



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Meeting Agenda – FINAL

Madison Central Business Improvement District (BID) Board of Directors

November 5, 2009

Noon-1:30 pm

615 East Washington Ave.
2nd Floor Board Room

If you need an interpreter, translator, materials in alternate formats or other accommodations to access this service, activity or program, please call the phone number below at least three business days prior to the meeting.

Si necesita un intérprete, un traductor, materiales en formatos alternativos u otros arreglos para acceder a este servicio, actividad o programa, comuníquese al número de teléfono que figura a continuación tres días hábiles como mínimo antes de la reunión.

Yog hais tias koj xav tau ib tug neeg txhais lus, ib tug neeg txhais ntawv, cov ntawv ua lwm hom ntawv los sis lwm cov kev pab kom siv tau cov kev pab, cov kev ua ub no (activity) los sis qhov kev pab cuam, thov hu rau tus xov tooj hauv qab yam tsawg peb hnuv ua hauj lwm ua ntej yuav tuaj sib tham.

Если Вам необходима помощь устного или письменного переводчика, а также если Вам требуются материалы в иных форматах либо у Вас имеются особые пожелания в связи с доступом к данной услуге, мероприятию или программе, пожалуйста, позвоните по указанному ниже телефону и сообщите об этом не менее чем за три рабочих дня до соответствующей встречи.

(Board members, please arrive at 11:45 am if having lunch.)

1. **Call to Order –12 noon** - Lori Kay, Chair
2. **Roll Call**
3. **Approval of Minutes** from October 1, 2009 meeting
4. **Public Comment**
5. **Guest Presentation – Madison Children’s Museum**, Ruth Shelly, Executive Director
6. **Halloween Freakfest 2009:** Review, discussion
7. **City of Madison Update**
 - a. Ald. Mike Verveer – ALDO/ALRC update, Capitol Square Streetscape Updates
 - b. Peace Park plans update -Mike Verveer, Mary Carbine
 - c. Matt Mikolajewski, Office of Business Resources
8. **Subcommittee Reports**
 - a. Nominations Subcommittee Update on Board Appointments– Pat McGowan
 - b. Assessment Method Review Subcommittee – John Hutchinson, Brian Mullins

-ACTION ITEM – Subcommittee Recommendation clarifying application of current assessment method to properties under construction and major renovation.

9. Treasurer's Report – Stacy Nemeth
Review draft 2010 BID Annual Budget

10. Staff Reports

- a. Mary Carbine, BID Executive Director
 - 2010 BID Operating Plan update
 - Downtown Family Trick or Treat review
 - Holiday Marketing
 - Multi-space parking meter update

- b. Mitch Freund, BID Programming Coordinator
 - Ambassador Program – Nov. 10 Ambassador Appreciation event
 - Welcome Programs
 - Business turnover update
 - Planting Programs

- c. International Downtown Association Conference re-cap

11. DMI Update – Susan Schmitz, DMI President

12. GSSBA Update – John Hutchinson, Hawk Schenkel

13. New Business

14. Next Meeting – Thursday, Dec. 3, 2009 - Agenda Items

Downtown Plan
2010 Budget Approval

UPCOMING SUBCOMMITTEE MEETINGS:

Assessment Review Subcommittee:
Wednesday, Nov. 18, 10 to 11:30 am
Murphy Desmond offices, 33 East Main St., Suite 500

15. Adjournment

If you need an interpreter, materials in alternate formats or other accommodations, please contact the Madison Central BID office at 608-443-1973 or mcarbine@downtownmadison.org. Please do so at least 48 hours prior to the meeting so that proper arrangements can be made.

From: Teresa A Werhane [mailto:TWerhane@matcmadison.edu]
Sent: Thursday, August 27, 2009 9:49 AM
To: Mary Carbine
Subject: RE: BID meeting followup

Hi Mary,

I'm glad we had a chance to talk yesterday. Thank you for providing me with the background and structure of the BID. You've obviously done a great job of helping the board "evolve" since I was last involved. I am very interested in getting reacquainted and contributing to the mission of the group, either as a board member or in another capacity.

In addition to the short bio you found on Linked In, here's a little more information you might find helpful. Although raised in Illinois, as a child I spent a lot of time in Madison because my grandparents lived on the near west side. We visited often for Sunday dinner and I would usually spend a week or two here over my summer break. I learned to ice skate on the pond in Vilas Park when I was about 5 and I still remember seeing *Gone with the Wind* at the Orpheum Theater with my grandfather.

My second job after college brought me back to Madison. I was hired as the marketing coordinator at the UW Press in 1980. I've lived in and around the city ever since. I've held a number of jobs, raised two children, and watched Madison develop over the years. Last fall when I was making plans to sell my house and downsizing into a condo, my son asked me, "why don't you move downtown? It's where you always wanted to be." Eureka! Why not? So here I am, and loving it.

