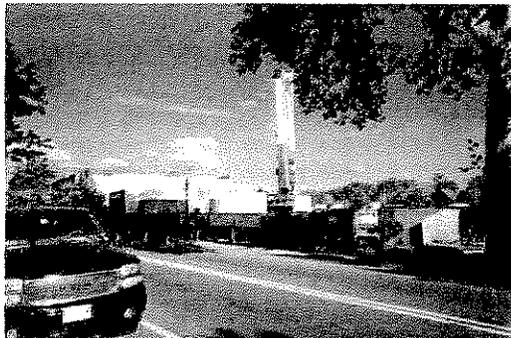


Madison Downtown Growth and Development Study



Prepared by:
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for
Borough of Madison
Downtown Development Commission

April 2007



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Introduction

Purpose and Methodology

Phillips Preiss Shapiro Associates and Pennoni Associates (the “study team”) were retained by the Madison Borough Downtown Development Commission (DDC) to prepare a report—the “Borough of Madison Downtown Parking/Redevelopment Study”. In the beginning stages of the project, the DDC recognized the need to move from a more technical study focused on parking capacity to a planning and development action study that provides the Borough with a comprehensive framework for decision-making (a sense of reality) about downtown growth and development. Ultimately, this “Madison Downtown Growth and Development Study” provides the tools to begin building consensus around how, and by how much, the Borough wants to develop the downtown area.

Past studies have examined potential development sites and identified incremental enhancements and adjustments to Borough codes and standards. The DDC understood the need to take a more significant step and should be applauded for being proactive about growth. It is appropriate to be looking forward and taking action to ensure that Downtown Madison continues to be a vibrant and attractive location. The challenge is finding the right balance between accommodating demand for growth while at the same time retaining and adding value to the character that makes the downtown area so special. Helping the DDC and the Borough to find that balance is the focus of this report.

In the end, what the business community, residents and decision-makers have requested is an action plan (not a report that sits on the shelf) that sets forth a series of achievable development options (based on market realities) that can be used as a framework for future planning and development initiatives. The study team, the DDC, Borough officials and residents worked toward that goal through several actions (which also form the structure of this report):

1. Identifying land use standards and information sources that could be enhanced or updated to allow the Borough to manage and maintain Downtown at its optimum capacity;
2. Examining current land use policy (parking and zoning) to see which standards might be tweaked to accommodate

- (or at least, not inhibit) growth;
3. Clarifying the level of existing and potential commercial and residential demand in the study area for certain uses (retail; housing; mixed-use);
 4. Understanding how unmet demand translates into supportable space; and
 5. Identifying and building consensus around potential sites for development that could accommodate appropriate growth.

This report is based upon prior studies, on an analysis of existing conditions (parking and circulation, existing land uses, and current zoning), a market demand analysis, and an examination of development capacity in and around the Central Business District ("CBD") in the Borough of Madison, Morris County, New Jersey. Interviews with DDC membership, Borough officials, merchants, and real estate professionals were essential to forming the focus of the study and the final recommendations. This study is broad, although the detailed analysis included in an interim report and the **Appendix** of this report are intended to serve as a jumping-off point for future studies.

The conversation about growth is ongoing. Markets and opportunities change. And there will always be a divergence of opinions over the future character of the Downtown and its environs. But there is unmet demand and potential for growth in Madison, which is the best type of problem to have. If the Borough fails to build consensus around how, where and by how much it will grow, rest assured that those decisions will be made (and are already beginning to be made) by a sophisticated development community. If the Borough chooses not to direct growth and demand, developers will determine strategies. And for many communities, that is an acceptable method for determining growth. Madison, however, has already made it clear that it wants to be more of a partner in its own future, and this study provides the tools necessary to start being proactive.

