rewards quality and variety and is attracted to areas where these are clustered. Some customers will stop using lesser quality facilities (ballrooms, hotels, theaters) and shift to newer, different or higher quality offerings. However, so long as the new product offers something new, different or better, the overall economic impact of the project should net positive for the community by attracting more customers to the larger set of offerings. However, in a generally static market, again to use the gaming example, when new gaming options that offer “more of the same” open in a market that is already saturated, then there is simply a shift of existing demand from the lesser/older to the newer.

When making decisions about if public money or incentives should be used for a new project, the key question to ask is “Will this expand the quality, variety and uniqueness of what downtown Milwaukee offers?”

The next section discusses this concept in more depth.

Critical Mass/Magnetic Force of Clustering. One of the questions posed for this study to answer is, what is the “right” number of hotels, restaurants, theaters etc. for the market? While one can recommend a balance for the nearby hotel room count with the convention center, for example, there is no right answer for most uses. One theme that continues to present itself in economic development in general, is that there is a “more attracts more” truism when it comes to clustering certain developments together. As opposed to a zero-sum game, where a certain population can only support a limited number of restaurants, theaters, etc. the truth is that, with some caveats, a cluster of quality, differentiated developments will induce a larger and larger audience as the cluster grows. Similar to the magnetic attraction created by critical mass in science, the larger the cluster of X, the more customers will be pulled into its orbit. So long as those developments are creating (by the very clustering and scale of situation) a greater destination for customers and therefore a bigger pie of customers, then there is no “right” number of restaurants, theaters or other development for a particular population. What tends to mitigate this law of attraction is if the new developments are more of the same product or service that already exists. For the concept to work, the additions to the cluster should be unique, offer a higher or different level of product or service or in some way enhance the package and not just replicate it. This is why the same intersection does not have four McDonald’s, but does have four fast food outlets. The variety, all clustered together, with differentiation, generates a node.

As an example of how a small population can inexplicably support more restaurants and theaters than it would seem to be able to, consider the case of Branson, Missouri. This town of 10,000 people has hundreds of restaurants and dozens of theaters, not to mention many other attractions. The same could be said of the Wisconsin Dells. These small communities are able to support these businesses because they have built a cluster of developments and attractions that attract people from outside the market on a consistent enough basis to support ongoing viable businesses. When a number of theaters in Branson became too similar to each other, then the consumer market stopped growing for theaters, stagnated and then retreated. The lowest common denominator of theaters closed, new acts were developed and the balance was restored. The same is true of restaurants and other attractions in downtown areas. Keeping the cluster energized, fresh, growing and removing the ‘sameness’ from the product (as this is likely the same product many have in their own home towns), keeps the product alive.

There are and will often be public policy questions about whether a particular development should continue to receive public support or if a new proposed project should receive support. This is true of publicly supported theaters, convention center and sports facilities. For those existing businesses/projects, the question is often answered by the market itself. If the level of business is minimal or has decreased over time, then the product is likely not offering what the market is seeking or the market itself is shrinking. In most cases, there are better options that have been developed or better located versions of the same product. If the product or facility can be adjusted to respond better to market demands at a reasonable cost, then this is an option. Such a study has been completed on the convention center, for example, and it recommended expansion and renovation. If it cannot meet the market’s expectations or needs, then decisions must be made accordingly about whether or not to continue to invest in the facility.

It is helpful to understand the general and specific customer segments when building or packaging up a destination. A destination is simply a collection of individual attractions. By having multiple attractions in close

proximity, this destination package is created. Customers can create an itinerary based on their psychographic preferences. Airline magazines have simplified this concept and downtown supporters can do the same thing. In nearly every airline magazine each month, there will be a focus on a particular city served by that airline. In the past, they magazine simply tried to present all the fun things to do and places to eat and stay while visiting. Besides being hard to organize, tourism professionals recognized that just making a list of options is not helpful and a one-size-fits-all presentation/recommendation does not help. People are not interested in the same things and in fact, companies have made a good business of slicing and dicing the American public into demographic and psychographic segments. The buying, traveling and other habits of these groups are relatively similar and predictable, based on a number of attributes. Now, those same travel magazines first ask the reader to determine what “type” of traveler they are (Interested in adventure? History? Shopping?). Then the magazine points them to one of three or four different itineraries based on this self-selected psychographic information.

HSP has studies significant amounts of data about customer segments in various downtowns, especially as it relates to visitors. While it is impossible to compile a total and complete picture of who is using downtown attractions, what is clear is that the strongest downtowns attract, and are supported by, a healthy cross-section of multiple audiences, including:

- Downtown Office Workers
- Downtown Residents
- Metro Area Residents
- Tourists from outside the Metro Area
- Business Travelers from outside the Metro Area
- Groups/Conventions from outside the Metro Area
 - Corporate
 - Association
 - Social
 - Religious
 - Sports
- Event-based visitors (can be any combination of the above)

For example, having worked extensively in Indianapolis, HSP knows that more than 75 percent of hotel room nights and more than 50 percent of restaurant sales downtown are generated by convention and event visitors to downtown. Less than half of restaurant sales are by local area residents. This suggests to those leaders how important it is to support and expand the convention and event business there. In Milwaukee, while such statistics are not available, HSP’s analysis of the performance of the Wisconsin Center suggests that the convention-generated business downtown is minimal. The sales generated by those coming downtown from the suburbs (and beyond) for major events, especially during the summer, is a significant impact on downtown. During the winter season, there are few events outside of theater and professional sports to bring visitors downtown.

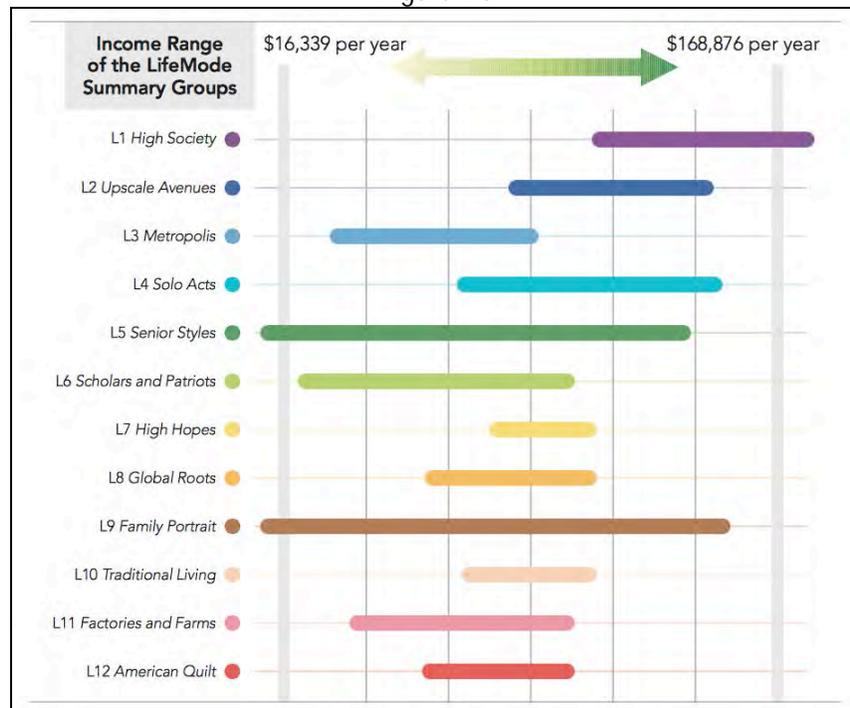
HSP's review of downtown hotel performance statistics shows that seasonality and events play a large role in the visitor market for downtown, as they do in many cities. The corporate market supports most hotels during the week and the leisure market supports the hotels on weekends, but mostly during the warmest months. Weekends during the colder months are quite weak. Given the lack of group and convention business due to the lack of a compelling package of group hotels and a convention center that has been surpassed by others, the group market has not been able to fill in the gaps in the market. Other cities with healthy group segments are able to fill in their calendar with more convention events and this causes market compression, leading to better performing hotels overall.

LifeMode & Tapestry Groups

ESRI is a company that works with customer segment data and they have divided the population into dozens of different "LifeMode" or "Tapestry" Groups. These groups are then collected into twelve larger groupings. Each group has a name and a set of buying/living habits. While it is not appropriate to provide a complete analysis of every category for this analysis, a more in-depth study of customer segments would be illuminating. A summary of the primary LifeMode groups living in the downtown area is also a helpful start to such an analysis. However, because many of the visitors to downtown restaurants, events, the casino and other activities are from the area, a fuller LifeMode analysis of the metro area could be a first step to a deeper dive analysis.

The figure below shows the income range of the LifeMode summary groups.

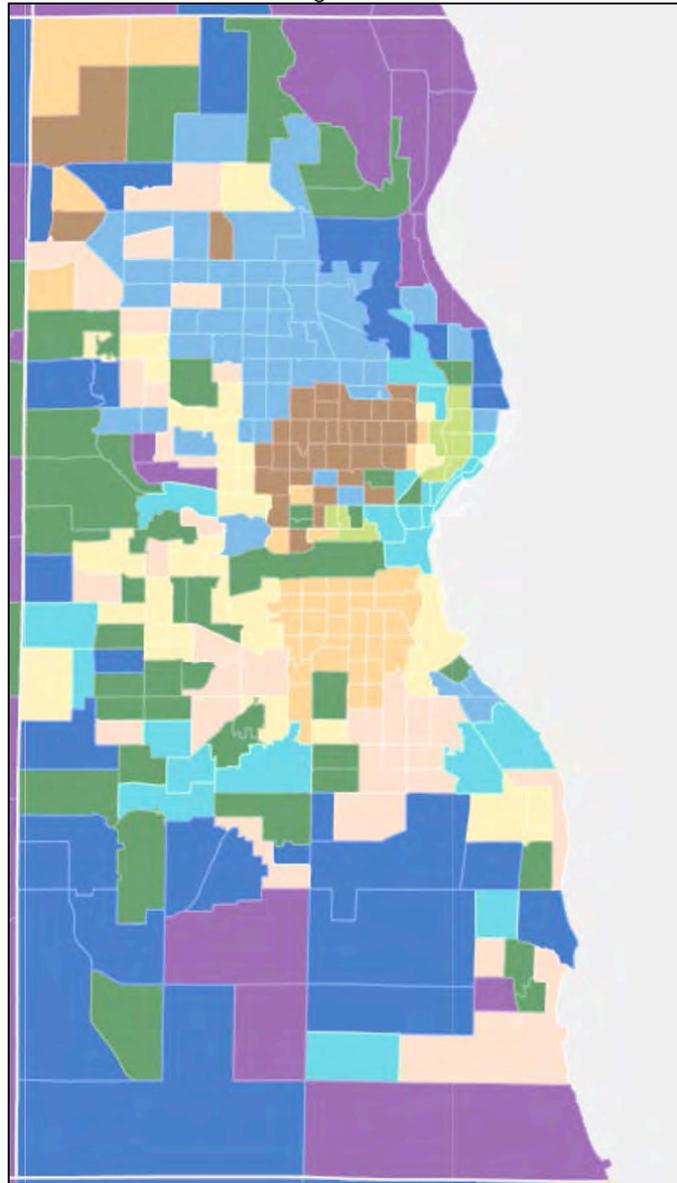
Figure 1-5



Source: ESRI

The primary groups in each zip code of Milwaukee County are shown in the next figure. The legend for the colors is the prior figure.

Figure 1-6



Source: ESRI

As shown, there are a variety of groups that dominate different areas. Those with the highest incomes are generally in purple and blue. The downtown area is dominated by the major grouping called "Solo Acts" and more specifically is dominated by a subgroup called "Metro Renters." The following is a description of the Metro Renter by ESRI:

Demographic: Young, educated singles, residents of Metro Renters neighborhoods are just beginning their professional careers in some of the largest US cities. Residents will sometimes share housing with a roommate to help defray the cost of their high rent. Households are either single person or shared. The median age of 33.6 years is younger than the US median of 37 years. Approximately 30 percent are in their 20s; 14 percent are in their early 30s. This younger population is also more diverse than the US population. Eleven and a half percent of the residents are Asian.

Socioeconomic: The median household income is \$56,311 and rising. Approximately 60 percent of employed residents work in professional and management occupations, most in the service industry sector. One of ESRI's Tapestry Segmentation's most educated markets, more than one in four Metro Renters residents aged 25 years or older holds a graduate degree; one in three has earned a bachelor's degree. More than 80 percent of these residents have attended college; 17 percent are still enrolled in undergraduate or graduate school. Their median net worth is \$22,097.

Residential: Approximately 90 percent of the housing is apartments; 37 percent in mid/high-rise buildings. Median home value is \$270,583.

Preferences: Because they rent, "home and hearth" products are low priority, although they will buy new furniture from stores such as Crate & Barrel or Pier One Imports. Most of them have renter's insurance. They buy clothes and other merchandise from traditional stores or online from favorites such as Banana Republic, Gap, Nordstrom, amazon.com, and barnesandnoble.com.

Active Metro Renters residents work out regularly at clubs, play tennis and volleyball, practice yoga, ski, and jog. They go dancing, visit museums, attend classical or rock concerts, go to karaoke nights, the movies, eat out, and travel overseas and domestically. They read two or more daily newspapers; history books; and airline, fashion, epicurean, travel, and business/finance magazines. They listen to alternative, jazz, classical music, all-news, and public radio.

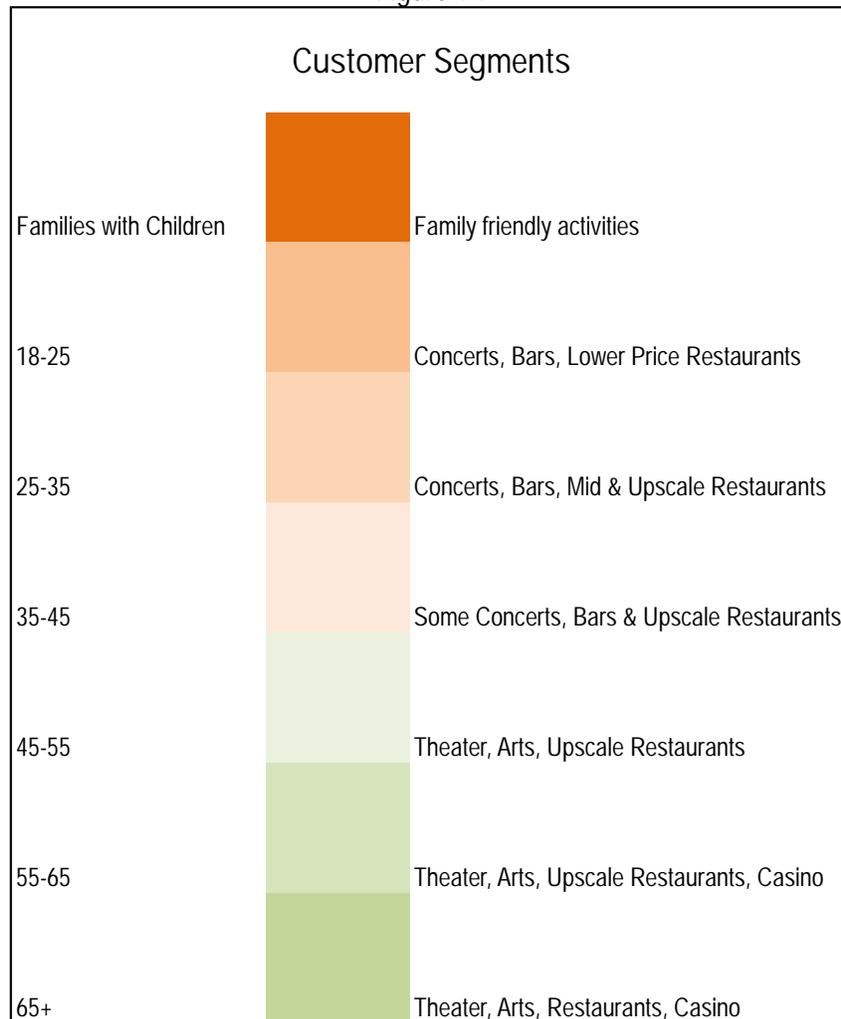
They seldom watch TV; only news programs and movies. They go online frequently to look for jobs, make travel arrangements, download music, research real estate, watch videos, and shop. Many buy their PCs online; they prefer laptops, although many also own PDAs. Politically, these neighborhoods are liberal.

While this is helpful and it would be ideal to have such a breakdown for all the people actually utilizing the downtown's attractions, it is not fully possible. However, to the extent that many of the visitors to downtown are from the metro area and elsewhere in Wisconsin, a more in-depth study could be done regarding these groups.

Based on a more simplistic approach, HSP has divided the population into age groups. Those who visit downtown generally are there to spend disposable income. This narrows the groups who will come downtown somewhat, to those who have disposable income (the casino market segmentation is a bit different, when considering only those who are there to gamble).

The customer segments for those visiting downtown are shown in the figure below, as projected by HSP.

Figure 1-7



Based on HSP's analysis of customer segments and HSP's review of Milwaukee's assets, Milwaukee's downtown offers something for nearly every customer segment. There are numerous family friendly activities and attractions. For young adults, as is established in this report, there are a high number of entertainment options, from concert venues, bars, restaurants to a casino and festivals. For older adults, there are entertainment activities ranging from the theater and arts opportunities to the casino. One area that may be lacking is the opportunity for the middle-aged customer segment with children, especially those more inclined to live in suburbs. While they may come downtown for sports games and special events, there may not be enough of a feeling of safety and familiarity to lure many of this segment on a regular basis. Development of more of a critical mass of familiar and new restaurant options and activities is encouraged throughout the document. Developing areas to seem safer, more secure and with a few familiar name brands may help lure this customer segment.

Implications

Overall, the city of Milwaukee and Milwaukee County have experienced very little population growth in the past two decades compared to the state of Wisconsin and the United States. However, the downtown and metropolitan area have each experienced growth, signifying that residents are locating in the surrounding suburban communities and downtown. The resurgence of downtown is not fully documented in this report, but the analysis shows that serious investment in housing and housing demand are supporting higher prices and new development. In addition, there is continued development of real estate and other investment in the downtown area. The presence of numerous educational institutions in the downtown area, multiple Fortune 500 companies, and numerous entertainment venues are what is attracting residents to a more urban lifestyle in similar cities provides ongoing support for this exciting time for downtown Milwaukee.

The downtown population primarily consists of educated professionals of various age groups. Many are renters, although there is a strong contingent of residential owners. Nearly all are rehabbed or new units. The resurgence in downtown residents is helping to fuel the viability of restaurants and shops. It is also making employers consider locating downtown if they want to attract the best talent. Yet the customers who support the many events and facilities downtown are mostly from outside of the downtown residential base. As such, the successful strategy going forward for downtown is to continually consider how to attract and retain visits from residents from outside the downtown area, including the suburbs, exurbs and, for certain events and activities, a catchment area that includes all of Wisconsin and northern Illinois.

While this chapter simply provides a snapshot of many economic and demographic figures for the MSA, county, city and downtown, the next chapters focus more on the downtown's assets and how that compares with other similarly sized cities across the U.S. What is clear from this chapter is the fact that there are no major structural problems in the regional or downtown economy that are preventing either from participating the trends impacting most areas in the U.S. There is continued expansion of the suburban areas as well as a robust level of growth and activity occurring downtown. Understanding how the downtown area can be even more attractive to residents, businesses and visitors by comparing Milwaukee to other areas, can lead to targeted efforts for specific developments that will fill gaps, create synergy and knit a patchwork of successes into a cohesive quilt of vibrancy.

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CONVENTION CENTER & HOTEL ANALYSIS

Critical to the health of downtown is the ability to offer event and hotel spaces that accommodate the market that is willing and able to come to downtown Milwaukee. In most instances and cities, this means considering the health of the convention center facilities as well as the critical hotels and hotel room blocks that support the ability of the center to put a compelling package together. This group business, whether it is for social, religious, educational, corporate or association events, is an important third leg of the hotel demand stool (the other legs being corporate and leisure transient business). The more and better the event and hotel package, the more likely visitors and residents (not to mention new businesses) are to see Milwaukee as a vibrant and attractive place to visit or permanently locate.

Downtown Milwaukee features one major convention facility and a number of hotels. The convention center is called the Wisconsin Center and is part of a multi-facility district called the Wisconsin Center District. It includes the 4,100-seat Milwaukee Theater and the 12,700-seat UW Panther Arena.

The Wisconsin Center opened in two phases in Downtown Milwaukee in 1998 and 2000. The \$185 million facility has 189,000 square feet of exhibit space.

When originally opened as the Midwest Express Center in 1998, the Wisconsin Center was designed with a Phase III expansion in mind, extending to the north to Kilbourn Avenue. In May of 2014, the Wisconsin Center District was the subject of a feasibility study outlining the District's competitive needs and proposing a modest expansion of 60,000 feet of new exhibit space, a 14,000-square foot junior ballroom and additional meeting rooms. Because this expansion initiative coincides with the current efforts to build a new Milwaukee Bucks NBA arena, the study suggested a master plan to redevelop the downtown corridor between 4th and 6th Street as a pedestrian-friendly sports and entertainment district.

The figure below is an exterior photo of the Wisconsin Center.

Figure 2-1



The following map shows the Wisconsin Center with a radius drawn depicting the “walkable” distance from the facility. Any hotels (shown in orange) outside of this area would not be considered walkable by meeting planners and make it more difficult to create a competitive block of hotel rooms for major events.

Figure 2-2



The following figure is a legend for the map above.

Figure 2-3



The table on the next page shows the breakout of function space at the Wisconsin Center.

Table 2-1

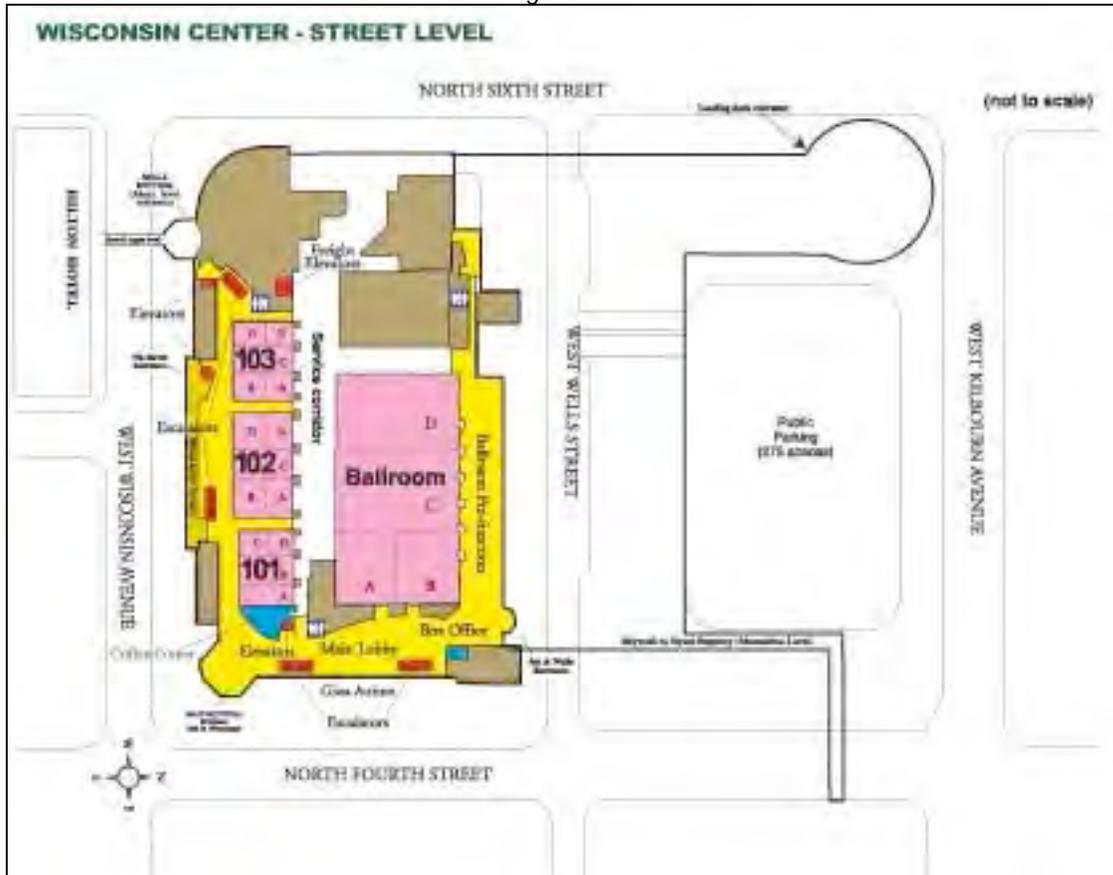
| Wisconsin Center Function Space | | | |
|---------------------------------|------------|------------------|-----------|
| | Total (SF) | By Division (SF) | Divisions |
| Exhibit Space | 188,695 | | 4 |
| Exhibit Hall A | | 63,060 | |
| Exhibit Hall B | | 31,005 | |
| Exhibit Hall C | | 31,115 | |
| Exhibit Hall D | | 63,515 | |
| Ballroom Space | 37,506 | | 4 |
| Ballroom A | | 6,160 | |
| Ballroom B | | 6,248 | |
| Ballroom C | | 12,690 | |
| Ballroom D | | 12,408 | |
| Meeting Space | 39,640 | | 30 |
| Meeting Room 101 | | 5,192 | |
| Meeting Room 102 | | 8,349 | |
| Meeting Room 103 | | 6,279 | |
| Meeting Room 201 | | 5,192 | |
| Meeting Room 202 | | 8,349 | |
| Meeting Room 203 | | 6,279 | |
| | 265,841 | | 38 |
| Walkable Hotel Rooms | 1,994 | | |
| Total Exhibit Space | 188,695 | Per Guest Room | 95 |
| Total Ballroom Space | 37,506 | | 19 |
| Total Meeting Space | 39,640 | | 20 |
| Other Space | 0 | | 0 |
| Total Function Space | 265,841 | | 133 |
| Total Exhibit Space Divisions | 4 | | |
| Ballroom Divisions | 4 | | |
| Meeting Room Divisions | 30 | | |
| Other Divisions | 0 | | |
| Total Divisions | 38 | | |

Source: Mpoint, Hunden Strategic Partners

The facility has nearly 190,000 square feet of exhibit space, a grand ballroom of 37,500 square feet and six major meeting room divisions (and 30 individual meeting room divisions) totaling nearly 40,000 square feet. Each of these major meeting room sections break into five to six breakout spaces of 1,000 – 2,000 square feet in most cases. While there is not a dedicated junior ballroom, the large meeting rooms can act as such a room. However, the study completed in 2014 suggested a 14,000-square foot junior ballroom be added. It also suggested more exhibit space, which would bring the total to 250,000 square feet. For many events, the grand ballroom is still too small. The industry is trending toward larger ballrooms that can be utilized for a variety of event types and divided up for multiple session types in the same day or at the same time.

The next figures show the layout of the building by floor. The first is the street level.

Figure 2-4



As shown, the street level includes the grand ballroom and three of the large breakout room divisions.

The next figure shows the mezzanine level.

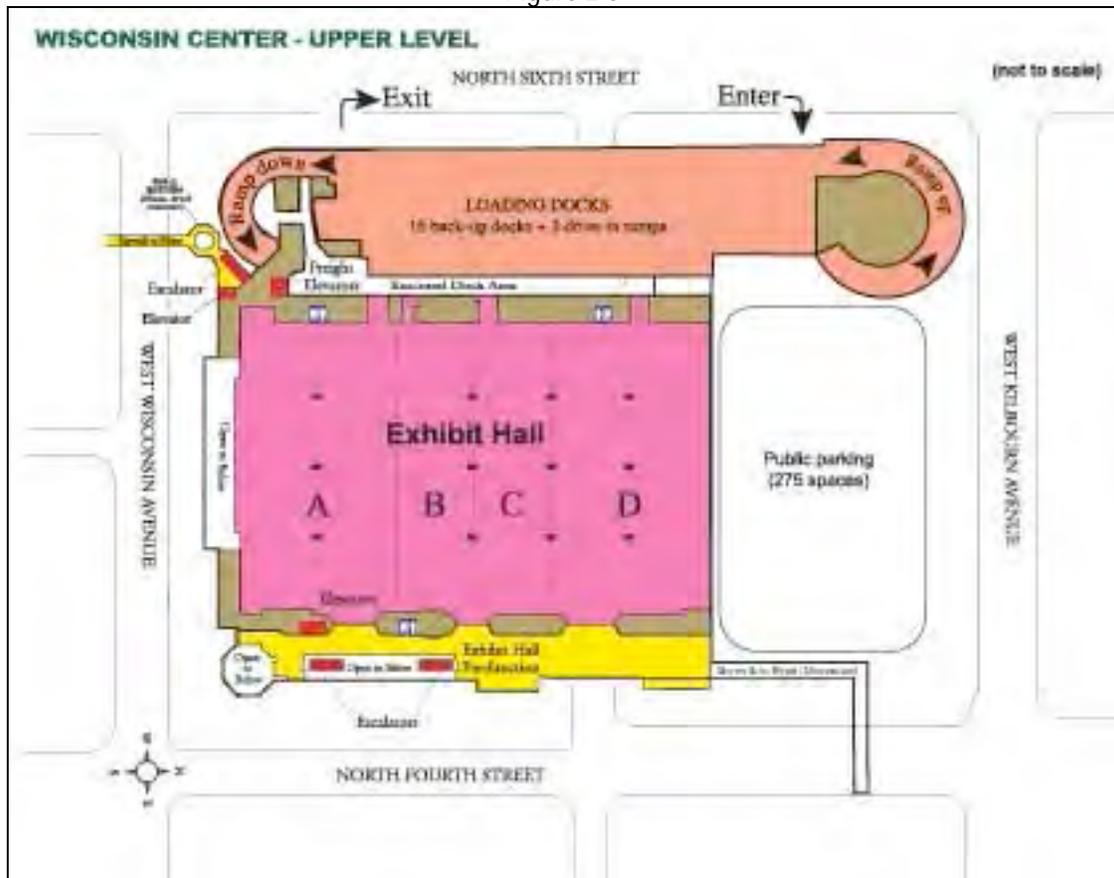
Figure 2-5



This level is fairly typical for a multi-level convention facility and includes three more major breakout room blocks.

The next figure shows the exhibit level.

Figure 2-6



The exhibit hall is located on the top level and the loading docks are ramped up to this level to service this hall. There is a public parking deck of 275 spaces to the east.

The next table shows the Wisconsin Center's space breakdown relative to the peer cities chosen.

Table 2-2

| Milwaukee Peer Downtown Convention Centers | | | | | | | | |
|--|--------------------------------|-------------------------------------|----------------------|------------|-------------|-----------------|------------------------------|---------------------|
| Rank | City | Convention Center Name | Total Function Space | Exhibit SF | Ballroom SF | Meeting Room SF | Number of Breakout Divisions | Largest Ballroom SF |
| 1 | Indianapolis | Indiana Convention Center | 729,551 | 558,000 | 57,072 | 114,479 | 98 | 33,335 |
| 2 | Salt Lake City | Salt Palace Convention Center | 671,220 | 510,600 | 45,000 | 115,620 | 75 | 45,000 |
| 3 | St. Louis | America's Center Convention Complex | 636,924 | 485,000 | 28,416 | 123,508 | 88 | 28,416 |
| 4 | Nashville | Music City Center | 519,943 | 353,143 | 75,400 | 91,400 | 75 | 57,500 |
| 5 | Kansas City | Kansas City Convention Center | 420,030 | 287,820 | 70,394 | 61,816 | 43 | 46,484 |
| 6 | Pittsburgh | David L. Lawrence Convention Center | 419,921 | 312,756 | 31,212 | 75,953 | 61 | 15,660 |
| 7 | Baltimore | The Baltimore Convention Center | 407,216 | 300,000 | 36,672 | 70,544 | 61 | 36,672 |
| 8 | Charlotte | Charlotte Convention Center | 406,490 | 280,000 | 75,000 | 51,490 | 46 | 40,000 |
| 9 | Portland | Oregon Convention Center | 356,782 | 242,000 | 59,400 | 55,382 | 70 | 34,200 |
| 10 | Cincinnati | Duke Energy Convention Center | 296,974 | 195,320 | 57,311 | 44,343 | 39 | 39,985 |
| | Average | | 486,505 | 352,464 | 53,588 | 80,454 | 66 | 37,725 |
| 11 | Milwaukee | Wisconsin Center | 265,841 | 188,695 | 37,506 | 39,640 | 38 | 37,506 |
| | Amount Needed to Reach Average | | 220,664 | 163,769 | 16,082 | 40,814 | 28 | 219 |

Source: Hunden Strategic Partners, Smith Travel Research, Mpoint, Cvent, U.S. Census Bureau

The total function space in peer convention centers ranges from 265,841 square feet in Milwaukee (the smallest) to nearly 730,000 square feet in Indianapolis. The average for the set is 486,505 square feet, which is 220,664 square feet (nearly double) the Wisconsin Center total.

Exhibit space in peer convention centers ranges from 188,695 square feet in Milwaukee (the smallest) to 558,000 square feet in Indianapolis. The average for the set is 352,464 square feet, which is 163,769 square feet more than the Wisconsin Center total.

Ballroom space in peer convention centers ranges from 31,212 square feet in Pittsburgh (the smallest) to 75,000 in Nashville and Charlotte. The average for the set is 53,588 square feet, which is 16,082 square feet more than the Wisconsin Center total.

Milwaukee has about half of the meeting space of the peer set average and is the smallest amount in the set. The most amount of meeting room space is in St. Louis at 123,508 square feet. Indianapolis and Salt Lake City also have more than 100,000 square feet of meeting space. The number of breakouts of the meeting space totals 38 at the Wisconsin Center compared with the average of 66 for the peer set.

The largest ballroom at the Wisconsin Center meets the average of the set. The largest ballroom is also the newest, located in Nashville. It totals 57,500 square feet, which is 20,000 square feet larger than the grand ballroom in Milwaukee. For most measures, the Wisconsin Center is at about half of the level of the average of the peer set, except for the largest ballroom.

The next table is perhaps the most important when determining the competitiveness of a destination and its ability to package appropriately sized groups for the convention center. It shows the package of walkable and

CBD rooms relative to the convention center. Walkable rooms are those within 1,500 linear feet of the convention center.

Table 2-3

| Milwaukee Comparable Destinations' Downtown and Walkable Hotel Package | | | | | | | | | |
|--|--------------------------------|---------------------------|-------------------------------------|----------------------|-------------------------------------|----------------------|---------------------------|-----------------|----------------------|
| Walkable Rank | City | Walkable Hotel Room Count | Walkable | CBD Hotel Room Count | CBD | # of Walkable Hotels | Avg. | # of CBD Hotels | Avg. |
| | | | Rooms per 1,000 SF of Exhibit Space | | Rooms per 1,000 SF of Exhibit Space | | Walkable Room Count/Hotel | | CBD Room Count/Hotel |
| 1 | Indianapolis | 6,259 | 11 | 7,033 | 13 | 20 | 313 | 26 | 271 |
| 2 | Baltimore | 6,057 | 20 | 8,560 | 29 | 19 | 319 | 32 | 268 |
| 3 | Salt Lake City | 4,360 | 9 | 7,921 | 16 | 17 | 256 | 30 | 264 |
| 4 | St. Louis | 3,864 | 8 | 5,976 | 12 | 11 | 351 | 16 | 374 |
| 5 | Nashville | 3,352 | 9 | 4,922 | 14 | 10 | 335 | 18 | 273 |
| 6 | Charlotte | 2,819 | 10 | 4,884 | 17 | 9 | 313 | 19 | 257 |
| 7 | Pittsburgh | 2,600 | 13 | 5,315 | 27 | 9 | 289 | 19 | 280 |
| 8 | Cincinnati | 2,380 | 10 | 3,291 | 14 | 4 | 595 | 9 | 366 |
| 9 | Kansas City | 2,248 | 8 | 2,621 | 9 | 6 | 375 | 10 | 262 |
| 11 | Portland | 1,914 | 8 | 6,712 | 28 | 8 | 239 | 31 | 217 |
| | Average | 3,585 | 11 | 5,724 | 18 | 11 | 339 | 21 | 283 |
| 10 | Milwaukee | 1,994 | 11 | 4,066 | 22 | 5 | 399 | 23 | 177 |
| | Amount Needed to Reach Average | 1,591 | 0 | 1,658 | -4 | 6 | -60 | -2 | 106 |

Source: Hunden Strategic Partners, Smith Travel Research, Mpoint, Cvent, U.S. Census Bureau

As shown, there are a number of metrics in the table, beginning with the walkable hotel room count. This figure ranges from 1,914 in Portland to 6,259 in Indianapolis, with an average of 3,630. Milwaukee's walkable room count is near the bottom of the rankings (10th out of 11) and is 1,591 rooms short of the average of the peer set. Interestingly, while the Milwaukee total is not much more than half of the average and only one-third of Baltimore and Indianapolis, on a basis relative to the convention center size, it is exactly average. The average here is not ideal, however. The optimal number of walkable hotel rooms per 1,000 square feet of exhibit space is approximately 15. Only Baltimore exceeds this metric.

The Central Business District (CBD) hotel room count is also important when considering the ability of the community to host large events. Meeting and event planners often have to contract with hotels outside the walkable radius, even if they would prefer not to. Milwaukee has just over 4,000 hotel rooms downtown and this compares with a peer set average of 5,724, or approximately 1,660 less than the average. The CBD with the most rooms is Baltimore with 8,560, followed by Salt Lake City (once their 1,000-room convention hotel opens) and Indianapolis.

Milwaukee has more than the average number of CBD hotel rooms relative to exhibit space. Baltimore, Pittsburgh and Portland have the most. The issue in Pittsburgh, Portland and Milwaukee, Kansas City and others, is that many of the downtown hotels are just not close to the convention center. However, Kansas City just announced a deal to build an 800-room Hyatt hotel adjacent to their convention center in a public-private deal that has taken approximately ten years to formulate.

Milwaukee's hotels, on average, are smaller than the average of the hotels in the peer cities (177 rooms vs. 275 rooms). This makes creating group room blocks difficult. However, for the five walkable hotels, the hotel size averages 399 rooms in Milwaukee versus 339 rooms for the peer set.

Overall, Milwaukee would be will served by a large 800 – 1,000-room convention hotel adjacent to the Wisconsin Center, especially if the facility expands. The number of available rooms and large hotels is simply too limited currently to keep Milwaukee competitive.

The next table shows the largest headquarters hotel in the peer set.

Table 2-4

| Milwaukee Comparable Destinations' Headquarter Hotels | | | |
|---|----------------|---|-------|
| Rank | City | Largest Walkable Quality Convention Hotel | Rooms |
| 1 | St. Louis | Renaissance Grand | 1,018 |
| 2 | Indianapolis | JW Marriott Indianapolis | 1,005 |
| 3 | Salt Lake City | Omni - Under Development | 1,000 |
| 4 | Kansas City | Kansas City Marriott Downtown | 983 |
| 5 | Nashville | Omni Nashville Hotel | 800 |
| 6 | Baltimore | Hilton Baltimore | 757 |
| 8 | Charlotte | Westin Charlotte | 700 |
| 9 | Pittsburgh | Westin Convention Center | 616 |
| 10 | Portland | Hyatt Portland | 600 |
| 11 | Cincinnati | - | 0 |
| Average | | | 831 |
| 7 | Milwaukee | Hilton Milwaukee City Center | 729 |

Source: Hunden Strategic Partners

The largest hotel is in St. Louis, with 1,018 rooms. Cincinnati has large hotels near the convention center, but they are not of high quality or size to adequately service the needs of the convention center. Otherwise the smallest convention hotel is the new 600-room hotel underway in Portland. The average is 831 rooms, compared with 729 rooms in the Hilton Milwaukee City Center.

The other factor to consider when analyzing the value of the hotel package in a downtown is the variety and quality of hotels. If every hotel was a large, branded convention style hotel, the downtown would lack character and interest. Having multiple types, styles, price points, locations and concepts is critical to having an attractive package.

The next table shows the breakdown of the downtown area hotels in Milwaukee. Hotels such as the Ambassador and Iron Horse fall outside of what some consider to be "downtown", however, as they participate in the downtown economy more than any other, they were included as a downtown hotel. In the case of the Iron Horse, it is one of the best performing hotels in or near downtown and its customers are generally business and leisure travelers whose primary "geography of stay" is downtown.

Table 2-5

| Mix of Hotel Types | | |
|---------------------------------------|-------|------------------------|
| Name | Rooms | Type of Property |
| Hilton Milwaukee City Center | 729 | Branded Full Service |
| Hyatt Regency Milwaukee Downtown | 481 | Branded Full Service |
| Doubletree Milwaukee City Center | 243 | Branded Full Service |
| InterContinental Milwaukee | 221 | Branded Full Service |
| Milwaukee Marriott Downtown | 205 | Branded Full Service |
| Total | 1,879 | 46% of Total |
| Courtyard Milwaukee Downtown | 169 | Branded Select Service |
| aloft Hotel Milwaukee Downtown | 160 | Branded Select Service |
| Hampton Inn Suites Milwaukee Downtown | 138 | Branded Select Service |
| Residence Inn Milwaukee Downtown | 131 | Branded Select Service |
| Hilton Garden Inn Milwaukee Downtown | 127 | Branded Select Service |
| Fairfield Inn & Suites Towne Hotel | 103 | Branded Select Service |
| Total | 828 | 20% of Total |
| Ramada Milwaukee Downtown | 154 | Economy |
| Days Inn & Suites Hotel Of The Arts | 81 | Economy |
| Total | 235 | 6% of Total |
| Park East Hotel | 159 | Historic Boutique |
| Ambassador Hotel | 132 | Historic Boutique |
| Astor Hotel | 96 | Historic Boutique |
| Knickerbocker On The Lake | 80 | Historic Boutique |
| Milwaukee Athletic Club | 57 | Historic Boutique |
| Ambassador Inn | 40 | Historic Boutique |
| Total | 564 | 14% of Total |
| Preferred Pfister Hotel | 307 | Historic Full Service |
| Total | 307 | 8% of Total |
| The Iron Horse Hotel | 100 | Recent Boutique |
| The Brewhouse Inn & Suites | 90 | Recent Boutique |
| Hotel Metro | 63 | Recent Boutique |
| Total | 253 | 6% of Total |
| Total | 4,066 | |
| Source: STR, HSP | | |

There are 23 hotels in downtown Milwaukee and no single category overwhelms the group. There are five relatively large branded full-service hotels totaling nearly half of the room count. There are six smaller branded select-service hotels totaling 828 rooms. These are some of the most popular for travelers on a budget but also looking for quality and brand “points.” There are only two lower quality economy properties. Most community leaders are not fond of such low quality properties as they can detract from the reputation (and success) of the destination. However, with only two in this category, Milwaukee should not have major concerns.

