



CHAPTER 3:

NORTH FISH HATCHERY ROAD MARKET ASSESSMENT

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IV. INTRODUCTION

The North Fish Hatchery Road study area is a mixed-use business district that developed out of its adjacency to a major metropolitan highway and connection to the adjoining residential neighborhoods. With primary development in this corridor occurring during the 1970s and 80s, much of the real estate today reflects the original design and site orientation.

The uses in this one-mile corridor represent retailers, service businesses, office tenants, health services, fast food restaurants, financial institutions, gas stations, senior housing, multi-family residential, single family residential and manufacturing. Average rental rates in leased space range from \$9.00 to \$12.00 per square foot triple net. The estimated breakdown of physical space within the study area is as follows:

Professional/Health/Office	Approximately 82,500 square feet
Retail/Service/Storefront	Approximately 92,100 square feet
Gas/C-Store/Automotive	Approximately 10,000 square feet
Fast Food	Approximately 13,250 square feet
Manufacturing	Approximately 75,000 square feet
Multi-Family Units	300 Units
Senior Apt. Units	42 Units
CBRF Beds	56 Beds
Single Family Homes	6
Church	1

The evolving role of business districts in a constantly changing and increasingly competitive marketplace poses a particular set of problems for retail real estate. Developed approximately 25 years ago, Fitchburg Ridge Shopping Center was an important retail component on North Fish Hatchery Road, which supported the growing Fitchburg area, the Arbor Hills and Ridgewood neighborhoods, and other nearby residential areas. The project was a wonderful example of a neighborhood retail center, with a grocery store, hardware store, flower and gift shop, hair salon, etc.

With the influx of new retail businesses and shopping center developments within the Madison market area over the last 10 years, older centers such as Fitchburg Ridge have often struggled to maintain their retail identity. Whether it is competition from new businesses, competition from new shopping center venues, business closures due to retirement, business closures due to a market shift, or even global events such as September 11th that instantly change consumer spending habits, these aging shopping centers can be harder hit and less likely to rebound to their original tenant mix.

The closure and relocation of retail businesses from Fitchburg Ridge within the last 5 to 7 years evidences the difficulty such retail centers have faced in today's market. Today's market conditions require that property owners examine new ways to keep their properties viable. Perhaps it's a remodel of the real estate, a repositioning of the tenant mix to incorporate more non-retail uses, or, to the extreme, a complete redevelopment or recycle of the real estate to a completely new use.

Historically, North Fish Hatchery Road has not just been a retail district, but a commercial district, supporting many uses that capitalize on the key components of the street including: high traffic counts; a strong population of day-time workers; good residential rooftop counts and excellent transportation connections. Office space, multi-family rental housing, fast food restaurants, gas stations or convenience stores and financial institutions have found North Fish Hatchery Road to be a great place to do business.

Today's consumers, whether those looking to rent office space, buy a greeting card, or find a place to have lunch, are much more demanding and sophisticated than they were just 10 years ago. We all have higher expectations for the surroundings in which we live and shop, the businesses we frequent, and products we purchase. With tremendous competition already in the Madison market area, and the knowledge that more competition in all market segments is on the horizon, this is an important time to examine the issues and opportunities on North Fish Hatchery Road, both public and private.

II. STRENGTHS

Although North Fish Hatchery Road does not have the identity and competitive edge it had 10-15 years ago, it does have many important characteristics that give it a critical advantage to re-establish itself in the larger marketplace. These strengths are:

A. Location, Location, Location!

This short stretch of Fish Hatchery Road lies within ½ mile of the Madison Beltline, which has a traffic count of over 100,000 cars per day. The Fish Hatchery Road intersection at the Madison Beltline (Highways 12, 14, 18 and 151) has full ramp or clover-leaf access, providing convenient connections within the City of Madison and to the 90/94 Interstate system just 6 miles to the east.