Study Area

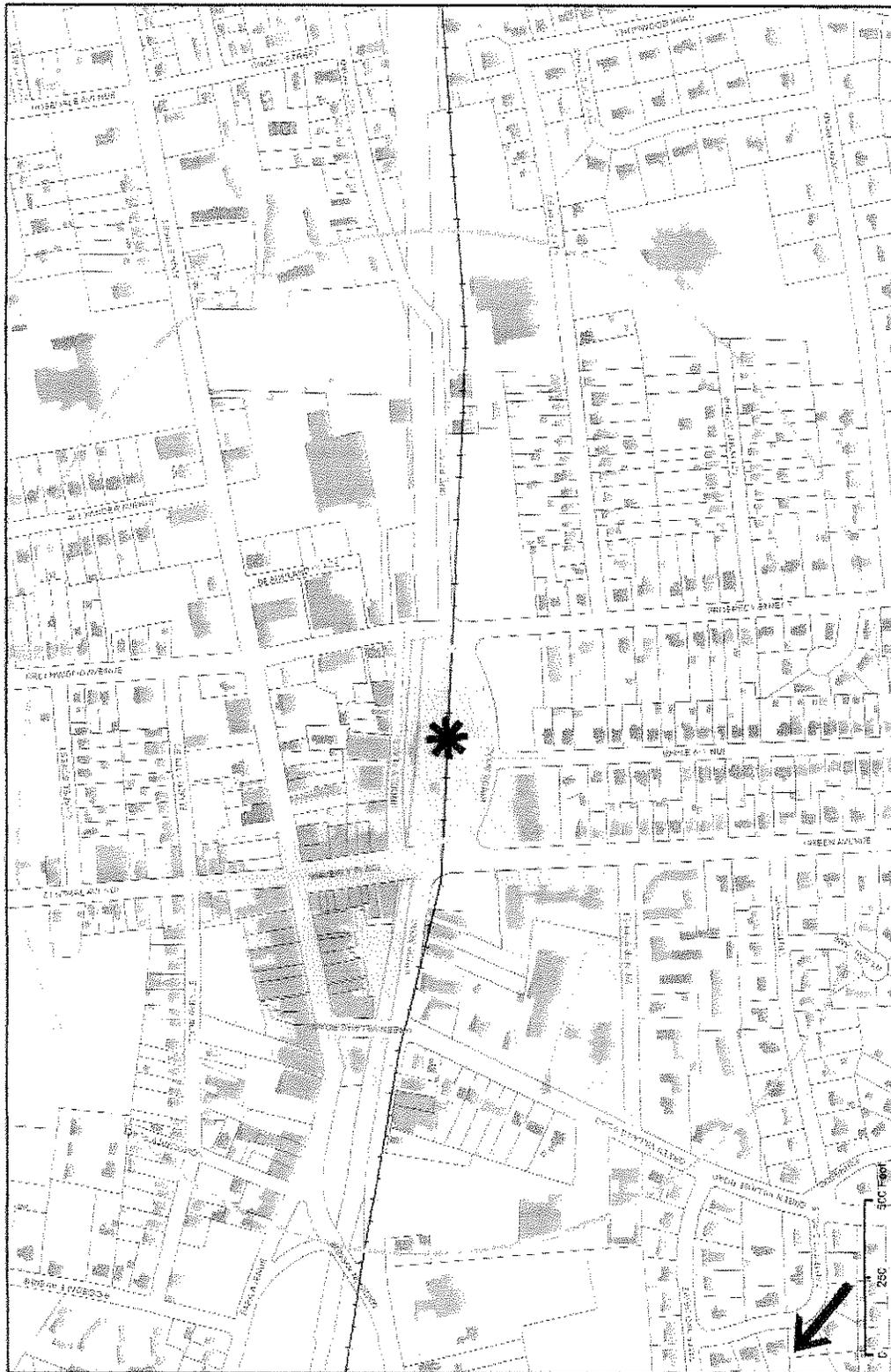
The study area (displayed in **Figure 1**) is a one-quarter mile radius originating at the train station. The area generally follows Kings Road along the railroad tracks from the intersection of Park Avenue and Madison Avenue on the west to the point where Kings Road crosses north of the tracks on the east. The northern boundary is generally along Chapel Street and the southern boundary is generally along Pomeroy Road.

The study team felt it important to look beyond the CBD zoning districts in the downtown core to better understand the influences on growth and the potential to accommodate that growth. It also wanted to account for the business area just east of the traditional downtown area. As such, it reviewed existing conditions in detail within that one-quarter mile boundary and, in later phases of the study (such as the market demand analysis), it looked beyond that area to consider additional influences such as regional employment and retail centers.

Review of Past Studies

As an initial step, the study team reviewed past parking, circulation and redevelopment studies, focusing particular attention on four documents:

1. 1997 Parking Study – Borough of Madison, prepared by Moscowitz, Heyer & Gruel ("1997 Parking Study");
2. Borough of Madison: A Center for Transit, the Arts, Lifelong Learning and Health & Recreation, prepared by the Edward J. Bloustein School at Rutgers University and the New York University Real Estate Institute ("Rutgers/NYU Study");
3. Reexamination of the Master Plan and Development Regulations, adopted by the Madison Borough Planning Board on December 7, 2004 ("MP Reexam");
4. DDC Business Info, a survey of commercial uses in Madison, dated August 25, 2005.



Sources: Madison Township GIS Data
NJDOT GIS Data
Phillips Press Shapiro Associates, Inc.

- Legend**
- Study Area
 - 1/4 mile radius
 - Railroad
 - Building footprints
 - Historic District
 - Train station

Figure 1: Study Area Map

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The goal of this initial step was to ensure that previous analysis was assimilated into the study. At the same time it was necessary to update information in a manner that leads the DDC to a better understanding of practical opportunities, limitations and needs associated with development downtown (see **Appendix A** for suggestions of future studies the Borough might choose to undertake). Discussion of each of the four documents is included throughout the existing conditions analysis.