One of the highlights of downtown Milwaukee's hotel package is the number of historic hotels, including six boutiques and the large historical Pfister hotel. Each of these has a unique character and history that offers visitors an experience. And for those looking for a hip, modern vibe, there are three newer boutique hotels which have strong reputations. The Iron Horse, especially, performs near the top of the market, despite its location south of the area most define as "downtown." The fact that nearly half of the hotels in downtown Milwaukee are boutique style hotels provides the community a great set of experiences for visitors. With one large convention hotel to service the convention center, the downtown hotel set would likely be as competitive as any of the peers, at least at its relative size.

The next series of maps shows how the hotels are arrayed in the peer cities and which ones are located within the 1,500-foot radius and which do not.

The first map is of Baltimore.

Figure 2-7



While not all of the hotels are within the radius, it is visually clear that the majority of large hotels are within this walkable radius. In fact, 19 of 32 hotels and more than 6,000 rooms out of 8,560 are within this radius.

The next map is of Charlotte.

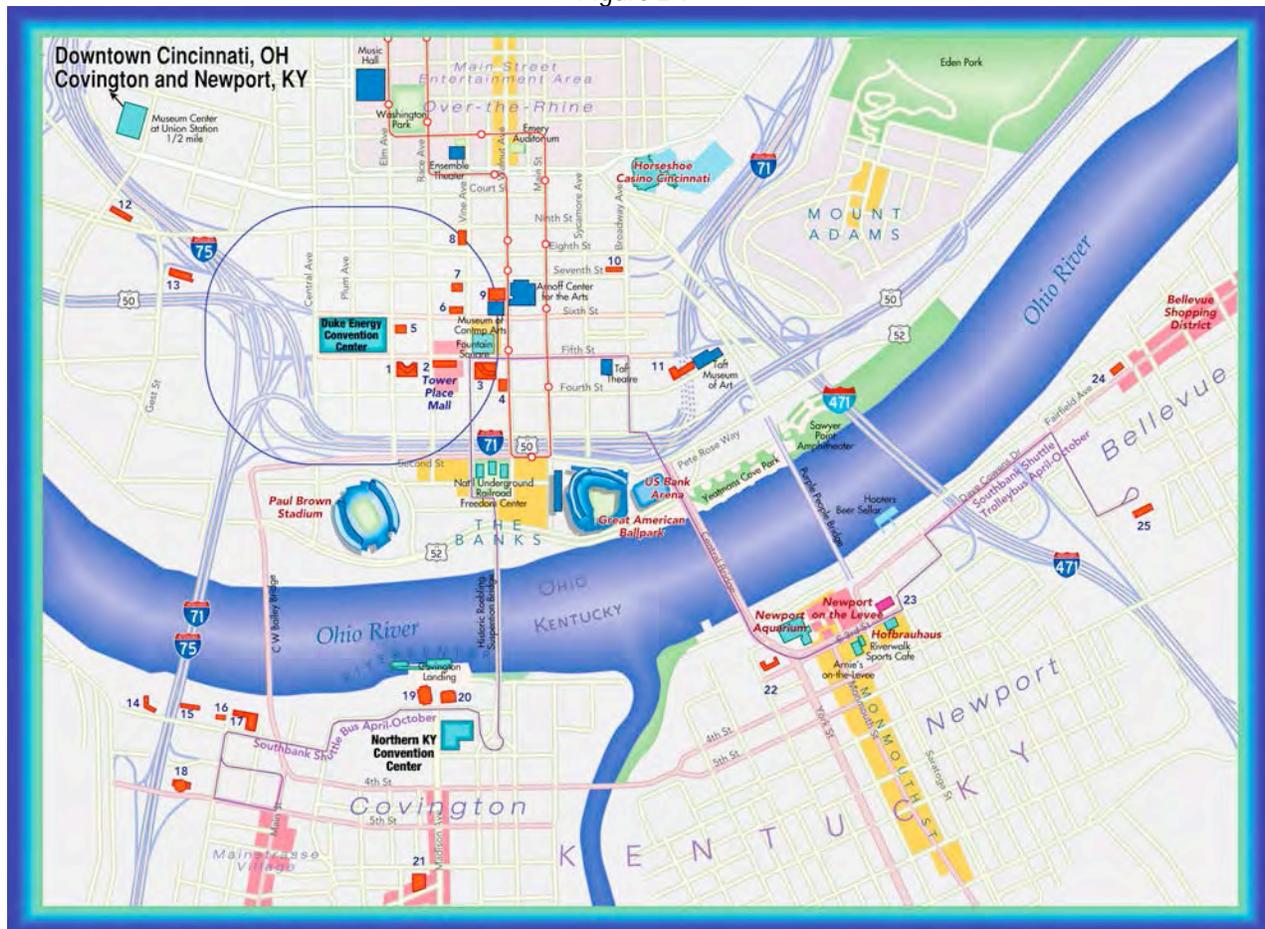
Figure 2-8



In Uptown Charlotte (what locals refer to as their downtown), nine of 19 hotels and more than 2,800 rooms out of 4,800 are within this radius.

The next map is of Cincinnati.

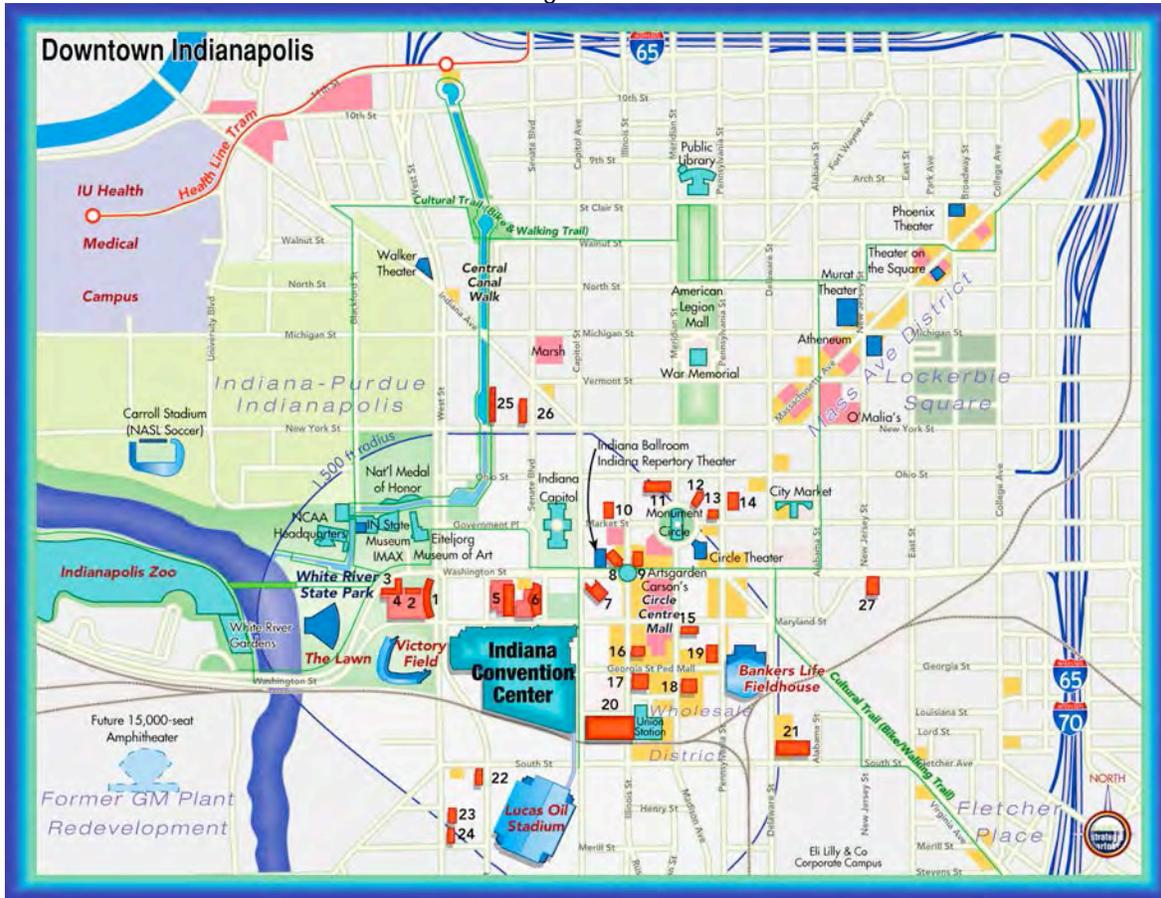
Figure 2-9



In Cincinnati, only four of nine hotels and 2,380 rooms out of 3,291 are within this radius. Cincinnati is one of the most difficult cities to host a large event in, due to its lack of total hotel rooms and large, quality properties.

The next map is of Indianapolis.

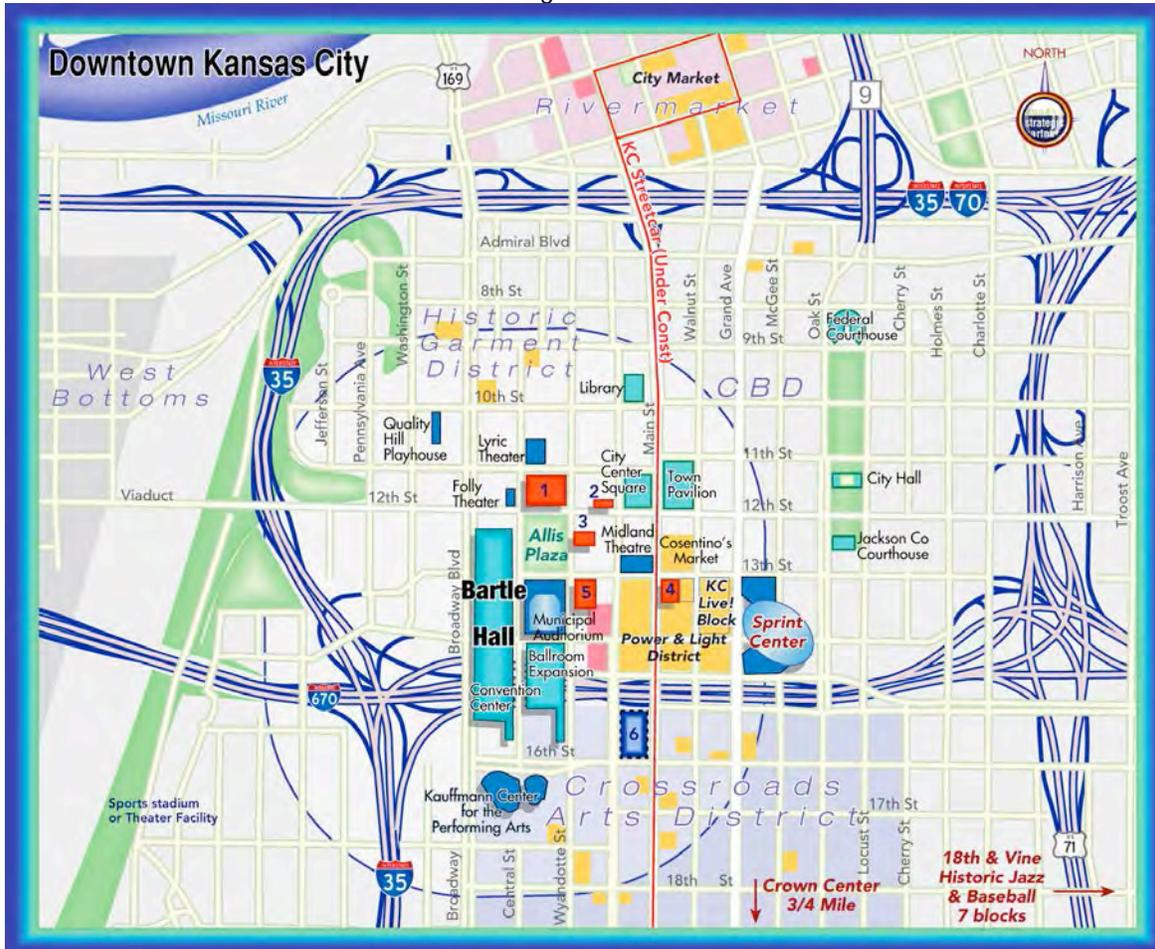
Figure 2-10



In Indianapolis, nearly all of the hotels are walkable from the convention center. Twenty of 26 hotels and 6,259 rooms out of 7,033 are within this radius. Indianapolis is one of the easiest cities to host a large event in, due to its number of total nearby hotel rooms and large, quality properties.

The next map is of Kansas City.

Figure 2-11



In Kansas City, there are very few hotels and rooms in the central business district. There are only ten total hotels with 2,621 rooms and of these, only six and 2,248 rooms are within the walkable radius. The city has been working for years to develop a 1,000-room hotel to mitigate this issue. However, Kansas City just announced a deal to build an 800-room Hyatt hotel adjacent to their convention center (north of 16th Street) in a public-private deal that has taken approximately ten years to formulate.

The next map is of Nashville.

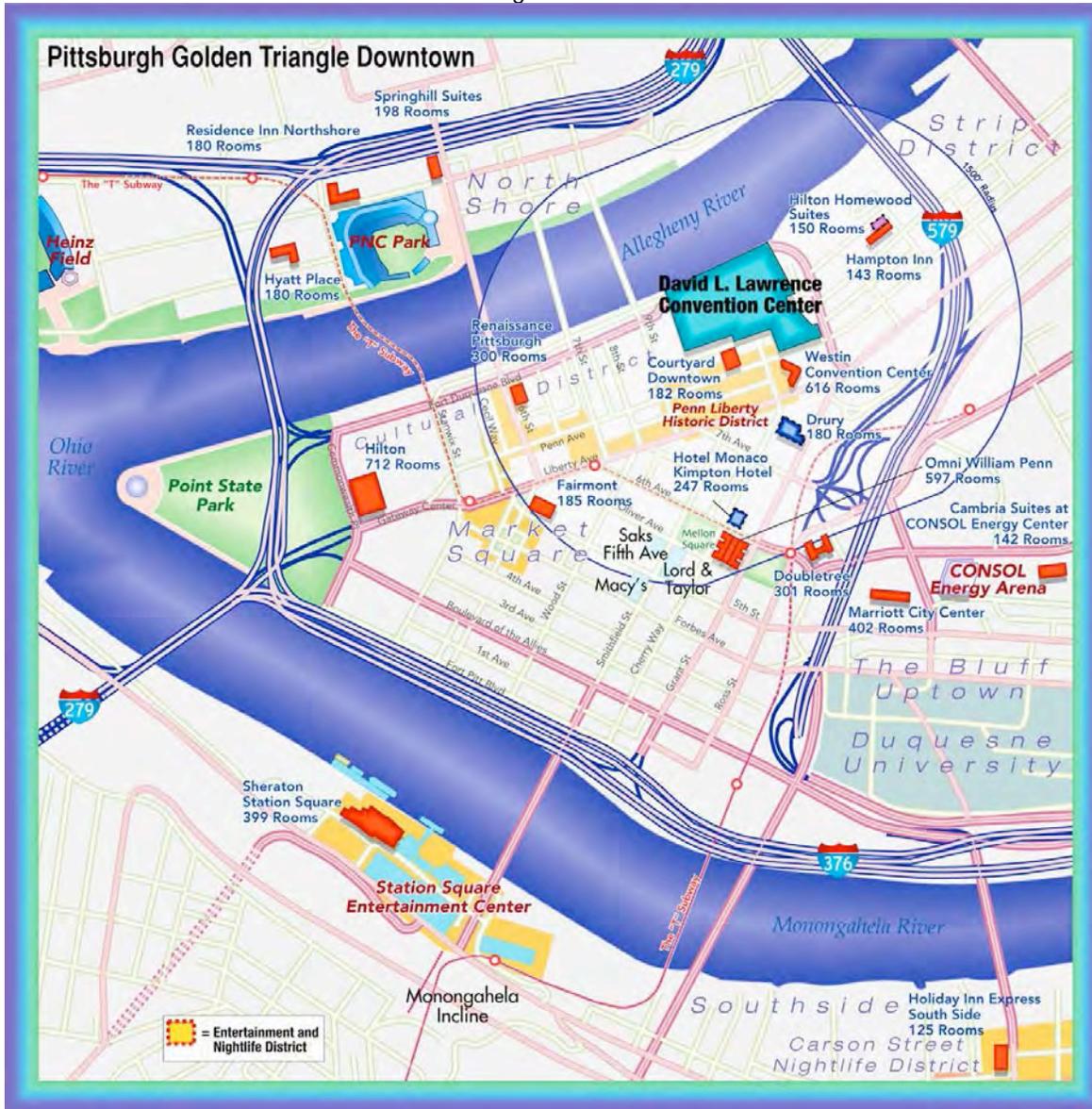
Figure 2-12



In Nashville, there are ten hotels with 3,352 rooms within the walkable radius out of 18 hotels and a total of 4,922 rooms. The city has the newest convention center and convention hotel, the 800-room Omni.

The next map is of Pittsburgh.

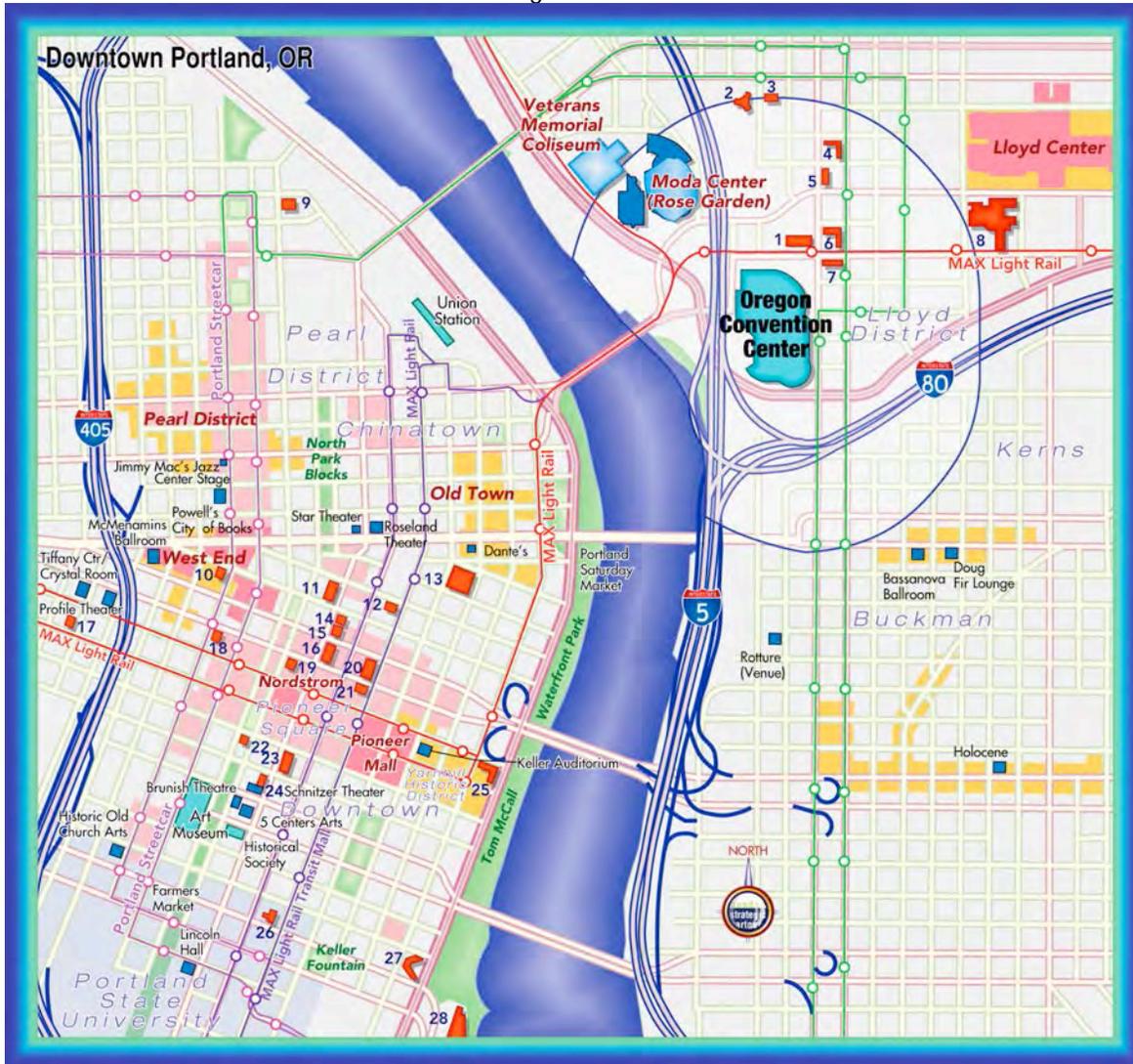
Figure 2-13



As shown, the hotels in Pittsburgh are much more spread out in the area, split by the rivers and many located outside the convention center district. Only nine of 19 hotels and 2,600 of 5,315 rooms are located within the walkable radius. The city has continued, like Kansas City and others, to figure out a way to develop a large convention hotel to mitigate this issue.

The next map is of Portland.

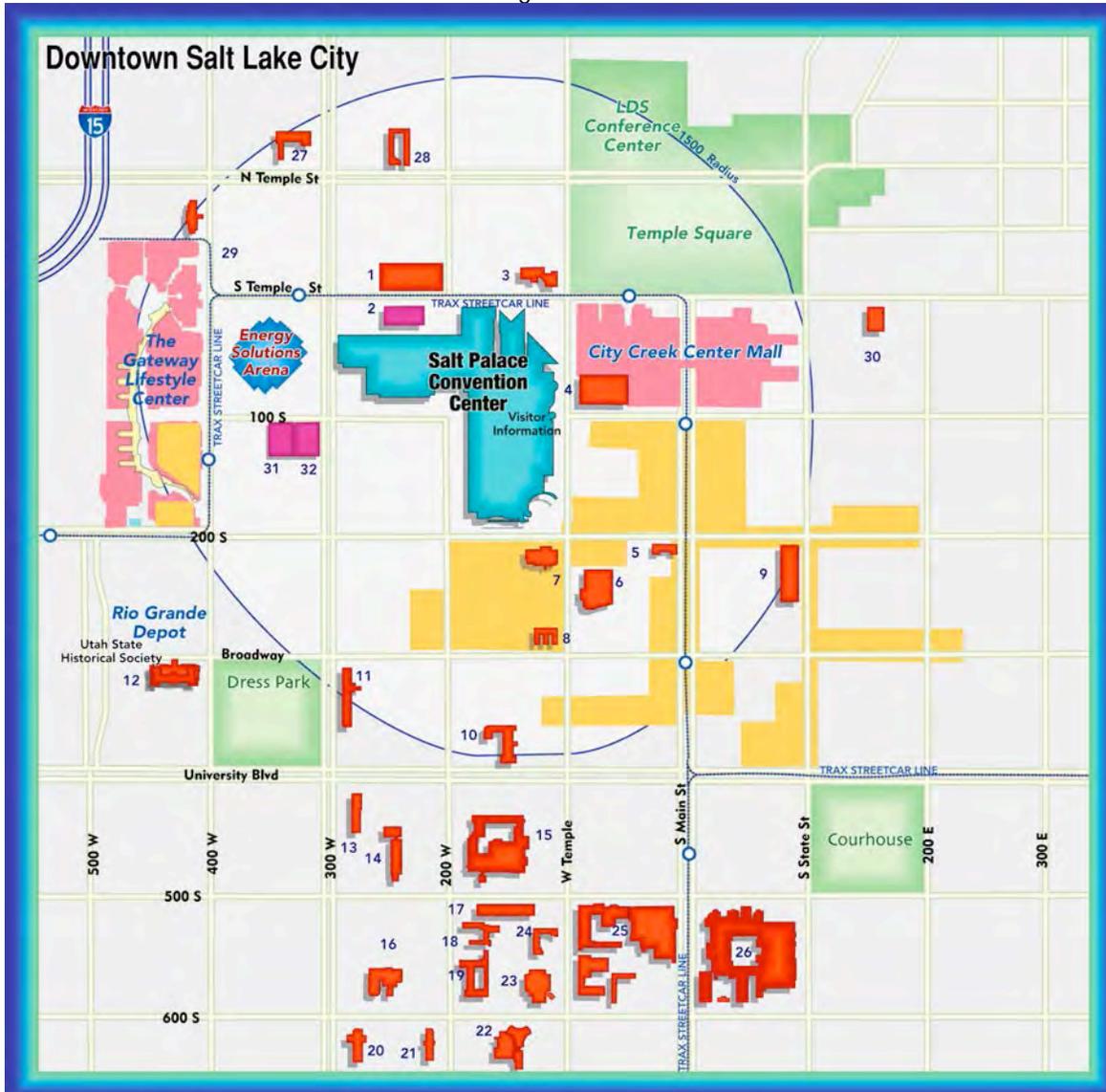
Figure 2-14



Portland has long struggled with even facilities that are separated from the central business district by the Willamette River. It is just now constructing a 600-room convention hotel, however it will not solve its competitiveness issues related to hotels near the convention center. Only eight of 31 hotels are within walking distance of the convention center with a total of 1,914 rooms once the new hotel is built. This issue has been partly solved, however, by the light rail system, which runs often and drops passengers at numerous stops in downtown and near the convention center and Moda Center.

The next map is of Salt Lake City.

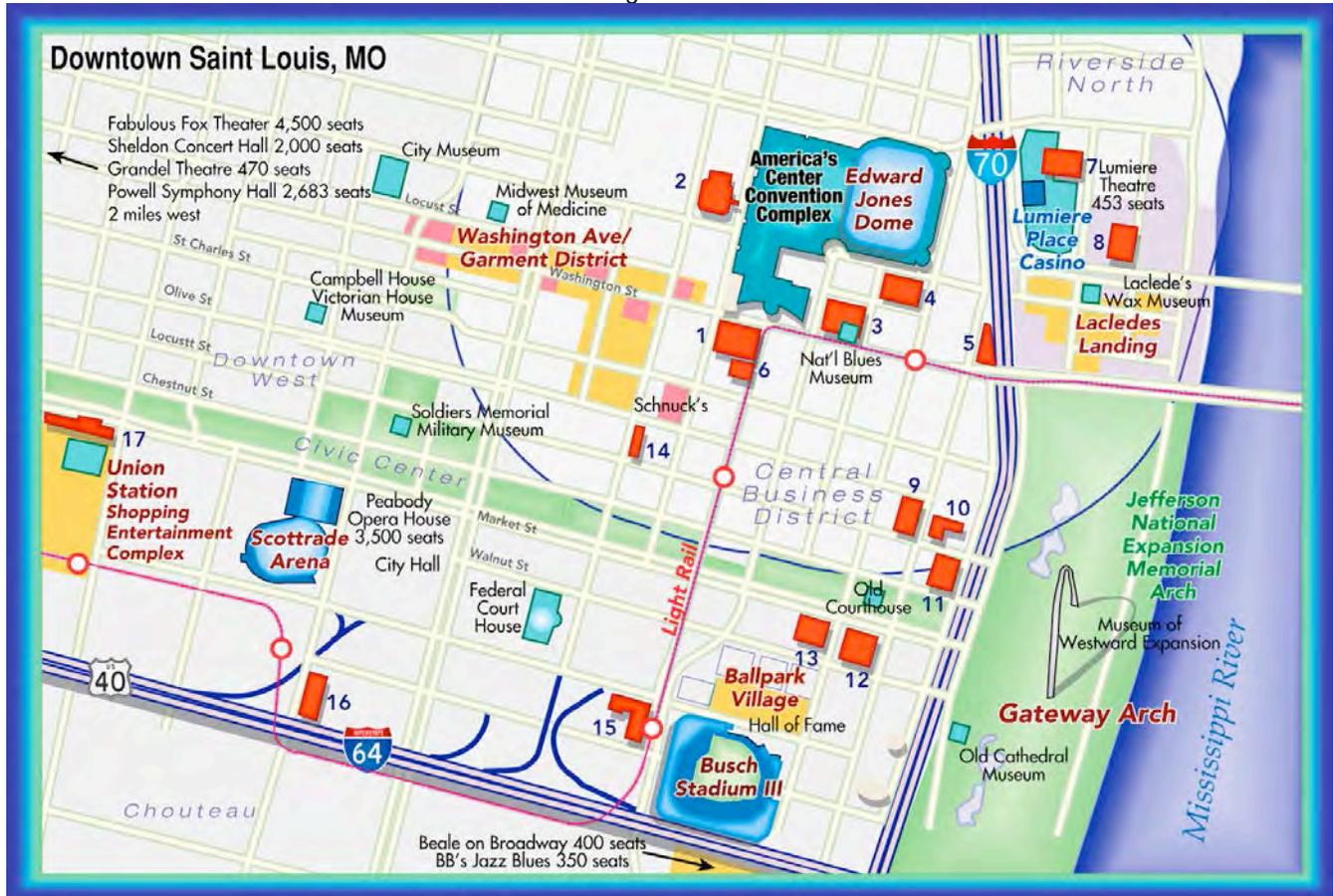
Figure 2-15



Salt Lake City gained a number of hotels prior to the 2002 Winter Olympics, however still did not have a large branded convention hotel near the convention center. That is changing now that Omni as pledged to build a 1,000-room property adjacent to the Salt Palace. At that point, 17 out of 30 hotels in the CBD will be walkable and 4,360 out of 7,921 rooms.

The next map is of St. Louis.

Figure 2-16



Saint Louis has a total of 16 hotels downtown with an average room count of 374 rooms (the largest average of the peer set). Eleven of these hotels and 3,864 rooms fall within the walkable radius out of nearly 6,000 total rooms. Interestingly, the new baseball stadium and Ballpark Village fall outside of this zone. However, the light rail system does join the downtown assets together, which solves for some of this extra distance, which is three blocks beyond the radius.

As shown in these maps, there are clearly cities that have induced hotels to develop in specific locations to improve their hotel block capabilities for the convention center (Indianapolis, Baltimore, Nashville, St. Louis), while others have not been successful (Cincinnati, Pittsburgh). Kansas City just announced a deal that will significantly change its fortunes. Milwaukee falls into the latter category of cities that have not been successful in creating a walkable convention hotel package. A new hotel of 800 to 1,000 rooms would dramatically improve the competitive position for Milwaukee, regardless if the convention center expanded, although the suggested expansion would also help.

CONVENTION & MEETING MARKET TRENDS

This section provides a current overview of trends and developments impacting meeting and convention facilities. These trends have an effect on major investments such as convention, expo and conference centers, as well as the hotels that serve them. Therefore, it is important for Milwaukee to understand these trends in order to remain competitive.

Meeting and Event Industry Trends

Conventions, exhibitions and trade shows are conducted for the purposes of exchanging information, conducting business transactions and for educational, cultural and social enrichment. As developments occur in the larger economy, simultaneous developments occur in the meetings market, such as the growth of the tech sector generating growth in tech related meetings and events.

National Supply

Demand for meeting and exhibition space allowed many communities in the U.S. to develop successful convention and trade show facilities during the 1970s and 1980s. Public sector involvement in these developments was motivated primarily by the desire to capture the economic benefits of the events they hosted in their communities.

The following figure shows the comparison of supply and demand growth beginning in 1987.

Figure 2-17

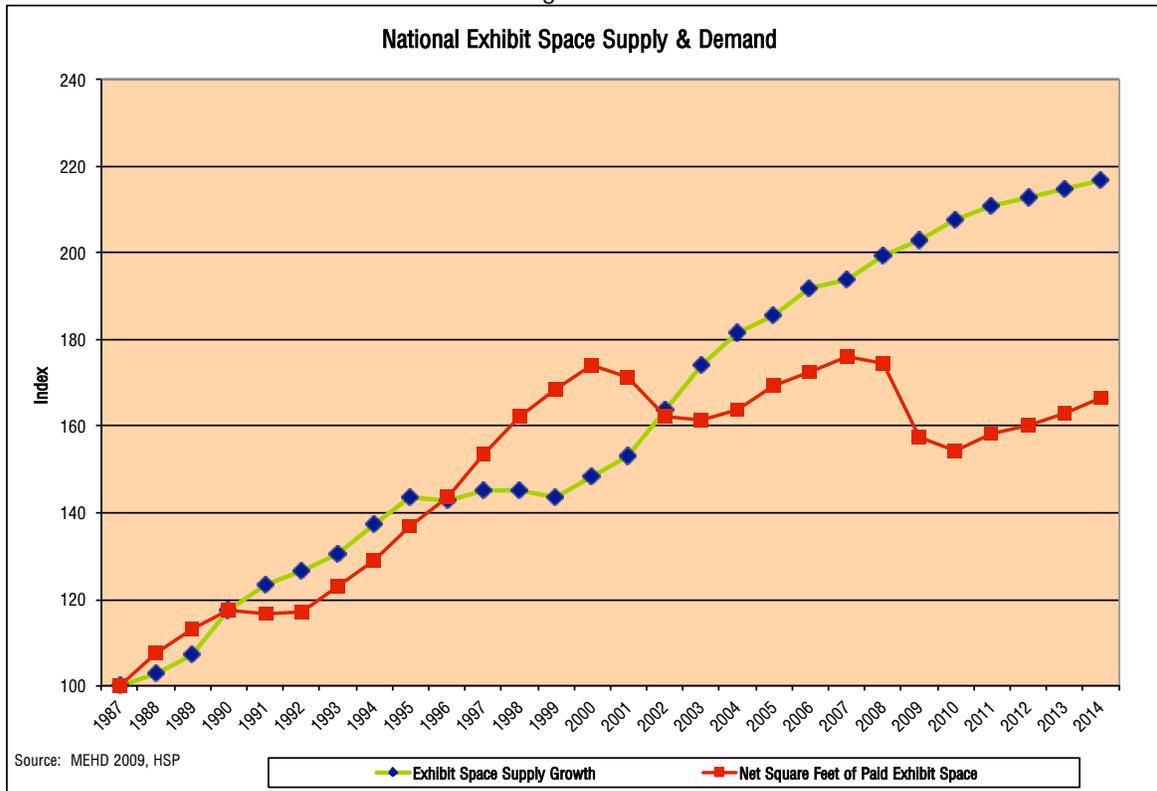


Exhibit space supply has increased every year since 1999, however paid exhibit space rises and falls with the economy, decreasing in 2001 and 2002 as well as 2008 and especially in 2009. This has led to increased competition amongst convention centers. While demand is now increasing at a higher rate than supply, the gap in the supply/demand index still provides meeting and event planners an edge in negotiations.

The following table shows the size of convention center events, measured by the total gross square feet of space used for the event.

Table 2-6

| Event Size (Gross Function Space) | | |
|-----------------------------------|------------------|------------------|
| Function Space (SF) | Percent of Total | Cumulative Total |
| 6,000 - 14,999 | 19% | 19% |
| 15,000 - 24,999 | 13% | 32% |
| 25,000 - 34,999 | 15% | 47% |
| 35,000 - 49,999 | 13% | 60% |
| 50,000 - 99,999 | 19% | 79% |
| 100,000 - 199,999 | 14% | 93% |
| 200,000+ | 7% | 100% |

Source: Center for Exhibition Industry Research

Distribution is fairly equal for the size of exhibitions, although nearly half of all events can fit in spaces smaller than 50,000 square feet. Nearly 20 percent of exhibitions occur in less than 15,000 square feet of function space, and an additional 13 percent take place in 15,000 to 25,000 square feet of space. Facilities with less than 25,000 square feet of gross exhibit space can host just one third of conventions. While according to this information, Milwaukee could technically host most conventions, the reality is that it is competing against cities with larger and more flexible facilities – which also include much better walkable hotel packages for major hotel room blocks.

The following table shows the types of facilities used for all conventions and meetings (respondents could give more than one answer).

Table 2-7

| Types of Facilities - U.S. Meetings and Conventions | |
|--|-------------------------|
| Facility Type | Percent of Total |
| Downtown Hotels | 68% |
| Suburban Hotels | 48% |
| Resort Hotels (excluding golf resorts) | 42% |
| Airport Hotels | 26% |
| Convention Centers | 19% |
| Golf Resorts | 16% |
| Suites Hotels | 16% |
| Gaming Facilities | 9% |
| Residential Conference Centers | 9% |
| Nonresidential Conference Centers | 6% |
| Cruise Ships | 1% |

Source: Meetings Market Report

For all meetings and conventions, hotels are the primary host venue, while convention centers host one out of five meetings or conventions. This again underscores the value of having a high quality downtown meetings hotel. The term residential conference center refers to a conference center with hotel rooms. For the larger convention events, typically only convention centers and large hotels host these types of events.

The following table shows the important factors considered when choosing a meeting destination/city.

Table 2-8

| Event Site-Selection Trends - Factors for Host City Selection | | | |
|---|--------------------|--------------------------|-------------------|
| Factor | 1 = Very Important | 2 = Moderately Important | 3 = Not Important |
| Hotel room prices and quality | 80% | 13% | 7% |
| Hotel room availability and capacity | 80% | 12% | 8% |
| Convention center and exhibition hall size and quality | 76% | 15% | 9% |
| Facilities "under one roof" (i.e. meeting rooms , exhibit halls, hotels in one facility complex or connected) | 61% | 27% | 12% |
| Labor costs and service issues | 58% | 36% | 7% |
| Proximity of HQ hotel(s) to the convention center | 54% | 28% | 19% |
| Destination appeal to attendees | 48% | 41% | 11% |
| Concentration of our members, clients or industry professionals in the city and region | 48% | 41% | 11% |
| Airport capacity and airfares | 48% | 37% | 15% |
| Total population, demographics | 27% | 38% | 35% |
| Road and highway access | 26% | 49% | 24% |
| Climate / weather | 17% | 54% | 29% |
| Cultural and entertainment amenities | 13% | 57% | 30% |

Source: R7M Research & Consulting

Given Milwaukee’s hotel situation, the top factors are a major concern. The top factors selected as very important are hotel room prices and quality, hotel room availability and capacity, and convention center and exhibition hall size and quality. The lowest-rated elements considered when choosing a meeting destination were the total population or demographics, climate/weather, and the cultural and entertainment amenities. While cultural and entertainment amenities ranked lower on the list of factors, the appeal of the evaluated city to the attendees was still important.

Implications

Milwaukee has been falling behind in its package of meeting and hotel facilities, as is discussed in this report. Based on the trends in the industry, if a community’s event package is not improving, the market will leave it behind and it will lose business. Too many other communities are improving and making the hurdles higher.

The convention and conference event industry is diverse and responds well to facilities that can accommodate needs such as assembly space for general sessions and displays, ballroom facilities and numerous breakout-meeting rooms. Supply has been outpacing demand in the convention and meetings industry, even before the economic downturn in 2008. Even in the economic downturn, however, more than 65 percent of convention and meetings facilities expanded, renovated or built new facilities. This hurt pricing power for facilities over the past several years, but as the economy and meetings expand, balance is being restored to the supply/demand mix. For those communities with the right mix of facilities and attractiveness,

the return on investment can be quite measurable, in jobs, business activity and tax revenue. Unfortunately for Milwaukee, the hotel quality and sizing did not keep pace with expectations. The Wisconsin Center also needs a larger ballroom to compete with the 40,000+ square foot ballrooms around the country.

Important factors in the decision-making process of choosing a convention or meeting site include availability of nearby hotel rooms, cost of travel, and meeting space in the facility and hotels. The most important types of meeting space now are the number of breakout meeting rooms and ballrooms. Expo and exhibition space are still important, but less so now than in the past. Higher rated businesses (e.g. corporate, medical, associations that are willing to pay more for better facilities and experiences) need many breakout rooms and high quality ballrooms to conduct their trainings and other meetings. In Milwaukee, these are the very things that are lacking, which suggests a long-term challenge until those issues are rectified.

Is investment in this industry worth it? For those that construct and manage the right set of facilities within an attractive market, yes. The market is currently absorbing expansions planned during the past economic expansion. With the economy on the rebound and civic budgets strained, supply increases should be constrained for the next several years while demand should increase. This will mean that for the next five to ten years, the expanding demand will shift the market more toward the seller's advantage. Those that put the right package together: hotels and the right kinds of function space in a walkable environment, will generate new meetings and event business. Enhancing the 'fun' side of the community, such as a nearby downtown or entertainment/restaurant district, will provide the community more to sell against its competitors. Ultimately, those cities with a competitive package will generate a constant flow of group and event business that will support a number of hotels, restaurants and jobs.

Convention Hotel Development Trends

The meetings market has evolved over the past 20 years. The market has grown more sophisticated as planners have increased the requirements necessary to book meeting business. At one time, meeting planners expected to contract with multiple hotels in order to service a convention, pay for their own transportation and seek additional event and meeting locations when necessary. In recent years, however, cities began to offer room packages within just a few very large hotels adjacent to meeting facilities. This improvement in packaging of the convention/meeting product led to expectations by the market and competitive pressure for all larger meeting facilities to offer a convenient package of hotels attached, adjacent or within immediate walking distance of the facility. This proximity eliminates the need for shuttling. Hotels also often provide enough meeting and event spaces for the additional needs of the planners. Those that do not offer such a package suffer considerably when competing for meetings, conferences, conventions and other events.

The demands are not only for hotel rooms, but also for high-quality hotel room blocks in major branded hotels. Due to the requirements for large room blocks, meeting and function space, food and beverage service and parking, these facilities are often outside the realm of private financial feasibility. This feasibility gap is generally temporary, typically during the pre-development and early operational stages of the property, but renders such projects difficult to finance. However, for markets with lower average daily rates and occupancy levels, the feasibility gap can be ongoing. As a result, the public sector has found creative ways to participate in the financing of these hotel developments because they recognize that without such facilities, the performance of their publicly funded meeting facilities will suffer and not provide the economic impact that rationalized the initial development.

Building large hotels is very difficult due to the cost and space required for development, and as a result, is typically viewed as not feasible by the private sector. However, large hotels are vital for successful meeting facility environments to work properly. Public entities have owned hotels for many decades, as evidenced by numerous land lease structures at airports and in downtown settings. However, more direct participation has been called for as the private sector has had difficulty obtaining hotel financing at reasonable equity and interest rate levels. The public sector has creatively dealt with participation in many ways, sometimes unique to state and local regulations.

The following table shows 28 public-private hotel developments underway or completed since 1992, with the identification of the percentage of the developments that were funded by each the private and public sector.