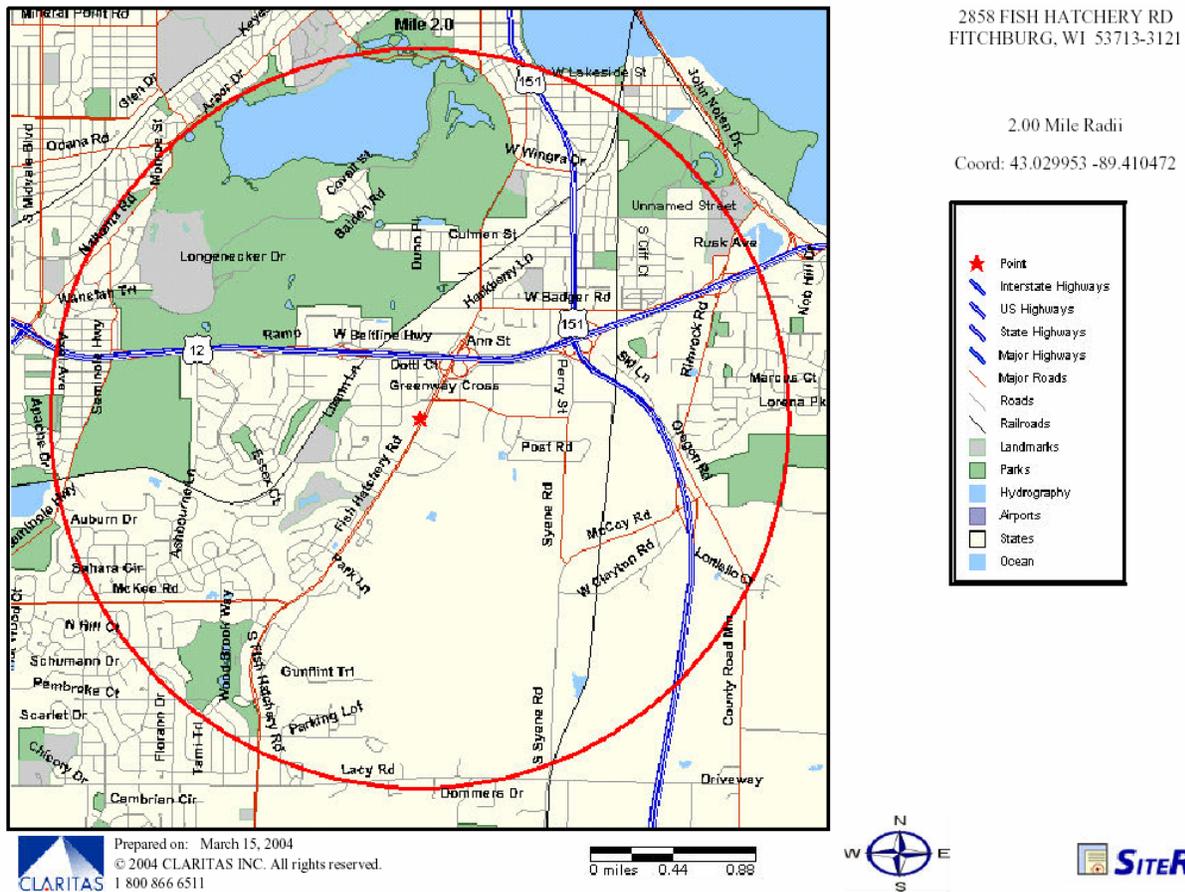
North Fish Hatchery Road has an excellent metropolitan market placement, mid-way between the east and west sides of Madison, and only 4 miles to the Isthmus area. North Fish Hatchery Road is truly one of the central most points on the primary Madison transportation connectors, offering tremendous access throughout the county.

B. Daytime Employment

Daytime employment numbers are very important to many businesses when they are considering the right location for their operation. For example, fast food restaurants, financial institutions and gas stations rely on a nearby employment base to help drive their businesses. Within **two miles** of a central point in our study area, there are approximately 1,400 businesses with a total of almost 27,000 employees. The two mile radius is illustrated in Exhibit 3.1, below.

These employee counts represent a wide range of business types and consequently personal incomes and consumer spending habits. These daytime employment numbers are excellent, particularly in addition to the great transportation connections in and out of this corridor.

Exhibit 3.1: Daytime Employment Demographics.



C. Strong Residential Market

Fitchburg has certainly been a hot commodity for both commercial and residential development. Not landlocked, Fitchburg continues to attract enthusiastic residential developers, providing a variety of new housing options. The City of Fitchburg has approved the 1,283 dwelling units to be developed in Swan Creek, Oak Meadows and Harlan Hills. The Department of Administration currently places population within the City of Fitchburg at approximately 22,000.

A demographic profile prepared for the **three mile radius** surrounding the intersection of PD and Fish Hatchery Road indicates a population of approximately 45,400 based on the 2000 United States Census data, a 2003 estimated population of approximately 47,050, and an anticipated growth in this three mile radius of 5.9% between 2003 and 2008. The City of Fitchburg anticipates growth within the City at approximately 2% per year.

Population stability and growth is an important component to business district development. While there are categories of businesses that require a strong daytime employment population to support them, other business categories require nearby rooftops. These business types may include medical / dental facilities, day care, grocery stores, hardware, pharmacy, coffee shops, etc. A demographic snapshot is included in the Appendix to this document.