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Existing Conditions Analysis: Parking, Land Use & Zoning

The following analysis provides a review of existing study area conditions from a parking, land use and zoning perspective, and provides relevant data and mapping. It also offers initial recommendations for accommodating future growth and maintaining character by: (1) identifying current land use policies that, if tweaked, could help to accommodate future growth and (2) proposing new land use standards and guidelines.

Parking Analysis: Introduction¹

Given the space and cost of providing parking, the zoning standards and codes that dictate parking requirements can have a significant impact on the character and viability of development projects. In addition, too much land area dedicated to surface parking can result in negative environmental impacts (e.g., greater storm water run-off) and a negative aesthetic impact that can cumulatively degrade the visual quality (and financial vitality) of an entire downtown area. This section, first and foremost, provides the Borough with parking strategies that will help accommodate appropriate growth and development within the study area.

There is a general perception among some Madison residents and business owners of a long-standing parking problem within the study area. While undoubtedly the difficulty that many residents or business owners have in finding parking is real, the experience of other municipalities indicates that the perception is frequently worse than reality. Parking difficulties are often perceived in comparison to the relative ease of finding spaces five or ten years ago. Or, they stem from a lack of tolerance on the part of convenience shoppers who are simply looking to pick up coffee, buy a loaf of bread or drop off laundry. Many municipalities have learned that managing parking availability for short-term shoppers is often the key to easing parking challenges

A review and update of a 1997 Parking Study, limited field study, as well as conversations with Madison officials does

1. A more detailed analysis of past studies and current conditions can be found in an interim report ("Phase I Report") that can be accessed on the DDC's website at: http://www.rosenet.org/gov/ddd/do_wntown_improvement/default.htm

suggest that the parking deficiency in the study area might not be nearly as severe as earlier reports suggested or some residents and merchants may believe. However, since the perception of a shortage can have a real impact on business (and therefore on growth potential), it cannot be dismissed. In addition to strategies for accommodating growth, this section includes a number of immediate, low-cost strategies for efficient use of the Borough's current parking supply and then considers strategies for creating new parking spaces.

While there have been calls for immediate action to physically increase the supply of parking in the study area, it is the strong recommendation of this report that the Borough first pursue strategies to ensure efficient use of its current inventory before turning to costly alternatives that will impact the character of the study area for generations.

Parking Analysis: Findings

1. The perception of a parking problem in downtown Madison is most likely worse than reality.
 - The parking deficiency highlighted in the 1997 Parking Study may be overstated, as it was based on parking standards in the Madison code that reflect older, single-use suburban retail parking ratios, requiring a much higher amount of parking than best practices suggest are necessary (see finding #2).
 - During limited field observations at peak hours, available on-street parking was observed in each of the designated Parking Areas (See **Figure 2**). While counts were not taken, there appeared to be no observable difficulty in finding a parking space on the street, despite the current loss of Kings Road Lot 2. Spaces seemed available a block south of Main Street, south of the elevated train tracks, and along Kings Road.
 - If there was a significant parking problem that required an immediate increase in supply, the town's retail trade would be suffering (and this does not appear to be the case as will be discussed in the Market Demand section of the report).
 - The current number of on-street spaces is generally consistent with the 1997 Parking Study.
 - The Borough has added 73 spaces since 1997 by converting private spots to public spaces and expanding existing parking areas (+5 Public Spaces in Area A and +68 Permit Spaces in Area F). This has almost completely off-set the 80 total spaces lost at Kings Road Lot 2 due to the construction of the new municipal building (see **Table 1**).

Table 1

Area	Public lot	Scheduled Change
A	Green Avenue Lot	5 permit spaces converted to public spaces
F	Ambulance squad	Convert 16 spaces to public
F	Kings Road Lot 1	Increase supply of public spaces by 31
F	Kings Road Lot 3	Increase supply of public spaces by 13
F	Hartley Dodge Lot	Will add 8 spaces for public
Total Change in Area A		+5 Permit Spaces
Total Change in Area F		+68 Public Spaces

Source: Madison Borough Department of Engineering ("April 2005 Parking Transition Plan" GIS Map)

2. The current standard for retail sales uses of 1 parking space for each 200 square feet is considerably higher than the standard used in many other communities for their downtowns. While the ratios in the zoning code are suit-