I would be honored to serve on the BID Board and make a contribution to downtown Madison and the city's future. I have a strong interest in keeping it the vibrant place that it is, and help it realize even more of its potential.

Thanks again, Mary, for considering me as a Board member. Please let me know if you have any other questions. And thank you for the links to the information. I look forward to attending more of the downtown events and getting involved.

Regards,
Teresa

Teresa Werhane
Marketing Promotions Manager
Madison Area Technical College
3550 Anderson Street
Madison, WI 53704
(608) 243-4236
matcmadison.edu

Teresa Werhane

Marketing Promotion Manager at Madison Area Technical College

Experience

Marketing Promotion Manager at Madison Area Technical College

August 2005 - Present (4 years 1 month)

Marketing Coordinator at University Book Store

2003 - 2005 (2 years)

Education

University of Tulsa

BS, Communications, 1975 - 1979

Nicole Ann Birringer

birringer@wisc.edu

Home (608) 335-6639

703 Glenway St.

Madison, Wisconsin 53711

OBJECTIVE

Motivated, creative and hard-working University of Wisconsin-Madison graduate student seeking a shared governance position to use and build upon my knowledge and abilities.

EDUCATION

University of Wisconsin-Madison Madison, WI
Bachelor of Business Administration degree, December 2008
Major: Real Estate
GPA: 3.8 Major GPA: 3.86

University of Wisconsin-Madison Graduate School
Masters of Science Degree, projected May 2011
Urban and Regional Planning

EXPERIENCE

March 2008-March 2009
Sept. 2009-Present

T. Wall Properties, Madison, WI
Intern

I am currently an intern with the Development Team at T. Wall Properties, one of the largest developers in Wisconsin. It has been an excellent learning experience. I have had the opportunity to work in multiple areas of the development process, including land acquisition, due diligence, land planning, and market research.

March 2009-Aug. 2009

T. Wall Properties, Madison, WI
Development Department Coordinator

Upon graduation, I worked full-time at T. Wall Properties as the coordinator of the Development Department. I performed administrative tasks as well as being responsible for handling the department's budgets, invoices, and contracts. I continue to work on these tasks, but have returned to an intern role due to school.

ACTIVITIES

UW- Madison Real Estate Club
2006-2008

Wisconsin Student Planning Association (WSPA)
2009-Present

American Planning Association - Student member
2009-Present

HONORS

Dean's List (7 semesters)

Graduated with Distinction

SKILLS

Proficient in French

Strong computer skills and exposure to Microsoft Word, PowerPoint, Excel, Quattro Pro

Some experience with Argus

Public speaking, creative, organizational, and communication skills

BID Assessment Method Review Subcommittee

Recommendation clarifying application of current assessment method for buildings under construction or major renovation.

Approved by Subcommittee: October 21, 2009

Background:

1. From BID Operating Plan:

- Use of property as of January 1 controls for purposes of BID assessment.
- "those tax exempt properties within the District which are later determined no longer to be exempt from general property taxes . . . shall automatically become subject to assessment under any current operating plan without necessity to undertake any other act."

2. City Property Assessment Date: For city assessment purposes, the assessment date is "as of the close of January 1" each year. They assess what is in place as of that date.

3. Certificate of Occupancy: City building inspection will sign off on a Certificate of Occupancy when all inspections have been done and approved. The Certificate of Occupancy may be issued and buildings may be occupied before they are completely finished.

Subcommittee Recommendation

For properties subject to the BID assessment per the BID Operating Plan:

- For new construction and major renovation of existing properties within the District, use the city's January 1 date as a basic guide.

A building under construction or major renovation which does not yet have a Certificate of Occupancy will be subject to the BID assessment as of the first of the calendar year (January 1) after the Certificate of Occupancy is issued.

A property within the District which is granted a Certificate of Occupancy and wants to participate in BID programs can voluntarily pay the BID assessment prior to the Jan. 1 date at which they would automatically become subject to the BID assessment. Such a voluntary BID assessment would be pro-rated to date of Certificate of Occupancy.

- If a property under construction which is outside of and contiguous to the District wishes to become part of the District, it can do so at a mutually-agreed date.
- Existing properties subject to the BID assessment are subject to the assessment while under renovation and maintaining Certificate of Occupancy, even if unoccupied. (If a building maintains a Certificate of Occupancy, it is not considered a major renovation.)
- In case of demolition or when an existing building is removed, the property will not be subject to the BID assessment as of the first of the calendar year (January 1) after the building is demolished or removed.