Table 2-9

| Public-Private Hotel Developments | | | | | | | | | | |
|-----------------------------------|-------|---|-------------|---------------|------------------------------|-----------------|-----------------------|--------------------------|-----------------------|--------------------------|
| City | State | Brand | Opening | Rooms | Total Hotel Costs (millions) | Cost/Room (000) | Public Sector* | | Private Sector | |
| | | | | | | | Investment (millions) | Percentage of Total Cost | Investment (millions) | Percentage of Total Cost |
| Atlantic City | NJ | Sheraton | 1997 | 502 | \$85 | \$169 | \$38.2 | 44.9% | \$46.8 | 55.1% |
| Austin | TX | JW Marriott | 2015 | 1,012 | \$303 | \$299 | \$3.0 | 1.0% | \$300.0 | 99.0% |
| Baltimore | MD | Marriott | 2001 | 750 | \$133 | \$177 | \$10.0 | 7.5% | \$123.0 | 92.5% |
| Boston | MA | Westin | 2007 | 793 | \$200 | \$252 | \$15.0 | 7.5% | \$185.0 | 92.5% |
| Charlotte | NC | Westin | 2003 | 700 | \$143 | \$204 | \$16.0 | 11.2% | \$127.0 | 88.8% |
| Chattanooga | TN | Chattanooga | 2001 | 202 | \$43 | \$213 | \$20.0 | 46.5% | \$23.0 | 53.5% |
| Denver | CO | Adam's Mark | 1998 | 1,230 | \$135 | \$110 | \$25.0 | 18.5% | \$110.0 | 81.5% |
| Evansville | IN | Doubletree | 2015 | 253 | \$44 | \$173 | \$20.0 | 45.7% | \$23.8 | 54.3% |
| Fort Wayne | IN | Courtyard by Marriott | 2010 | 250 | \$47 | \$188 | \$12.0 | 25.5% | \$35.0 | 74.5% |
| Fort Worth | TX | Omni | 2009 | 600 | \$160 | \$267 | \$89.0 | 55.6% | \$71.0 | 44.4% |
| Franklin | TN | Marriott | 1999 | 300 | \$30 | \$100 | \$12.0 | 40.0% | \$18.0 | 60.0% |
| Houston | TX | Marriott | 2016 | 1,000 | \$335 | \$335 | TBD | TBD | TBD | TBD |
| Indianapolis | IN | Marriott | 2001 | 615 | \$100 | \$163 | \$23.0 | 23.0% | \$77.0 | 77.0% |
| Indianapolis | IN | JW Marriott, Courtyard, Springhill Suites | 2011 | 1,568 | \$354 | \$226 | \$48.5 | 13.7% | \$305.5 | 86.3% |
| Lancaster | PA | Marriott | 2009 | 294 | \$45 | \$153 | \$20.0 | 44.4% | \$25.0 | 55.6% |
| Louisville | KY | Marriott | 2005 | 617 | \$111 | \$180 | \$57.5 | 51.8% | \$53.5 | 48.2% |
| Louisville | KY | Omni | 2016 | 600 | \$261 | \$435 | \$126.0 | 48.3% | \$135.0 | 51.7% |
| Madison | WI | Hilton | 2000 | 222 | \$29 | \$131 | \$10.0 | 34.5% | \$19.0 | 65.5% |
| Miami Beach | FL | Loews | 1998 | 800 | \$110 | \$138 | \$29.0 | 26.4% | \$81.0 | 73.6% |
| Minneapolis | MN | Hilton | 1992 | 816 | \$145 | \$177 | \$89.2 | 61.6% | \$55.6 | 38.4% |
| Nashville | TN | Omni | 2013 | 800 | \$272 | \$340 | \$128.0 | 47.1% | \$144.0 | 52.9% |
| Norfolk | VA | Marriott | 1992 | 405 | \$60 | \$148 | \$23.0 | 38.3% | \$37.0 | 61.7% |
| Philadelphia | PA | Loews | 1998 | 350 | \$54 | \$154 | \$18.0 | 33.3% | \$36.0 | 66.7% |
| Philadelphia | PA | Marriott | 1995 | 1,408 | \$237 | \$168 | \$36.5 | 15.4% | \$200.0 | 84.6% |
| San Antonio | TX | Hyatt | 2008 | 1,003 | \$280 | \$279 | \$208.0 | 74.3% | \$72.0 | 25.7% |
| Tampa | FL | Marriott | 1998 | 716 | \$105 | \$146 | \$27.0 | 25.8% | \$77.5 | 74.2% |
| Washington | DC | Marriott | 2013 | 1,167 | \$639 | \$548 | \$308.0 | 48.2% | \$331.0 | 51.8% |
| Wichita | KS | Hyatt | 1998 | 303 | \$42 | \$140 | \$20.1 | 47.3% | \$22.3 | 52.7% |
| Average | -- | -- | 2004 | 688 | \$161 | \$215 | \$53.0 | 33.0% | \$101.3 | 67.0% |
| Total | -- | -- | -- | 19,276 | \$4,501 | -- | \$1,432.0 | -- | \$2,734.0 | -- |

* Public participation may be upfront capital only, or could include value of abatements and other incentives over time
Source: Hunden Strategic Partners

As shown, a total of \$4.5 billion in hotel developments have used a public-private funding mechanism. Of the total development, the public sector has subsidized nearly 33 percent of the costs and this may not include land costs. The average cost per room over the projects during the past 20 years is \$215,000. This suggests

the truly expensive nature of these projects compared with select-service hotels, which typically cost less than \$120,000 per room.

The following table shows projects that have used a tax-exempt financing mechanism with bonds supported by project revenue.

Table 2-10

| Tax-Exempt Financing with Bonds Supported by Project Revenues | | | | | | |
|---|-------|--------------------|-------------|---------------|------------------------------|-----------------|
| City | State | Brand | Opening | Rooms | Public Bond Issue (millions) | Cost/Room (000) |
| Austin | TX | Hilton | 2004 | 800 | \$280.1 | \$350 |
| Baltimore | MD | Hilton | 2008 | 757 | \$305.0 | \$403 |
| Baltimore | MD | Hilton | 2005 | 756 | \$200.9 | \$266 |
| Bay City | MI | Doubletree | 2004 | 150 | \$32.9 | \$219 |
| Chesapeake | NY | Hyatt | 2002 | 400 | \$193.0 | \$483 |
| Chicago | IL | Hyatt | 1998 | 800 | \$108.0 | \$135 |
| Chicago | IL | Hyatt Expansion | 2013 | 451 | \$180.0 | \$399 |
| Chicago | IL | Marriott | 2016 | 1,200 | \$400.0 | \$333 |
| Cleveland | OH | Hilton | 2016 | 600 | \$200.0 | \$333 |
| Columbia | SC | Hilton | 2006 | 300 | \$67.0 | \$223 |
| Columbus | OH | Hilton | 2012 | 532 | \$178.0 | \$335 |
| Coralville | IA | Marriott | 2006 | 286 | \$33.0 | \$115 |
| Dallas | TX | Omni | 2012 | 1,001 | \$479.2 | \$479 |
| Denver | CO | Hyatt | 2005 | 1,100 | \$394.8 | \$359 |
| Erie | PA | Sheraton | 2008 | 200 | \$45.4 | \$227 |
| Fort Lauderdale | FL | Hilton | 2011 | 1,000 | \$415.0 | \$415 |
| Houston | TX | Hilton | 2004 | 1,200 | \$326.2 | \$272 |
| Myrtle Beach | SC | Radisson | 2001 | 404 | \$76.5 | \$189 |
| Omaha | NE | Hilton | 2004 | 450 | \$112.0 | \$249 |
| Omaha | NE | Hilton (Expansion) | 2011 | 150 | \$37.0 | \$247 |
| Overland Park | KS | Sheraton | 2002 | 412 | \$105.7 | \$257 |
| Phoenix | AZ | Sheraton | 2008 | 1,000 | \$346.1 | \$346 |
| Providence* | RI | Westin | 1995 | 364 | \$70.0 | \$192 |
| Providence* | RI | Hilton | 2005 | 392 | \$78.4 | \$200 |
| Sacramento | CA | Sheraton | 2000 | 503 | \$104.9 | \$209 |
| Salt Lake City | UT | TBD | 2016 | 1,000 | TBD | TBD |
| St. Louis | MO | Renaissance Suites | 2003 | 1,081 | \$276.6 | \$256 |
| Trenton | NJ | Marriott | 2002 | 197 | \$58.0 | \$294 |
| Vancouver | WA | Hilton | 2005 | 226 | \$47.5 | \$210 |
| Average | -- | -- | 2006 | 611 | \$184.0 | \$286 |
| Total | -- | -- | -- | 17,712 | \$5,151 | -- |

* Estimated Cost
Source: Hunden Strategic Partners

As shown, more than \$5.1 billion in bonds were issued to develop these large hotels, an average of \$286,000 per hotel room. The cost savings due to lower interest rates has been reduced, as the market has required more and more protections to guard against bond defaults, which means borrowing to fund reserves.

While economic conditions impact the timeline of such projects, due to their long planning and development horizons (it can take from three to more than ten years from concept to opening, depending upon numerous political and economic factors), projects will continue to be proposed and built.

Implications

In today's competitive convention market, the market has demanded and received top-quality hotel and convention center packages, usually connected to each other, in most major U.S. cities and now even in second and third-tier cities. For a community to be competitive in the industry, a convention center alone will not suffice. First, the Wisconsin Center should be upgraded and expanded to include the elements necessary to compete. However, it should not be expanded if a plan for a matching hotel package is not included. Clearly, the destination package must include a solid-quality convention hotel package, which often means at least one major convention hotel adjacent or attached to the convention center.

The number of walkable hotel rooms from a convention center's front door should be approximately 15 per 1,000 square feet of exhibit space. For Milwaukee, this means the optimal quality hotel package within 1,500 feet of the Wisconsin Center is 2,900 rooms, or about 1,000 more than currently exist. If this could be developed within one large convention hotel, it would immediately put Milwaukee in contention for many more events than it currently qualifies for. Other cities have recognized that neither a convention center nor a nice hotel is compelling enough on its own, but rather the entire package of quality meeting space, a large quality meeting space, a large quality hotel room block and proximity between the two are essential to remain competitive in today's meetings market.

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RESTAURANT AND NIGHTLIFE ANALYSIS

The purpose of this chapter is to profile the character of downtown Milwaukee's restaurant and nightlife opportunities relative to the peer set of cities. The analysis begins with a brief description of some of the key nodes of activity in downtown. It is followed by profiles of other entertainment districts that have been developed in downtowns to attempt to create a sense of place. Milwaukee has not had to resort to this, but it does face the issue of gaps between its nodes of activity.

The development of a new arena for the Bucks is a critical component for the entertainment assets of downtown. The proximity, walkability and integration of the new arena to existing nodes of entertainment and restaurants is critical to the success of downtown for the next generation.

First will be a discussion of the existing nodes of restaurants, bars and entertainment. Then, an analysis of where these nodes are located in comparison to demand generators will be undertaken. The closer these nodes are to the demand generators, the more vibrant the urban fabric and experience is for residents and visitors. It also is likely that the length of stay in these areas is longer, and spending per visit greater, than if the nodes are located too far to walk from the event facilities.

Milwaukee Restaurant and Retail Nodes

Historic Third Ward

Located three blocks south of downtown, the Historic Third Ward is a warehouse district that is known as "Milwaukee's Arts and Fashion District." Home to over 500 businesses, the neighborhood has recently experienced a renaissance as a revitalized mixed-use neighborhood. The district offers a variety of specialty shops, restaurants, art galleries, and theater groups, in addition to the Third Ward Riverwalk and the Milwaukee Public Market. The Third Ward is home to more than 20 galleries and art studios, the largest concentration in Milwaukee, as well as the Milwaukee Institute of Art and Design and the Broadway Music Center, Renaissance Theatreworks, and Milwaukee Chamber Theatre.

The following figure shows the entrance to the Historic Third ward.

Figure 3-1



In the early 2000's, the neighborhood saw a strong influx of women's boutiques, children's clothing shops, and high-end home furnishing businesses. The district also experience additional retail growth with the opening of the Milwaukee public Market, which attracted more than one million visitors in 2012. The Historic Third Ward also includes the Henry W. Maier Festival Park, Summerfest, and weekly ethnic festivals, which attract more than two million people annually.

Brady Street

Brady Street is a neighborhood street running within Milwaukee's lower east side neighborhood. The nine block street is bound by the Milwaukee River on the west, Lake Michigan on the east, Kane Place on the north, and Ogden Avenue on the south.

The following figure shows a section of Brady Street.

Figure 3-2



First named in 1840, Brady Street is an architectural tapestry of buildings primarily constructed between 1860 and 1930, creating a distinctive neighborhood that was home to early Polish, German, and Irish Immigrants. In the 1930's Brady Street became primarily Italian; some of the businesses still bear the names of these Italian families. Today, Brady Street is known for its diversity with a mix of specialty retail shops, ethnic cuisine, coffee shops, and nightlife.

Water Street

Water Street is the major north and south road running through downtown and is home to Milwaukee's Theater District, Water Street Entertainment District, and much of the city's political activity and historical landmarks. To the north, the street ends just past the Brady Street curve when it intersects N. Humboldt Avenue. To the south, the street becomes S. Water Street when it crosses the Milwaukee River.

The following figure shows a portion of Water Street.

Figure 3-3



The Pabst Theater is the focal point of the city's theater district. With the exception of the Milwaukee Theatre and the Riverside, all of downtown's major theatres are concentrated near the middle of north Water Street.

The term "Water Street" is synonymous with the entertainment district, which is one block North and South of E. Juneau Avenue. It is the largest and oldest of Milwaukee's nightlife districts and is a gathering palace for college students due to its centralized location between Marquette University and University of Wisconsin Milwaukee. The entertainment corridor is lined with bars and taverns, and has added several restaurants in recent years.

Old World 3rd Street

With architecture from the mid-to-late 1800s that was modeled after the towns and cities of Germany, this two-block district was originally Milwaukee's German-speaking downtown center. In recent years, it has seen multiple new clubs and restaurants that have given venerable Water Street some authentic competition in the after-five p.m. scene. Old World 3rd Street lies only one block from the BMO Harris Bradley Center is the most heavily visited before and after events at the arenas. The district is located between the Milwaukee River to the east and the sports arenas to the west, Juneau Street to the north and State Street to the south. The Street features nightclubs, bars, and restaurants, especially some long-time businesses representing the old-world German heritage. No less than eighteen establishments are open for business, including the newest, the Pub Club (formerly the Suite). Most of the current nightspots are listed below.

- The Milwaukee Brat House
- Old German Beer Hall
- Buck Bradley's (residing in what is possibly the oldest building on the street (1854), and arguably the longest bar east of the Mississippi River)

- Mader's Restaurant (and Knight's Bar)
- Turner Hall
- 3 Brick Pizza
- Carson's Prime Steaks & Famous Barbecue
- The Loaded Slate
- Lucille's Piano Bar & Grill
- Buckhead Saloon
- Usinger's
- Uber Tap Room
- Upper 90 Sports Pub
- Who's on Third
- Notte Nite Lounge
- Ugly's Urban Pub
- Ale Asylum Riverhouse
- Milwaukee River Cruises depart from behind the Wisconsin Cheese Mart

The following figure shows the buildings of Old World 3rd Street at night.

Figure 3-4



Jefferson Street / Cathedral Square Park

This restaurant and lively street life district of downtown Milwaukee is in the larger Easttown District. The unofficial center of the area is the greenspace known as Cathedral Square Park. The park is used as the center stage for several annual festivals including Bastille Days, North America's largest outdoor French-themed festival, East Town Markets, a Tuesday-and-Saturday fresh food market tradition in the summer, Jazz in the Park, which occurs every Thursday during the summer, and Firkin Fest, a craft beer festival in the park.

The following photo shows an aerial view of the Bastille Day festival.

Figure 3-5



Cathedral Park is situated at the northern end of the three-block stretch of North Jefferson Street between Kilbourn Avenue on the north and Wisconsin Avenue on the south. Restaurants in this district include:

- Elsa's on the Park
- Louise's
- This is It
- Flannery's
- Taylors
- Watts Tea Shop
- Mason Street Grill
- Ward's House of Prime
- Peking House
- Belmont Tavern
- Café at The Pfister
- Blu
- Dino's Taverna
- The Duplex
- Taylor's

- Dogg Haus Cathedral Square
- Mi-Key's
- Classy Girl Cupcakes
- Whiskey Bar

In addition to these restaurants, bars and pubs, North Milwaukee Street features a string of nightlife and restaurants just one block to the west that could be considered part of the after-five pm district.

While not overlooked by the locals that know downtown, the district has no identifying name the way Old World 3rd Street and The Third Ward have. Even the name "Water Street" is synonymous with nightlife in Milwaukee. For visitors and tourists, a marketable name for a distinct district is crucial in getting the word out about the establishments in the district. As it stands today, a visitor to Milwaukee is likely to hear about the other restaurant and nightlife districts, and possibly leave town without ever realizing that Jefferson Street has one of the city's best collections of restaurants, and it is within steps of most of the city's central hotels.

Wisconsin Avenue

Wisconsin Avenue is perhaps the primary east-west street through downtown Milwaukee. It runs in front of the Wisconsin Center and the Hilton Milwaukee and along the Shops at Grand Avenue. It also runs in front of numerous restaurants, shops and theaters and is a main thoroughfare for public transportation.

Milwaukee Street

Milwaukee Street is a primary north and south street through downtown Milwaukee that runs three blocks to the east of Water Street. To the north, the street ends at Water Street just after the curve of the river and to the south it terminates at Erie Street.

Milwaukee Street offers visitors a wide variety of dining and retail options.

Gaming

Potawatomi Hotel & Casino

Potawatomi Hotel & Casino is an Indian Casino located on Canal Street in the Menomonee valley two miles west of downtown Milwaukee. The casino, which opened in 1991, is owned and operated by the Forest County Potawatomi Community. The casino offers a variety of entertainment options, including a 20-table poker room, four restaurants, a food court, the 500 seat-Northern Lights Theater, the Sky Lodge, a smaller two-tiered theater, and over 60,000 square feet of event space.

The following figure shows the Potawatomi Hotel and Casino.

Figure 3-6



The casino underwent an expansion that was completed in the summer of 2008. Potawatomi Hotel and Casino, which features one of the largest gaming floors in the state of Wisconsin, offers more than 3,000 slot machines and 100 poker and table games in the casino. The property features a 19-story, 381 room hotel that opened in 2014.

Packaged Entertainment Districts

Entertainment districts can exist in the form of a single large building with a covered central street-like corridor, usually allowing plenty of natural light to stream indoors to give the feeling of an open-air plaza, or the complex can create outdoor streets and multiple buildings to provide a sense of a full district of restaurant and nightlife options. Entertainment districts often work best when designed within walking distance of a large sporting venue, convention hall, and other demand generators. The most successful of these complexes brand themselves alongside the arena or stadium, and program entertainment or events at various bars to correspond with events at the nearby stadium.

The driving concept for most of these all-in-one complexes or districts is providing a variety of food and beverage options all in one place in order to drive repeat visitation. By creating a critical mass of options for visitors and residents, the concept/question is not “what restaurant to go to?” but “let’s go downtown and figure out a place to eat and drink once we get there.” By providing numerous options for all demographics and price points, the district becomes a destination where young singles can go as well as retired couples and every demographic in between.

Beyond food and beverage options, programming a lineup of bands or other entertainment into a public area or into a large bar in the district provides added value by keeping the activity in the area fresh.

Unlike convention centers, performance halls and sports facilities, which are only active when a show, game or event is in town, entertainment districts are a continuous draw of visitation because some restaurants will be open most hours of the day. Furthermore, the existence of an entertainment district helps attract events to convention centers because attendees and planners know there will be something to do outside of the scheduled meetings. The synergy amongst these various demand generators is extremely positive and creates an atmosphere of constant activity, and in turn, gives the community an attractive vibe. A halo effect is also created when convention guests and visitors come to stay in town, they do not simply finish their meetings, have dinner and go to bed. Instead, the district is the activity after all the meetings are finished and allow the participants to enjoy the community and see that it is truly a place to live, work and play.

Some of the packaged entertainment districts are located in the peer cities. The following is a list of packaged entertainment districts developed in the past decade:

- Baltimore: Power Plant & Power Plant Live!
- Kansas City: Power & Light District
- St. Louis: Ballpark Village
- Cincinnati: Newport on the Levee
- Louisville: 4th Street Live!

There are some packaged downtown entertainment districts that have been successful over the long term, and some that have failed. Brief profiles of examples are provided here and in the peer city comparisons.

Block E - Minneapolis

In the early 1980s, Block E was a rundown section along Hennepin Avenue in downtown Minneapolis that downtown boosters thought was holding the downtown renaissance back. It was filled with century-old buildings filled with seedy bars with flophouses in the upper floors. The city decided to bulldoze the block in 1982, due to the fact that numerous unlawful activities and police calls originated within this block. In the late 1950's and early 1960's, the city had cleared as many as 20 square blocks of this same type of "skid-row" urban development, so demolishing Block E was not unusual. The only remaining structure was the Shubert Theater, which was eventually moved to a new site farther down Hennepin Avenue, where it was eventually refurbished and operated as part of the Hennepin Trust Theater Cooperative.

After sitting vacant, with only a surface parking lot to satisfy the tax payments for the block, the city of Minneapolis finally decided to develop Block E, which by 1995, was neighbors with some of the city's biggest entertainment complexes, restaurants, bars and nightclubs. The block was seen as a missing connector piece in the otherwise vibrant downtown. In 1989, the 19,000-seat Target Center arena had been built for the Timberwolves expansion NBA team, the legendary First Avenue live rock venue was situated just west of the site, the renovated Hennepin Avenue Theater District (with no less than four live theaters) sat adjacent to Block E, and the entire Warehouse District around the site had evolved, first as an artist gallery center, then as a restaurant and nightclub center. Block E still sat vacant, providing some parking for the area, but otherwise contributing nothing to the otherwise exciting Warehouse District nightlife scene.

The entertainment-oriented Block E was developed by McCaffery Interests, a Chicago-based real estate developer, and constructed in 2001. It was meant to resemble a sort of Times Square for the Warehouse District, featuring multiple neon signs and bright video screens to add visual excitement to the street levels.

The resulting five-story single-block building was a hodgepodge of exterior designs and interior hallways that confused and bored visitors. The floor plan on each level was different from the previous floor, with virtually no visual connectivity down each corridor, and as such, the building seemed to lack a center or a focus, or even an easy way in or out. The mall housed establishments such as Shout House Dueling Piano Bar, Applebee's restaurant, a Hard Rock Café, and an AMC chain cinema. Other chains included Jimmy John's, Starbucks, Cold Stone Creamery, and a GameStop video arcade. The one bright spot was the five-star Graves 601 luxury hotel that currently occupies a majority of the block's frontage on First Avenue (closest to the Target Center arena), and is 22 stories high. It still operates today as the chic Loews Minneapolis Hotel.

The development incorporated itself into the city's massive skyway system of above-street-level tubes for pedestrian circulation during the long, arctic winters. It was as an important link in Minneapolis's Skyway system, connecting the Target Center to City Center (another mostly-failed urban shopping mall) and the rest of the downtown complex.

Supporters of the project expected that the new Block E would bring back retail that had historically left Hennepin Avenue for other enclosed malls clustered on the Nicollet Avenue pedestrian mall, as well as in suburban malls. The new Block E was envisioned to be a block of entertainment and shopping that would link the nightlife district to the core of downtown office workers.

Block E was hindered with problems from the beginning. Snyder's Drugs, one of the original tenants, closed its location barely a year after the complex opened. Borders Books, another of the original tenants, closed its Block E location on February 2, 2008. The club Escape Ultra Lounge, shuttered in July 2007, and the upscale restaurant and nightclub Bellanotte closed in July 2009 after an initially successful five-year run. Hooters owed back rent, utilities, and taxes and closed in 2010. These were all beautifully designed as individual establishments, however, the design did not allow the customers to easily navigate from one place to another. Each tenant had limited or no identifiable connection to the other tenants, and as such, the entire Block E suffered. Instead of attracting crowds, people felt uninspired, confused, or even unsafe, while unsure how to navigate the complex.

In 2010 Kieran's Irish Pub, originally established in 1994, took over the space previously occupied by Bellanotte. It wanted to take advantage of the new 40,000-seat Target Field stadium for Major League Baseball's Minnesota Twins, which was a direct shot north only two blocks away. The space has a popular spacious outdoor patio amid a lively street life. This is the one corner of the block that remained active and popular.

While Kieran's Pub continued to do booming business on game days and evenings, the cavernous GameWorks shut down on the opposite corner, with Applebee's closing a year later. On September 7, 2011, it was announced that the famous Hard Rock Cafe would close on September 30. The Hard Rock Café has since opened an expanded two-story restaurant and nightclub in the Mall of America, eight miles south in Bloomington. Finally, in 2012, the AMC Block E Theater 15-screen Cineplex closed.

Much of the center's problems can be traced to safety issues. The site's exterior was congested because of a busy bus stop placed there, utilized by inner city youth, and gang violence brought a steady stream of police

activity to the block just as it had in the previous decades. The well-known suburban chain restaurants and stores that can be found in many multiple suburban cities in the area failed to entice suburbanites into downtown where they would have to pay to park. Moreover, GameWorks, Applebee's, and the movie cinemas, popular with teenagers and young adults, combined with the under-patrolled labyrinth of interior hallways, attracted inner city youth, whose presence, warranted or not, deterred most other patrons from seeking out Block E. Ironically, the rest of the Warehouse district thrived, while Block E withered and died. It was supposed to be the missing link in the district's lifeblood.

A state run casino was proposed for Block E, as a potential funding source for a new Minnesota Vikings Stadium, however it never was approved.

As of 2014, new life for the complex has taken root, and its new uses (currently under construction) could not be more different. The first two floors of the complex, which is connected to the Target Center arena, will house a training facility, complete with large practice gymnasiums, for the NBA Timberwolves and WNBA Lynx. Street level entrances will again be available for restaurants and nightclubs, however, it will be without an interior corridor. The upper three floors were recently announced in 2015 to house an expansion of the Mayo Clinic into the Minneapolis market. The exterior of the building is also getting a makeover, as the large Times-Square signage has come down, and the exterior is replaced by a "Minneapolis-modern" architectural facade. Some electronic billboards will remain, but the building's presence will be much more subdued. The pedestrian Skyway connections in the building are being routed around the practice gyms and will feature windows so that passersby can see any activity within the practice courts.

The following figures show the sequence of uses for Block E in Minneapolis, MN. The first photo shows Block E in 1973, crowded with seedy bars. It appeared this way virtually unchanged until its demolition in 1982.

Figure 3-7



The following photo shows the Block E entertainment block in the 2000s.

Figure 3-8



The following illustration shows the new facade (currently under construction) of Block E as a practice gym for the NBA Timberwolves and WNBA Lynx, office and clinic space for the Mayo Clinic, with street-level space for restaurants and nightclubs.

Figure 3-9



Across the country, shopping and entertainment complexes (either in downtown or anywhere) are only as attractive as they are viewed as safe. The desired demographic will not leave their urban or suburban homes for a chain restaurant that they can find nearly anywhere and park their cars free of charge, and without one-way streets, without pay-garages, and without hassle.

Those patrons are looking for a unique, exciting and safe experience that can only be had in the city's downtown rather than in a dozen area suburbs. Those who are already in the downtown who are looking for places to dine and relax will not go where they feel like the possibility of panhandling is high. There are too many other areas that visitors can congregate; places that have an authentic feel, rather than a manufactured packaged block that could feel like Anywhere USA.

Milwaukee has a plethora of districts filled with authentic architecture and lined with independent nightspots that feature character that speaks to the city and neighborhood in which they inhabit. They are in a historic setting in a historic city, and the gravitas of those places cannot easily be manufactured. If a new entertainment development were to be built in a city, it must offer visual connections to the many varied restaurants, stores, and nightclubs. It must be patrolled by law enforcement, and it must have a character of both architecture and unique dining and entertainment options. A mix of both local and chains that are completely exclusive to the city's downtown are recommended. If an entertainment complex feels like it could be anywhere and does not seem to "belong" within the city's urban fabric, then the newness will wear thin after a few short seasons.

Chain Retail in a City's Urban Core

While the visitors to a city's downtown welcome the occasional drug store such as CVS or Walgreens, they dismiss a downtown that is over-filled with national chain retailers. A visit to a new city is enticing to travelers because of the new experiences, whether it is retail, dining or entertainment-wise, that a city can deliver. The Third Ward with the Milwaukee Market and Old World 3rd Street are good Milwaukee examples of this concept.

Meanwhile, cities like Milwaukee are attracting new young professionals and empty nesters into their loft apartments and high-rise condominiums. In order to attract more people to live downtown, which only excites and energizes the street-life of the city, retailers such as Target, Home Depot, and Best Buy are commonly being requested in city centers in order to lure more urban-seeking dwellers. The dichotomy might seem obvious, however, the workable solution exists in many urban neighborhoods in Chicago. The urban Elston Avenue just to the northwest of downtown Chicago is home to most big-box suburban-type stores, while just blocks away, chic urban boutiques and independent restaurants are profitable because they are closer and more walkable with regard to the actual residences in newly rejuvenated neighborhoods.

In the 1970s, shopping mall developers learned a valuable lesson: People shop for groceries and daily provisions at different times and different distances from home than they shop for more luxury items such as clothes, shoes, home furnishings and electronics. If a family bought groceries, including frozen ice cream, at a mall, then continued shopping for baby clothes and a new television, then decided to have lunch, that gallon of ice cream was left in the car to melt. So grocery stores moved exclusively into neighborhood shopping centers close to residential areas, while super-regional malls passed on grocery stores, pet stores, hardware stores, drug stores, and other more daily necessities.

Urban Malls with Chain Retail

This scenario generally only works when there are enough large events (through a stadium, arena, and a convention center) that bring a continuous stream of out-of-towners to a city center. Indianapolis's Circle Center has remained relevant since 1995 largely because of its successful luring of major conventions to the city, plus a healthy dose of restaurant tenants that are exclusive to downtown. And it is all within a 1,500-foot walking distance (roughly a three block distance) of the major convention hotels and the convention center.

Meanwhile, St. Louis's 1985 Saint Louis Centre was a handsome four-level urban mall that connected two venerable downtown flagship department stores that died prematurely within a decade of its opening. This was because there were not yet enough downtown convention visitors or downtown residents to sustain that mall's business. The 1995 Edward Jones Dome (home of the NFL Rams) and expansion of their convention center into what is now known as "America's Center" came about too late to save the mall's fortunes. The consolidation of regional department stores into a few remaining nameplates was a disaster for the downtown shopping mall industry, and in Saint Louis, venerable Stix Baer & Fuller (which became Dillard's as the mall was constructed) and the headquarters of May Company department stores and the site of Famous Barr department store (which became a Macy's). In the mid 1990s, the refurbishment of a nearby mall into the high-end fashion center called St. Louis Galleria diverted much of the mid-to-high income shoppers away from St. Louis Center. Today the center's former mall is now a parking garage.

On the other hand, San Antonio's Riverwalk is bolstered by its convention center and a major urban shopping mall called RiverCentre all being connected by the city's Riverwalk system, complete with pedestrian boat transportation. The entire downtown is walkable and convenient to the city's convention and tourist patrons.

In Cleveland, their successful Tower City mall is at the center of several office buildings, a casino, four train and transit lines, two hotels, and the landmark 52-story tall Terminal Tower, completed in 1927. The Time-Warner Cable Amphitheater opened near Tower city, adding to the concept that Tower City was at the heart of the active downtown area. The mall features about 70 stores, several of which are upscale. Food options range from the upscale Morton's Steakhouse and tourist-friendly Hard Rock Café to a food court for the fast-paced lunchtime crowd. Having a number of attractions from hotels to offices, casinos to restaurants, combined with the constant traffic of the rapid transit system combines to form a true city center.

The following shows a scene within Tower City in Cleveland.

Figure 3-10



The urban shopping mall, complete with national retailers, will only continue to be successful with their continuous flow of new visitors (who are often visiting without rental cars or who do not wish to venture into the city's far-flung foreign suburban territory), and because local residents will stay where their vehicle is welcomed by free acres of asphalt parking lots.

Peer City Comparison – Restaurant & Nightlife Nodes Relative to Demand Generators

The peer cities were analyzed to determine how many restaurants and bars are located in each downtown. But perhaps just as important, HSP analyzed each downtown to determine how connected their assets were. Specifically, it is important to understand how connected or close the restaurants and nightlife are to the major demand generators that bring people to the downtown, especially those who do not live in the downtown area. For these visitors, whether from the suburbs or beyond, they generally come downtown for an event or an attraction. Before and/or after, they often want to eat, drink and extend their stay. Shopping is often also on the agenda if the opportunity presents itself. If the nodes of dining activity are not easily walkable from the attraction or event, then visitors are more likely to go to their car and drive home (or go back to their hotel). Not having the node of dining and bars and other nightlife easily connected means that much economic impact is being left on the table (or more correctly, being taken back from whence it came).

Making sure that the nodes of restaurants and bars are near enough to the demand generators is critical to lengthening a visitor's stay downtown, as this invites walkability between the restaurant and event, before and/or after the event. The restaurants and bars are the 'glue' that helps stick the rest of the assets of downtown together. Office workers, too, would much rather be able to walk from work to a pre-show restaurant and then the show, rather than have to get in their car to make this same transaction. Anytime someone has to make a choice to drive, they may just drive home.

The table below shows the distance from the convention center (as one example of a major demand generator) to the nightlife and dining nodes. Anything beyond 1/3 of a mile is going to be a stretch for someone on foot willing to make that walk.

Table 3-1

| Peer City Distance from Convention Center to Nightlife/Dining Nodes | | |
|---|---|--------------------------------|
| City | Entertainment District | Distance to Conv. Ctr. (Miles) |
| Baltimore | Power Plant Live | 0.50 |
| Charlotte | EPICENTRE | 0.10 |
| Indianapolis | Circle Centre Mall / Wholesale District | 0.10 |
| Kansas City | Power & Light District | 0.10 |
| Nashville | Lower Broadway | 0.20 |
| Portland | Old Town-Chinatown | 0.60 |
| Salt Lake City | Area South of City Creek Mall | 0.10 |
| St. Louis | Ballpark Village/Laclede's Landing/Garment District | 0.50 |
| Cincinnati | The Banks/Newport on the Levee | 0.60 |
| Pittsburgh | Cultural District | 0.30 |
| Average | | 0.31 |
| Milwaukee | Milwaukee Street | 0.60 |
| | Brady Street | 1.60 |
| | Historic Third Ward | 1.30 |
| | Water Street | 0.50 |
| | Old World Third Street | 0.20 |
| | Jefferson Street | 0.70 |

Source: Hunden Strategic Partners

The average distance of the primary entertainment/dining node in the peer cities is .31 miles (or about three blocks from the convention center). The most difficult or long distance situations are in Cincinnati and Portland, whereas the most compact entertainment and dining nodes relative to the convention center are located in Indianapolis, Kansas City and Salt Lake City. Charlotte's EPICENTRE is not a large area, so it is hard to suggest that it is as competitive.

The following figure is a map of the downtown area that displays where tourist photos have been geo-tagged within the city. This map will be an indication of tourist travel corridors and patterns. The blue represents local pictures taken, while red are pictures taken by tourists; yellow may be either.

Figure 3-11



The primary areas of activity are along the riverfront down into the Historic Third Ward. Also, a major tourist pathway is along Wisconsin Avenue and terminates at the lakefront where the Milwaukee Art Museum is located. The area along Brady Street to the north is also an area of activity, with most being local. Notice that most out-of-town visitors stick to where the city infrastructure of the city appears to be the densest, or in other words, where there are few (if any) gaps in the urban fabric. Open spaces between buildings and large swaths of surface parking tend to minimize pedestrians and activity. On the above map, Wisconsin Avenue is the only east-west link that is obvious (to visitors) in the center of the built-up downtown area, so visitors stick to that street. Wells and State Streets have comparatively no appeal to pedestrians, due to a number of open spaces. With a new streetcar line, this pattern of visitor tracking will likely adjust to include more of the downtown area.

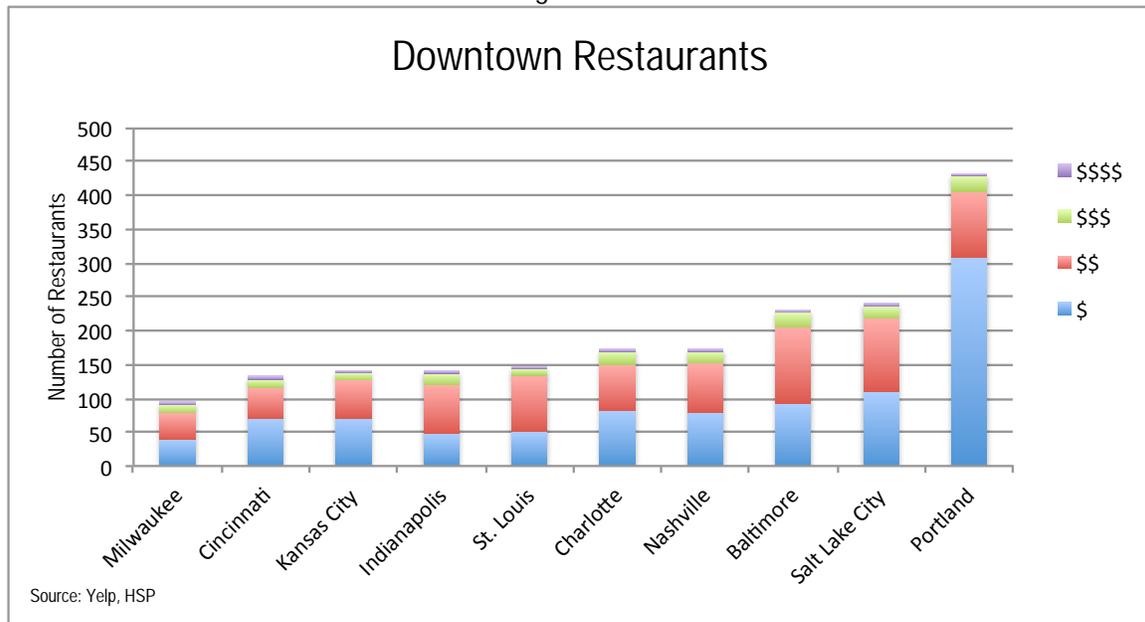
However, in Milwaukee, only Old World Third Street falls within the easily walkable territory from the convention center (and for that matter, the arena). All of the other nodes of nightlife, especially Brady Street and the Historic Third Ward, are too far from these demand generators.

Possibly Milwaukee's most glaring challenge is the transportation necessary to connect downtown hotel guests and visitors with the most popular attractions in the city. Connectivity is the key. Simply having public transportation or a car is not enough. The urban experience should be a fabric, with fibers connecting the various components, more like a varied quilt than a set of disconnected fabric scraps. Currently, there are a number of areas of downtown that are nodes of activity, however there are major breaks in the activity due to undeveloped or underdeveloped swaths of the city that make walking from one node to another an unlikely activity. Areas with surface parking lots or empty storefronts or large buildings with blank walls facing the street detract from the pedestrian experience. The more densely packed the urban experience with a new store, restaurant, office or other use every 20 to 30 feet, the better. Large blank areas that breakup that experience signal an incomplete downtown and usually induces some fear in the pedestrian, especially at night. Filling those holes in the fabric with active uses expands the experience and knits the total downtown into an overlapping sea of unique experiences.

One way to shorten the perceived distance between nodes is to enlarge the nodes themselves. For every block that the entertainment area expands, the distance from node to node shrinks accordingly. If each district expands toward the others by one block, then two blocks of perceived distance between the two will have been erased. This distance between demand generators/event centers and restaurant/bar nodes is a critical gap for Milwaukee compared with its peers. In order to truly compete for the market that wants a truly walkable downtown, these distances should be minimized and gaps filled.

The next table shows the total number of downtown restaurants in each of the peer cities, based on an analysis of Yelp!'s listings and categories. The totals represent establishments listed under the restaurant category on Yelp!. Establishments categorized specifically as a bar or lounge were not included in the restaurant totals.

Figure 3-12



As shown, Portland has more restaurants than any of the other cities, however this is driven by the massive number of food trucks that are parked in food truck lots in the downtown area. This provides a major cultural twist for Portland compared to most cities, so it cannot be discounted in terms of its value and impact. Milwaukee only has about 100 restaurants in its downtown compared with between 140 and 250 for the balance of the group (except for Portland, with more than 400). While Milwaukee has a number of unique and memorable food experiences, the overall number of options is limited in Milwaukee relative to its peers.

The next table shows the breakdown of the figures above.

Table 3-2

| Milwaukee Comparable Destinations - Downtown Restaurants Ratings | | | | | |
|--|-----|------|--------|----------|-------|
| City | \$ | \$\$ | \$\$\$ | \$\$\$\$ | Total |
| Milwaukee | 39 | 40 | 12 | 4 | 95 |
| Cincinnati | 70 | 46 | 12 | 5 | 133 |
| Kansas City | 71 | 56 | 11 | 2 | 140 |
| Indianapolis | 48 | 72 | 17 | 4 | 141 |
| St. Louis | 51 | 83 | 10 | 1 | 145 |
| Charlotte | 82 | 68 | 19 | 4 | 173 |
| Nashville | 79 | 73 | 17 | 4 | 173 |
| Baltimore | 92 | 113 | 22 | 3 | 230 |
| Salt Lake City | 110 | 108 | 18 | 5 | 241 |
| Portland | 309 | 97 | 23 | 3 | 432 |
| Average | 95 | 76 | 16 | 4 | 190 |

Source: Yelp, HSP

In terms of very nice and expensive restaurants, downtown Milwaukee is right at the average for the peer set at four restaurants. However, as the price level declines, Milwaukee's relative share of restaurants declines. At the "\$\$\$" level, Milwaukee has 12 options versus an average of 16 for the peer set. At the "\$\$" level, Milwaukee has just more than half of the average of the group, with 40. At the "\$" level, Milwaukee has less than half of the average. However, if Portland is removed, then the peer set average is 68. In any case, Milwaukee's downtown has fewer options, by a large margin, than the peer cities.

The following maps and data show the location of the restaurant and bar options in the peer cities relative to their demand generators. There are two maps for each location. The first shows the options without the demand generators shown, to provide a sense of how dispersed or connected the options are. Those with connected options are considered to be healthier and more attractive/active than those where the options are spread out. This is mitigated or exacerbated by the relative proximity of the dining and nightlife options to the convention centers and arenas in each city.

The first city shown is Milwaukee with dots representing the restaurants, but without anything else shown.