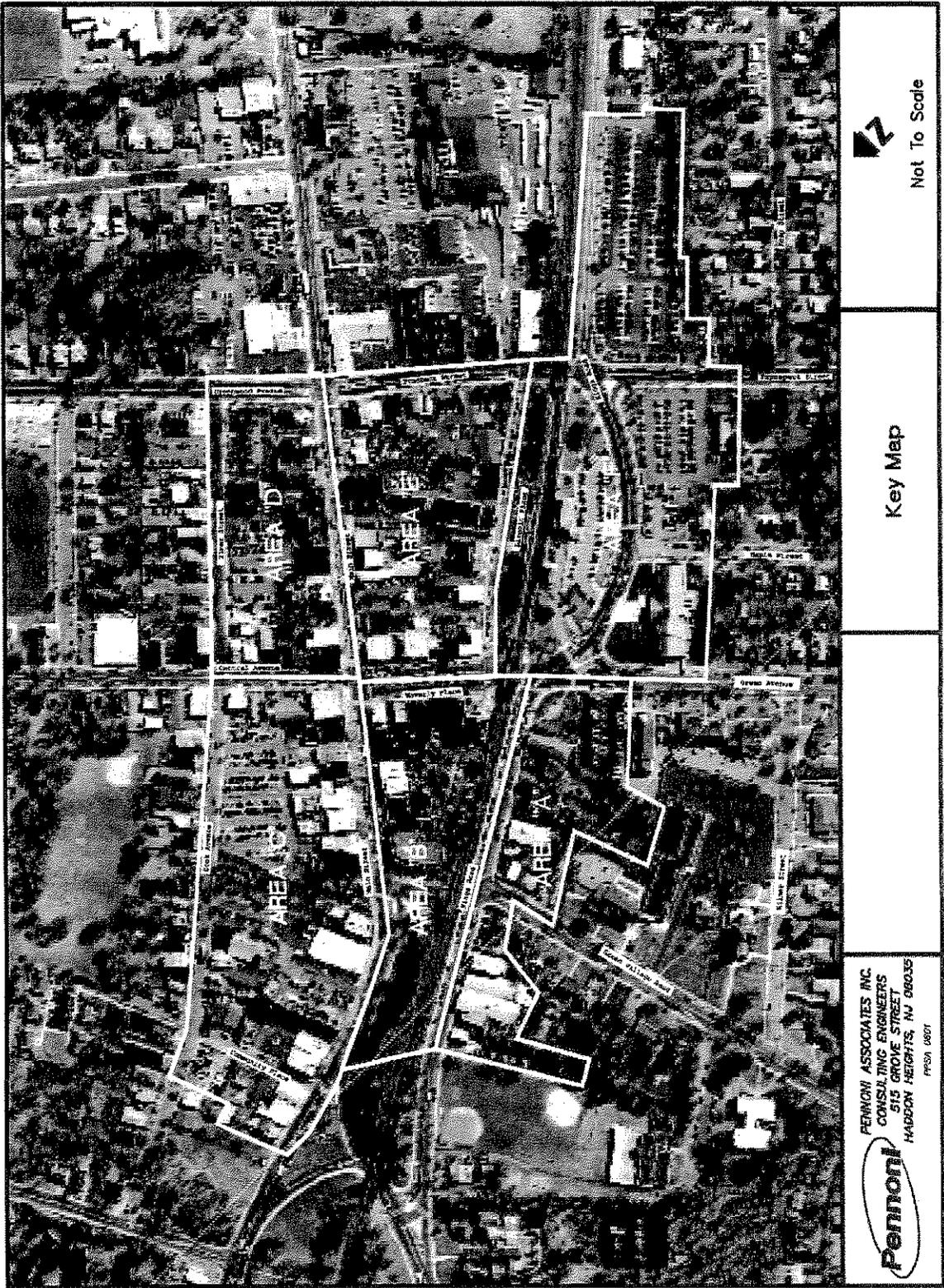


Figure 2: Designated Parking Areas (1997 Study)

able for new retail establishments and shopping centers which are frequented predominantly by motorists traveling from longer distances, in a downtown context the ratios in the zoning code would require a much higher amount of parking than best practices suggest are necessary. Since a standard parking space and associated drive aisles can require as much as 300 to 350 square feet, the current standard mandates a larger amount of land be provided for parking as for floor area in a new development.

3. The current standards for residential parking, especially where residential spaces are also utilized for other uses (particularly retail uses), also seem high in light of the character of the study area.
4. Current 1- and 2-Hour parking regulations seem to ensure constant turnover, but there may be a need for more re-calibrating in order to ensure, as much as possible, that short-term shoppers are given the best shot at on-street spaces.
5. More remote parking locations are needed for merchants and employees in order to free-up spaces for convenience shoppers.
6. Since 1996, the number of resident permits have increased, the number of merchant permits have dropped, and non-resident permits have been eliminated (see Table 2).
7. From discussions with the Police Department, it is understood that some Borough residents have been obtaining resident commuter permits for non-residents.

The following chart compares the number and type of parking permits issued in 2006 versus 1996:

Table 2

Type of Permit Holder	2006 Number Issued	2006 Percentage of Total Permits	1996 Number Issued	1996 Percentage of Total Permits
Merchant	176	22%	293	33%
Tenant	49 (with 17 parking at Cook Plaza)	6%	87	10%
Resident Commuter	449 (all using Kings Road Lots 1 and 3. Lot 3 has 41 pay spots for anyone)	55%	288	32%
Non-resident Commuter	0	0%	86	10%
Borough Employee or Committee Member	140	17%	145	16%
Total	814	100%	899	100%

Source: Madison Police Department

Parking Recommendations: Standards and Codes

Madison prescribes required parking based on assumptions about the relative amount of vehicle traffic generated, and therefore parking required, for various use categories. Tables laying out those standards are provided in the **Appendix B**. In addition to standards related to how much parking is required, the Borough's zoning code also includes some minimal standards related to the design of parking areas. These standards can impact both the cost associated with providing surface parking and how well those parking areas are integrated into the overall character of the area.