International Downtown Association Conference Sep. 2009

TAKE-AWAYS – Executive Summary:

Mary:

- **Uniqueness** overriding theme. Downtowns cannot offer same stores, experiences as mall.
- Design. Really. Matters. Ensemble: streetscape, merchandising, windows, façade design.
- Golden age of retail, spending is over due to demographics as much as recession.
- Don't depend on boomer spending. Past peak spending years. SO, can't depend on marketing that worked with boomers.
- Businesses must have some internet presence, savvy. Social media marketing crucial to capturing Gen X and Millennial markets.
- Multi-channel income stream crucial. Internet sales strongest channel.
- Retail- how to compete in new economy:
 - Luxury, consumption out. Value, genuine, authentic, handmade, unique, super-green in.
 - People are bored with big box shopping and consumption.
 - Be/offer an experience
 - Offer a solution, save your customer time
 - Wellness a megatrend
- Best downtown retail tenant prospects: Regional chainlets/multiconcept businesses, stores with multi-channel income streams.
- City process – cannot take more than 3 months or will drive good operators away.

Mitch:

Downtowns need to be

- innovative
- intentionally designed and planned
- unique
- sustainable
- customer-friendly

Detailed Notes (Mary)

Retail Sessions with presenters/consultants including:

- Christina Brickley, c5 Communications, Denver (former BID ED, Cherry Creek)
- Midge McCauley, Downtown Works, DC
- Michael Berne, MJB Consulting, NY
- Susan Snyder & George Thomas, CivicVisions, Philadelphia
- Carol Gies, 4Insights, Lisle IL
- Michael Stumpf, Place Dynamics, New Berlin WI
- John Archer, Urban Marking Collective, Toronto

Social Media:

- 300 million on Facebook. Dominant social media network.
- Facebook is now a search engine. Many web users enter via Facebook, and do all their searching within Facebook environment.
- Consumers will pre-research their choices on the internet before shopping.
- Recommendations from friends (NOT marketing messages) key driver of consumer behavior for millennial generation, social media culture. They see through hype.

Recommended action: Develop Facebook fan page for downtown; make priority so staff time can be allocated to development/ongoing content.

>>Your business is crippled if you don't have at least some internet presence.

Consumer behavior in the recession, shopping, the “new normal”

Currently: Fewer shopping trips, people limiting choices. Flat is the new up. Luxury/conspicuous consumption now OUT.

Post recession spending – will be about 85% of pre-recession.

Everything is different: accelerated shift to value, jury out if it is permanent shift
Everything is the same – must be about fundamentals, all about the consumer

Luxury redefined, sharpened concept of value. From luxury to quality. Research shows this shift consistent across all income levels, and global.

- QUALITY in. Fads, buying “a ton of junk” is OUT.
- Value - genuine, timeless, no frills, authentic, handmade, simplicity, cash only
- Shoppers will indulge in fewer but more meaningful items.
- Shoppers – growing interest in community.
- More Time – one of biggest items of value you can give customer
- Shoppers will make fewer trips, see shopping as boring. Big stores a waste of time, people don't enjoy shopping. Want to integrate shopping into daily routine instead of special trip.
- Shift away from malls, power centers. People don't like “fake downtowns.”

Holiday 09 retail forecasts:

Deloitte – predicts flat, no change from 08
ICSC – predicts Nov-Dec sales up 1-2%

2010 – may see consumers gradually resume small pleasures (especially technology).

Demographics/Market polarization:

“Golden age” of retail over. Demographics do not support same levels of retail growth, and easy access to consumer credit is over.

- Aging boomers will start spending less. Boomer population past peak earning/spending years, focusing on retirement. They will not drive recovery. They will focus on wellness.
- Gen X (30s & early 40s) – big spenders, in peak spending years, grew up in good times. But, there are ½ as many of them as of boomers, and their debt will temper spending.
- Millennials/Gen Y: (20s) The recession has had the least impact on them. They have high spending (reason boomers & Gen Xers are broke!). But, preferences hard to nail down.

UNIQUENESS, AUTHENTICITY – overriding theme.

Downtown choices MUST be different from the mall, other shopping destinations. People will not bypass a mall or closer places to go downtown for the same stores, experiences. Consumption now multi-nodal, no center, so downtown has to be attractive enough to get into people’s spatial patterns/regular moving around. Mapping (“map your weekend”).

Can’t be interchangeable with others. Can’t just think about being unique in your market- internet makes your competition global. Local independents have edge – have to capitalize on unique positioning which often comes out of personality of owners.

Downtown, your store, has to be “the only place, the place for me”. Micro-niches, Signature items, etc.

Super service – a new differentiator. Zappos – “a service company that happens to sell.”

REGIONAL MARKET – downtown retailers must appeal to broader trade area to pull in enough customers. What is underserved niche in regional market?

Chains – not leaders; they are followers. Locals, independents are where innovation comes from (retail concepts, fashion, store design, experiences). Must be realistic. Everyone wants a Crate & Barrel, but they will not lead by locating in a downtown with small but growing population. They will follow.