Figure 3-13

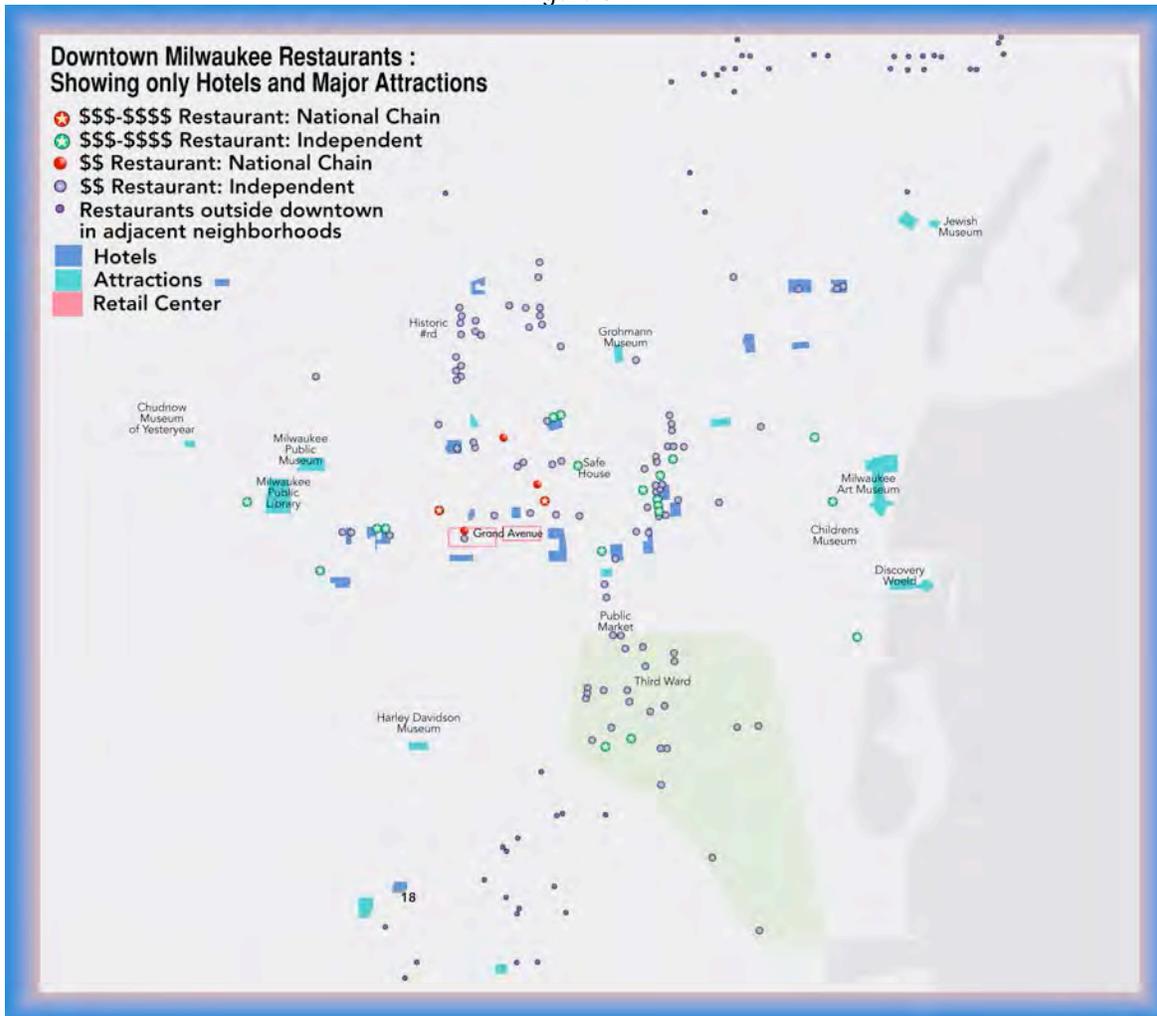


As is evident, there is quite a variety of restaurants in the area, although very few national chains. While this is good to create character for downtown, it also may make downtown a bit less hospitable seeming for those suburbanites or visitors whose psychographic profile points them to the familiar. A good mix of both chain and independent options can attract all types of visitors.

What is more striking, and this will become evident after viewing the peer cities, is the dispersed nature of the restaurants. While there are a few concentrations of restaurants, most of the rest are spread throughout. In a densely built area, this would be a great situation. However, in the current state of development of downtown, it means that there are few strong nodes of dining and nightlife. Since these dots are spread throughout several larger areas, it is difficult for visitors to orient toward a central point to work from, even within an area of more concentrated options. The solution for this situation is to work to induce more development of restaurants and bars within the existing nodes, but also as links between nodes. The easiest, although most expensive, option is to infill develop within existing strong areas. The least expensive and most risky is to develop are in areas between existing nodes.

The next map shows the restaurants in relation to the hotels, retail and attractions.

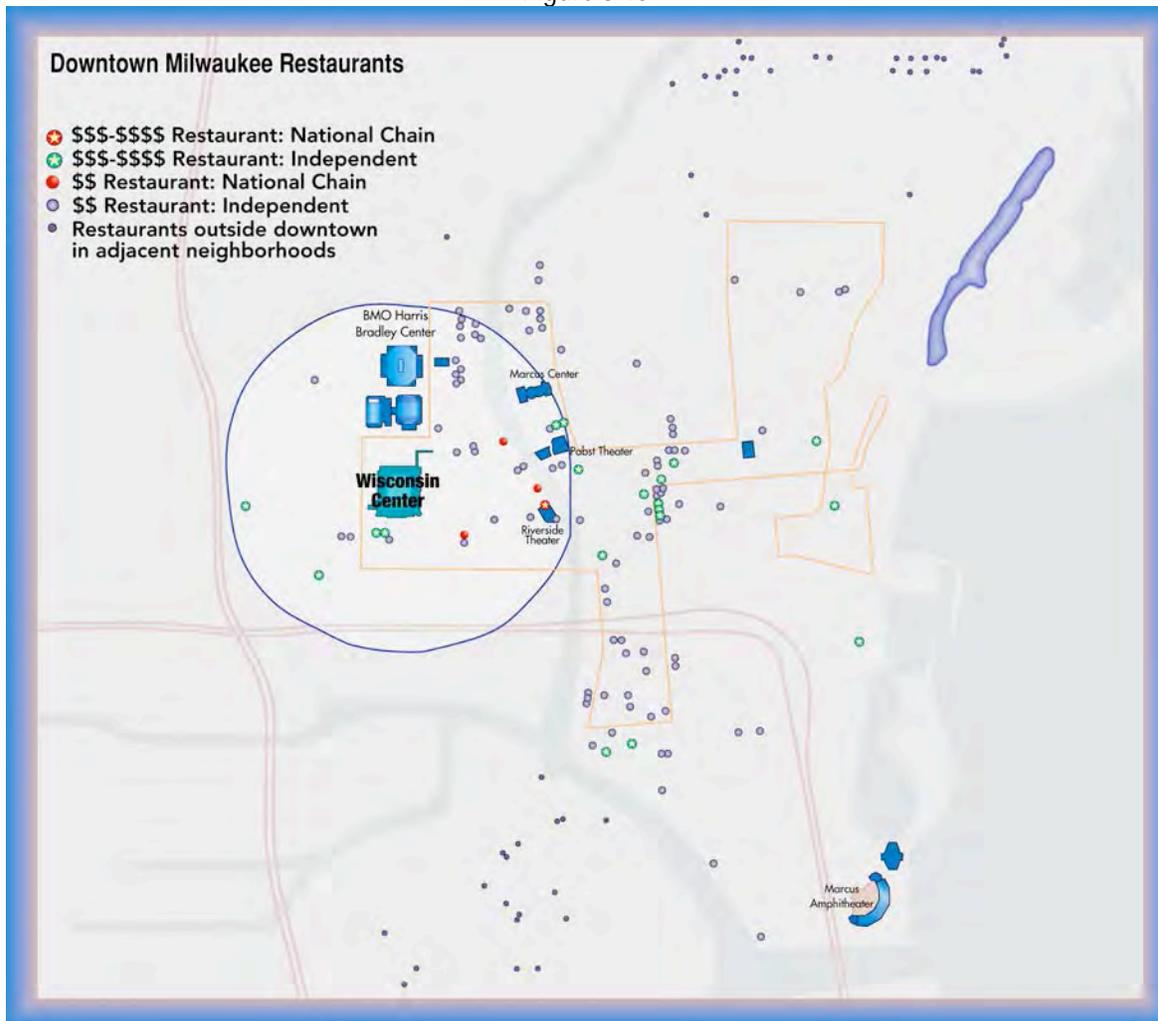
Figure 3-14



While the Third Ward is popular and known for its walkable blocks, the restaurants are not necessarily concentrated. Because of the well-developed nature of this area, this is not necessarily a negative thing and in fact is positive. It means that there is activity beyond one intersection or block. Alternatively, Milwaukee is a concentrated stretch of restaurant activity, as is Brady (although more spread out from east to west).

The final map shows the restaurants in relation to the convention, major entertainment and sports facilities.

Figure 3-15



The challenge shown by this map is the lack of restaurants close to the major convention and sports demand generators. This lack of “easy” walkable dining options before and after games, concerts, and conventions may contribute to the feeling that there is not as much happening downtown. There certainly is, but it is not obvious right outside of the major event facilities. This means those from the suburbs are more likely to get in their cars and drive home instead of walking across the river to Water Street or Milwaukee. It is simply just a block or two too far for this type of psychographic visitor to tolerate.

Baltimore

The primary restaurant node in the Inner Harbor area of Baltimore is Power Plant and Power Plant Live!, although there are several other nodes that are more authentic and popular with locals in the area.

The Power Plant and Power Plant Live! developments are within the Inner Harbor area of downtown Baltimore, which has been undergoing successful redevelopment efforts for approximately 30 years. Power Plant Live! was the first phase of the project and consists of a renovated waterfront power plant in the downtown Inner Harbor area of Baltimore that dates from the late 1800's.

The buildings had a history of failed urban entertainment uses until the Cordish Company redeveloped the facilities into a mixed-use development funded through Cordish and public sector funds. Primary tenants of Power Plant include the first ESPN Zone, Hard Rock Café, Barnes & Noble, Gold's Gym and office space. After all phases of the development were complete, the total cost of the project was \$100 million.

Power Plant Live! is a second phase and is comprised of numerous bars, restaurants and clubs, as well as some retail development. There is a large common area with outdoor bars and a live music venue called Rams Head Live! Many of the tenants convert from restaurants to clubs later in the evening.

The City of Baltimore granted the property and buildings to Cordish, a value of \$20 million. Cordish invested \$15 million in equity and financed \$29 million for this project. The development has become a success. While rental rates were initially low (this was the first project of its kind and the tenants were taking a risk along with the developer), these should increase substantially as leases are renewed.

The figure below shows a picture of Power Plant Live!

Figure 3-16



As in all Cordish Live! districts, there are built-in controls for public safety and security, such as dress codes and monitored entrances and exits. However, to allow for a free-flowing crowd, there is a single liquor license for alcohol that allows patrons to move from place to place with open drinks. Additionally, there are age limits, typically 21 and up after certain hours, although all ages are allowed at the restaurants within the attraction and at the summer concert series. Power Plant Live! has been very successful, according to both the



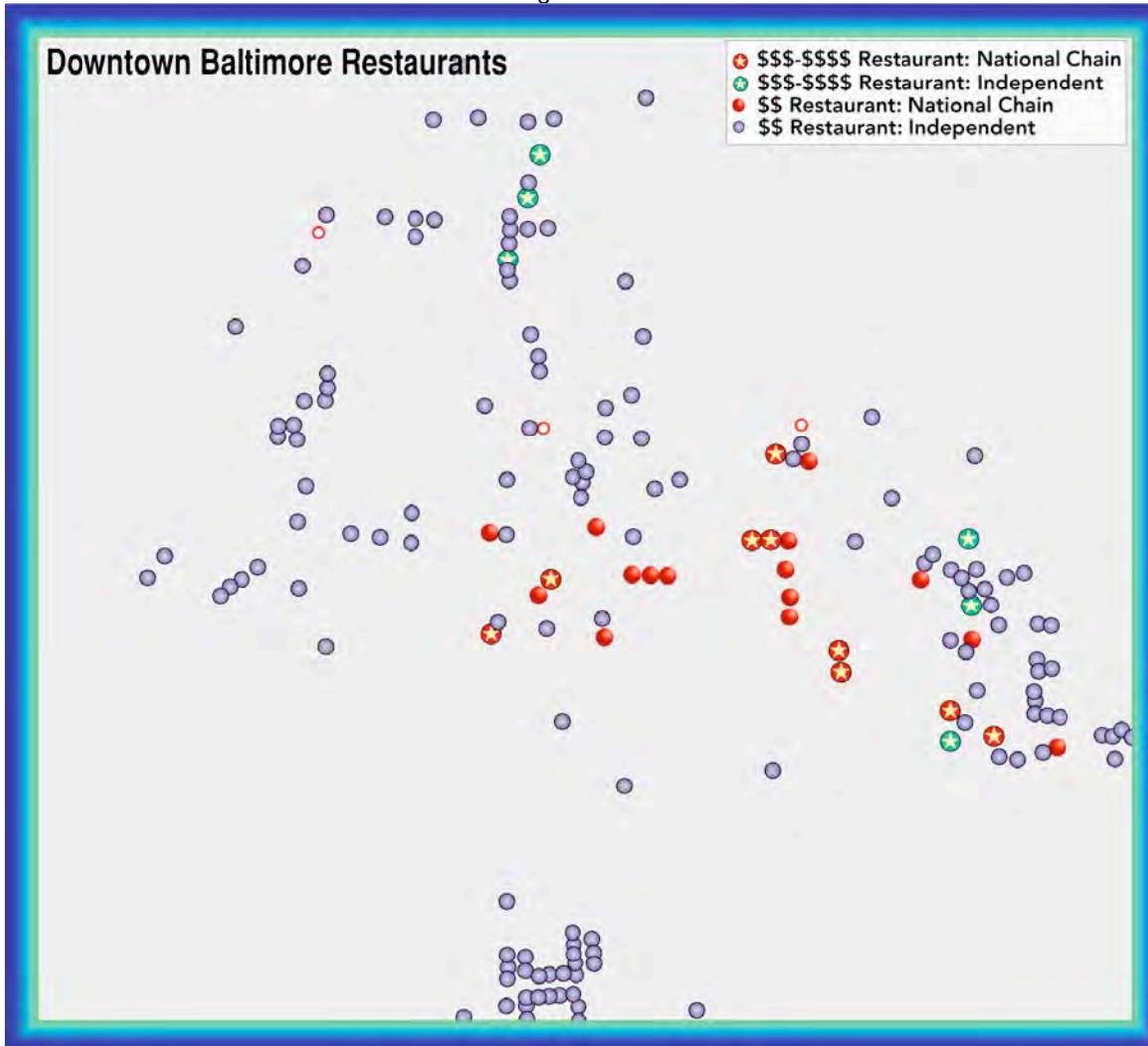
developer and downtown stakeholders and has helped downtown Baltimore become an improved live/work/play district.

Power Plant Live! caters more to a younger demographic. The Baltimore Area Convention and Visitors Association estimates that more than 15 million people, both residents and tourists, visit the Inner Harbor area of Baltimore annually. Cordish estimates that Power Plant Live! has sales averaging \$400 per square foot.

The Inner Harbor region has been a hot spot for attraction and entertainment development in Baltimore since the implementation in the 1970's of the Inner Harbor Master Plan. Since the development of the Master Plan, numerous developments have been spurred within the area proximate to the Inner Harbor, including, but not limited to, the Baltimore Convention Center in 1979, the National Aquarium in 1981, and Harborplace, a festival marketplace, in 1980. A second Inner Harbor renaissance occurred in the early to mid 1990's, with a number of new developments, the most prominent of which is Oriole Park at Camden Yards that opened in 1992. The Inner Harbor is now home to approximately 14 diverse attractions, ten hotels, more than 15 restaurants and two retail areas. Power Plant Live! opened in 2001 and has benefited from the surrounding development, as the basis for the Inner Harbor as a local/regional attraction was already well established.

The next map shown is Baltimore, first with the dots only, representing the restaurants.

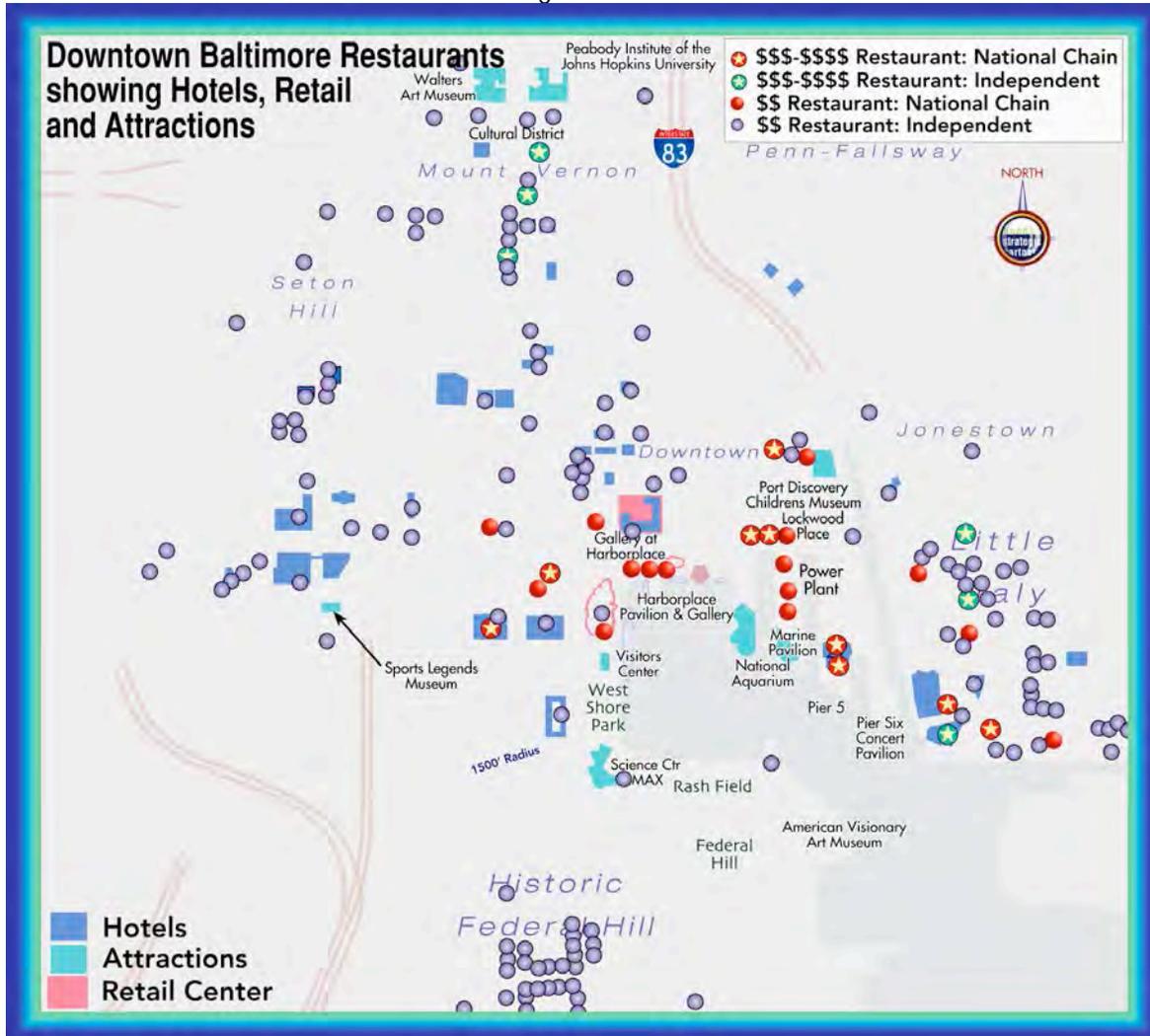
Figure 3-17



As shown, there are a number of chains of both price points located in a centralized area. The independent restaurants are more spread out. There are some very visible nodes.

The next map shows the dots with the other retail, hotel and attractions.

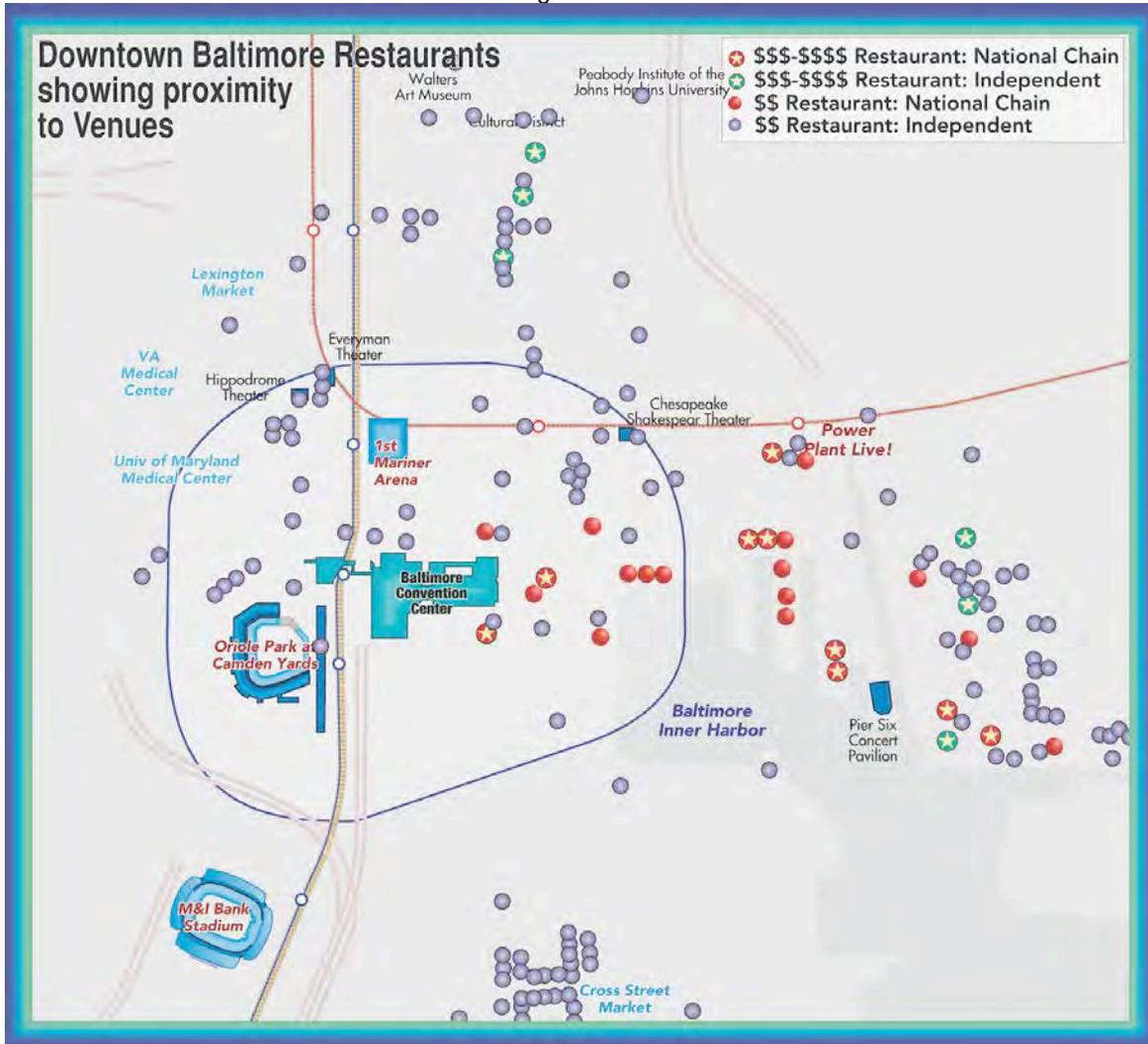
Figure 3-18



With the Inner Harbor shown, the location of restaurants makes more sense. Federal Hill is full of independent restaurants all clustered in that historic neighborhood, which is not necessarily touristy (but is extremely appealing). The tourist centers are to the east of Harborplace and within the Power Plant development. Little Italy is home to numerous restaurants, with a few being national chains.

The final map shows Baltimore with the convention center, major entertainment and sports facilities.

Figure 3-19

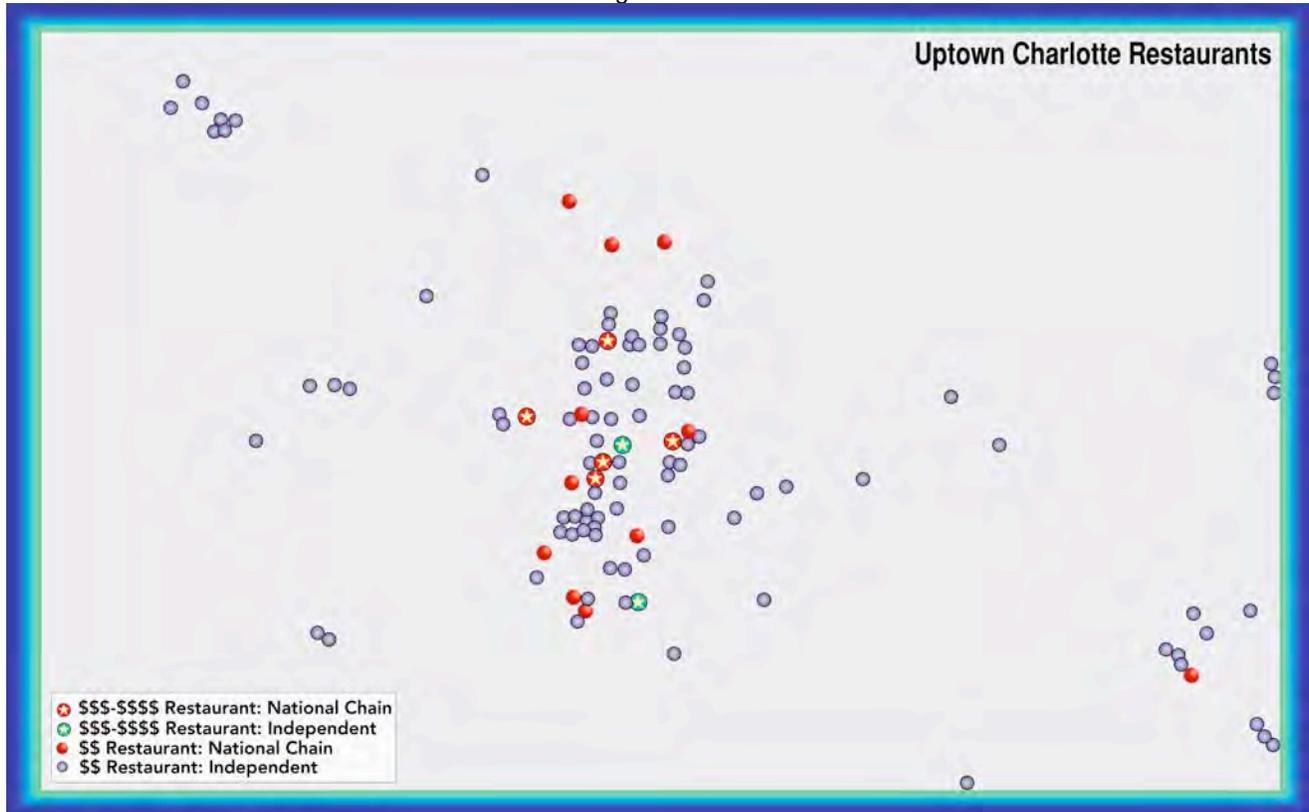


While Camden Yards and the convention center are not far from the center of dining activity at Power Plant, there is an east-west stretch that is approximately one mile in length. The advantage in Baltimore is the density of development throughout the area, which makes walking from one end to the other seem less dicey for the visitor. There is either water or strong urban fabric in numerous buildings all along the way.

Charlotte

The next city shown is Charlotte with dots representing the restaurants, but without anything else shown.

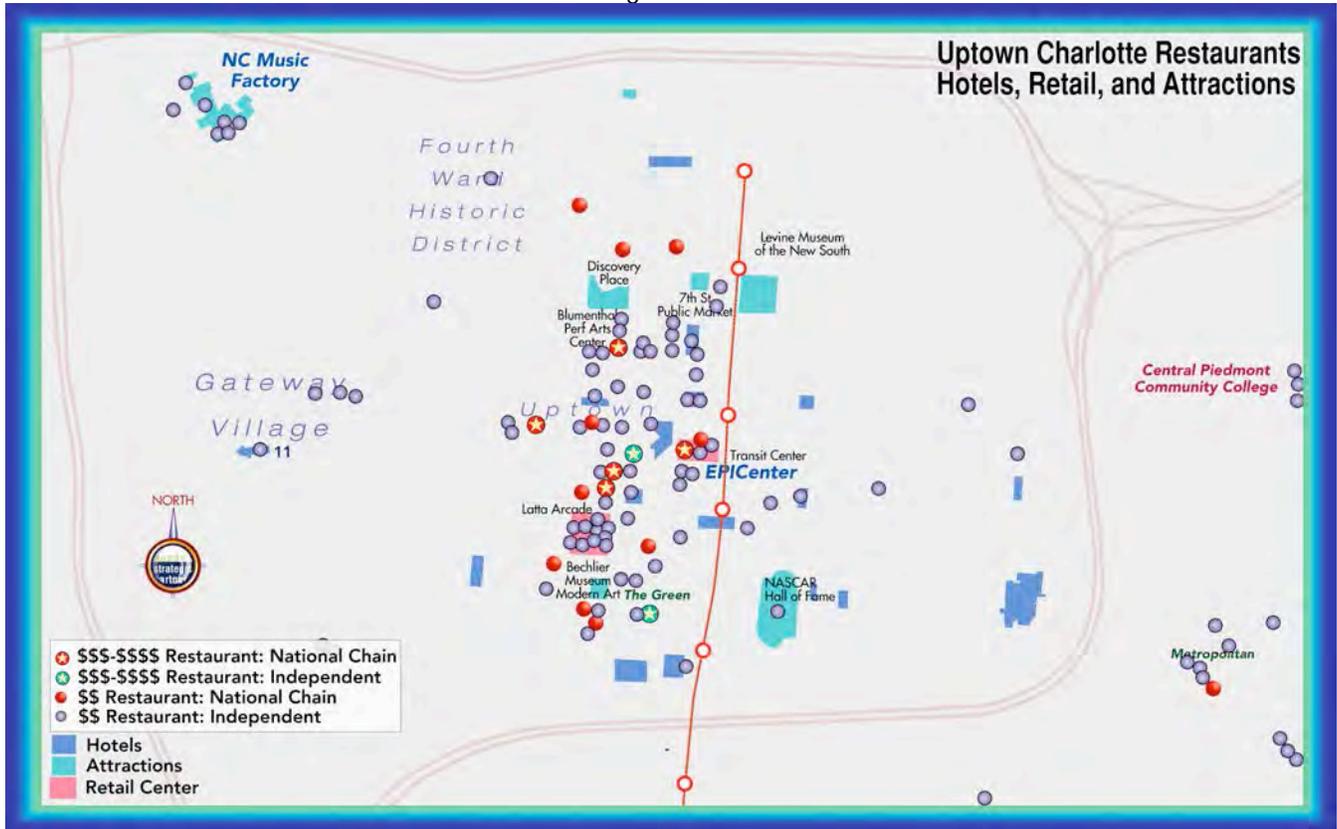
Figure 3-20



The map suggests that Charlotte is one of the most compact environments considered in the peer set. There are both chain and independent restaurants of multiple price points, although few higher end independent restaurants.

The next map shows the restaurants in relation to the hotels, retail and attractions.

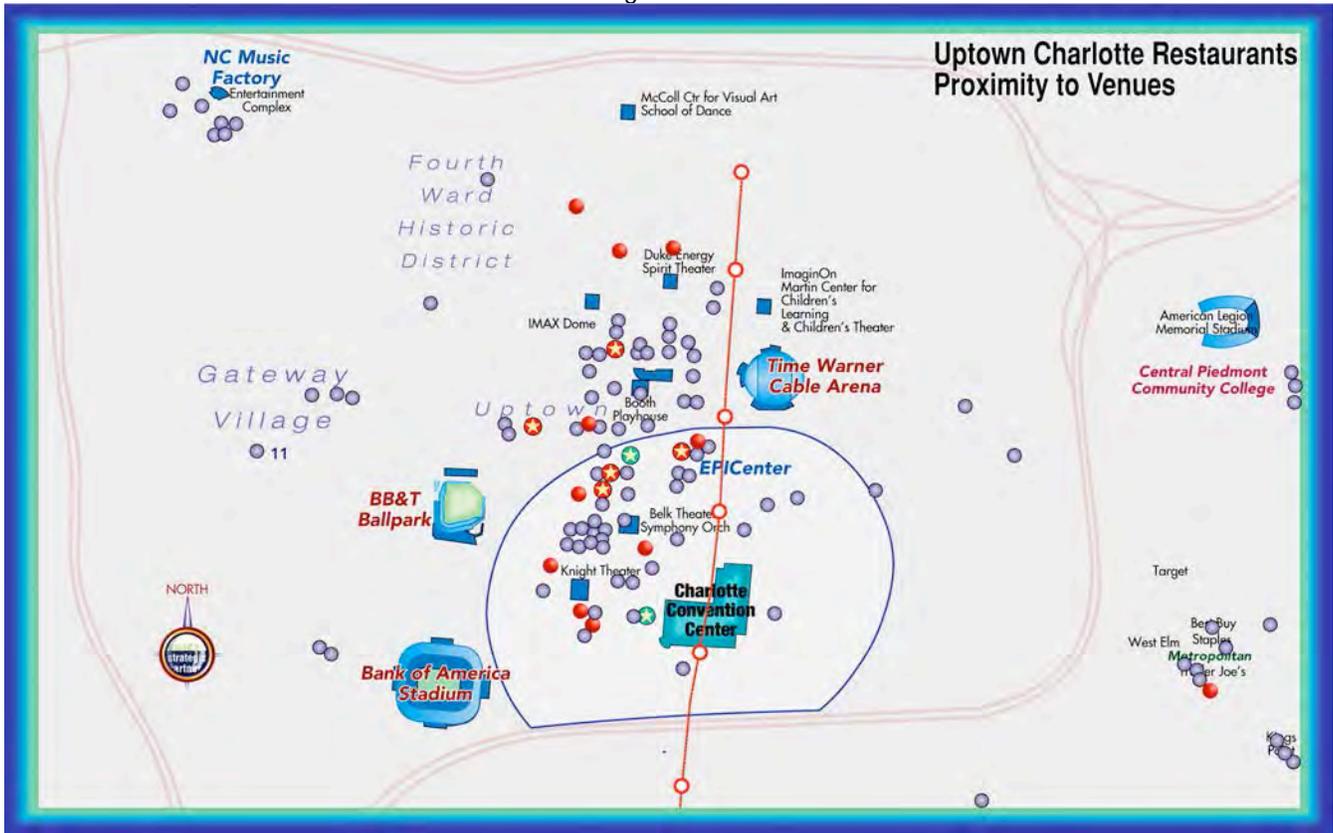
Figure 3-21



Charlotte is an example of a compact downtown and compact restaurant scene with a light rail system. In most of the other cities with transit, there has been a clear need due to separation of developed areas. In Charlotte, it is perhaps the best of both worlds, although as was shown in the hotel section, there are not as many hotels as in the peer set.

The final map shows the restaurants in relation to the convention, major entertainment and sports facilities.

Figure 3-22



One of the disadvantages in Charlotte is that the convention center is located at the south end of the core, which means that much of its walkable area is wasted to the south and east. There are many hotels and restaurants located north far beyond the walkable radius. The true nightlife area is not EPICENTRE, but the NC Music Factory, which is located about one mile to the northeast of the center of activity. It requires a cab or car to the site, but this is where there are a number of bars, restaurants and concert venues, not to mention nightclubs. It is much more unique than the chain-oriented experience in Uptown.

Cincinnati

Cincinnati struggled to develop entertainment and restaurant nodes and its neighbors across the Ohio River took advantage of the situation by developing Newport on the Levee. However, Cincinnati has now invested in an area called The Banks. Both are profiled here.

Newport on the Levee is an entertainment center located between Third Street and the Ohio River in Newport, Kentucky, immediately across the river from downtown Cincinnati, Ohio. It is located adjacent to the Purple People Bridge that spans the Ohio River, linking pedestrians with Great American Ballpark, home of the Cincinnati Reds Major League Baseball club, and is positioned to offer a view of the Cincinnati Skyline. The complex is across the street from historic districts and a popular authentic German brewing house called Hofbrauhaus.

Across the river in Cincinnati, The Banks is a development that features several square blocks of residential and restaurant/nightlife. The 96,000 square feet of street-level retail space are filled with twelve popular restaurants and bars including Ruth's Chris steakhouse, Yardhouse, and Toby Keith's I love this Bar and Grill. The National Underground Railroad Freedom Museum accompanies the site. Freedom Way is the street that connects the city's two large outdoor stadiums, and is the central street on which the village-like atmosphere is centered. The area is most commonly swollen with crowds before, during, and after Reds baseball games, however is becoming a daily center of dining and nightlife activity throughout the year.

Beginning in the 1980s and 1990s, Newport made plans to develop its riverfront and core to focus primarily on "family friendly" tourism. In May 1999 the \$40-million Newport Aquarium opened, one year ahead of the adjacent entertainment complex, Newport on the Levee, opening in 2000. The total of \$160 million cost had 35 percent public incentives, including municipal bonds and a real estate tax waiver. Besides the Aquarium, the indoor/outdoor complex includes a dozen restaurants, some of which feature live music and performances, retail space for clothing, wine, gift stores and fine arts shops, a 20-screen AMC theater, and a Barnes & Noble Bookstore, surrounding a two-level outdoor plaza and a three-level indoor mall-like space. As a result of the increased attention, value, and visibility, the immediate area has added several adjacent residential condominium and apartment projects, either with new construction or in rehabilitated historic structures.

Due to the access of the Purple People Bridge, fans from Cincinnati Reds games and other concerts and events at the U.S. Bank Arena patronize Newport on the Levee's restaurants and gift stores before and after games. The project has served well as a catalyst for Newport's new image and growth into a trendy and desirable mixed-use downtown district in terms of prosperity and in the minds of the Cincinnati Area's two-million-plus residents.

Current restaurants and nightspots include Bar Louie, Brothers Bar & Grill, Cold Stone Creamery, Brio Tuscan Grill, Claddagh Irish Pub, Dewey's Pizza, Five Guys burgers, Mitchell's Fish Market, naked Tchopstix, Saxbys Coffee, Tom+Chee Grilled Cheese. Entertainment includes Gameworks, and Star Lanes on the Levee with a full restaurant, bars, patio and billiards, Funny Bone Comedy Club, Jefferson Hall live music, a TV show studio called Cincinnati, Toro Bar, Ride the Ducks amphibious sightseeing tours, and Shillito's Elves, a historic animatronic display surrounding Santa's Workshop, preserved from the old Shillito's Department Store.

The following are aerial views of the Newport Aquarium and Newport On The Landing.

Figure 3-23



The following image shows a view of the Newport on the Levee complex.

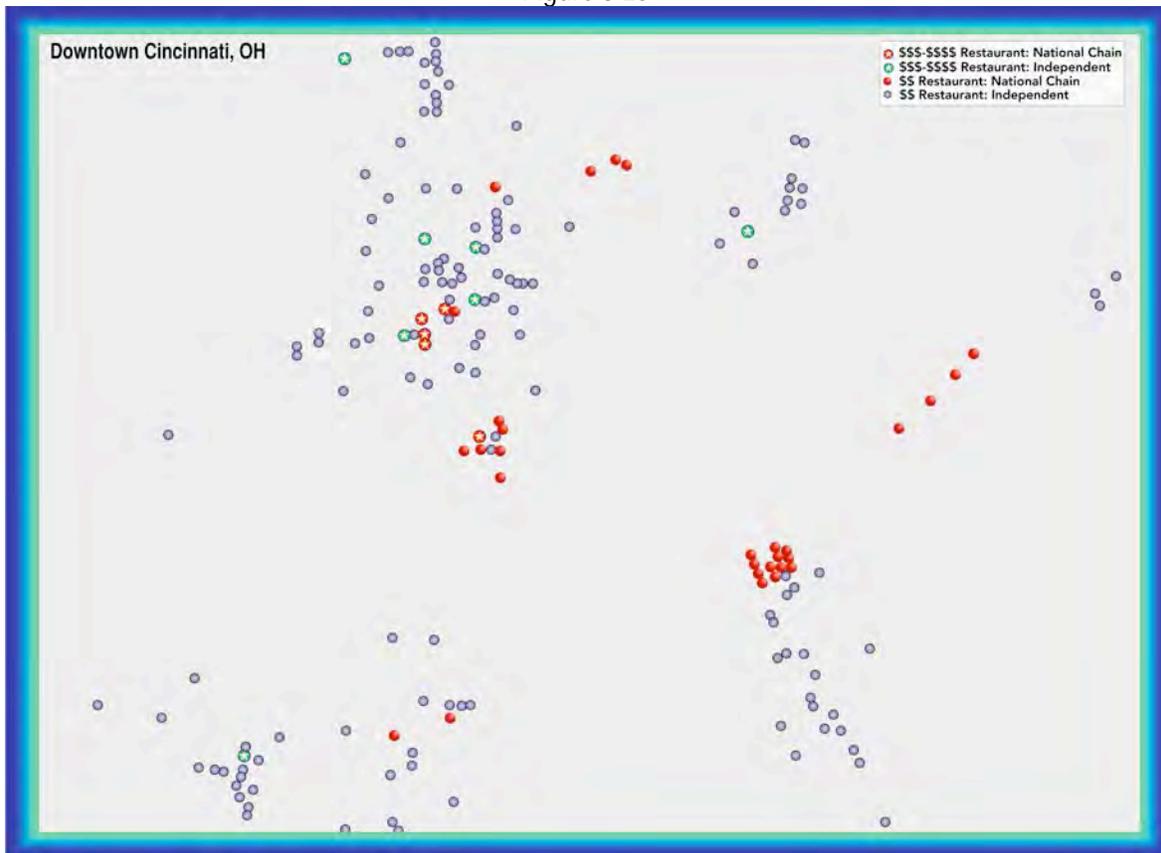
Figure 3-24



As shown, the movie theater plays a prominent role in this development, although most of the activity is actually driven by restaurants and bars.

The next city shown is Cincinnati with dots representing the restaurants, but without anything else shown.