In order to accommodate potential demand for uses within the study area, and at the same time protect the character of the downtown area, the study team recommends two key actions regarding parking standards – reviewing the current standards to ensure they are consistent with best practices, and providing additional flexibility in how parking requirements are met in order to remove hurdles to redevelopment that may be caused by difficulties in providing parking. Options to consider include:

1. Modify non-residential parking standards. Reducing the parking standard can remove a hurdle to encouraging new development by reducing the cost of providing parking on potential development sites. In light of the latest research from the Urban Land Institute and the Institute of Traffic Engineers, it is recommended that parking standards for commercial uses within the study area be reduced. Some communities have reduced their parking requirement for retail sales uses to 1 space for each 500 square feet. Others have removed the parking requirement for commercial uses in downtown environments altogether, relying on a combination of the property owner's understanding of the development and the availability of public parking to determine the actual amount of parking provided on site. Restaurants could be parked on the basis of seats, not square feet, with a ratio of one space per every three seats being an appropriate level.
2. Modify residential parking standards. While these standards are established by the New Jersey Residential Site Improvement Standards (RSIS), they should be reviewed to identify where they could be reduced (for example, the requirement to provide 1.8 spaces for each 1-bedroom garden apartment). RSIS includes provisions to allow for alternative parking standards [5:21-4.14 (c)] if they are warranted by local conditions such as "household characteristics, availability of mass transit, urban versus suburban location, and available off-site parking resources."
3. Expand existing standards related to shared parking to allow for a simpler calculation of the parking required, rather than having to rely on a case-by-case parking study in every situation. The Borough may allow the joint use of up to 50 percent of the required parking spaces for two or more uses located on the same or adjacent parcels. Credit in the residential standards should also be given in light of access to the train station for commuting to work, as well as to opportunities to walk within the downtown, rather than drive. This approach is also permitted by the RSIS standards: "When housing is included in mixed-use development, a shared parking approach to the provision of parking shall be permitted." [RSIS, 5:21-4.14(e)]
4. Institute a Payment-In-Lieu of Parking (PILOP) program that allows for the payment of a fee that may be used by the Borough (or a parking authority) to construct parking facilities or fund programs aimed at mitigating the parking impacts of new development, rather than providing parking on-site. Many cities use the revenue to provide public parking spaces to replace the private parking spaces the developers would otherwise have provided. There are two basic approaches to setting in-lieu fees. The first is to calculate the appropriate fee per space on a case-by-case basis for each project. The second is to charge a uniform fee per space for all projects. A successful PILOP program likely requires a parking management entity (or entities) to design, build, operate and maintain parking facilities, as well as a designated Parking District. The PILOP program often also requires seed money from state or local government entities to build the first phase of parking. PILOP fees are often kept separate from a City's general fund and managed in a self-sufficient parking fund (such as an enterprise fund). The parking fund allows for the pooling of PILOPs, fines, and on-street/garage revenues to pay for parking construction and operation.

5. Provide incentives to reduce parking demand rather than increase the parking supply. Some municipalities give developers the option to reduce parking demand instead of increasing the parking supply. To reduce parking demand, developers typically provide incentives – such as transit passes for commuters – that encourage travel by alternatives to solo driving. Another way to reduce parking requirements is to offer commuters the option to “cash out” their employer-paid parking subsidies. Another possible in-lieu policy is to provide shared-car parking spaces instead of private parking spaces. Parking ratios for new residential developments that provide free memberships and/or spaces to car-sharing programs should be significantly reduced. Demand management techniques include:
 - a. Carpool/vanpool;
 - b. Passes for car-sharing systems such as Zipcar or Flexcar;
 - c. Transit passes;
 - d. Shuttle system;
 - e. Physical and functional linkages to transit facilities;
 - f. Demonstration of shared parking potential (e.g. daytime uses are different from evening/weekend uses).

6. Consider a Transit-Oriented Development (TOD) Overlay District ordinance. The intent of a TOD Overlay District is to encourage the use of alternative modes of transportation by ensuring the compact development of those urban lands surrounding transit stations. TOD regulations would serve to concentrate employment and residential activity, blend land uses, and enhance the urban design around those areas wherein the overlay mechanism is applied. A TOD Overlay District ordinance can help ensure that new development in Madison both enhances transit ridership and takes advantage of benefits conferred by transit access – particularly in terms of diminished or alternative parking requirements. A proactive approach to existing and future parking uses will simultaneously benefit downtown Madison and support any Borough transit investments. Since parking is a key consideration in implementing transit-oriented development in a downtown context, the TOD Overlay District for Madison could embrace several flexible parking guidelines:
 - a. Modified parking requirements;
 - b. Discouragement of large surface parking lots;
 - c. Promotion of spatial efficiency (structured and on-street parking);
 - d. Allowance of shared parking arrangements between complementary uses;
 - e. Creation of residential permit parking zones; and
 - f. Public awareness.