Buy Local not enough.

Even though community is increasingly important to shoppers . . . Why consumers don't "buy local" (or, why "buy local" message is not enough):

- They know your business exists but they don't like it.
- Your business does not have what they want.
- They think somewhere else has what they want (marketing issue)
- You are in a rut – managing existing business instead of wanting business (i.e., evolving)

What is the issue – sales down or traffic down?

Traffic down = marketing problem

Sales down but traffic ok = sales problem

Downtown Retailers – How to Compete

Internet – shopping by price & brand. Ways for downtown brick & mortar to compete:

- Provide an experience
 - Individual store: classes, workshops, social gatherings
 - Downtown – density, center of culture, innovation. Enliven street.
- Fine-tune quality of place (overall downtown, store)
- Authenticity, uniqueness, unscripted reality show.
- **Design really matters** – ensemble of streetscape, signage, graphics, merchandising. Good design tells you "something cool is happening here"
- Consider #3 and #4 brands in product lines. Big boxes scaling back in size & product offerings, focusing only on top sellers and their store brands. #3 & #4 products may still have loyal customers – differentiate by offering those brands.

GOOD DOWNTOWN RETAIL PROSPECTS:

- Regional chainlets/multiconcept businesses, a "sweet spot." They are local, innovative, specific to market, but not a startup without credit. Good balance between credit & character.
- Stores with multi-channel income streams, don't rely on walk-in alone. Online sales the fastest-growing channel. Store + internet sales can be 2.5 times more than store alone.
- If part of a chain, downtown store must be only location within MSA – downtown store must be destination in region and not duplicate mall offerings.
- Stores that capture many dayparts with hours and offerings (early pre-work, open late)
- Stores that engage customers on site (demos, classes, create community, experiences)
- Must have some internet savvy, presence – crippled if none.

Retail trends to watch:

- Pet products & service (Pets are the new children. More dogs in the US than children under age 18)
- Home and GARDEN – gardening products actually up right now
- Health/alternative health products, for the reluctantly aging. Wellness is a MEGATREND.
- Goods from or targeted to ethnic populations
- Super Green, sustainable, organic & local (basic green is the new “floor” – must go beyond)
- Experiential retail environments (demonstrations, seminars, classes, activities)
- Ready to go/anytime (shift focus from “item” to “solution” for time starved)
- Individualization – customized, personalized products (Lands’ End “suitable solutions”)
- Curated (trendy) vintage, used

Business mix, restaurants – have to have respect for the ceiling. Can’t throw more of same type of restaurant into subdistrict. When getting to 50% food & drink, mix may be off balance.


For City, Downtown Organizations:

- City process – cannot take more than 3 months for all approvals or will drive good operators away.
- Façade grants, incentives: Need to include budget for store design, graphics, merchandising – this is what will enable new retailers to compete, be successful. (TIF? City Façade Grants?)



10 Ways To Keep Your Business Thriving

1. **Know your customers.** Gather customer email and street addresses so you can stay in touch via cards, flyers and e-blasts. Think about sending birthday and holiday cards to customers.
2. **Give them a reason to come in.** Special events draw traffic! Consider hosting seminars, book signings, artist trunk shows, before- or after-hours private shopping for your best customers.
3. **Stay open.** Many merchants have discovered that opening earlier, closing later or even introducing Sunday store hours have boosted business.
4. **Focus on service – BE NICE!** Provide exceptional service that distinguishes you from the competition and makes your customers' lives easier: coordinate outfits with accessories, offer on-site tailoring, call when new merchandise arrives, supply shipping options. It's OK to charge for these extra services.
5. **Create an experience.** Arrange your store displays and bring products to the forefront to create a shopping experience that encourages buying rather than browsing.
6. **Individualized products.** Sell products that can be personalized and customized to fit customer personalities – such as the OneSole Shoes' Flip-Flop with changeable tops.
7. **Keep your store fresh, new and exciting.** Give your store life and make it breathe! One inexpensive way to increase sales is to change your store constantly by moving things around and changing displays.
8. **Online marketing.** Today's technology makes it easy to keep in constant communication with customers. Expand your business to include mail-order and give your customers additional ways to contact you.
9. **Collaborate with neighbors.** Get together with fellow merchants on events, sales and programs. Promote your neighbors!
10. **Shopping excursions.** Reach out to community groups and offer something special not otherwise available. Create a buzz with "insider information" – send out announcements to the local media and organize special shopping excursions. One local merchant organized such an outing with an art club in a retirement community that included a before-hours private sale, lunch at a local restaurant and a visit to a local art gallery.



Refuse to participate in doom and gloom! Think globally,
act locally and sell personally.