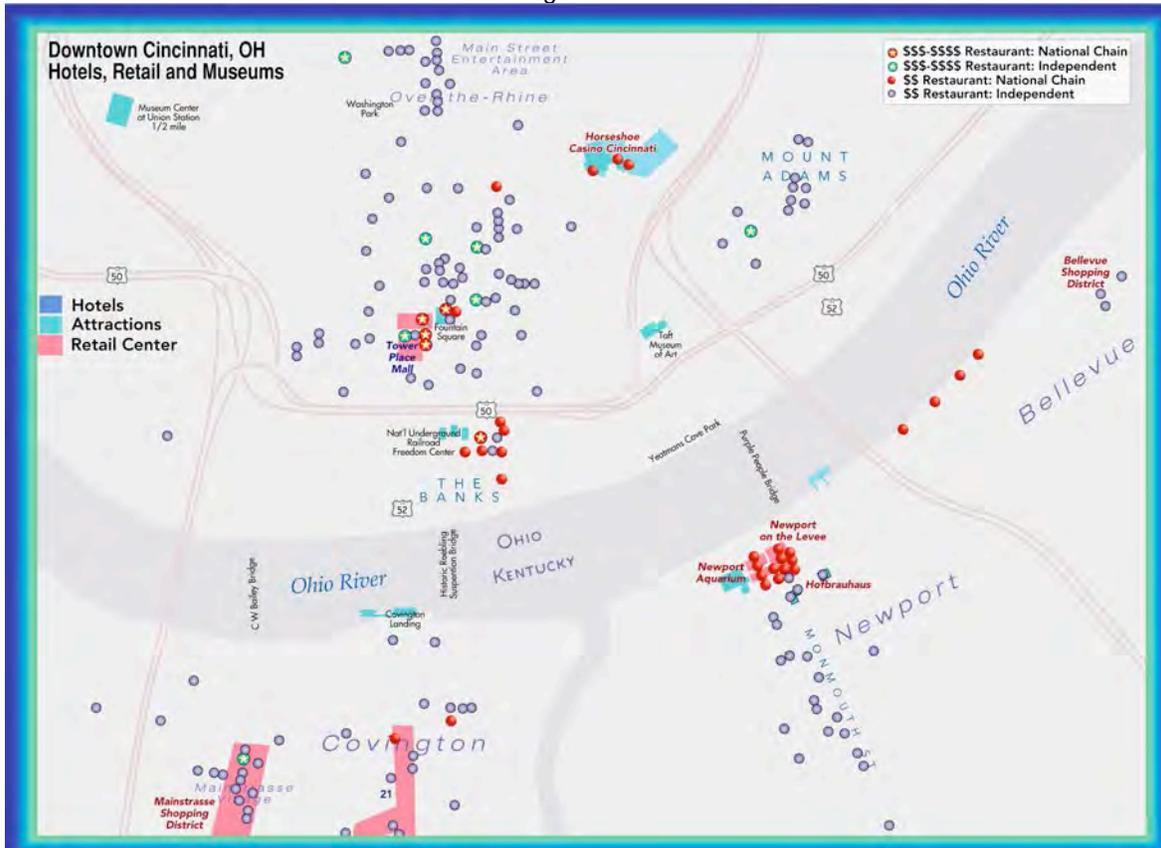
Figure 3-25



As shown, there are some clusters of activity, separated by a wide chasm. That chasm is the Ohio River.

The next map shows the restaurants in relation to the hotels, retail and attractions.

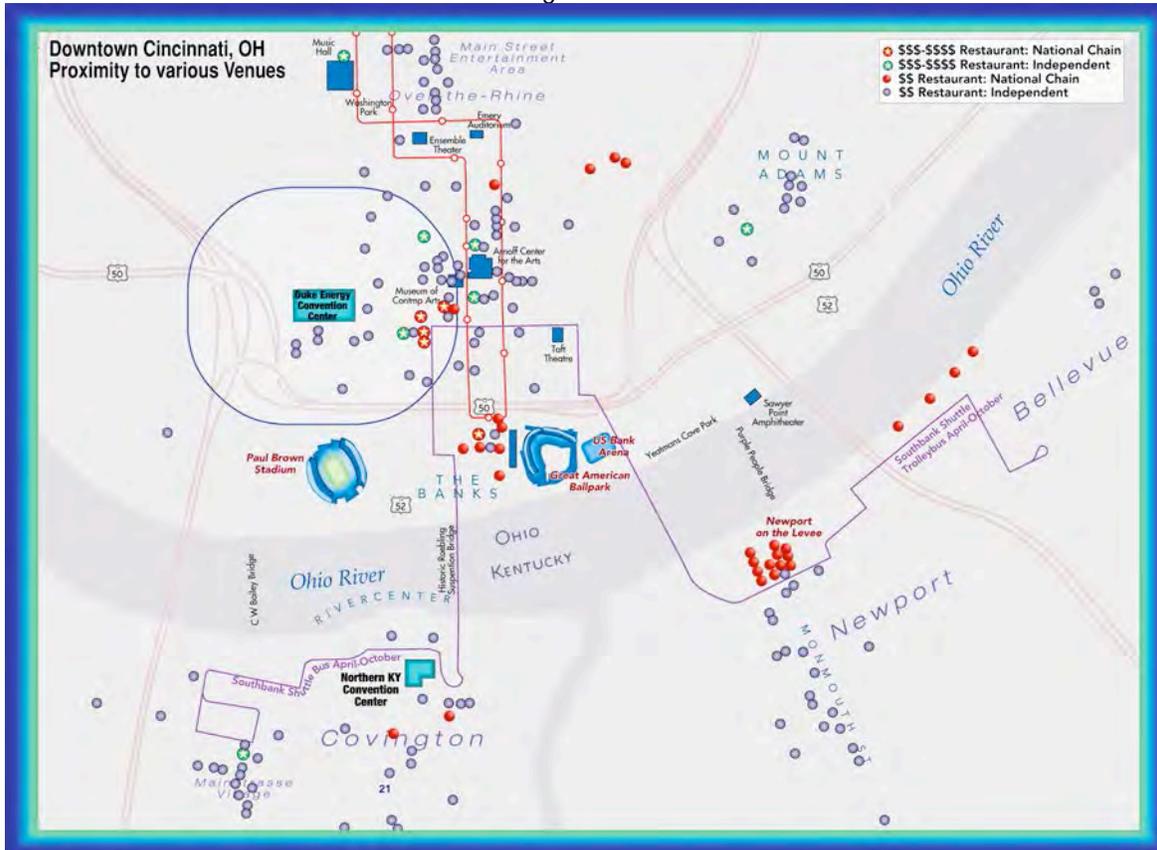
Figure 3-26



With more detail, it is evident that there are a number of independent restaurants located in the central business district, which is not necessarily the norm. There is a cluster of chain restaurant in the new Banks development. However, the largest concentration is in Kentucky at Newport on the Levee, still the more popular destination in the area.

The final map shows the restaurants in relation to the convention, major entertainment and sports facilities.

Figure 3-27

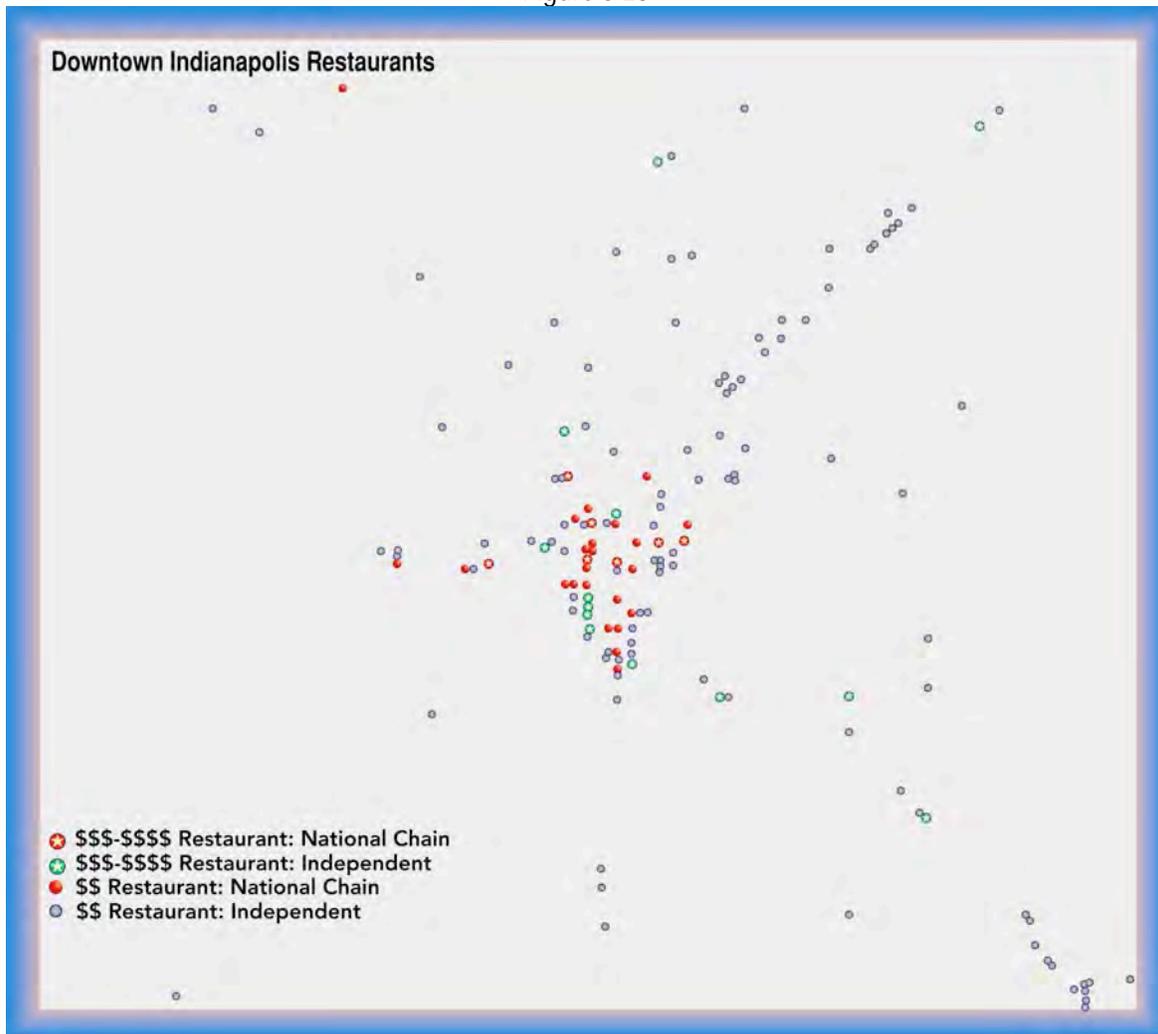


Like in several cities (St. Louis, Charlotte), the convention center is located on an “end” of the downtown experience, meaning that much of the walkable radius does not include any developments. The major event facilities are spread out and not necessarily located near the core of activity. The Great American Ballpark is the most centrally located between The Banks node of restaurants and is not far from Newport on the Levee. There is also a seasonal shuttle that runs between Kentucky and downtown, which helps keep the area connected.

Indianapolis

The next city shown is Indianapolis with dots representing the restaurants, but without anything else shown. As is discussed in the prior chapter, the city has excelled at the convention and hotel business. However, it lacks public transportation. The map below shows if it is necessary.

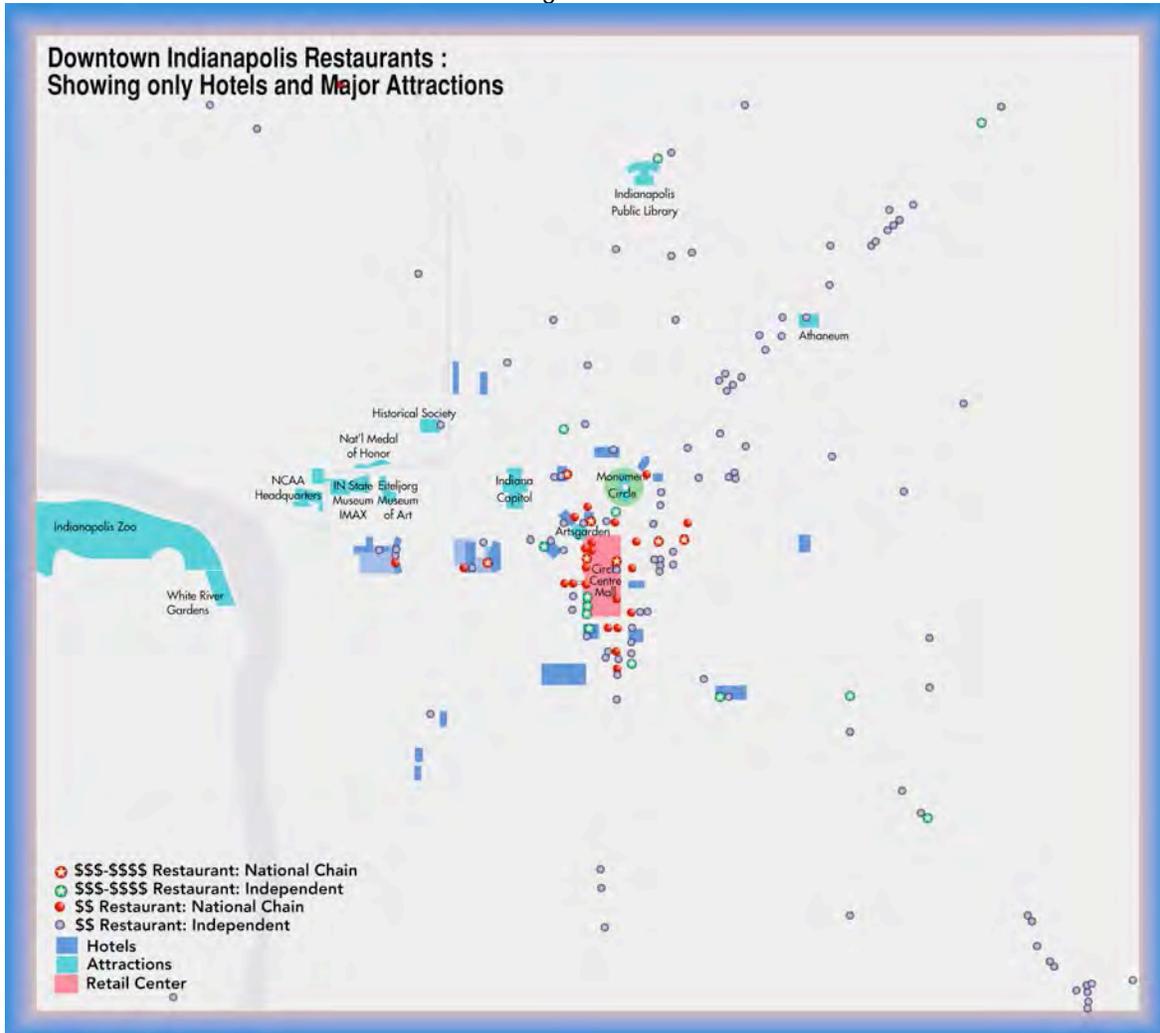
Figure 3-28



As the map shows, the majority of restaurants are clustered in a centralized area and then there is a linear stretch of restaurants, all independent, heading to the northeast. This street is Massachusetts Avenue ("Mass Ave") and it has become a hot spot for all demographics, including empty nesters, young urban professionals and arts-oriented residents. Historically, it was more eclectic, with boutique and gay bars, but has become more developed in the past few years. To the southeast is another diagonal line of restaurants. While not as developed or as close as Mass Avenue, this area is also developing.

The next map shows the restaurants in relation to the hotels, retail and attractions.

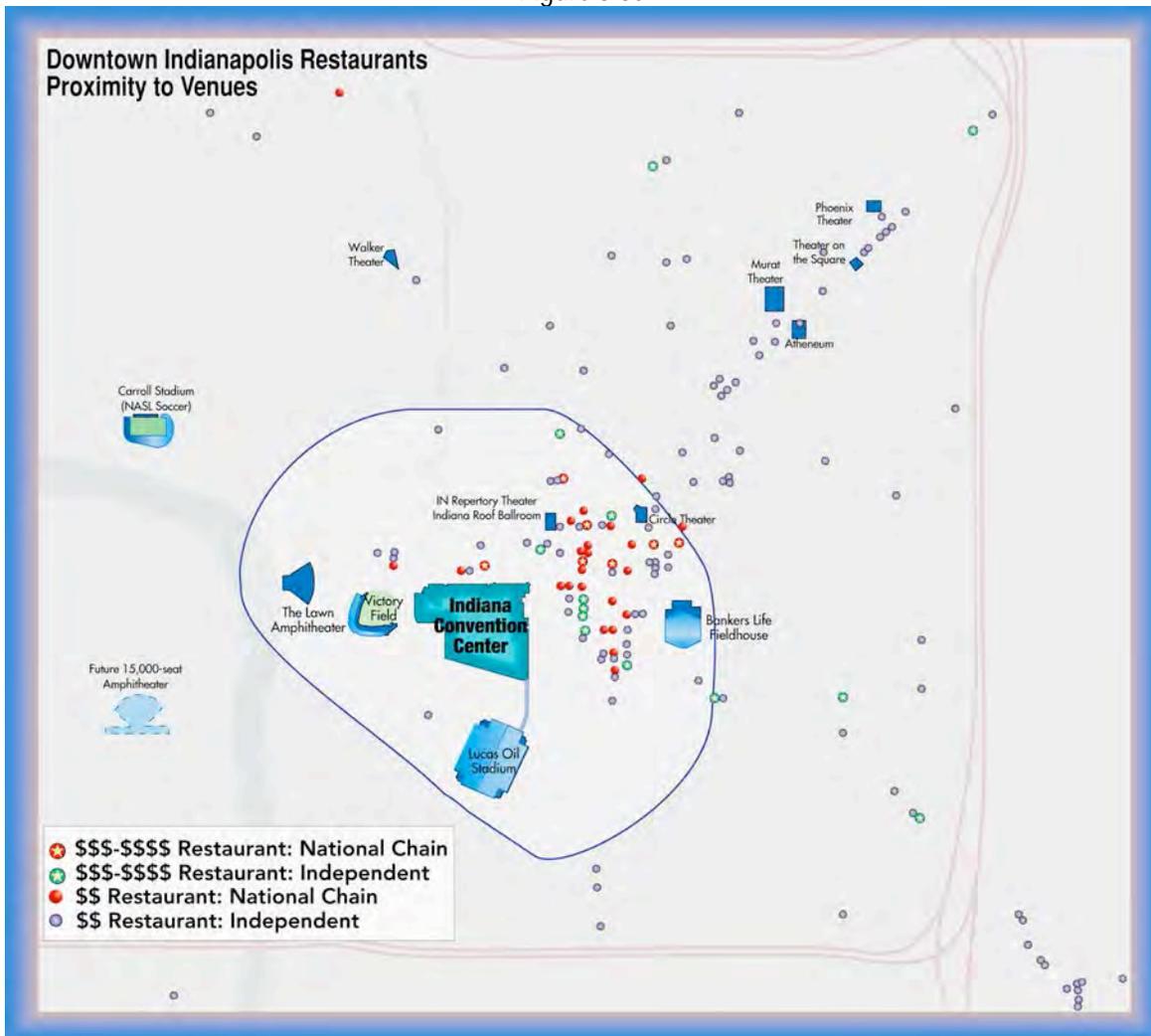
Figure 3-29



The map shows the hotels spread around the centralized area and the Circle Centre Mall project is in the middle of all of the restaurants. Visitors to the city know that the mall is connected to the convention center and most other surrounding developments and hotels. The restaurants are developed on the street level on the exterior. This evolved over time (the restaurants used to be inside the mall) and as more restaurants developed successfully, more came. Many are national chains, such as Ruth's Chris. In fact, Indianapolis is more dominated by chains in its downtown than the peer cities. It makes it easy for visitors to feel comfortable, but to truly have a unique experience, visitors must venture outside the downtown bubble.

The final map shows the restaurants in relation to the convention, major entertainment and sports facilities.

Figure 3-30



This map best illustrates the purposeful strategy the city has enacted to develop hotels and restaurants within a walkable radius of the convention center. While the center is also at the southeast corner of the city (much like Charlotte and Cincinnati), the orientation of the buildings is toward the activity -- and most of the nightlife activity is easily accessed after spilling out of the venues or hotels.

While there is not circulator, none is really necessary for the visitor to the core, as it is extremely compact. With hotels connected above the streets, even inclement weather is mitigated. For those looking to go to Mass Avenue to the northeast or Fountain Square to the southeast, a car is helpful, which suggests that a linear circulator for each direction could be useful.

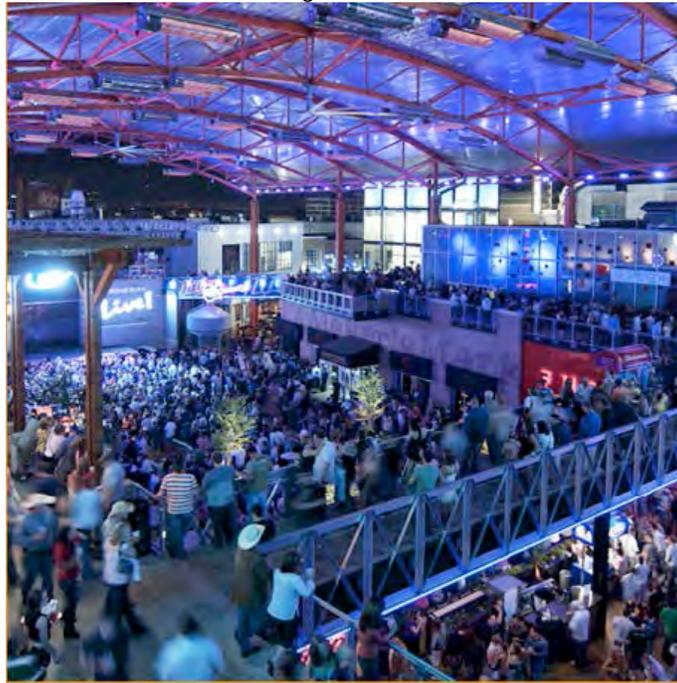
Kansas City

Downtown Kansas City was essentially a ghost town ten years ago, without an arena, restaurants, entertainment, or many hotels. Today, the area is thriving and is only missing the large convention hotel piece of the puzzle. The next section profiles the Power and Light District development and then shows maps of the restaurant situation downtown.

Kansas City's Power and Light District and Kansas City Live! is a multi-block complex bookended by the 18,500-seat Sprint Center arena and the Kansas City Convention Center. Kansas City Live! is the central entertainment component of the larger Kansas City Power & Light District. The Power & Light district is a mixed-use development created as an urban revitalization project through a partnership between the City of Kansas City, Missouri, and the Cordish Company. The development consists of seven square blocks (and parts of two additional blocks) that include restaurants such as Gordon Biersch Brewery and Restaurant, Bristol Seafood Grill, and Ted's Montana Grill, bars and clubs such as Angel's Rock Bar and McFadden's Sports Saloon, entertainment venues including Lucky Strike Lanes and AMC Mainstreet Theater, and retail stores such as GNC, Sprint and Jos. A. Banks. The renovated downtown area is between the Sprint Center Arena and the Kansas City Convention Center.

The figure below is a picture of the Kansas City Live! area.

Figure 3-31



The retail and entertainment district of the development includes approximately 462,000 square feet of leased space.

The Kansas City Live! element of the development has made the project unique from a traditional mall or shopping district. The entertainment venues include the Midland Theatre and the outdoor Kansas City Live! stage. As with all Live! districts, visitors may attend the entertainment events at the Kansas City Live! stage with open alcohol containers that have been purchased at the bars in the Power & Light District.

The Kansas City Convention Center and the new Sprint Center have been two of the driving forces behind the success of the Kansas City Power & Light District. The Kansas City Convention Center complex, located just west of the Power & Light District, consists of 388,800 square feet of exhibit space, a 10,700-seat arena, and a 46,484 square foot ballroom. Accommodations near the convention center include the 983-room Marriott Kansas City Downtown, which is across the street from the convention center and the newly renovated Hilton President Kansas City Hotel, which is within the nine-block Power & Light District.

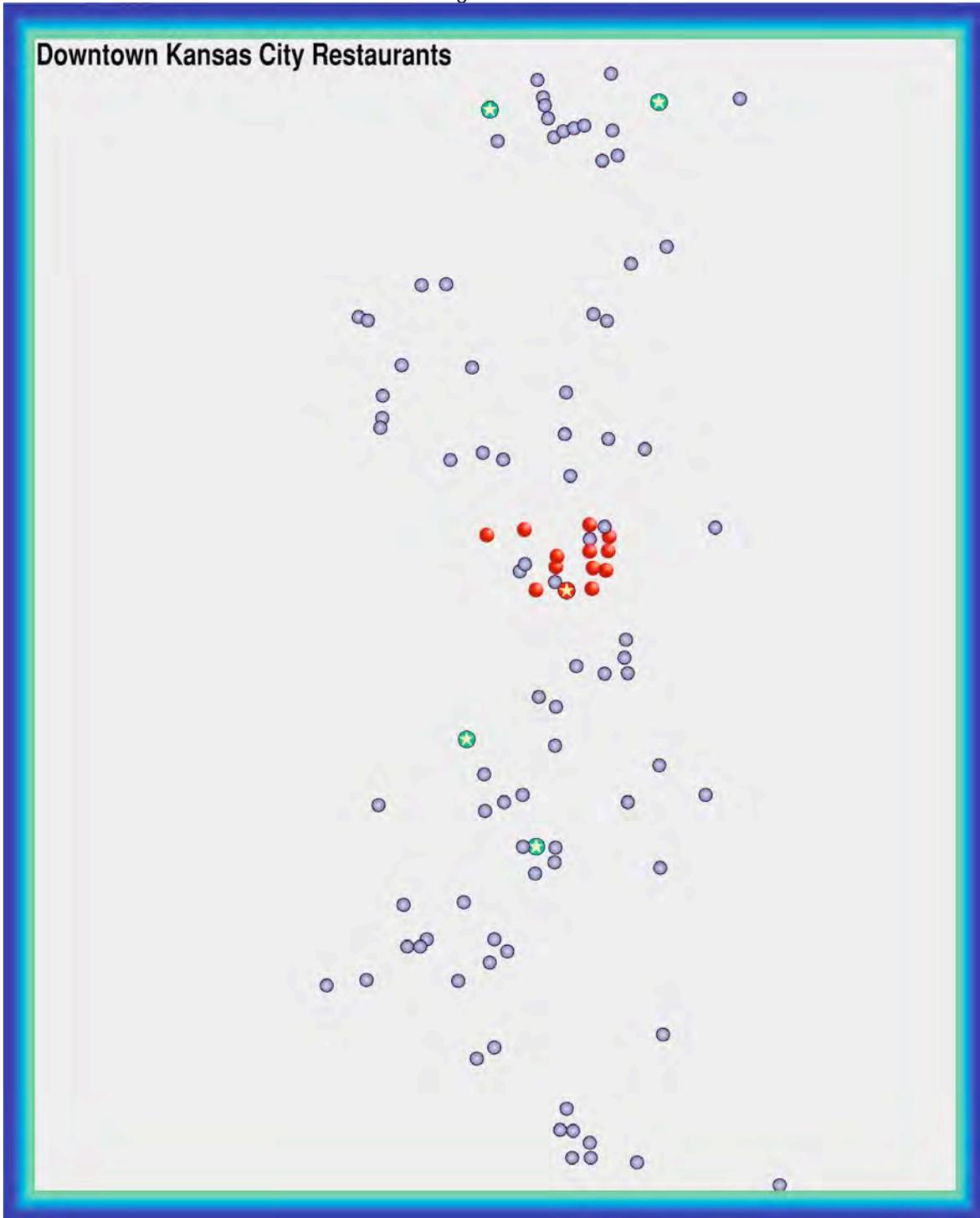
The \$276 million Sprint Center, which opened in 2007, is an 18,500-seat arena that hosts a variety of events that range from sports, concert and family shows. Although the arena is not home to any major sports franchises, it is busy with numerous events including the Big XII basketball tournament and many big-name concerts. The Sprint Center has incorporated the new College Basketball Experience museum and National Collegiate Basketball Hall of Fame next to the facility. The Sprint Center is across Grand Avenue from the Power & Light District. The following photo shows the Power and Light District at night with the Sprint Center behind it.

Figure 3-32



The next city shown is Kansas City with dots representing the restaurants, but without anything else shown.

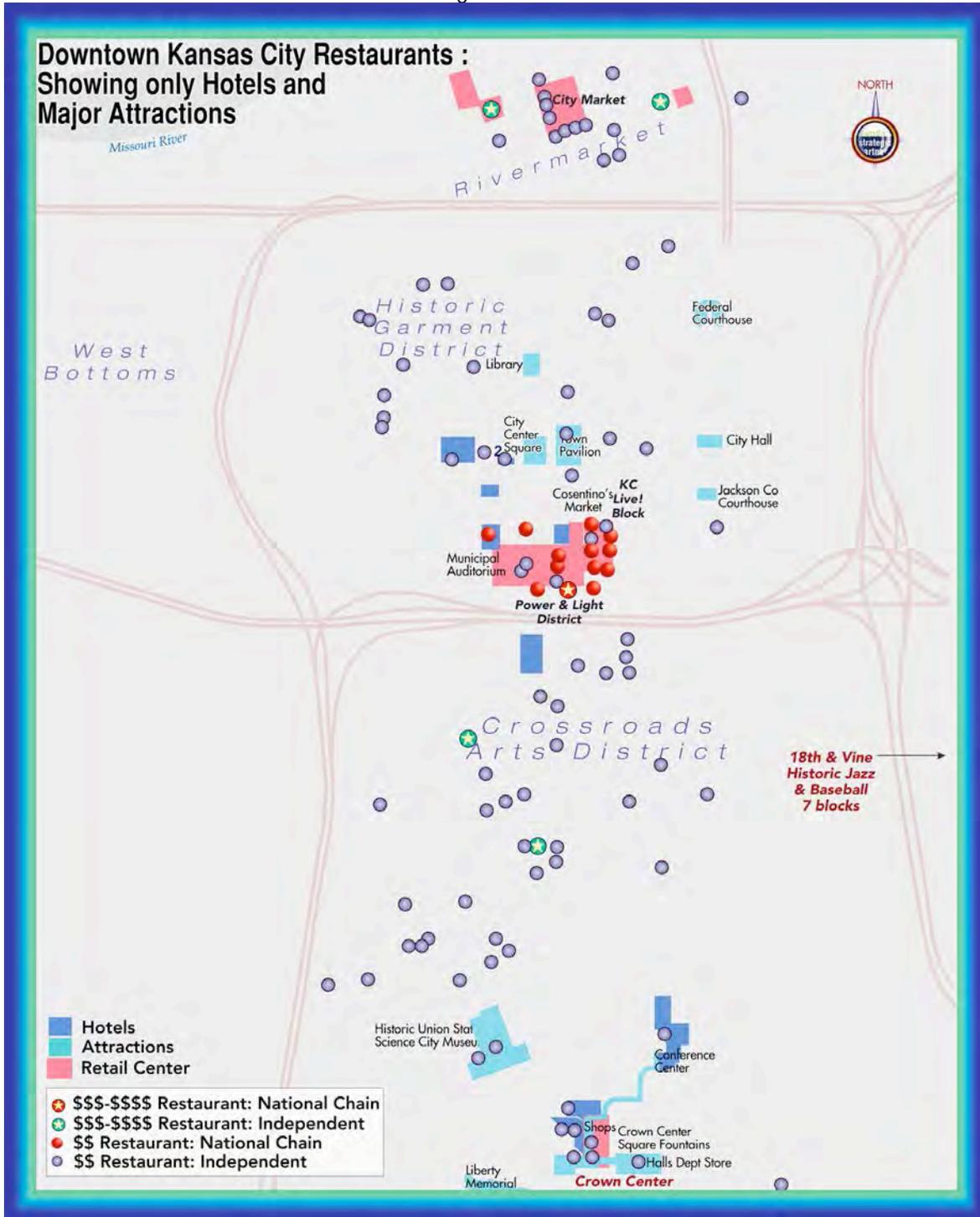
Figure 3-33



As shown, there is now a cluster of chain restaurants in the core of downtown, while the rest of the nearby area is marked by local independent restaurants in a north-south configuration, although not is distinct nodes.

The next map shows the restaurants in relation to the hotels, retail and attractions.

Figure 3-34

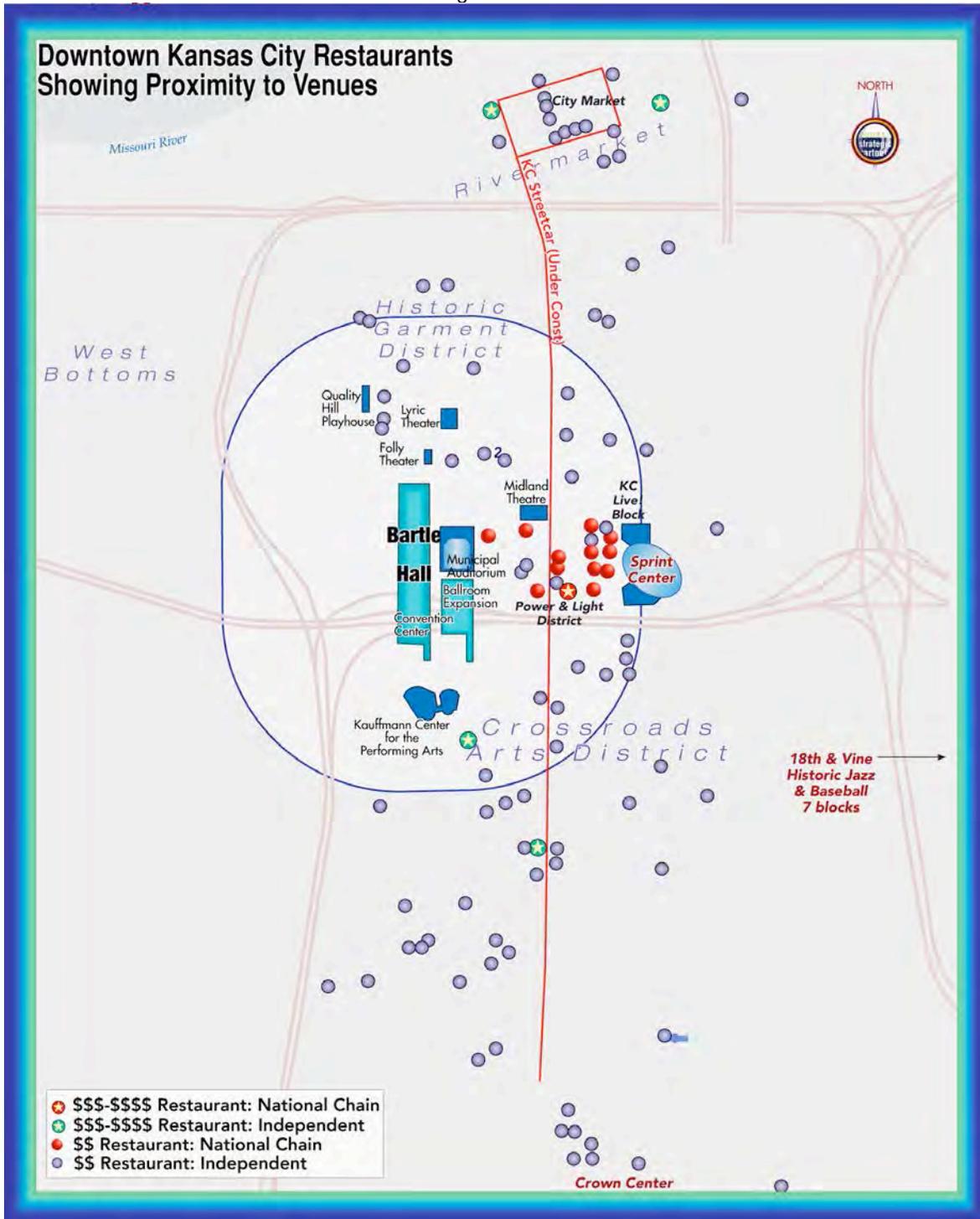




With these additions in the map, it begins to show the nodes of activity near the river, near the Power and Light District and the Crown Center.

The final map shows the restaurants in relation to the convention, major entertainment and sports facilities.

Figure 3-35



The streetcar line runs north and south, as does the downtown restaurant development, so riders should have access to the majority of the restaurants within just a few blocks of the new streetcar.

Nashville

Nashville, Tennessee, is the center of the world of country music, and the city has parlayed that image into a positive, robust tourist destination. A new convention center, Bridgestone Arena (1996), NFL team and LP Stadium (1999), historic Ryman Auditorium (the former Grand Ol' Opry House), the Country Music Hall of Fame, and The Grand Ol' Opry with the Opryland Hotel are Nashville's most visited attractions. Lower Broadway's live music venues are part of an area called The District, featuring 13 blocks of music and entertainment. Live music along Broadway is becoming as big a part of the national music scene as Bourbon Street was for early jazz, Dixieland and ragtime. Country music tourism is very lucrative, very popular, and although not exclusive to Nashville, the city and the music category are more linked than any other. Music is not Nashville's alone, however, as Austin has also leveraged its music scene into a tourism hook.

Country music is the nation's most popular musical genre, and although Nashville has had a stronghold on linking its name recognition with traditional and modern country music for many decades, only in the most recent two to three decades has the idea of music tourism been fully employed in Nashville's downtown districts as a way to lure tourist visits into the city's core (while, on the other hand, The Grand Ol' Opry which has long attracted music tourists, has been located in a suburban location for fifty years).

People are drawn to cities and locations with distinct cultures, and experiential tourism is more popular now than at any time before. Cable television channels such as Food Network and Travel Channel have promoted unique local cuisine and previously little known attractions and tours across North America, sparking a desire within people to visit and experience these places for themselves. Memphis, for example has its own form of barbeque cooking to go along with Beale Street and the live Delta Blues performed in bars and pubs. New Orleans has been famous for its Cajun culture, creole and seafood cooking, po' boy sandwiches, voodoo, and of course, the birthplace of jazz music.

Nashville, Tennessee, is home to a vibrant and stimulating stretch of Broadway that, although at only two-blocks in length at the most, is packed with long-time traditional live music bars and restaurants. Some are specific to a subculture within country music such as honky-tonk and bluegrass. By day, a few operate as lunch restaurants next to western-wear shops. It looks, smells and feels like no other place in any other city. When the sun goes down, the neon sign lights blink to compete for people's attention. The block between 4th and 5th Streets is lined with fan favorites such as World Famous Tootsies and Second Fiddle, right next to Legends Café, Bluegrass Inn Hillbilly Music, Robert's Western World and The Stage on Broadway.

The south side of the street houses a decades-old Ernest Tubb Record Shop featuring a Midnight Jamboree each Saturday at midnight, Paradise Park Trailer Resort, Lawrence Records and Souvenirs, Nashville Crossroads Bar, The Wheel Bar, Full Moon Saloon, and Rippy's Ribs & Bar-B-Q. Up-and-comers in the music business play these clubs and bars nightly, and the lure for the thousands of tourist is that they may run into a current or future famous country musician, or possibly meet someone who could guide them to a career in music.

There are many country bars in Nashville's suburbs where one might find a well-known musician, and in other cities as well. However the nationally recognized history and local culture, combined with the compact nature

of a neon-lighted strip of urban intrigue creates a critical mass of tourism and nightlife humming with activity. This district, although teeming throughout the year, is particularly busy during the annual Country Music Association (CMA) Awards.

Printer's Alley is a historic alleyway north of Broadway by only two blocks. Its tourist-appealing portion between Church Street and Union Street is home to the off-the-beaten-path hidden entrances to six independent and somewhat historic (and perhaps gleefully tacky) bars and clubs. The taste and flair of these two specific downtown entertainment streetscapes are purely Nashville, and ultimately is authentic to the history of country music.

The following two photos show the Lower Broadway entertainment district and Printer's Row districts, respectively, in Nashville.

Figure 3-36

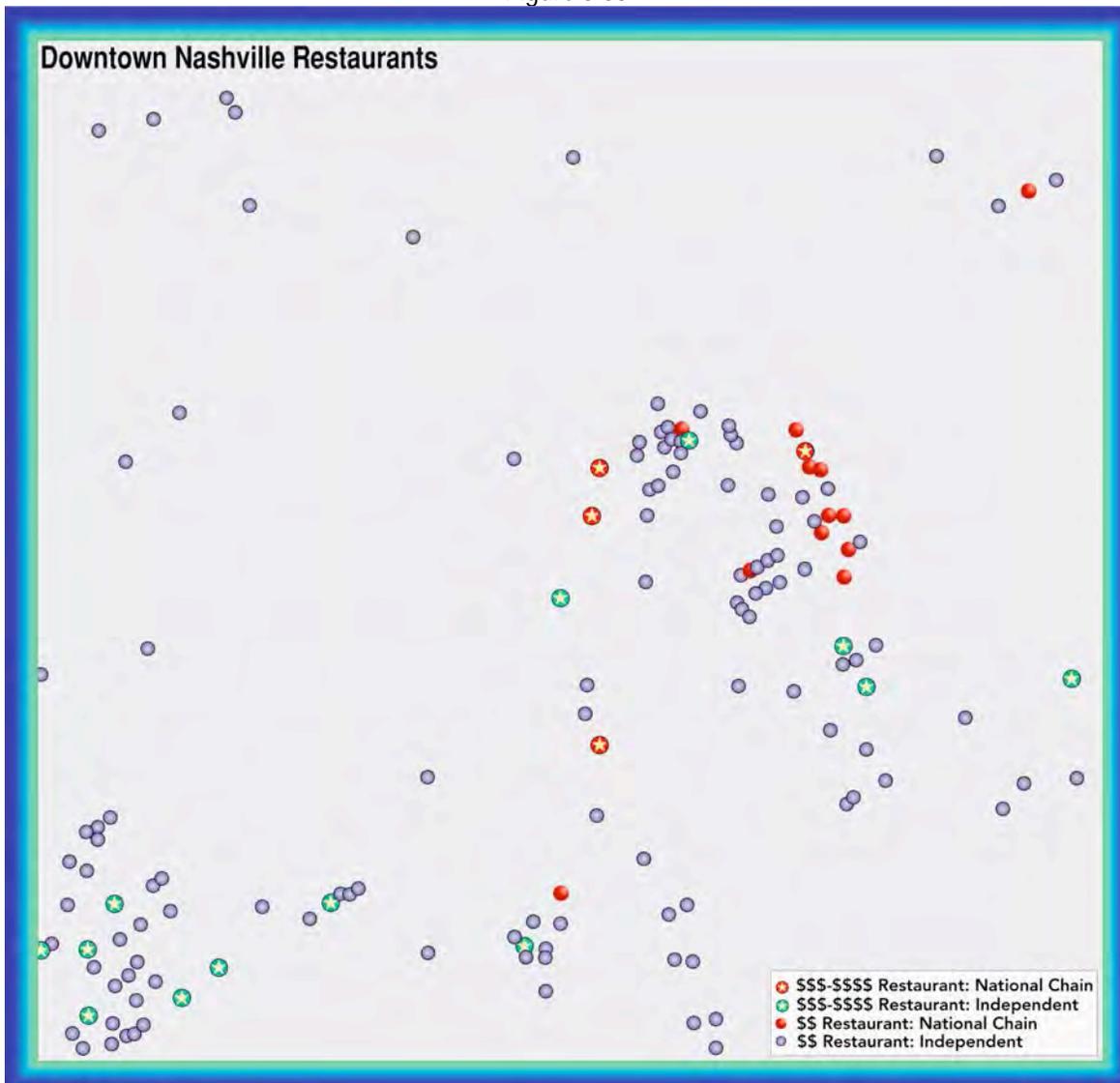


Figure 3-37



The next map shown is Nashville with dots representing the restaurants, but without anything else shown.