7. Provide additional flexibility in how parking requirements are met. In addition to considering adjustments to the current standards, Madison could also consider new opportunities to provide more flexibility in how parking requirements are met. Some methods to consider include:
 - Continue to allow adjacent on-street parking that is documented as “available” during the times it is needed for the proposed new uses, to count towards the minimum parking requirement. While this is currently addressed through a variance, it is possible to codify this requirement, removing the need for the applicant to go through the variance process to take advantage of this approach.
 - Expand the existing standards related to shared parking to allow for a simpler calculation of the parking required, rather than having to rely on a case-by-case parking study in every situation.
 - Allow parking to be provided off-site, in remote or centralized lots (public or private)
 - Make sure the new, more permissive standards do not lead to a reduction in existing available on-site spaces, unless such spaces are well in excess of what is required for the new uses.

8. Develop parking structure design standards. While the development of a parking garage may not occur immediately, the Borough should adopt design standards to help ensure that if one is constructed, the new garage does not detract from the character of the downtown area:
 - Many communities require garages to be “wrapped” with retail uses on the ground floor and to use materials and window/opening patterns consistent with the character of surrounding buildings.

- The smaller the footprint for the lot or garage the better—notwithstanding that the larger the lot the more efficient it is to build and maintain. Multi-level structured facilities make more efficient use of urban land, mitigate the impact of parking upon the urban fabric (e.g. by maintaining vertical continuity), and can hide vehicles from public view.
- Provide ground floor (for garages) and peripheral (for lots) uses that animate street life.
- Design parking structures to blend with the architecture of downtown; and design parking lots to complement the green imagery needed to market downtown housing.
- Provide a consistent, and attractive style of signage indicating the access points for garages.
- Promote shared parking in the structure. This can be done through zoning that mandates that the ground floor of any garage—even if for private use—be always available to the general public, and/or that the entire garage be available except during the peak times for the structure (e.g., weekdays for offices, overnight for housing, etc.).

Parking Recommendations: Managing and Increasing Supply

Short Term Recommendations for Managing the Current Supply

1. Create shared parking opportunities. Shared parking is a cooperative parking agreement reached by two or more uses taking into account the variable peak demand times of each use. For example, an office building (such as a bank) may share parking facilities with a retail complex so long as their hours of peak operation do not substantially overlap. Particularly as the Borough looks to encourage additional residential opportunities in the downtown areas, shared parking opportunities should be considered when residential uses are located in the same building or nearby commercial uses.
 - One immediate location for shared parking could be Block 1601, Lot 9 (22 Central Avenue). It has been estimated that, even with the planned construction of new residential units for active seniors, that this lot could yield up to 15 spaces for merchants and their employees. The Borough should consider a reduction or complete waiving of parking requirements for the new development, as future residents will likely not require more than one vehicle each (if any).
 - A second location worth immediate attention is Block 2801 (bordered by Kings Road; Green Avenue; Wilmer Street and Green Village Road). Because of the presence of adjacent religious institutions, and the irregular configurations of lots 3 and 4 (which extend south a significant amount of distance), opportunities to create connections and shared parking opportunities through design and code should be explored.
2. Ensure that only Madison residents are being issued resident permits. If the registration address of a parked vehicle does not match the address on the permit, the vehicle should be ticketed and towed at the owner's expense. This enforcement effort should free up spaces for Madison residents (and convenience shopping). The provision of commuter spaces is a substantial benefit to residents, the actual cost of which on a purely real estate value basis is a "subsidy" supported by local taxes. Inconsistent or unpredictable enforcement can be a frustration to downtown shoppers and can impact compliance with parking regulations.
3. Consider a lunchtime shuttle. This could run from downtown to and from employment centers (such as Giralda Farms and possibly office complexes along Park Avenue and within Florham Park), thereby reducing demand from office workers using CBD parking during the peak lunchtime hour. This was suggested in past parking studies but a funding source was never discussed. For possible sources, see recommendation #6 below.
4. Improve pedestrian connections between lots and stores. Parking is about more than parking spaces. It is also about the walk from the space to the shop, restaurant, office building, apartment building, court, theater, etc.
 - In the train station underpass connecting Lincoln Place and underutilized parking along Kings Road and in the Kings Road lots:

- Dedicate space to a concierge service and a café that offers commuters, visitors and residents an opportunity to shop and linger.
 - Consider a small museum (possibly connected to Madison history or the history of the train station) to be integrated into the interior of the station.
 - Create revolving public art display opportunities.
 - Coordinate safety measures with the fire and police staff at the new municipal building (dedicated watchmen, cameras, etc.).
 - Conduct community events (markets; concerts) in the train station parking lot to enhance people's awareness that they are already in downtown.
 - Keep the municipal building decoratively lit at night, providing a focal point and new, nocturnal public space and therefore increased safety.
 - In the long-term, new transit-oriented residential buildings in close proximity to the train station will make the walk seem safer.
 - Improve lighting (see below).
 - Provide pedestrian-scaled, sidewalk lighting wherever possible and ambient "Gooseneck lighting" on stores.
 - Wherever physically appropriate, mandate ground floor retail or service carts - people like to "window shop" when they walk any distance.
 - Improve pedestrian crossings, with striated paving, neck-downs (bulge-outs), pedestrian minded crossing times, etc. Instead of building a garage closer to the Main Street shopping area, put the money into upgrading the streetscape of Cook Avenue, Kings Road, Prospect Street, Greenwood avenue, etc.
5. Direct parking ticket revenue to a downtown improvement project. Thus, the ticket could say "send your checks to the Downtown Madison Fund," or even provide a choice for a variety of projects, such as a concert series, a streetscape improvement, or a lunchtime shuttle to and from employment centers. Assuming a healthy demand for on-street spaces, significant revenue can be generated without raising property taxes, leading to better security, street trees, cleaner sidewalks, less demand for spaces, etc.
6. Use parking funds to cross-subsidize merchant/employee passes (but have merchants and employees park at lots further from their stores). Currently, merchant permits are \$200 and enable permit holders to park in Cook Plaza, Elmer Street, Green Avenue lots, as well as the Old Health Center Building, regardless of whether they utilize the most convenient spaces for short-term shoppers (tenants can park in the same lots but only in permit spaces). This system is not effective in its current form: the existing permit fee is a hardship to independent firms/businesses and part-time and low-wage earners, and at the same time does not prevent them from taking up the most convenient parking spaces. By utilizing some of the parking funds to cross-subsidize passes, the City will make it easier on employees and business owners to obtain them. This approach may actually improve enforcement since a greater proportion of merchants and workers are likely to subscribe to the program, decreasing the number of violators and lessening the number of merchants utilizing the most convenient parking. The key to this policy is restricting permit holders to parking in the more remote lots and spaces, since this will help to increase economic value to merchants by freeing up the most convenient car spaces for shoppers.
7. Analyze existing, off-street parking lots to determine yield through combining adjacent lots and access driveways. Some existing lots appear to be inefficiently utilized. If they could be restricted and configured, they could yield additional spaces with this very low-cost option. This is another fairly low-cost method of increasing parking supply in the downtown to determine whether combining the lots and combining access would yield additional spaces. Incentives for private landowners to undertake such improvements should be considered. For starters, consider physically combining the Cook Avenue lot with the adjacent, private lot to the west. This could immediately open up room for several new parking spaces. Use signage and increased police attention (instead of physical barriers) to enforce different allowances in the two lots. In the short-term, examine the DiBiasse property at Community & Cook (Block 1501; Lot 4) to see if it could yield more spaces, especially for permit holders and merchants. There

are numerous private parking lot areas throughout the CBD that are woefully underutilized due to inordinately wide striping (just east of Il Mondo Vecchio as an example). If many of these lots were reconfigured, additional merchant and employee parking may become available, freeing up shopper parking on surface lots.

8. Enhance public awareness of the downtown parking supply. Madison may increase the visibility of parking for both residents and visitors through the re-imaging of lots located off of Main Street as "Downtown Parking". Inclusion of lots such as Green Avenue, Maple Avenue, the Civic Center and the Kings Road Lots in downtown promotional material is highly recommended. A map of "Downtown Lots" and downtown circulation should be created on the DDC website (similar to Millburn, NJ) and include these lots. Through these low-cost methods, lots may be better utilized by comparison shoppers, commuters, visitors and residents who park downtown for civic events.
9. Provide a shuttle service for more remote parking. This option should be accomplished in concert with an analysis determining the value of combining lots and/or access. There are numerous reverse commuters that use the Madison and Convent Station train stations to get to suburban employment centers but lack the means to get from a station to their office. If a dependable shuttle service were available in the morning and evenings in conjunction with NJ Transit and employers, people may be willing to take an extra moment just after or prior to boarding the train to grab a cup of coffee or a newspaper. Having the shuttle service load and unload closer to retail offerings instead of in the oval off Kings Road could bolster a retailer doing business along Lincoln or Waverly Place that catered to that constituency.
10. Through signage and education, reduce the psychological distance between lots off of Main Street and downtown shopping destinations. By including maps, suggested walking routes and especially distances to retail and civic uses on municipal lot signage, residents and visitors will gain a better understanding of how close they truly are to downtown destinations. Madison could include distances to municipal lots on signage around the downtown that are visible and comprehensible from the automobile, with more detailed maps are offered for pedestrians. These detailed maps could be located at municipal parking lots, bus stops, the train station and prominent intersections/buildings. The pedestrian maps would offer information on walking distance to destinations, and would include an annually updated directory of retail, restaurant and entertainment offerings.