On North Fish Hatchery Road, with the addition of new housing opportunities on the Bowman lands, and a concerted effort to stabilize and invest in the existing multi-housing nearby, there could be a

time in the future where the market will support niche retail which is more sensitive to the immediate market area or “rooftops” than other retail categories. Also, as the residential market grows and stabilizes nearby, it becomes more likely that neighborhood retail will fill the storefronts, as it did 20 years ago.

D. Traffic Counts

North Fish Hatchery Road has an average daily vehicle count of approximately 42,000 cars. For most retail and service businesses, these car counts are exciting and very competitive in the metro Madison market area. For example, Mineral Point Road at West Towne Mall is approximately 34,000 vehicles per day (VPD), University Avenue near Hilldale Mall is approximately 45,750 VPD, Monona Drive is approximately 35,000 VPD, and East Washington Avenue near East Towne Mall is approximately 50,750 VPD. Traffic counts of 42,000 are an asset that many commercial districts cannot compete with, and may be very attractive to businesses that depend on strong traffic counts.

E. Development Opportunities

A very enticing component of North Fish Hatchery Road is the potential for new development to occur on undeveloped or underdeveloped lands already within the urban service area. The Bowman properties, six existing single-family homes, and the industrial property occupied by Foremost Farms, all offer significant long-term potential for the expansion and refinement of this commercial corridor.

Currently, the bulk of residential and commercial properties are located on the west side of North Fish Hatchery Road. These future development lands can provide some well needed roadway connections on the east side of the street, along with the ability to balance the commercial and residential uses on both sides of North Fish Hatchery Road.

The area’s attributes including: central location; high traffic counts; and growing market area, currently generate significant interest by developers and businesses. Many of the market areas currently being explored by property owners and developers have the potential to enhance north Fish Hatchery Road as a successful mixed-use commercial district. Recent investments in outpatient medical services such as dialysis centers are one example of a growing market niche in the study area. With north Fish Hatchery Road’s convenient location, bus service and significant senior population in the vicinity this medical market niche has great potential in this area.

Neighborhood serving retailers and larger soft goods retailers may also be interested in the area, particularly the undeveloped lands east of the road given that this location offers a good opportunity to infill in a strong and growing residential market.

F. Area Amenities

A commercial corridor’s amenities are the things that make this area valuable and different, thus attracting residents, businesses and shoppers to utilize the district. For example, a commercial corridor’s assets might include: the mix of retail or service businesses; medical anchors; the transportation system including roadways, bicycle trails and mass transit; history; entertainment and parks and open space.

The adjacency to the Nine Springs E-Way is an interesting amenity for the North Fish Hatchery Road area. This large, natural green-way with its pedestrian trail system is a real amenity for residential and commercial development in the area. In a fast growing community such as Fitchburg, the Nine

Springs E-Way provides a green-space corridor that offers residents and daytime occupants the ability to access a natural habitat setting. The area also possesses one of the only historic buildings in Fitchburg, the old Bowman Dairy milking parlor.

III. WEAKNESSES

When considering market potential, we must also look at those factors that may be viewed as detriments when trying to attract new businesses or redevelopment interest. In our study area of North Fish Hatchery Road, there are a few issues that must be acknowledged:

A. Visual Presence

As a gateway into Fitchburg, this area of North Fish Hatchery Road seems rather “invisible.” There is no indication that you have left the Madison highway commercial area and transitioned into Fitchburg. Because of the general age of this district, and the fact that few streetscape improvements are in place, this commercial district is visually uninteresting, with a somewhat haphazard feeling. This can be a disadvantage relative to competing commercial districts when a business may be looking to secure a business site.

B. Identity

As the original business district for Fitchburg, North Fish Hatchery Road has evolved into an area that lacks identity in its business mix and land use. Because the corridor has many individual property owners and no cohesive plan for its development/redevelopment, North Fish Hatchery Road development exhibits the consequences of many individual, uncoordinated decisions among a very mixed bag of uses.

C. Cross Connections

Cross street connections on North Fish Hatchery are too limited. This corridor needs better direct access to its current and future neighborhoods, along with alternative routes for consumers to use when accessing North Fish Hatchery Road. Block lengths seem long on the west side of the street, with virtually no block breaks on the east side of the street, which can encourage speeding and intimidate pedestrians.

D. Ingress/Egress

Ingress and egress to and from businesses can be problematic due to current traffic volumes, curb cuts, median cuts and the way the bus/bike/turn lane is utilized as a third lane of traffic. Consumers today are looking for ease of access to places where they want to do business. Traffic back-ups and safety concerns will steer customers and businesses in other directions.

E. Surrounding Neighborhood

The immediate neighborhood residential is heavily weighted in multi-family housing that appears to attract a narrow market segment. Business districts can be affected both positively and negatively by those areas located immediately adjacent to them, and the Ridgewood Apartment development is not the positive influence that it was 10 years ago.