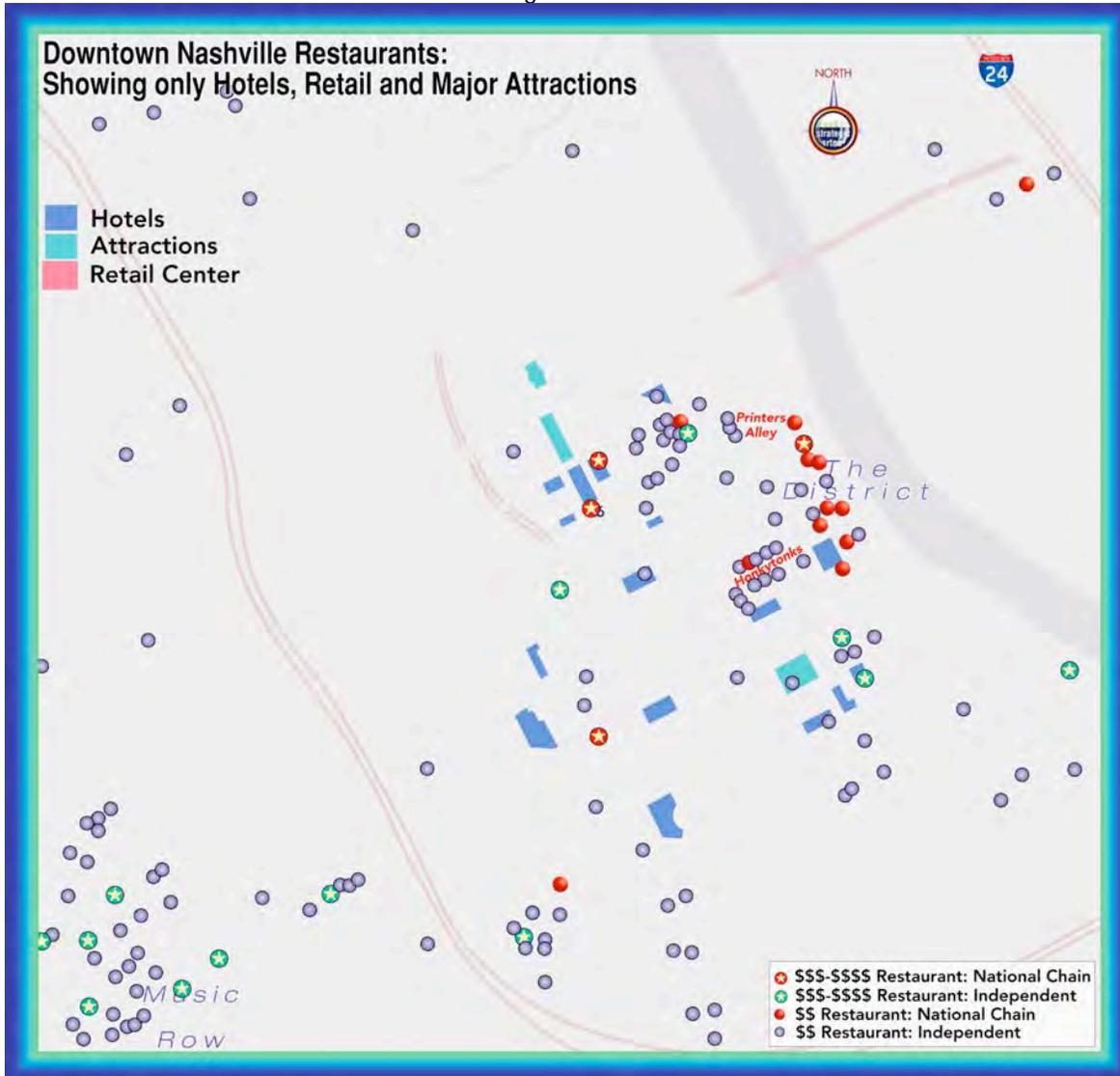
Figure 3-38



There are two distinct areas of dining developments, and most of the chain restaurants are clustered in one area.

The next map shows the restaurants in relation to the hotels, retail and attractions.

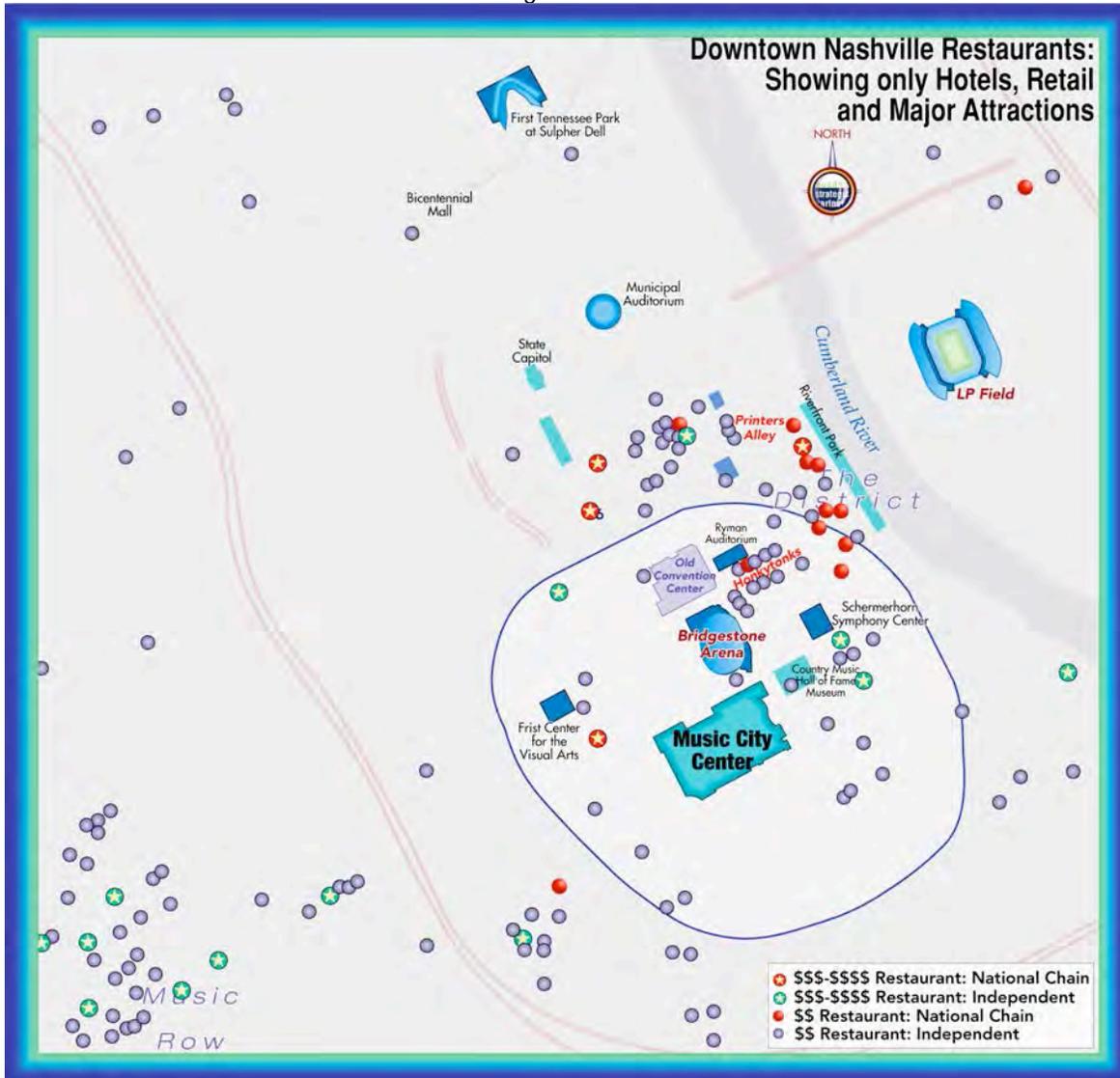
Figure 3-39



The western cluster by Music Row consists of independent restaurants, while the apparent tourist and hotel area is near the cluster of chain restaurants.

The final map shows the restaurants in relation to the convention, major entertainment and sports facilities.

Figure 3-40



With the major event venues shown, the situation makes more sense from a development perspective. The cluster of restaurants is right outside the arena and near the former convention center site, which is being redeveloped.

Pittsburgh

Pittsburgh has not developed its convention and convention hotel package as well as other communities, but it has developed a number of areas of restaurants and entertainments throughout its unique downtown area.

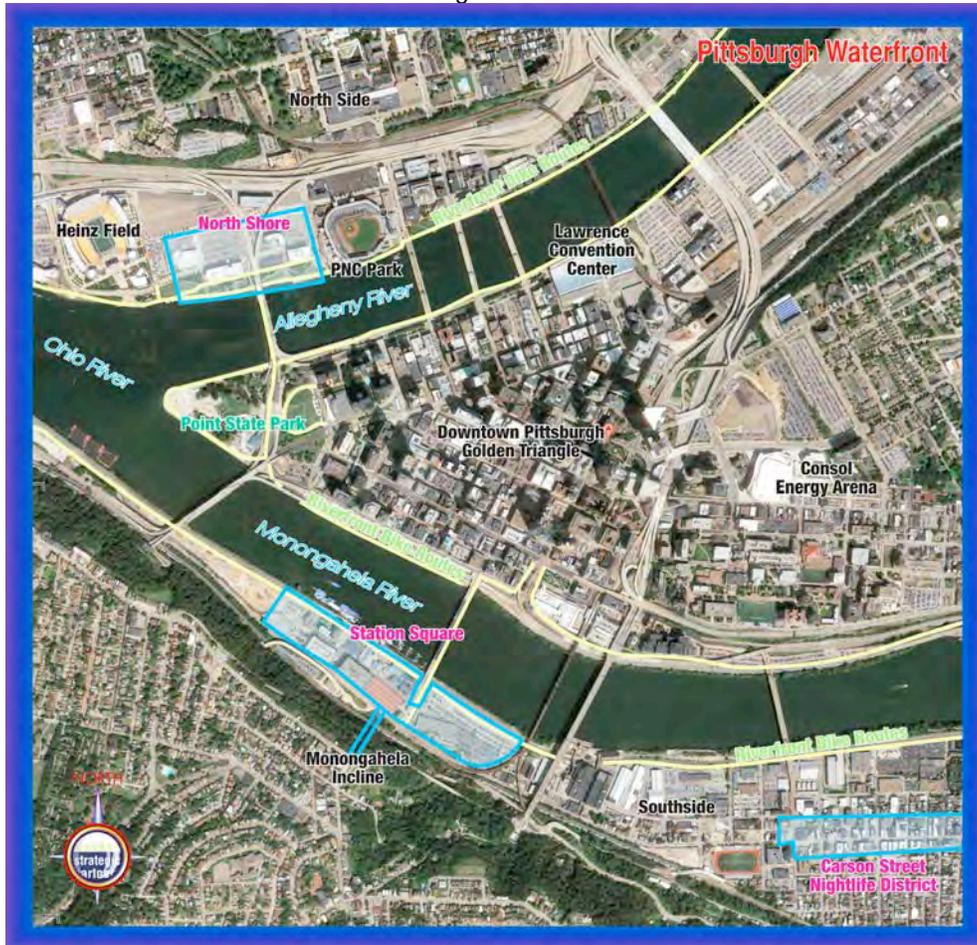
Station Square in Pittsburgh is an older variety of entertainment complexes. It is unique in that it does not sit near the city's sports stadiums, however it has the advantage of historic authenticity, as it was built within several train station buildings. The development is also complimented by a 399-room Sheraton. Highmark Stadium, a new 4,000-seat soccer stadium, has recently been built at Station Square. The site features 60 stores, restaurants and clubs and is very popular with visitors and locals alike, boasting over three million visitors annually. The site is serviced by a stop on the local transit rail system.

Situated on the south shore of the Monongahela River directly across from downtown Pittsburgh, the Pittsburgh and Lake Erie Railroad Complex of buildings were saved and restored in the late 1970s as a center for entertainment, restaurants, and hotel accommodations, with a dock for boats and cruise yachts. Today, shops, offices, restaurants and entertainment anchor the historic riverfront site on the south shore of the Monongahela River and are within walking distance of downtown Pittsburgh. In 1994, the Pittsburgh History and Landmarks Foundation sold Station Square to Cleveland owned Forest City Enterprises, which created an endowment to help support its restoration efforts and educational programs. The Fountain at Bessemer Court in Station Square features a retired Bessemer Converter, the crucial component in the first inexpensive industrial process for the mass production of steel from molten pig iron.

The complex sits at the base of the river's bluffs, situated along the railroad lines and at the base of the Monongahela Incline and Duquesne Incline, two 1870's cable-powered elevator railroads that are open to the public for rides between the upper elevation neighborhoods and lower Station Square complex. The Smithfield Bridge directly links the complex to downtown Pittsburgh for both pedestrians and motorists. Several buildings house 275,000 square feet of retail and restaurant space, including 65 establishments. The original Freight House and main Concourse Building join other preserved buildings as a sort of "festival marketplace" visited by over three million people annually.

Pittsburgh's downtown, also called the "Golden Triangle" is a densely developed wedge of land near the confluence of the Allegheny River and the Monongahela River. The following figure shows an aerial view of Station Square and the Golden Triangle area, labeling various entertainment areas.

Figure 3-41



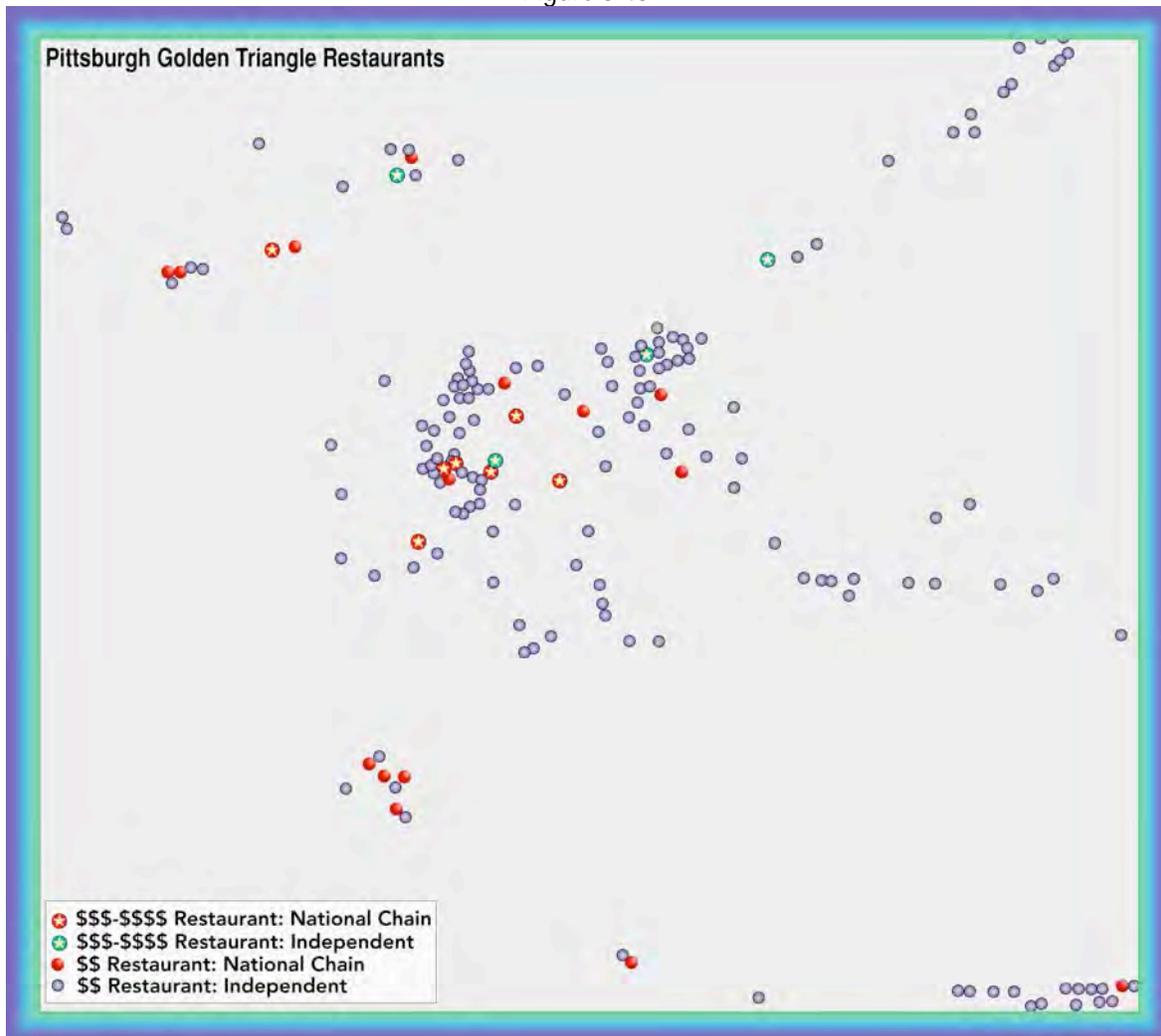
The following is an aerial view of Station Square.

Figure 3-42



The next map shown is Pittsburgh with dots representing the restaurants, but without anything else shown.

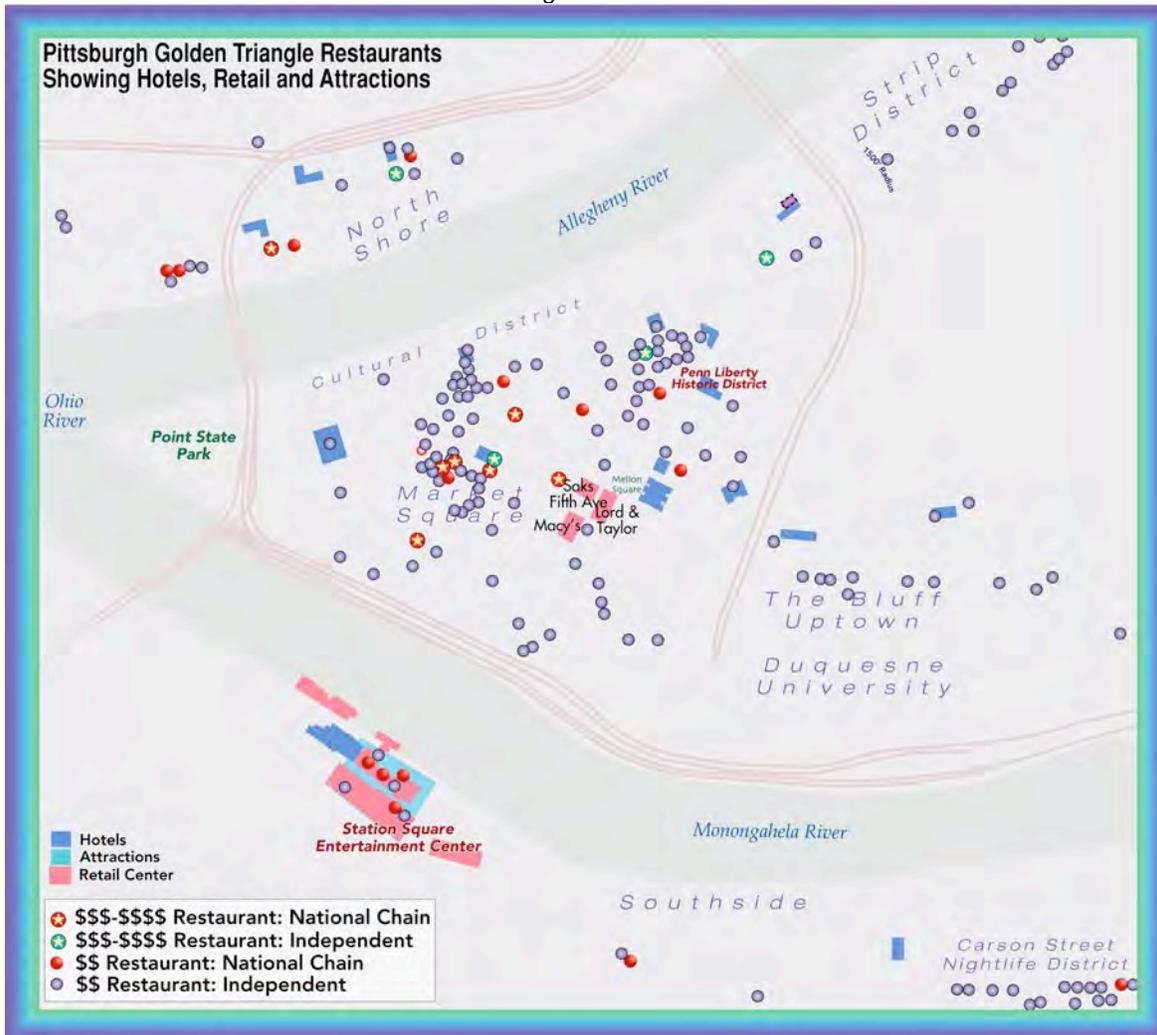
Figure 3-43



Pittsburgh has both large nodes of restaurants and a number of more dispersed areas. There are both chain and independent restaurants.

The next map shows the restaurants in relation to the hotels, retail and attractions.

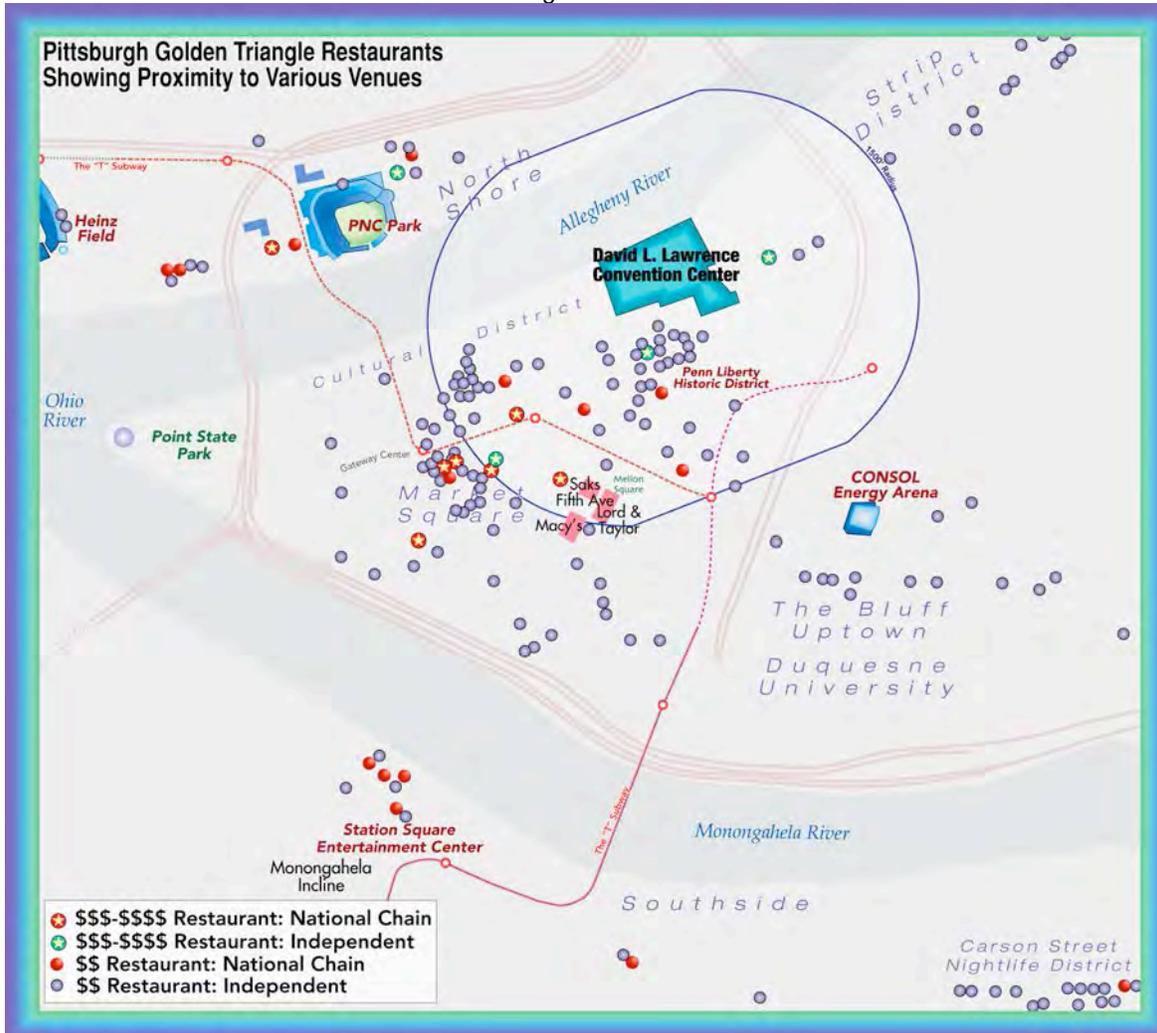
Figure 3-44



Most of the chain restaurants are located in Market Square. The rivers prevent easy connectivity between nodes for the pedestrian, so there are several nodes that will need continued energy.

The final map shows the restaurants in relation to the convention, major entertainment and sports facilities.

Figure 3-45

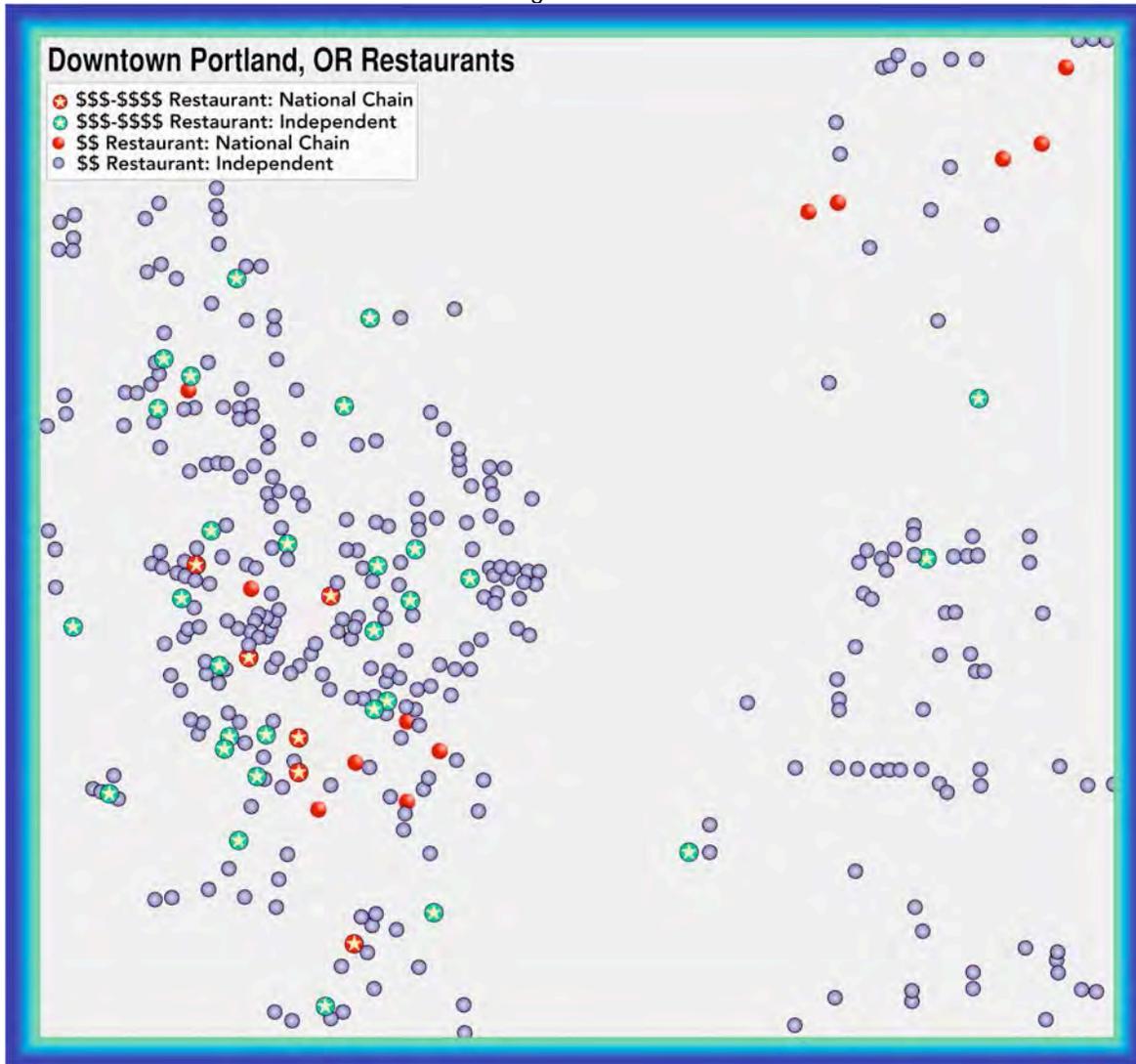


When the major event facilities are shown, the picture becomes clearer. Transit connects the disparate areas, which must cross two rivers. There are some restaurants between the two major sports venues, but it is not as robust as one might expect. The true center of nightlife opportunity is near the convention center and Market Square. There is also an unconnected node called the Carson Street District.

Portland

The next city shown is Portland with dots representing the restaurants, but without anything else shown.

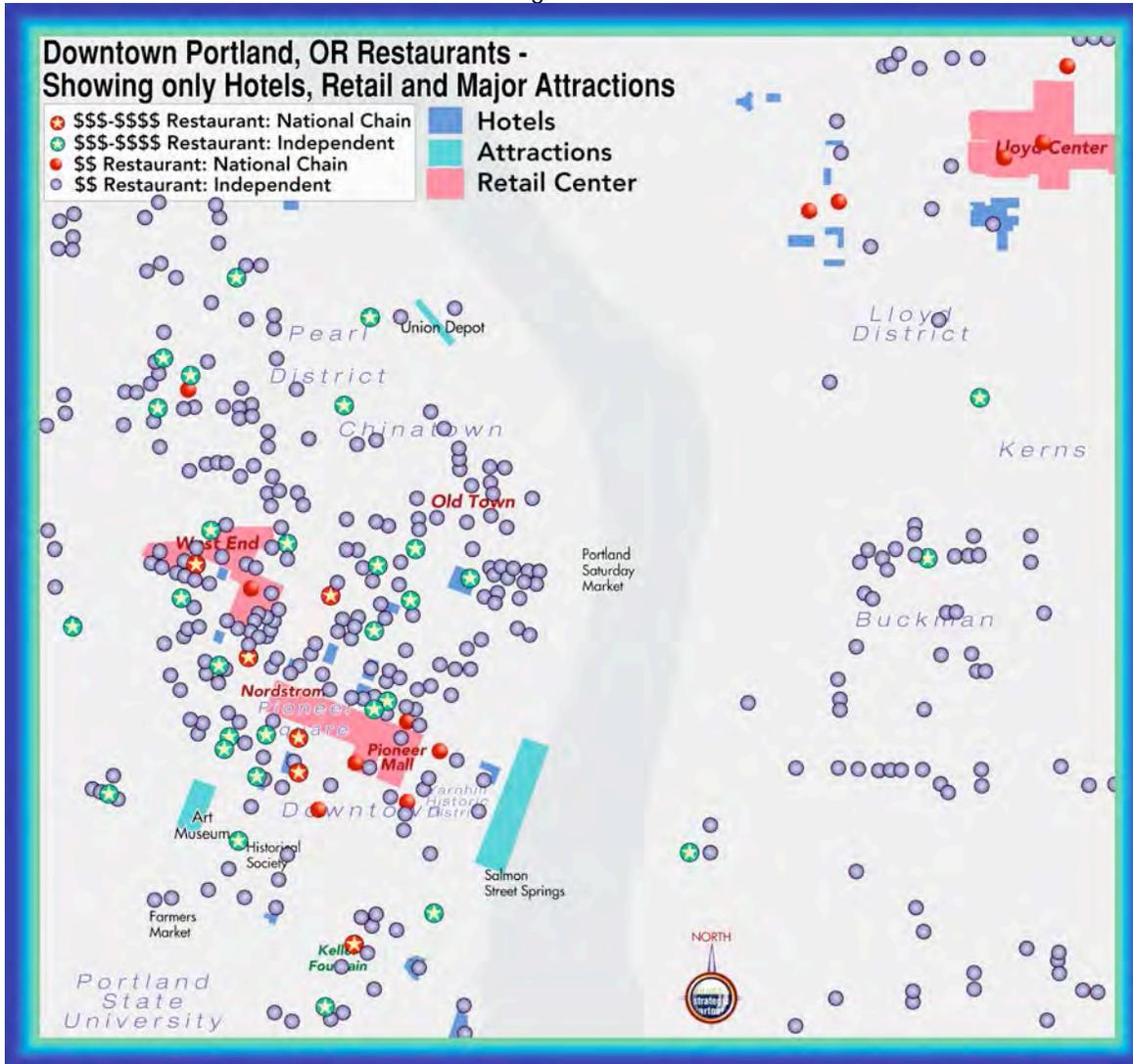
Figure 3-46



Portland appears to be a hotbed of restaurants and in fact it is. There are a number of independent operators as well as chains. While many are food trucks, most are not and the urban fabric in the downtown area is quite strong.

The next map shows the restaurants in relation to the hotels, retail and attractions.

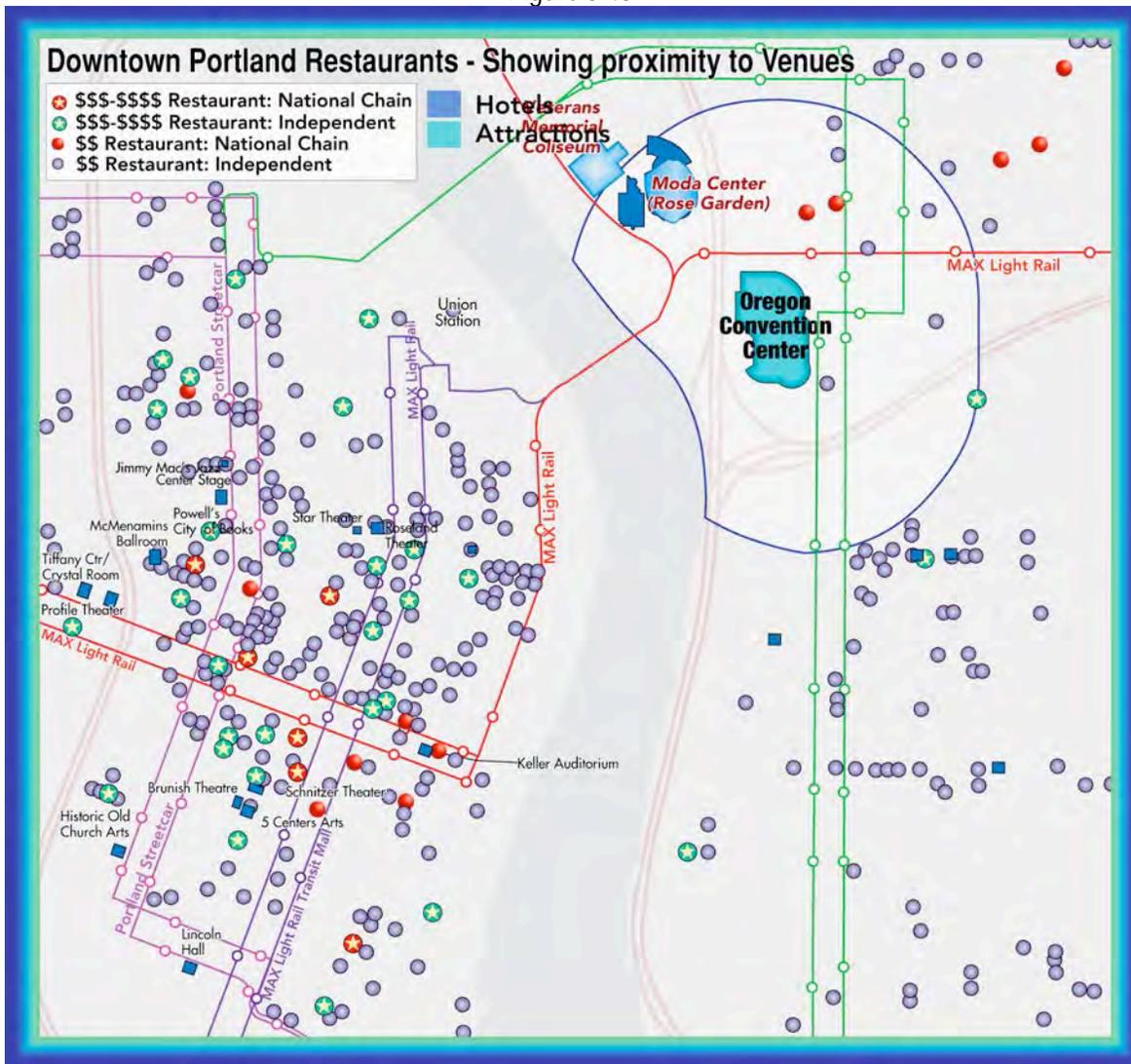
Figure 3-47



The hotels, attractions and retail are not all in one area and neither are the restaurants, but the density is so strong that connectivity occurs due to the connectivity.

The final map shows the restaurants in relation to the convention, major entertainment and sports facilities.

Figure 3-48

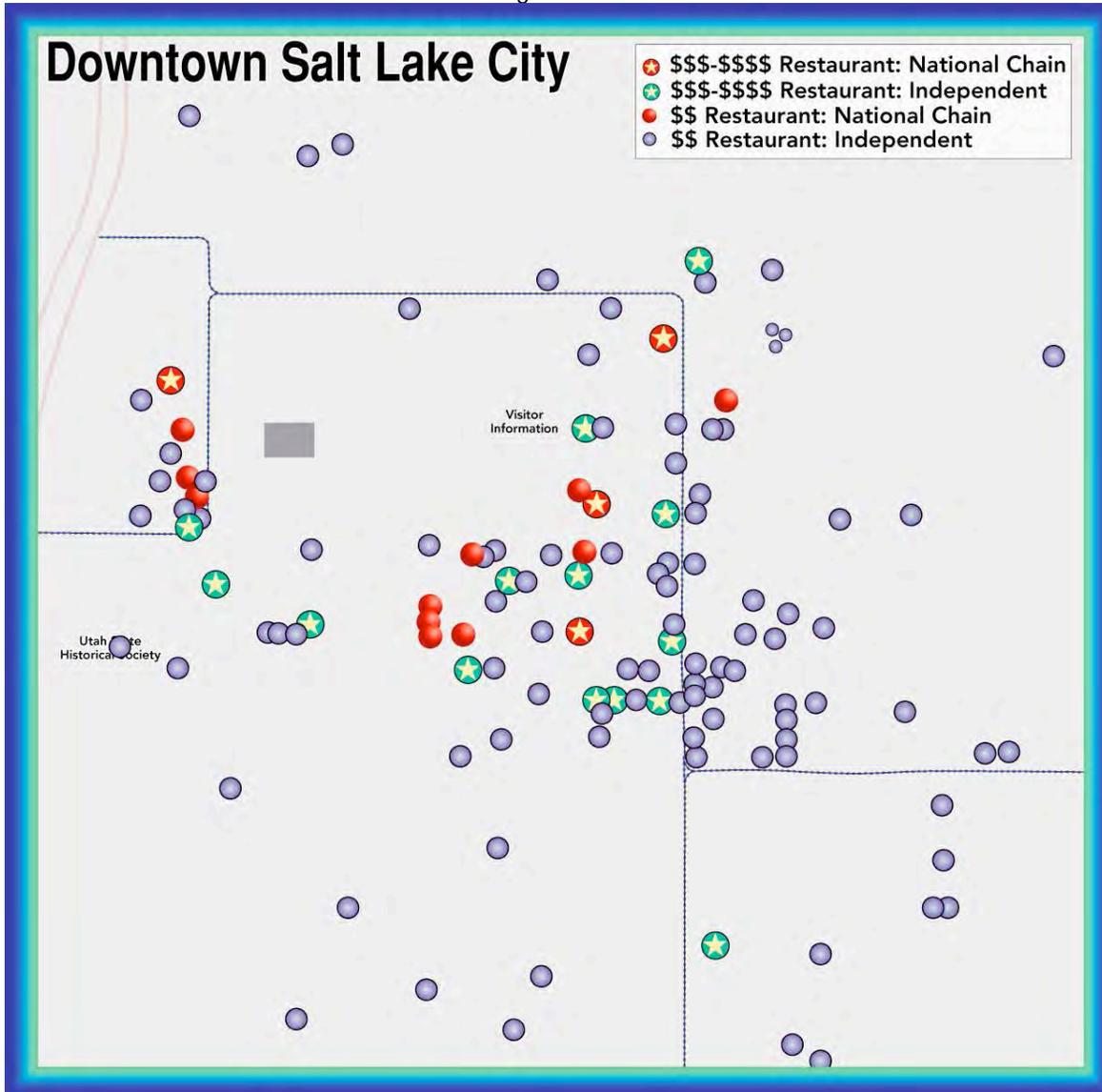


With the river separating the convention and sports venues from downtown the MAX light rail system is key to connectivity. Such connectivity is frankly less necessary in the CBD, but it is necessary to connect the CBD to the balance of the community.

Salt Lake City

The next city shown is Salt Lake City with dots representing the restaurants, but without anything else shown.

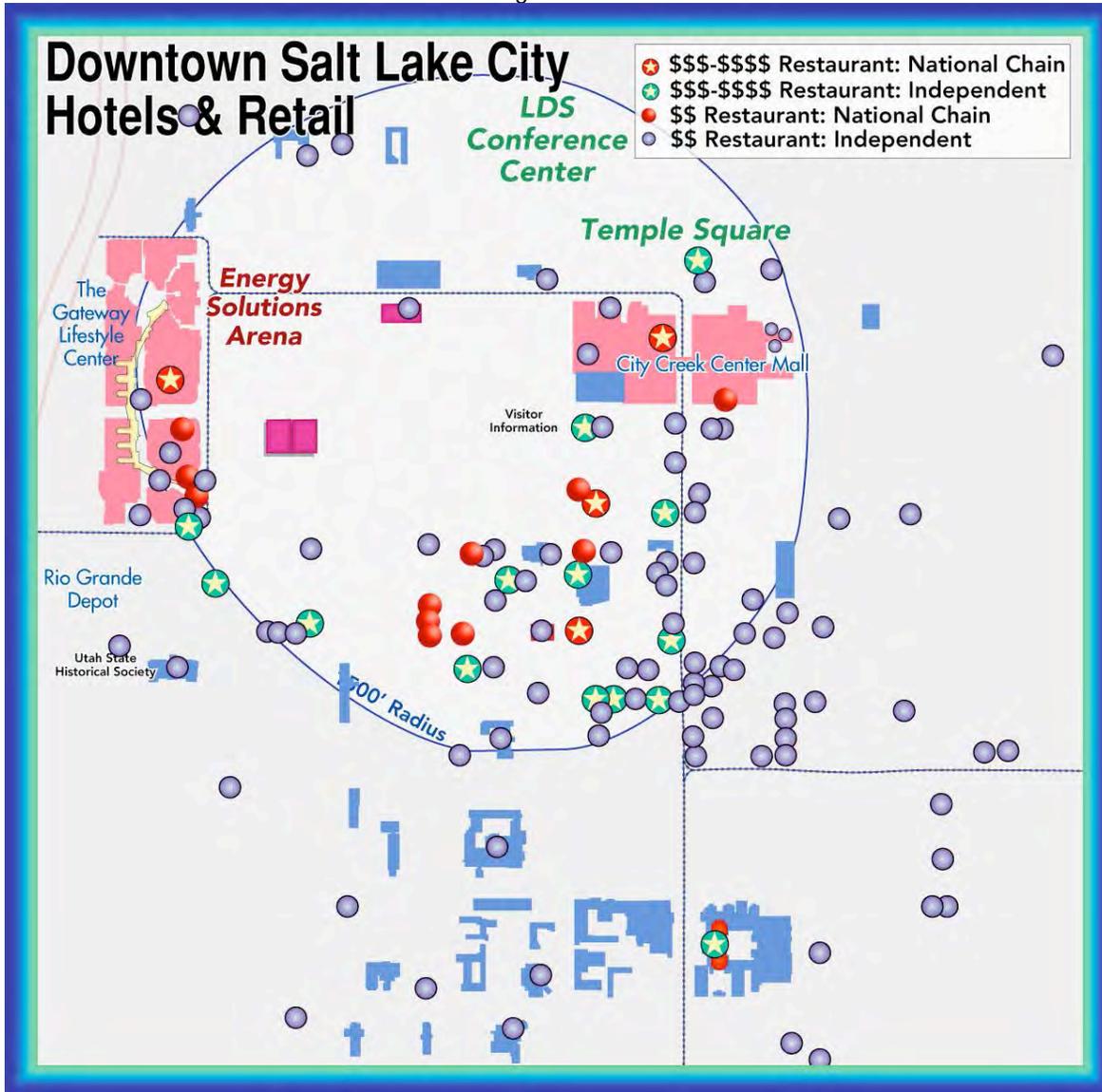
Figure 3-49



Salt Like City has a relatively compact collection of chain and independent restaurants, although with some larger city blocks, it can seem a bit spread out.

The next map shows the restaurants in relation to the hotels, retail and attractions.

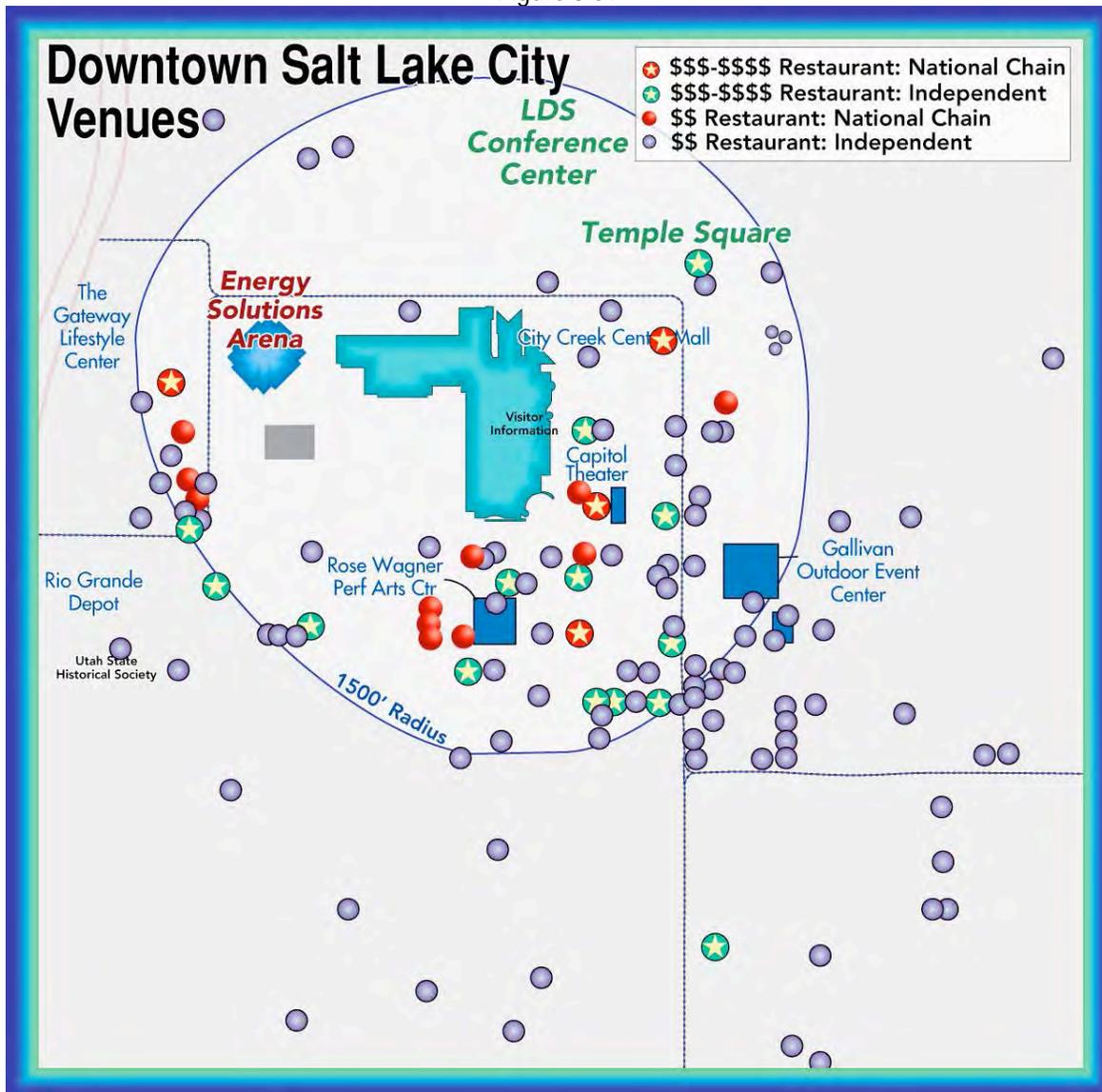
Figure 3-50



Unlike many downtowns, there is successful retail in downtown Salt Lake City in the form of City Creek Center and the Gateway Lifestyle Center.

The final map shows the restaurants in relation to the convention, major entertainment and sports facilities.

Figure 3-51



When the Salt Palace is shown, the map begins to make sense in terms of the location of various developments. The convention center is in the middle of downtown and between the major retail nodes. All of the chain restaurants are within the 1,500-foot radius of the Salt Palace and most of the independent restaurants are as well. The light rail line helps connect the downtown to other areas.

Saint Louis

St. Louis has struggle for a number of reasons with its downtown, despite having strong sports and entertainment facilities. The location of assets was not always ideal and the overall downtown development

scene was hodgepodge in the eyes of visitors. The development of light rail did help this by connecting more areas of downtown more easily. However, there was never a consistent hub of dining and drinking options in an environment that the general public could get comfortable with, until Ballpark Village was opened.

Ballpark Village in St. Louis has been in the planning stages since 1999, and opened its main entertainment center under the name Fox Sports Midwest Live! in early April, 2014 to correspond with the St. Louis Cardinals baseball season. It features 120,000 square feet of restaurants and bars, and provides an example of a new entertainment complex that integrates entertainment, retail and residential into an existing environment that includes a stadium and a high-density downtown central business district. The space upon which the new Ballpark Village was built is the site of the former Busch Stadium that was in use from 1966-2005.

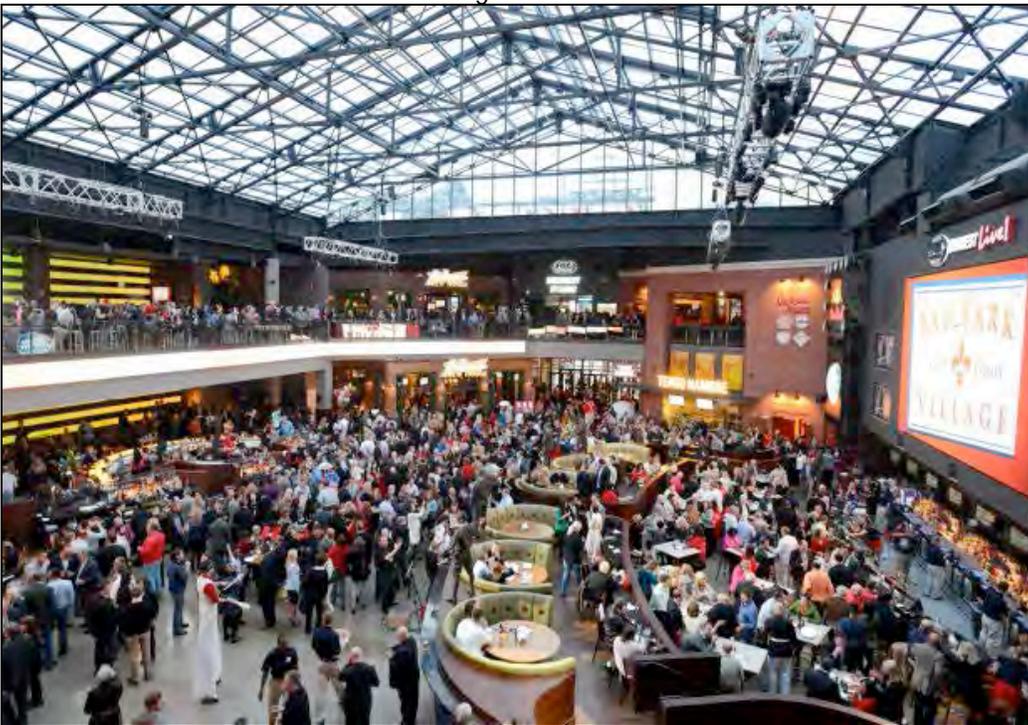
The six restaurants and bars include the central atrium which is also called Fox Sports Midwest Live!, Budweiser Brew House, Drunken Fish, PBR (Professional Bull Riders), Ted Drewes, Cardinal Nation, Howl at the Moon, and Tengo Hambre. The development is also the home of the Cardinals Hall of Fame Museum. The entire seven-block complex is designed as an extension of Busch Stadium with the intention of becoming the iconic center of the entire region. Over 400 residential units, 450,000 square feet of office space, 2,000 parking spaces, and 250,000 square feet of retail are planned. The primary developer is Cordish Company but is owned by the St. Louis Cardinals. The seamless integration of various concepts is evident in that people watching the game from the rooftop bars and seating are counted in the game's final attendance. Some shops and restaurants were concerned that the opening of Ballpark Village would hurt their business, however, the opposite has been true so far. Instead, Ballpark Village is bringing more people downtown and keeping them there longer. Fans are wandering around to other bars and restaurants resulting in a "spillover effect" for the nearby businesses.

The following figures show how several of the new concepts that have been integrated into the stadium. The rooftop seating and party decks create a vital visual link between action in the stadium and the entertainment complex.

Figure 3-52

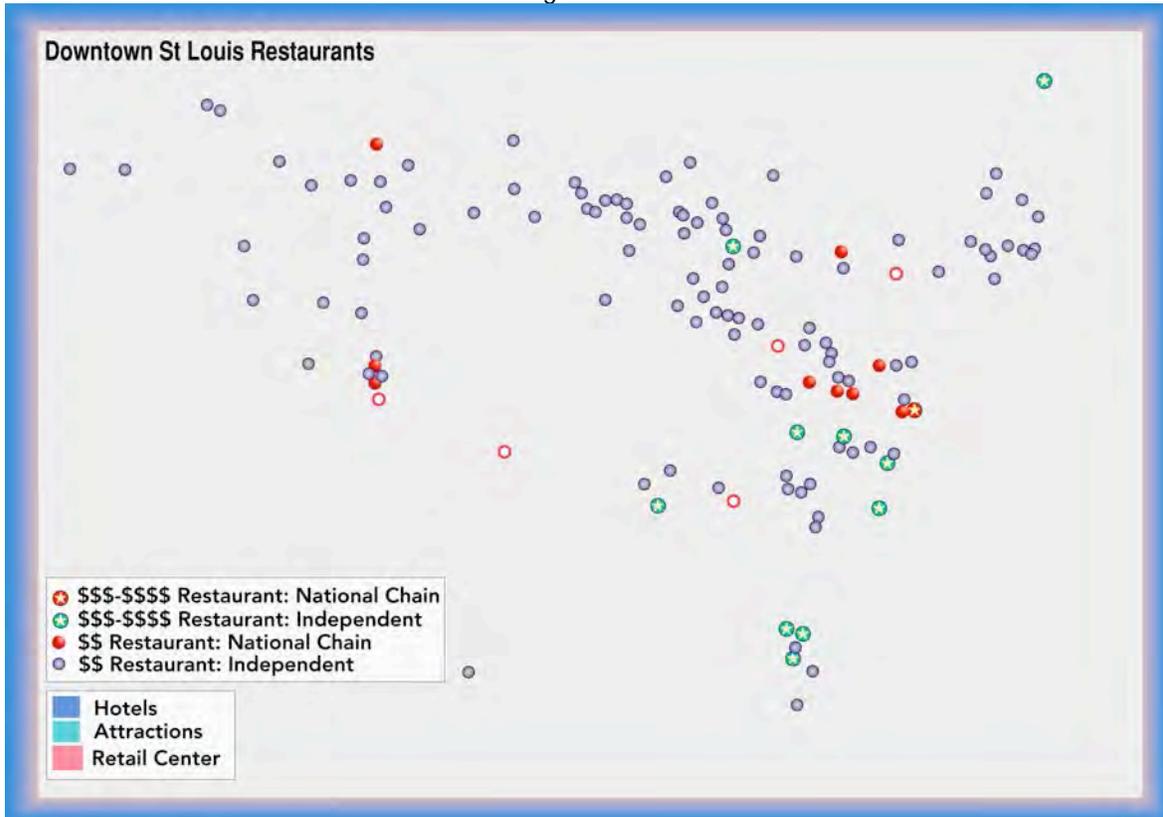


Figure 3-53



The next city shown is Saint Louis with dots representing the restaurants, but without anything else shown.

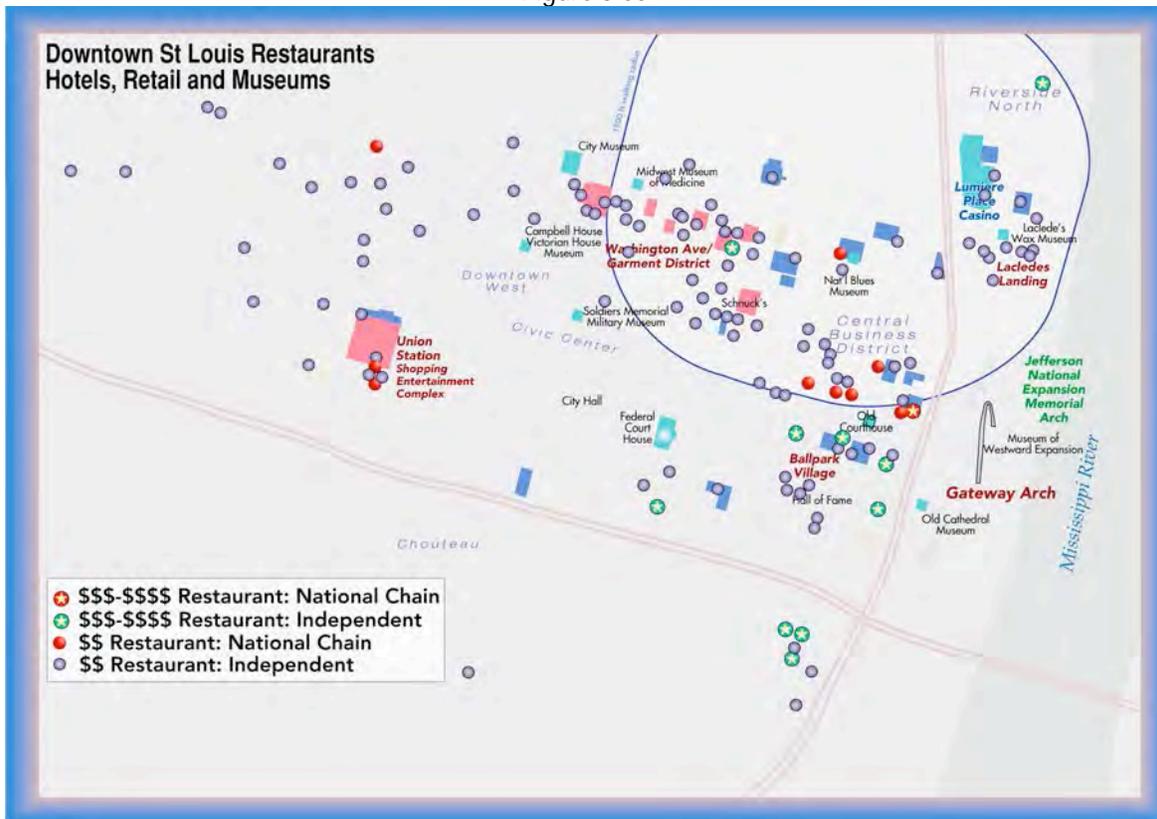
Figure 3-54



The dots show a healthy mix of national and independent restaurants, as well as various levels of price points.

The next map shows the restaurants in relation to the hotels, retail and attractions.

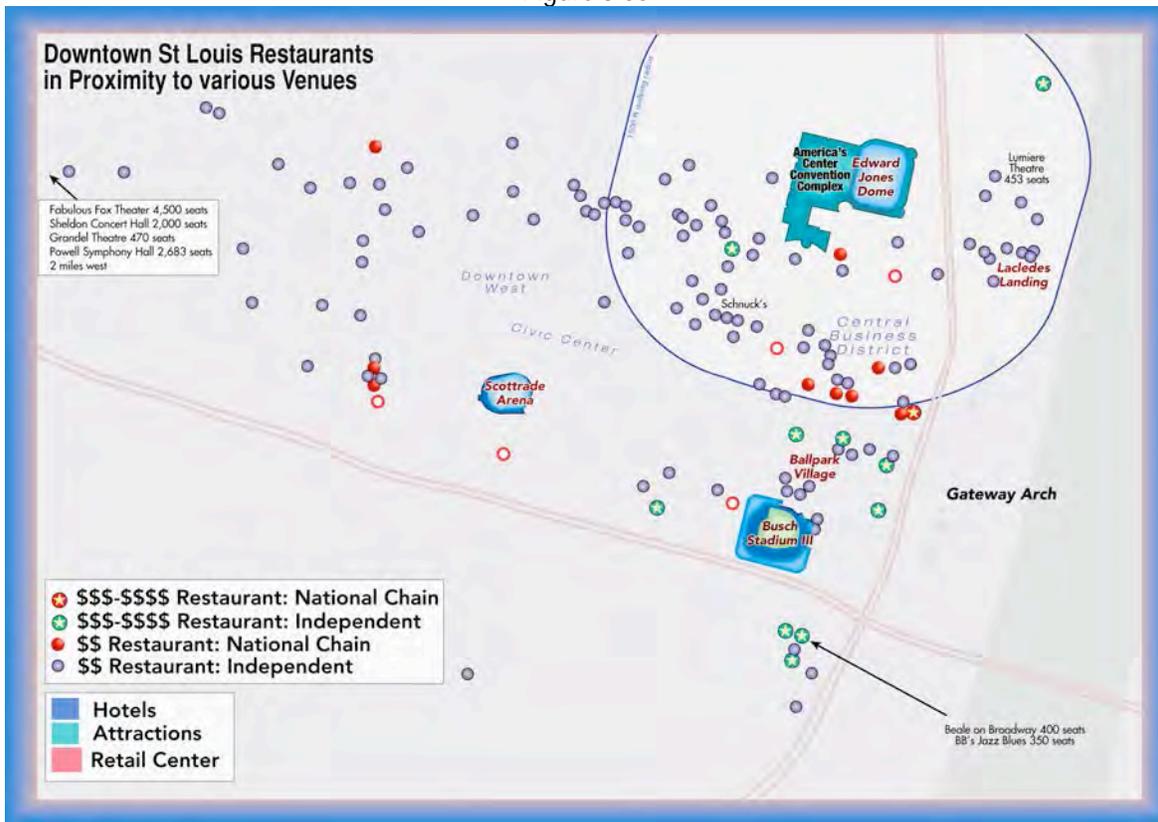
Figure 3-55



As can be shown, there is a northern boundary to activity and development, which essentially wastes half of the walkable radius from the convention center. Also, while many restaurants are within the radius, many are not. Also, Ballpark Village is located outside of the walkable radius.

The final map shows the restaurants in relation to the convention, major entertainment and sports facilities.

Figure 3-56



There is still a strong east-west orientation for many restaurants, which corresponds to the central business district and “downtown west” as opposed to the north-south orientation of the sports, convention and entertainment nodes to the east. Laclede’s Landing was the primary node for restaurants prior to the opening of Ballpark Village.

Implications

After reviewing the distribution of restaurants and nodes of activity, it is clear that Milwaukee has some urban fabric gaps relative to its peers. Several of the peer cities that have faced the same issues have developed light rail or streetcars (and Milwaukee will soon have its own streetcar) to mitigate the issue by connecting the nodes that are tough to walk between for the less intrepid pedestrians. Many of the cities are fortunate to be oriented linearly, such as Kansas City and Salt Lake City. Milwaukee is challenged in that its nodes are arrayed in more of a triangular fashion (in the most simple configuration). When including all the nodes, the distance and direction between the Third Ward, Brady, Water, Milwaukee and Wisconsin can be complex for a transit route.

By filling in areas near the Wisconsin Center and new arena with restaurants, this issue can be mitigated. Those from neighboring suburbs and communities will feel safer and more secure. If they walk to restaurants one or two times, it will encourage more expansive pedestrian activity in subsequent trips, with walks four to

five blocks from the car, which will reveal many more options. But first, these guests need to be retained and retrained in the downtown experience. This happens when they are made comfortable with their surroundings. Comfort to explore is achieved by developing nearby attractive restaurants, bars and other entertainment near the event generators.

Efforts should be made to develop infill sites that will further join areas that currently are not as tied together. The stronger and larger each node becomes, the less distance there will be between the nodes, which will make the perceived need for transit less than it currently appears.

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SPORTS, CONCERT & ENTERTAINMENT VENUE ANALYSIS

Attractions provide residents and visitors with activities while in downtown Milwaukee, and if compelling enough, prolong and/or induce visitation. The more attractions, the better the community can attract meetings, events and hotel stays. Downtown Milwaukee and the surrounding area have a unique blend of recreation, social and entertainment offerings for its residents and visitors. The city has a wide variety of attractions that add to its appeal. This chapter presents an analysis of the existing downtown sports and major entertainment venues. Then HSP compares what is available in downtown Milwaukee with the peer set of cities.

Because Milwaukee scores much better in these categories of theaters and sports facilities, the analysis did not go into as much detail as it did with the critical hotel, convention and restaurant/bar analyses. However, much of the critical analysis regarding the location of a new arena for the NBA Bucks is included in the prior chapter. The relationship between the arena and restaurants, bars and entertainment is critical if Milwaukee is going to keep pace with its peers and create a destination of multiple developments that are within close enough proximity to create synergy by allowing for a walkable environment.

The timing of this analysis is critical due to the impending decisions related to the NBA Bucks. If the new owners cannot determine a plan for a new arena, the team could be moved to a city where a new facility exists that fits today's requirements for generating revenue inside and outside the building. One city with a new arena potentially awaiting a new NBA team is Kansas City. It has already built the Sprint Center (initially with thoughts of luring an NHL franchise), which is literally within the Power & Light District, a multi-block restaurant, retail and bar district. It also includes an upscale grocery, the headquarters for H&R Block and the city's convention center. This discussion is not meant as anything other than a reminder that the prospect of a major league team moving is not unheard of. The team has already released a proposed location for the new arena, should it be funded and built. The location is just north of the existing Bradley Center.

The following figure shows all the major league teams that have moved (and expansion teams that sometimes sprang up in their absence) since 1980.

Sports Facilities

BMO Harris Bradley Center

The BMO Harris Bradley Center is an indoor arena located on the northwest corner of North 4th and West State Streets. The center, built in 1998 at a cost of \$91 million, is owned and operated by Bradley Center Sports and Entertainment Corporation. The arena is home to the Milwaukee Bucks of the NBA, Milwaukee Admirals of the AHL and the Marquette University men's basketball team.

The following figure shows the BMO Harris Bradley Center.

Figure 4-2



The arena has a standard basketball capacity of 18,850, but can be converted to 20,000 for concerts and 17,845 for hockey. The Bucks host 41 regular-season home games each year at the BMO Harris Bradley Center. In the 2013-2014 season, the organization attracted more than 550,000 fans while Marquette attracted more than 245,000 fans.

University of Wisconsin-Milwaukee Panther Arena

The 10,783 seat University of Wisconsin-Milwaukee Panther Arena is located at the corner of 4th street & Kilbourn Avenue in downtown Milwaukee. The arena, built in 1950, is owned and operated by the Wisconsin Center District. The arena is home to the Milwaukee Wave of the MISL, the Green Bay Chill of the LFL and the University of Wisconsin Milwaukee basketball teams.

The following figure shows the University of Wisconsin-Milwaukee Panther Arena.

Figure 4-3



Cultural and Performing Arts

Milwaukee Theater

The Milwaukee Theater is located at 500 W. Kilbourn Avenue near the corner of 6th and Kilbourn in downtown Milwaukee. The theater, which is owned and operated by the Wisconsin Center District, seats 4,086 people but can be configured to 2,500 guests for more intimate occasions.

The following figure shows Milwaukee Arena.

Figure 4-4



The facility, originally constructed as an auditorium in 1909, underwent a \$42 million renovation in 2001 to convert it onto a theater. Milwaukee Theater hosts a wide range of events, including concerts, Broadway Musicals, family shows and assemblies.

Pabst Theater

Pabst Theater, also known as “The Pabst”, is an indoor concert venue located at 144 E. Wells Street in downtown Milwaukee. Built in 1895, it is the fourth oldest continuously operating theater in the United States. The theater is officially designated a City of Milwaukee landmark and a State of Wisconsin historical site, as well as a National Historic Landmark.

The following figure shows Pabst Theater.

Figure 4-5



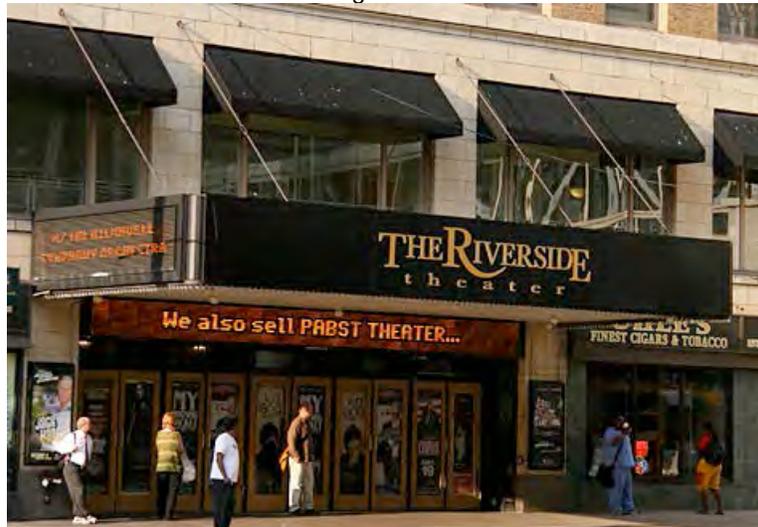
Owned by the Pabst Theater Foundation, the Pabst is a traditional proscenium stage theater with two balconies and a total capacity of 1,345 people. The theater hosts approximately 100 events per year, including music, comedy, dance, and opera events. Pabst Theater, which was designed after German Opera Houses, most recently underwent a renovation in 2000 that included an addition of elevators, ventilation system and bathrooms.

Riverside Theater

The Riverside Theater is a concert hall located at 116 W. Wisconsin Avenue in downtown Milwaukee. The theater, which is owned and leased by the Pabst Theater Foundation, opened in 1920. The 2,450-seat facility hosts a variety of musical artists and shows. The theater underwent an artistic renovation in 2005, and since that time, performances at the venue have more than tripled.

The following figure shows the entrance to Riverside Theater.

Figure 4-6



Turner Hall Ballroom

Located within Milwaukee's Turner Hall, a designated local and national Historic Landmark, Turner Hall Ballroom is a two-story, 7,000 square foot space with a raked stage and expansive balcony.

The following figure shows Turner Hall.

Figure 4-7



Since the late 1800's, the venue has hosted a wide variety of social, cultural and political events. The facility underwent a complete renovation in 2004, and in 2007, the Pabst Theater Foundation took over operations. It has since become a venue for emerging artists and presenters.

Marcus Center for the Performing Arts

The Marcus Center for the Performing Arts is a performing arts center in Milwaukee, Wisconsin located at 929 N. Water Street just east of the Milwaukee River. The theater, which is owned by Milwaukee County, is home to the Milwaukee Symphony Orchestra, Florentine Opera, Milwaukee Ballet, First Stage Children's Theater and other local arts organizations.

The following figure shows Marcus Center for the Performing Arts.

Figure 4-8



The theater contains four major theater venues:

- Uihlein Hall: This 2,305 seat theater is the largest in the Marcus Center. It is designed to host operas, musical, orchestral concerts, dance programs, theatrical productions and lectures. It was renovated in 1997
- Todd Wehr Hall: This 496 seat theater hosts concerts, plays, conferences and meetings.
- Vogel Hall: Designed for seminars, commencements, plays, and dance programs, this theater has a seating capacity of 475.
- Peck Pavilion: An open-air structure, the 400 seat Peck Pavilion is suitable to host concerts, dance program and dramatic performances.

The next table shows the number of seats in sports venues in Milwaukee and the peer set of cities.

Table 4-1

| Milwaukee Comparable Destinations - Downtown Sport Venues (sorted by Total Seats) | | | | | | |
|---|-------------|------------------|---------------|--------------------|--------------------------|--|
| City | Arena Seats | Number of Arenas | Stadium Seats | Number of Stadiums | Total Sports Venue Seats | |
| St. Louis | 22,000 | 1 | 109,975 | 2 | 131,975 | |
| Baltimore | 14,400 | 1 | 117,360 | 2 | 131,760 | |
| Pittsburgh | 24,187 | 2 | 103,496 | 2 | 127,683 | |
| Cincinnati | 17,000 | 1 | 107,798 | 2 | 124,798 | |
| Charlotte | 20,200 | 1 | 84,655 | 2 | 104,855 | |
| Indianapolis | 18,345 | 1 | 84,500 | 2 | 102,845 | |
| Nashville | 29,049 | 2 | 67,000 | 1 | 96,049 | |
| Salt Lake City | 20,400 | 1 | - | - | 20,400 | |
| Portland | 19,980 | 1 | - | - | 19,980 | |
| Kansas City | 18,972 | 1 | - | - | 18,972 | |
| Average | 20,453 | 1.2 | 96,398 | 1.9 | 87,932 | |
| Milwaukee | 31,333 | 2 | - | - | 31,335 | |

Source: AudArena 2012 International Guide

In terms of arenas and arena seats, Milwaukee scores above the average, as it has two arenas and more than 31,000 total seats. This provides an opportunity for more events downtown on a consistent basis, especially during the colder months when outdoor festivals are much less likely. This is important because Milwaukee is very popular and busy in the summer, but the colder months are much more challenging for restaurants, hotels and related businesses.

However, because there is no football or baseball stadium downtown, Milwaukee's total number of sports venue seats is near the bottom of the peer set. This results in a missed opportunity for more event activity from the venues that are not located downtown.

The following peer cities have NBA teams and arenas, while Kansas City lost their NBA team, the Kings, to Sacramento in 1985:

- Charlotte – Hornets (expansion team after the prior Hornets moved to New Orleans in 2002). Developed a new arena (Time Warner Cable Arena), opened in 2005, after a very “young” arena, built in 1988, was not meeting the needs of the team or NBA and the team moved. Cost of the new arena in 2015 dollars: \$314 million.
- Indianapolis – Pacers. Developed a new arena in 1999 in order to keep team from moving. \$259 million in 2015 dollars.
- Salt Lake City – Utah Jazz (moved from New Orleans in 1979) play in EnergySolutions Arena, which opened in 1991. Cost \$161 million in 2015 dollars.
- Portland – Trail Blazers moved to the Moda Center in 1995 (formerly the Rose Garden) to stay competitive. Cost \$406 million in 2015 dollars.

All four of these cities have had to determine a solution to retain their team and Charlotte lost their team for several years because a solution was not found in time. The other cities on the list have dealt with the loss of

professional teams in others sports, including St. Louis (lost NFL Cardinals to Phoenix) and Baltimore (lost NFL Colts to Indianapolis).

Theater Seats

The next table shows the theater seat summary.

Table 4-2

| Milwaukee Comparable Destinations - Downtown Theater Venues | | | |
|---|--------------------|---------------|------------------|
| City | Amphitheater Seats | Theater Seats | Number of Venues |
| Chicago | 10,500 | 27,626 | 10 |
| Nashville | - | 12,043 | 6 |
| Kansas City | - | 13,236 | 4 |
| Portland | - | 8,056 | 4 |
| Pittsburgh | -- | 6,958 | 3 |
| Salt Lake City | - | 6,186 | 3 |
| Cincinnati | - | 5,209 | 2 |
| St. Louis | - | 4,192 | 1 |
| Charlotte | - | 4,000 | 3 |
| Baltimore | - | 4,155 | 2 |
| Indianapolis | - | 2,650 | 2 |
| Average | - | 8,574 | 3.6 |
| Milwaukee | 23,000 | 10,191 | 5 |

Source: AudArena 2012 International Guide

Two cities feature an amphitheater today and Indianapolis is in the process of developing one. This is an advantage for Milwaukee, especially in the summer. The number of auditorium and theater seats in Milwaukee totals more than 10,000, which compares to an average of about 8,600. That average includes the nearly 28,000 seats in Chicago. Without including Chicago, Milwaukee far outshines the peer set of cities. And given that Chicago is seven times larger than Milwaukee, the fact that Milwaukee has more than one-third as many seats is a strong sign.

Milwaukee also has five venues in downtown, more than the average of 3.6 for the peer set. Milwaukee also has a major casino downtown with a hotel, which no other downtown has besides Cincinnati.

Conclusion

In terms of theater/stage seats and opportunities, downtown Milwaukee fares well. Milwaukee is excelling and should find ways to promote this advantage to those in Chicago as well as Madison. In terms of sports seats, Milwaukee does not fare as well. While it has two arenas (and will again if the Bucks' arena is developed as proposed), it does not have any baseball or football stadiums to generate crowds during those seasons. This is a missed opportunity.

One conclusion can be drawn for any future development, such as a new arena for the Bucks. First, the community will lose much downtown activity if the team is lost, so finalizing an arena deal to retain the team is critical. Second, a new Milwaukee Bucks arena can create synergy with existing nodes of activity or it can be an island that is removed from existing entertainment areas. To create the most return on investment in terms of community development, the development should be as integrated as possible into the surrounding, walkable activity nodes. To the extent new restaurants and bars are developed, the downtown would be best served by options that do not replicate what is already downtown or in the suburbs. New, creative offerings will enhance the new arena development as well as the downtown. This will make it a more interesting destination for visitors from all over the country, not just the metro area. Nearly every new arena being developed today is an anchor in a larger mixed-use entertainment district that often includes residential developments, but nearly always includes restaurants, bars and retail.

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DOWNTOWN TRANSIT ANALYSIS

This chapter includes a profile of Milwaukee's downtown transit situation and considers the opportunities, costs and pro's/con's of various approaches. Public transit is generally considered an expensive investment that provides the best return when density is highest. For areas that are more spread out and less dense, the economics are more difficult because the transit system is expected to carry fewer people over longer distances, which takes more time and costs more money. In Milwaukee, the very reason that one might want a streetcar or other public transit option is directly tied to the fact that, as established previously in this report regarding downtown entertainment and dining areas, the nodes of activity are spread far enough apart that walking is inconvenient.

While this report will not definitively answer the question regarding transit, it will put the concept into context with the peer cities that HSP used in its analysis of downtown.

The table below shows the public transportation in each of the peer cities chosen.

Table 5-1

| Milwaukee Comparable Destinations - Public Transportation | | | | | | | | | |
|---|-------|------------|-----------|-----------------|--------------------|------------------------|---------------------|--------|----------------|
| City | Buses | Bus Routes | Lightrail | Lightrail Lines | Unlimited Day Pass | Unlimited Monthly Pass | Trolleys/Circulator | Subway | Commuter Train |
| Baltimore | ✓ | 57 | ✓ | 3 | \$3.50 | \$64.00 | - | ✓ | ✓ |
| Charlotte | ✓ | 50 | ✓ | 1 | \$6.60 | \$88.00 | ✓ | - | - |
| Cincinnati | ✓ | 79 | - | - | - | \$70.00 | ✓ | - | - |
| Indianapolis | ✓ | 31 | - | - | \$2.00 | \$60.00 | - | - | - |
| Kansas City | ✓ | 65 | - | - | \$3.00 | \$50.00 | - | - | - |
| Nashville | ✓ | 55 | - | - | \$5.25 | \$84.00 | - | - | - |
| Portland | ✓ | 79 | ✓ | 4 | \$5.00 | \$100.00 | ✓ | - | ✓ |
| Salt Lake City | ✓ | 131 | ✓ | 3 | \$6.25 | \$83.75 | - | - | ✓ |
| St. Louis | ✓ | 75 | ✓ | 2 | \$7.50 | \$78.00 | - | - | - |
| Average | | 69 | | 2.6 | \$4.89 | \$75.31 | | | |
| Milwaukee | ✓ | 50 | - | - | \$4.00 | \$64.00 | ✓ | - | - |

*Day and monthly passes are for all available public transportation
 Source: Respective Public Transportation Authorities, HSP

As shown, Milwaukee currently does not have a light rail option, although it does have a bus system that services most of downtown.

The Milwaukee Common Council took a step forward on transit on February 10th, 2015 by approving the first leg of a modern downtown streetcar. The \$123.9 million, 2.5-mile starter system is expected to begin operations in 2018. The expected headways of the approved streetcar are every eight to ten minutes, compared to every 18 to 22 minutes for the trolley. This will add much more frequency and dependability,

which will enhance ridership. The popularity, but also the limitations, of the Downtown Trolley Loop bus was a stepping-stone to a true, permanent downtown circulator or streetcar system.

The following figure shows the former Milwaukee Trolley route and the proposed streetcar lines with expansions.

Figure 5-1



As shown, the proposed streetcar line will link most of the critical entertainment and nightlife areas, however the initial phase would not connect to the Wisconsin Center or Bucks arena.

Downtown would function more coherently as a single downtown area with a permanent transit service, with covered transit stations and lighted readout signs telling commuters when the next streetcar is arriving. In a city core that is as expansive as Milwaukee's, a system of intersecting transit lines (such as Baltimore and Portland) or streetcar tracks set up as a downtown-area circulator (such as Cincinnati or Kansas City) appears to be a positive path to tie the city's attractions and people together, and to jump-start new urban development.

Downtown Milwaukee is culturally the richest collection of attractions and amenities in the metropolitan area. However, like many older cities that were built on industry and the necessary waterfront or riverfront, the downtown business districts became surrounded by decaying neighborhoods and unattractive industrial lots that many spent decades trying to avoid and move away from. Most of the resources that could make downtowns alive with activity are already in Milwaukee's downtown or immediate surroundings, however they are scattered and unfocused, with too many empty lots that break up the continuity of experiencing a continual urban experience.

Moreover, the people that have income to spend tend to spend it in their outlying neighborhoods or suburbs and not downtown. The physical and perceived separation between quiet and peaceful neighborhoods a few miles out, and the city's core is a barrier that can be lowered. Downtown Milwaukee is somewhat an island of culture, media presence, sports and latent potential activity that is isolated from the people that could breathe life into the city the most. Mass transit, given that it is safe, reliable, and clean, can provide a major boost and make people feel comfortable and connect the people to their own downtown.

Rubber-wheeled heritage Trolleys and Buses versus Permanent Rail Streetcars

Most people, when presented with the idea of adding a streetcar in their city, first think of the usage it might get, and how convenient would it be for them. But cities such as Cincinnati, Kansas City, Portland, Minneapolis, and others are turning to rail transit over bus transit, despite the seemingly prohibitive costs, because rail transit is far more effective as an economic development tool than a rubber-tire bus or trolley service.

The following photos suggest why the public and developers would have more faith in one than the other. One is of the Milwaukee Trolley and one is of a Streetcar in Portland, Oregon.

Figure 5-2



There are many differences, such as the modern look and the heritage trolley style. Modern streetcar systems may use either or both styles, and is not a substantial difference in practice (see the McKinney Avenue Heritage Trolley Line in Dallas for a modern system that uses antique trolley cars, and more locally, in Kenosha, Wisconsin). The most important difference between these two photos is the permanence or impermanence of the streetcar system, as evidenced by the tracks, landscaping, stations, and overhead wires.

The presence of in-the-street tracks, streetscaping, wires and stations are part of alerting a potential user that there is rapid transit here. It tells the pedestrian that if there is not a train within sight, there will soon be. The tracks in the street illustrate where the streetcar is going to go (at least within urban sight limitations), once it arrives. A permanent station always has a map, showing the system in an easy-to-understand graphic. If the train were taken out of the first photo, it is still obvious that inexpensive transit is available nearby, which is valuable information for anyone on foot, or deciding where to park their car. In the second photo, all one needs to do is visualize taking the trolley out of the picture. There is no sign or evidence to suggest that a pedestrian should consider transit. There are no signs, tracks, special streetscaping, or permanent stations to explain where this rubber-wheeled heritage trolley might go.

And this is the key to why cities are relying on fixed-rail streetcars and light rail to propel urban development. It is the very idea of *permanence*. It will be there today, tomorrow, and for the next century, most likely. The rails will sometimes have their own dedicated lane and can override normal traffic conditions, depending on allowable space. The service does not close down in autumn and winter, or during a snow storm. Its route will not be changed to accommodate a political agenda, or because it is a Sunday. And therefore, it is a ripe situation into which developers can tap into the desires of both young Millennials and empty nesters alike. It also allow for banks and developers to have confidence to lend or borrow money for a project near a permanent transit location. The local and national trend is that many more professionals desire urban living and the luxury of having services and urban lifestyles just outside their front door without the necessity of an automobile, or the hassle of parking it in tight urban spaces.

This is why Cincinnati is building its streetcar system through a challenging and long-suffering part of the city called Over-The-Rhine. The reason is to improve it with new development and new residents by making it more desirable to urban professionals who want to live near downtown but didn't trust the safety and quality of

life in that neighborhood. It is not with a streetcar alone, however. A completely rebuilt historic Washington Park, with playgrounds and fountains join a renovated 1878 Music Hall (and home of the Cincinnati Symphony and Pops orchestras) to form a new near-downtown community center. The new rail-in-the-streets Cincinnati streetcar rail transit brings new urban development and renovations around the areas of the stations.

The following is a photo of a small section of the Over-The-Rhine neighborhood to feature rehabilitated buildings between 2009 and 2013. The Streetcar is expected to bring this kind of gentrification too much more of the neighborhood.

Figure 5-3



The following photo shows the new Washington Park and Music Hall fine arts center along the Cincinnati Streetcar route.

Figure 5-4



More discussion of the Cincinnati streetcar system appears later in this chapter.

Rubber-wheeled buses, no matter how modern or fresh, quaint, sleek or historic looking, do not often bring about new development because they are not a permanent part of the city infrastructure, and people intrinsically understand that lack of permanence.

The only exception to this rule, and one that the new Milwaukee streetcar could emulate, is a bus transit system that looks and acts exactly like a rail transit system. Downtown Denver's 16th Street Mall Free MallRide bus transit is a free-of-charge electric bus route that occupies a completely closed-to-traffic pedestrian street along 16th street. This downtown pedestrian mall may be the most lushly landscaped and urban streetscaped transit-way in North America, which adds to the appeal of the street and the transit system. The 1.5-mile long bus route is so obvious in its use as a transit-way because, not only are there two parallel 10-foot wide depressed roadbeds with landscaped curbing and station shelters, but the ubiquitous parade of buses means that passengers need not wait longer than three-to-five minutes during the business day for a free ride to their desired stop. The route connects Union Station (where light rail lines collect northwest of downtown), through the heart of the retail and convention district, to the capitol building. It also intersects with another set of light rail tracks that serve other parts of downtown and into surrounding neighborhoods.

The following photo shows the Denver 16th Street Mall transit-way.

Figure 5-5



Just like the other examples of rail streetcars, the key to its success is its sense of permanence. A quick change of bus routing will not be happening on 16th Street. This is the permanent home of the Free MallRide bus transit, and the omnipresent specially-designed buses and streetscaping makes that abundantly clear to residents and visitors alike. It is one reason that Denver is one of the nation's most popular convention destinations, along with a large and up-to-date convention center and nearby brand-name hotel accommodations.

When young professionals choose the city in which they want to settle, or when international corporations are scouting places to locate a regional headquarters office, they are looking for the qualities that matter most to new employees who have a choice. Those qualities amount to a cosmopolitan energy, such as overall quality of life, a vibrant street life, diverse and international cuisine, a healthy arts scene, a variety of sports and personal athletic and recreational options, and the ease of a diverse transportation system. Larger cities understand that providing a variety of transportation alternatives to its residents attract both educated employees and companies looking for quality employees.

Very few American downtowns have a rail streetcar system in place, or if they do, it is limited to only one linear street (Tampa, Memphis and Charlotte are good examples of this, although Charlotte is preparing for expansion). However, other cities with a variety of crisscrossing streetcar lines and light rail lines have downtowns that are experiencing electrifying urban growth, especially in the growing residential and tourist/entertainment sectors. San Diego, Portland, Denver, Seattle, Dallas, Toronto, Washington, Minneapolis-St. Paul, Salt Lake City, and the traditional transit cities of Boston, New York, Philadelphia, Chicago and San Francisco are all experiencing an urban renaissance, with the most new development being clustered near rail transit stations. As previously stated, it is a necessary step to begin the Milwaukee streetcar line as it is proposed, although this is not a transit system so much as a circulator. It would be helpful

for Milwaukee to expand the proposed streetcar route from the proposed initial route to also include the area from West Wisconsin street northward to the new NBA Bucks arena and Old World 3rd Street. That link will be critical to the success of the entire line due to the large numbers of people that would see and potentially use the streetcar during events and on weekends when Old World 3rd Street is active.

Most of these cities are also tourist centers. Some are or already have developed convention center expansions and built new convention hotels. It is important for Milwaukee to see the larger picture of how all of these infrastructure improvements go hand-in-hand to create a new, more vibrant city life. A streetcar line by itself will not do for the city nearly what the combination of an expanded convention center, a new arena and the streetcar lines could accomplish together.

These following four components are necessary for a more bustling and energetic downtown:

- An initial reason for a person, either local or from another city, to go to the city's downtown (such as a convention or event),
- Walkable, quality downtown accommodations,
- Other compelling destinations to visit and activities (such as restaurants and nightlife, and cultural centers) during the visit,
- An easy-to-understand method of transportation between these destinations.

Without any of these, it is easy to see that visitation to a city such as Milwaukee would suffer. The fourth item listed, the method of transportation around downtown, needs to be customized to the distance of attractions. Very compact city downtowns, such as Charlotte and Indianapolis, do not necessarily need a circulator streetcar because virtually everything that a visitor might want to see is within walking distance (generally about 1,500 feet or three to four blocks) of their hotel, the city center, arena or convention center.

As seen in Portland, San Diego, Denver and other cities, adjacent neighborhoods have become new stars as a streetcar line extension opens up that neighborhood's shops and restaurants to a new audience. Milwaukee's proposed expanded routes are perfectly suited for this kind of tourist expansion.

Rail transit is truly an investment in infrastructure, and not merely an expense. Its dividends are paying off in other large and well-thought-of cities. Milwaukee has the attractions and the intrigue of many styles of old-world architecture, restaurants, museums, parks, the lakefront, sports arenas and nightlife. It just needs to be connected into a cohesive whole, a feature that will unite and tie together all of the vast area known as Downtown Milwaukee.

Baltimore

Baltimore features three levels of transit systems, and all are operated by the Maryland Transit Administration. The earliest is a heavy rail line called the Metro Subway, and its first segment from suburban Reisterstown Plaza to the heart of Downtown Baltimore was complete in 1983, covering 7.3 miles. An extension farther out to Owings Mills of 6 miles was added in 1987. Finally, in 1995, the downtown section was extended by 1.5 miles to connect to Johns Hopkins Medical Center. The total distance is almost 15 miles, with 6 miles underground, two miles elevated and the remainder at ground level.

The second line is a true Light Rail line called the Central Light Rail. It runs on city streets through downtown and on private right of way in other areas. As the new Oriole Park at Camden Yards was being built, along with a new football stadium just to its south, there was a push from the Governor and former Baltimore mayor to connect a new line from the north and south suburbs to the new stadiums under construction. The Light Rail lines were built quickly and inexpensively using much of the right of way from abandoned rail lines and former streetcar routes, and, amazingly, without money from the U.S. federal government. The initial system was a single 22.5-mile line, all at grade except for a bridge over the Middle Branch of the Patapsco just south of downtown Baltimore. The Light Rail began service in April 1992, the same month that the Orioles began play at Camden Yards. Three extensions were added in 1997 and two short, but important spurs were added to the system. One is a 0.35-mile spur in Baltimore that provided a link to Penn Station, a transit hub also served by MARC and Amtrak trains, and the other a 2.7-mile link that brought trains to the terminal of BWI Airport. To save money, most of the line was built as a single track. It is today being expanded into a dual-track service to serve more trains and people. The line has 27,500 riders daily, has 33 stations, and runs over 30 miles.

The third is a long-distance heavy-rail line called MARC, or Maryland Area Regional Commuter Rail. With some equipment capable of reaching speeds of 125 miles per hour, MARC is believed to be the fastest commuter railroad in the United States. There are three lines of service, 42 stations, and over 33,000 daily riders. The total length is 187 miles. Two of the three lines, the Penn and Camden Lines, have stations in downtown Baltimore (although their stops serve different sides of downtown Baltimore) and both connect to Washington DC, but run through separate suburbs. The B&O first began service over portions of the Camden route in 1830, making it one of the oldest passenger rail lines in the U.S. still in operation.

Future plans call for the Red Line to begin construction in 2015. The Red Line is a 14.1-mile crosstown light rail line connecting western suburbs of Baltimore and the Centers for Medicare and Medicaid, through University Center near downtown, and east to the Johns Hopkins Bayview Center. It will connect with the MARC line in two places, and the light rail line at University Center. Other downtown stations will be at the Inner Harbor and Harbor East, which are experiencing tremendous growth, appealing to both residential and tourist populations. Its expected daily ridership is projected to be 55,000. It will have 19 stations, five of which will be underground, five stations will feature parking for automobiles, and will include a 45-minute end-to-end running time. The line will connect several high-employment centers in the area. The line is expected to open in 2022.

The following map shows the public transit system in downtown Baltimore with the future Red Line.

Figure 5-6



As shown, the new red line will move and connect riders through the heart of the tourist areas downtown, which includes the north side of the Inner Harbor.

Charlotte

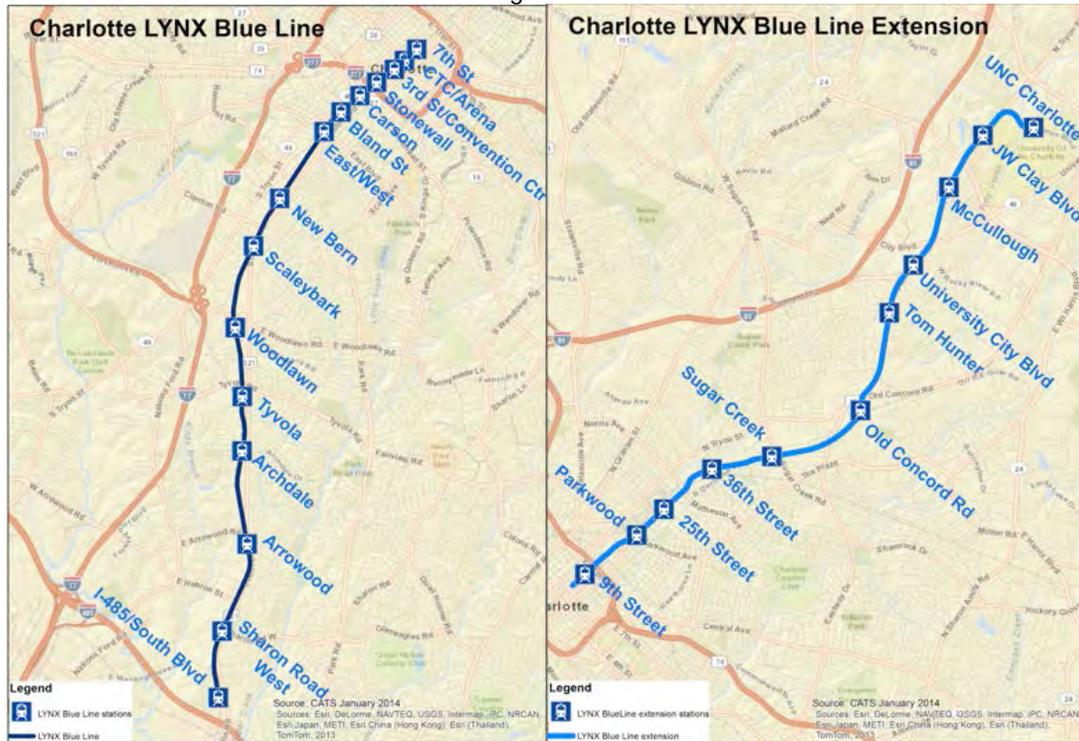
Like most big cities, there was once a large network of electrified streetcars and trolleys until the demise of trolley service in 1938. The local light rail system in Charlotte is called Lynx Rapid Transit Services. The single line has 15 stations over 9.6 miles connecting the south side of the metro area to the “Uptown” area. Over 16,500 riders daily use the Blue Line. It was conceived in 1999 and opened in November 23, 2007.

An extension of the Blue Line is underway, however, will not open until early 2017. Since 2013, a new 9.8-mile extension of the current Blue Line has been under construction to connect the current Blue Line to University of North Carolina-Charlotte. The route cuts through the dense core of the growing downtown (locally known as Uptown) with office, shopping, sports, and other attractions. Virtually every corner of Uptown is within walking distance of the light rail stations. The Blue Line runs adjacent to the Time Warner Cable Arena, home of the NBA Hornets, and it is not far from the Bank of America Stadium of the NFL, or the new baseball ballpark that opened in 2014.

A future Streetcar program is being studied by the city as part of their 2025 plan.

The following map shows the public transit system in downtown Charlotte.

Figure 5-7



Cincinnati

Cincinnati has long had trouble reinvigorating investment and growth in portions of downtown due to the distressed and blighted Over-The-Rhine (OTR) neighborhood situated just to the north of the CBD. The neighborhood is between downtown and another busy and energetic neighborhood, the area around the University of Cincinnati. Without removing the blight from Over-The-Rhine, it is believed that the growth of downtown and the spread of livable residential blocks at both the University of Cincinnati area and downtown would hit a dead end. The second phase is to extend the line uphill to the University of Cincinnati area, however, there is no construction timetable yet started for this phase. As early as the 1930s, Cincinnati was attempting to augment its strong, but aging streetcar service with a series of subway tunnels. The Great Depression saw to it that a subway for Cincinnati never happened, however, a few tunnels still exist underground.

In 2008, the city council approved a downtown electric circulator streetcar line with the purpose of introducing Transit Oriented Development to the Over-the-Rhine neighborhood. Construction began in 2012 and is expected to open to passengers on September 15, 2016. There will be stops about every two blocks to make sure that every block it passes has a chance to reap the benefits of proximity.

The three downtowns of Newport, KY, Covington, KY, and Cincinnati are connected by a warm-weather shuttle bus called the South Bank Shuttle Bus, however, Newport and Covington city leaders would like to be

part of any streetcar extension in the future. Buses and shuttle do not have the impact on a city the way permanent rails and train cars do, as discussed previously.

The following map shows the public transit system in downtown Cincinnati. The northern loop is a future extension that is not yet underway.

Figure 5-8



Indianapolis

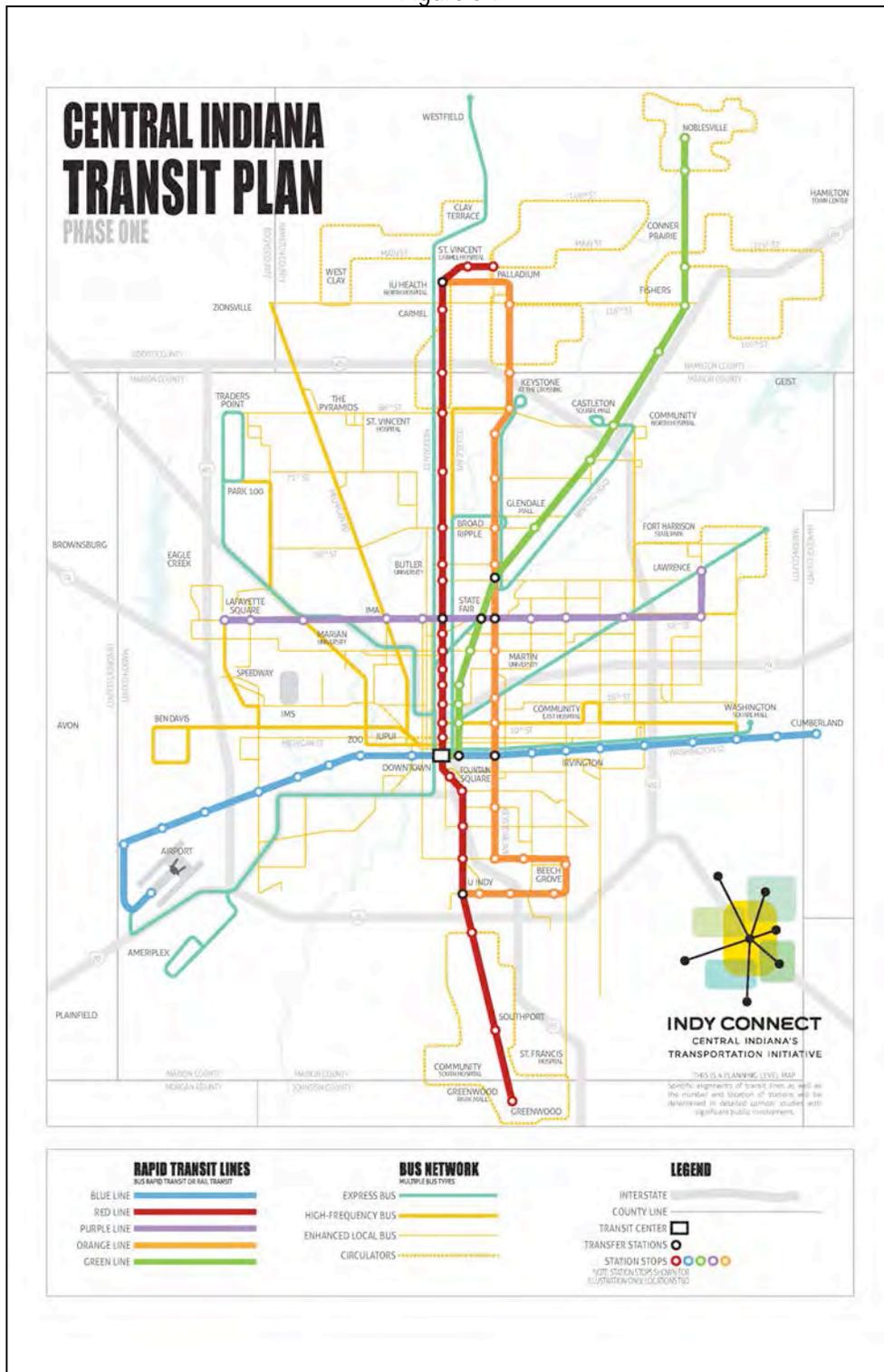
At one time early in the 20th century, Indianapolis was home to the world's largest network of Interurban electrified cars, causing downtown retail to rival that of much larger cities like St. Louis, Cleveland and Detroit. However, by the early 1940's (and 1954 for the city streetcars) the systems were dismantled, as automobiles became the dominant and preferred method of travel. Considering that this is the first home of the American automobile industry, a city that never was meant to be a dense East Coast-style city, but instead, a city of single-family homes and yards, mass transit may never be the right fit.

Indy Connect is the regional transit initiative in Indianapolis. This group has been studying light rail, heavy rail and Bus Rapid Transit (BRT) options for the past several years. Rail transit appears to be cost-prohibitive in the minds of the public, however there has been some momentum in 2013 and 2014 for a Bus Rapid Transit system that would crisscross the city and connect employment centers, including one line serving the Indianapolis International airport, and with most lines converging in Downtown Indianapolis. Additionally, there is a proposed northeast rail line on the Nickel Plate railroad tracks that could still support commuter rail to Fishers and Noblesville. The project is still in the planning stages. Indianapolis's downtown is a rather compact district compared to other sizeable downtowns. Parking is less of a problem as well. Due to the relatively short walk throughout the city's CBD, it is not essential for the city to build a rail-based downtown circulator. The city has, instead, pushed through plans to build a downtown bus transit hub with covered archways in front of the City County Building on Washington Street.

It remains to be seen if Bus Rapid Transit in the U.S. can be a catalyst for Transit Oriented Development that light rail has proven to be over the past thirty years in Portland, Oregon, and in many other cities with light rail.

The following map shows the proposed public transit system throughout the Indianapolis metro area.

Figure 5-9



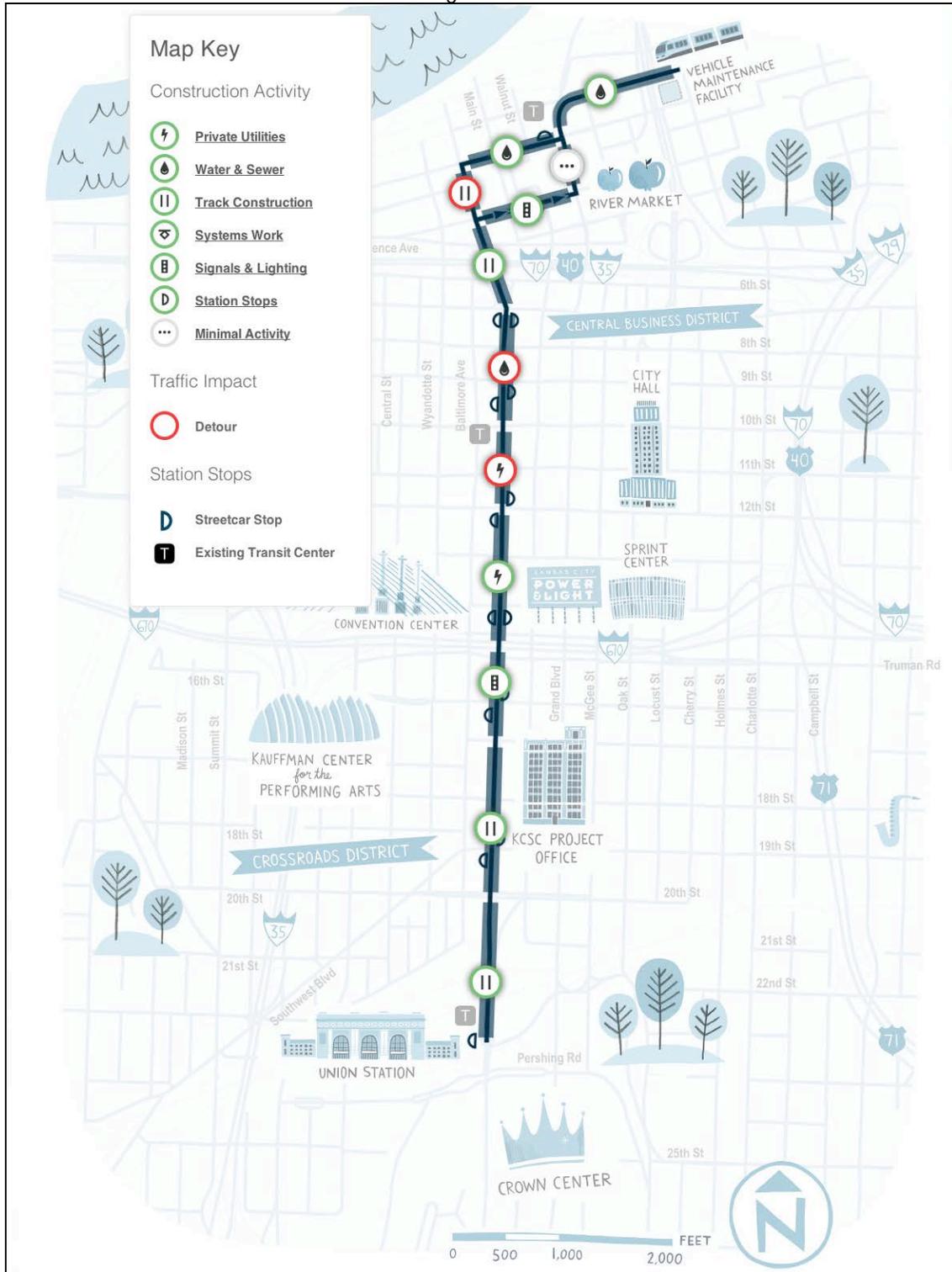
Kansas City

Another city with a proud heritage of streetcars in the early 20th century, Kansas City is today rebuilding a streetcar line. Construction began in May 2014 and is scheduled to be open early 2016. The course runs two miles, north to south, with stops every two blocks. Some of the attractions that will be along the route are Crown Plaza, Union Station, the Crossroads district (an emerging arts district), the Power and Light Entertainment District, several theaters, the Sprint Center arena, and the River Market district and market near the Missouri River.

The streetcars on rails are being used as an economic tool, like Cincinnati, to develop some of the emptier spots between downtown, the Rivermarket, and Crown Plaza, or to renovate and repurpose some of the older buildings in downtown, so as to bring new residents into the city and keep an energetic buzz on evenings and weekends.

The following map shows the public transit system in downtown Kansas City.

Figure 5-10



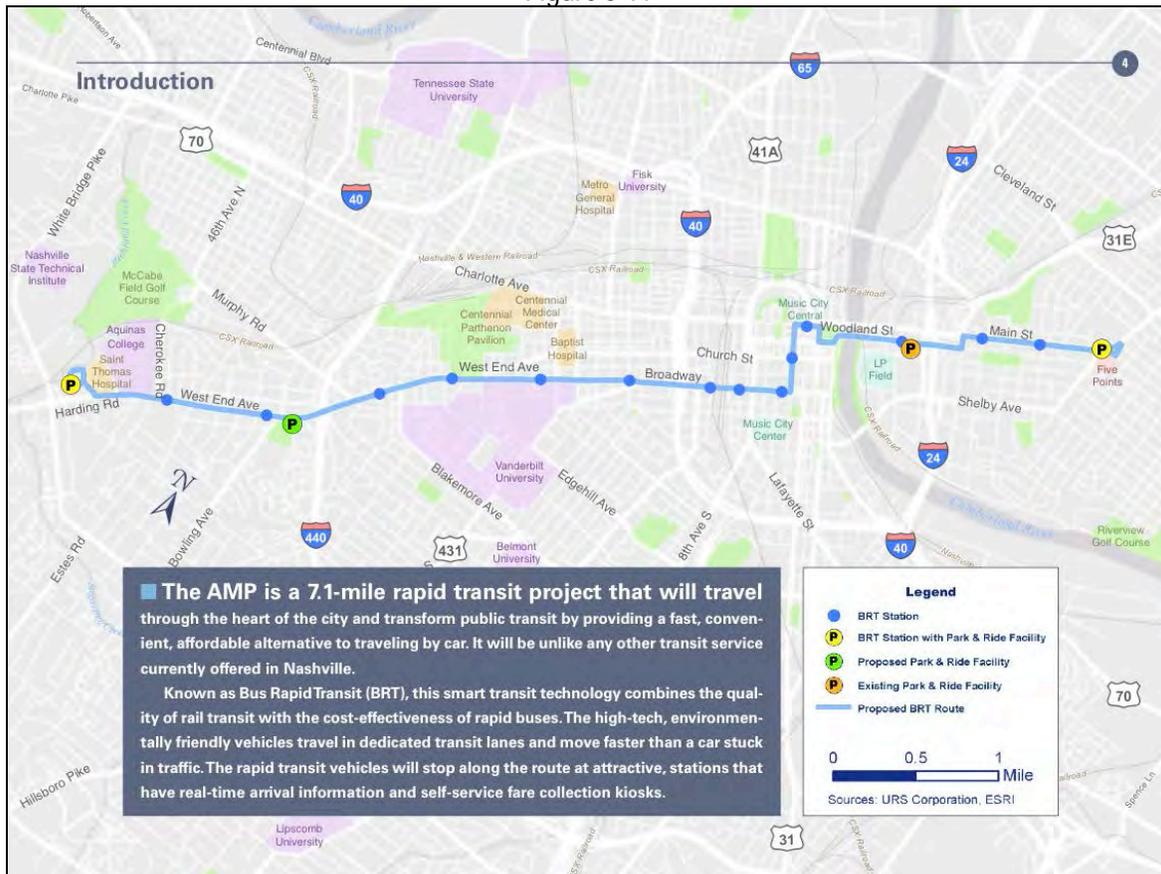
As shown, the system is very linear, which matches the demand generator locations in the city, which are spread quite far compared with most of the peer cities.

Nashville

The Nashville MTA (Middle Tennessee Transit) has recently begun the process of organizing a transit system that, at this point, is focusing on a Bus Rapid Transit program called “The Amp”. The program is in its infancy, however, a project map has been created for the first BRT line. The proposed line would connect Saint Thomas Hospital, Nashville State Technical Institute, Aquinas College, Vanderbilt University, through downtown Nashville and the new Music City Convention Center, across the Cumberland River to LP Field, home of the NFL Tennessee Titans, and finally, eastward to the Five Points neighborhood.

The following map shows the public transit system in downtown Nashville.

Figure 5-11



The project has not been undertaken yet and, like several others, is very linear.

Portland

Possibly no American city has embraced New Urbanism and its reliance on Transit Oriented Development in the latter half of the 20th century and 21st century like Portland, Oregon. The city is a pioneer in Transit Oriented Developments in an age when the automobile and interstate highways have ruled city planning everywhere else in the U.S. The system is run by TriMet, which runs both MAX light rail and the bus system.

Within the city's downtown is the Portland Transit Mall, a transit-priority corridor on which buses and light rail trains from throughout the metro area converge. It opened in 1977, and has since added tracks for the MAX light rail trains. Space was reopened in recent years for some vehicular traffic as well. The MAX system currently supports four lines. The Blue, Yellow, Red, and Green lines connect important nodes throughout the city such as the Rose Garden, Lloyd Center mall, Convention Center, Portland International Airport, Union Station (Amtrak), the Portland Expo Center, and an assortment of suburban transit centers that entice automobile drivers to leave their cars behind in large parking lots to ride the MAX system. A new line is set to open in September 2015, adding another 7.5 miles to the south of downtown. The longest line is the blue line, at 33 miles.

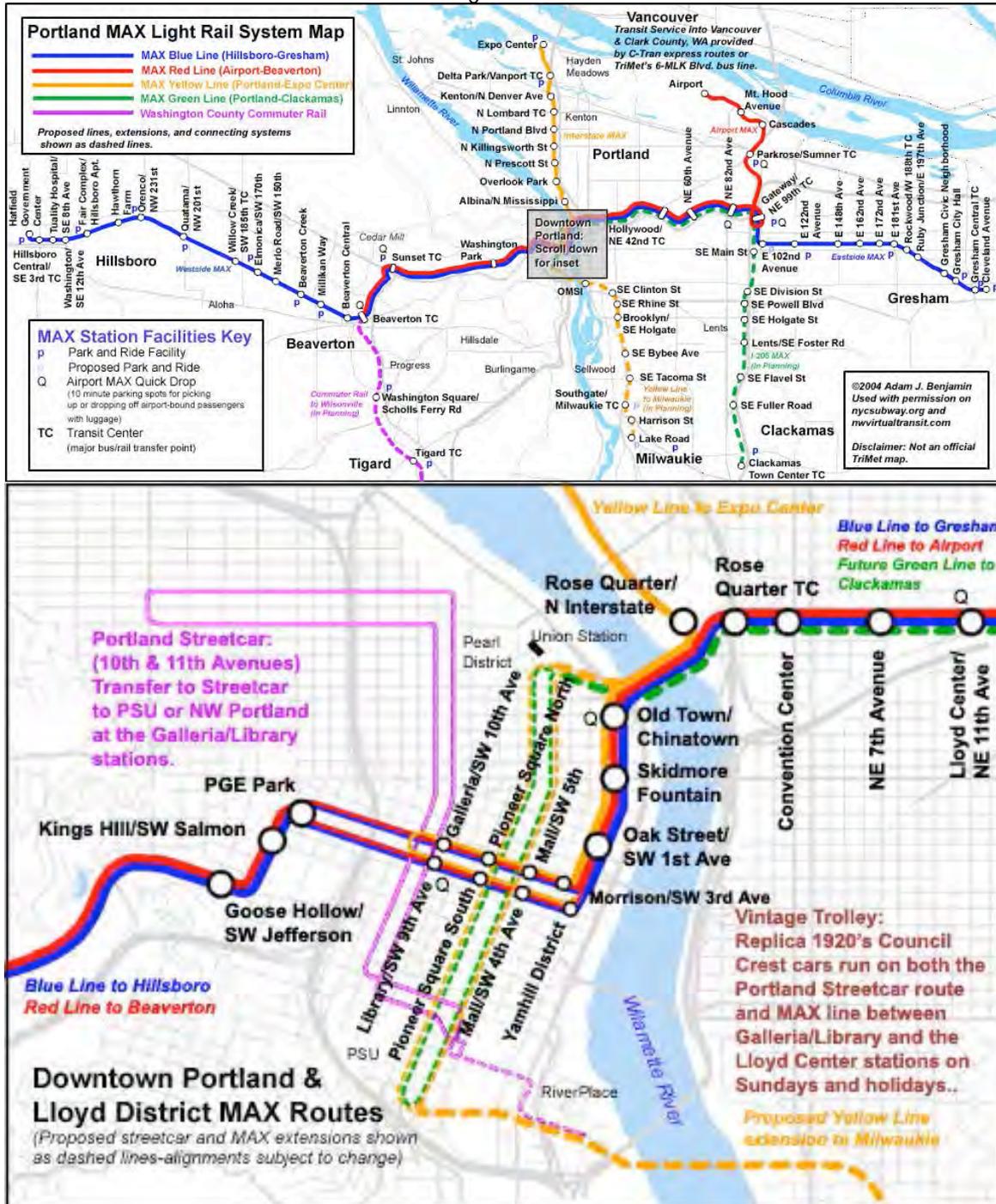
In addition to the MAX light rail, two intersecting streetcar lines form a downtown system that feature more frequent stops and act more like a downtown circulator, rather than a metro-area-wide system. The first line opened in 2001, serving the once-blighted Pearl District, and Portland State University at the other end of the city's core. This line has been largely responsible for a major renaissance of the Pearl District just north of the downtown core. Today it is home to artists, small theaters, bookstores, adventurous chefs starting new restaurants, and a plethora of new developments for urban residences. The second streetcar line opened in 2012 connecting downtown across the Willamette River to the Rose Quarter, Lloyd District, and Central Eastside.

The Willamette Shore Trolley is a seasonal Heritage Trolley established in 1990 that preserves a six-mile former Southern Pacific track length that connects Portland to Lake Oswego. This line may still someday be used for mass transit, however, is not yet funded for such use.

The Portland Aerial Tram was introduced in 2007. It is an aerial cableway, and connects the South Waterfront district with Oregon Health and Science University on Marquam Hill several hundred feet above. It is only 2/3 of a mile long, but saves commuters time and fuel.

The following maps show the public transit system in Portland's metro area and in downtown.

Figure 5-12



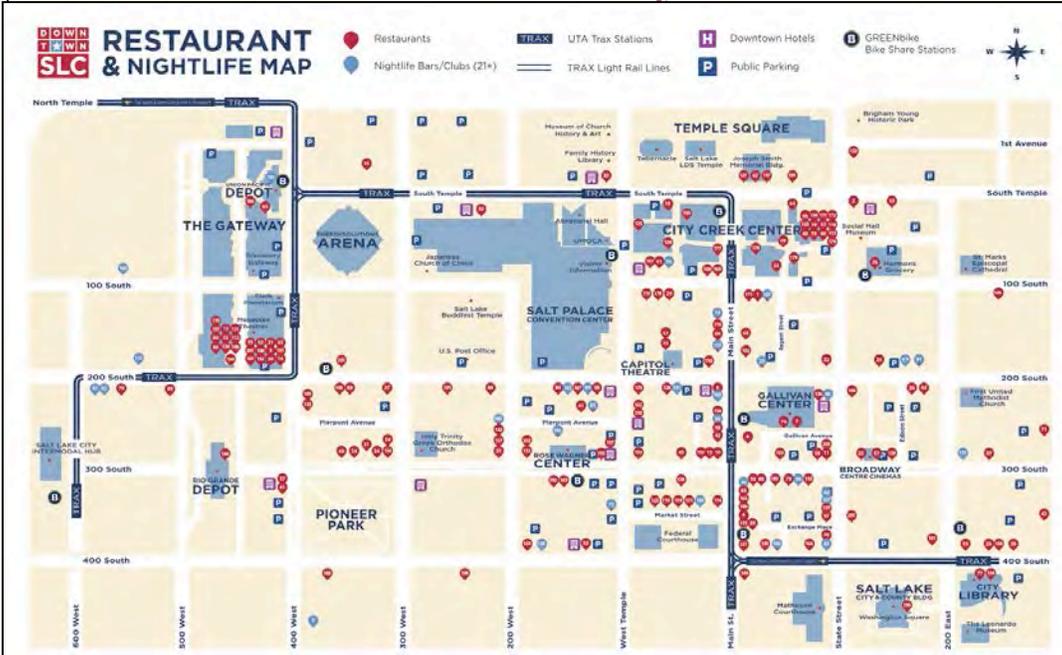
Salt Lake City

Salt Lake City began its first light rail, called TRAX, in December 1999, after being considered, discussed and proposed since 1988, initially as a way to alleviate traffic congestion on Interstate-15. It currently has three lines, 50 stations, and a daily ridership of 68,100 people. TRAX is operated by the Utah Transit Authority, and all the trains are powered by overhead electric lines. After being awarded the Winter Olympics in 2002, the city used its host status to obtain federal funding for TRAX extensions to Rice-Eccles Stadium at the University of Utah. As the tracks stretched towards suburban areas, the public support for the trains became positive and extensions were quickly added to suburban areas farther away from the center city.

Downtown Salt Lake City has seen two large shopping developments, an expanded convention center, NBA arena, and new office buildings and hotels emerge in the cityscape, and the TRAX system provides stations near each of the attractions and landmarks. While businesses were hurt along Main Street during construction, the public seems to have been converted on the issue of expanding the TRAX lines to more locations and suburbs. Just to the west of downtown lies the SLC Intermodal Hub, which connects TRAX to the area's new commuter rail called "Front Runner".

The following maps show the public transit system in Salt Lake City and in downtown Salt Lake City.

Figure 5-13



St. Louis

MetroLink is St. Louis's two-line system of light rail. It carries 53,123 people on an average day. The system length is 46 miles in all, with 37 stations. The Red Line was the first to be built with the goal of increasing traffic into downtown St. Louis and its growing lineup of amenities, particularly the America's Center Convention Center and Edwards Jones Dome, Union Station, Busch Stadium, and the associated redevelopment districts. The line was extended reaching far into Illinois, east to Belleville by 2001. In 2006, a second spur route, the Blue Line, off the main Red Line was opened, connecting Forest Park to the Clayton business hub, Saint Louis Galleria shopping center, and eventually to Shrewsbury, Missouri.

The initial ridership predictions were quickly exceeded, however, expansion has been slow to develop, with no future lines currently routed or funded. The current alignment is popular, particularly during Major League Baseball's Cardinals games at Busch Stadium and NHL Blues hockey games.

The following maps show the public transit system in the St. Louis area and in downtown.

Figure 5-14

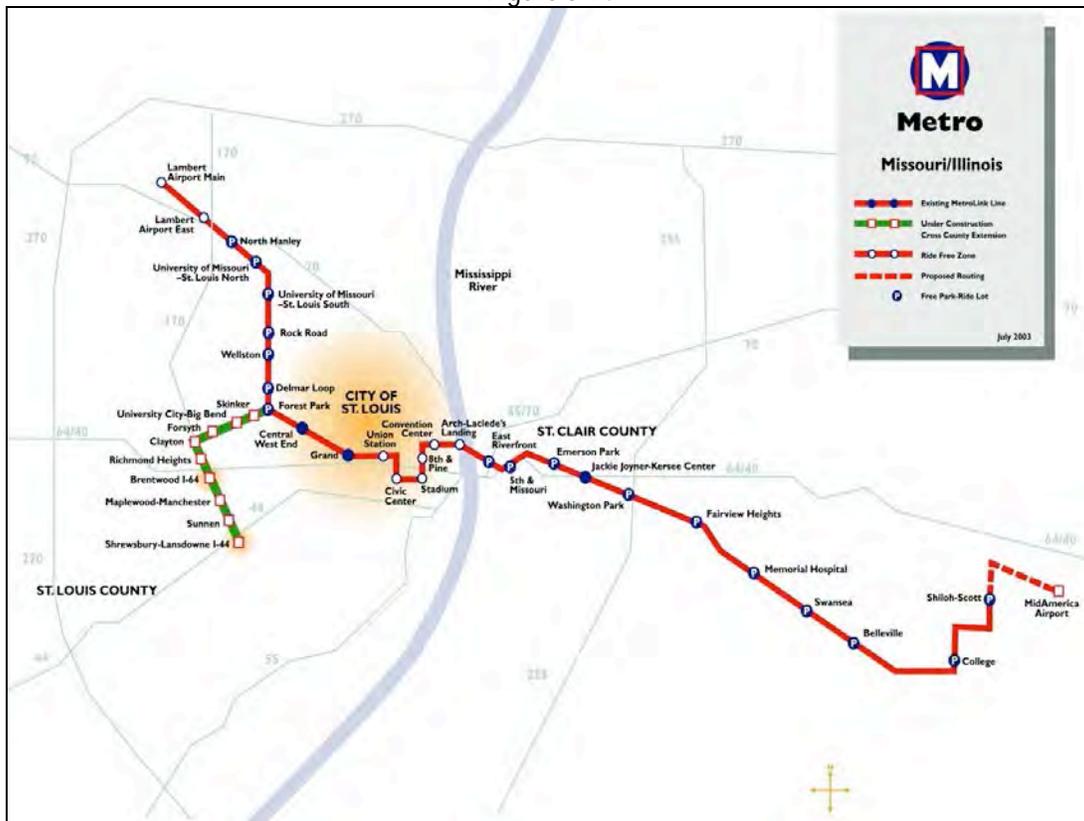


Figure 5-15



Implications and Conclusions

Milwaukee's downtown area is one of the larger footprints of American cities, with attractions spread out from the Lakefront, westward over a mile-and-a-half to Marquette University, and from Ogden Avenue a mile south to the Historic Third Ward and Festival Park. A year-round permanent streetcar circulator makes more sense in Milwaukee than in many of its peer cities due to an expanding lakefront residential base, cold winters that make walking unpleasant, and a hotel geography that is quite spread out. The numerous theaters and nodes of nightlife activity require that any transit option, such as the recently approved streetcar, be running with frequent service late into the night in order for the public to trust that they will not be stranded late at night at their downtown destination once the establishments close up for the evening.

Downtown Milwaukee could also benefit from a rail link to Miller Park three miles to the west during the lengthy baseball season. Milwaukee already has many park-and-ride locations with which the public is familiar. A line connecting several north side or west side destinations would enhance connectivity amid a large metropolitan area and increase the awareness of various neighborhoods along those routes. If Transit Oriented Developments (TOD's) could be envisioned along the path of a light rail line through the city towards downtown, then a psychological barrier between the suburbs, city neighborhoods and downtown Milwaukee can begin to be erased.

Connectivity is a key to fostering a critical mass of a mix of real estate uses and both residential and tourism growth. A well-designed corridor of transit, one that is easy to understand and see (such as rails or electrified wires, attractive well-lighted stations and distinctive urban landscaping), even if a train is not actually within eyesight, attracts people. The streetcar project is a first step in the development of a more comprehensive transit system and solution for the area, including downtown. However, the streetcar is not a transit system in and of itself. It is a promising first step that can show how frequent, reliable, safe and modern connectivity via attractive public transit can enhance the viability of the areas it is connecting. As it is today, this city with a large downtown and a generous amount of distinctive architecture lacks focus, and the streetcar is a positive development and mobility option for many people who otherwise may not go downtown, or who would not move from node to node within downtown. In the future, light rail lines from the suburbs into the city's downtown would be logical next step to link these critical population centers with the heart of the region, downtown Milwaukee.