Short-Term Recommendations for Increasing Supply:

1. Consider back-in/head-out angle parking wherever road widths permit. On-Street parking is the key for convenience shopping. By placing back-in angle parking on Waverly Place, Lincoln Place, Prospect Street, portions of Cook Avenue and possibly one side of Main Street, Madison could increase the number of on-street parking spaces in the study area. Back-in angle parking may provide up to twice the number of parking stalls as parallel parking. It is also easier, because it eliminates the maneuvering needed to park parallel to the curb. It is also safer, because drivers can easily see the flow of traffic when they pull out and because the angled parking acts as an unofficial traffic calming device. This study recommends the Borough conduct a demonstration of back-in angle parking on Lincoln Place. The Borough of Pottstown, Pennsylvania is considered a national model (and is a municipality of similar size to Madison).²
2. Consider remote parking outside of the CBD area for merchants and municipal staff, freeing up downtown spaces within the CBD. Clearly, full-day employee parking should be relegated to the most remote lots (perhaps even lots located outside the core of the CBD) to ensure that the most convenient parking has the greatest turnover potential. Establishments without a weekday peak (such as churches) should also be considered. Permit parking for merchants, municipal staff and tenants who live above stores could be relocated, so shoppers get the choicest spots.

Interim Recommendations for Increasing Supply:

1. Re-open discussions with the Board of Education to discuss the possibility of a parking lot at the Central Avenue

2. See: <http://www.saveourland-saveourtowns.org/ordinances.html>

School property. (See the Development Capacity section for specific recommendations for this particular site). In the 1997 Parking Study, three parking layout configurations were considered, all yielding approximately 168 spaces (more than enough, by this study's examination, to satisfy merchant and employee parking needs for the foreseeable future). While the option is technically feasible, permission from the Board of Education has not been obtained. It is the recommendation of this study that this option be further explored – with the option of additional facilities for the Board or Central Avenue School thrown into the negotiations (as the potential lot size is big and 168 spaces seems to be a high goal taking into account current parking conditions). With an agreement with Florham Park yielding potential new recreation fields for Madison and the Board of Education, this seems like an ideal time to re-open discussions about a new use for at least a portion of the Central Avenue lot.

Long Term Options for Increasing Supply:

1. Consider a joint parking facility with New Jersey Transit near the train station. By pursuing a joint parking facility with NJ Transit near the train station, the Borough could share the costs of creating a parking facility by leveraging NJ Transit funds, while resolving future unmet demand for commuter parking at the train station. Given commuter peaks, a parking facility near the train station would offer shared parking opportunities with downtown shoppers. This idea is in line with other potential development opportunities that could be realized near the NJ Transit station area. Such a parking facility need not be a single use development, but rather a mixed-use development with retail and contextual urban design. This recommendation is contingent upon additional development in downtown and is a long-term measure that would likely not be pursued for another 10 years.
2. Consider parking decks or garages within the study area. While very expensive and possibly viewed as unattractive, multi-level parking decks provide the greatest opportunity for additional parking capacity in the downtown CBD. This option should only be considered after a thorough parking study is completed that confirms a parking space deficiency for several hours of the day. Parking in decks would be used for commuters, or for long-term merchant and employee parking, so as to free up on-street spaces and parking lots closer to retail stores for short- and intermediate-term shopper parking. Strong preference should be given to mixed-use parking structures with streetscape-appropriate uses (e.g. retail, residential) fronting streets and pedestrian areas. Future residents may be given the option of purchasing monthly or yearly parking passes within publicly-owned and operated structured facilities, thereby lessening the developer's requirement to provide off-street parking.

Several principles should motivate the location and design of parking facilities. These include:

- If possible, provide parking facilities within 400 feet or view of storefronts or a shopping street.
- If possible, provide parking facilities within 1,000 feet or view of the offices that the parking is to service.
- If possible, provide parking exactly where housing is located—residents are the least flexible in terms of how far they will walk from parking to their building entry.

Potential long-term locations include the "C" Opportunity Sites (see the Development Capacity section) such as along Elmer Street near Central / Greenwood Avenues.

Zoning and Land Use Analysis

Zoning and Land Use: Introduction

Zoning regulations are a key tool in implementing a comprehensive plan for sound community development, as they set the framework for the type of development permitted. These standards need to be reviewed and updated on a regular basis in order to ensure that they reinforce the Borough's planning objectives (to accommodate appropriate growth and to retain character). Otherwise, zoning can become a hurdle to attracting and encouraging new development.

Zoning is the primary tool for regulating land use and building form in the study area. As shown on **Figure 3**, the study area is focused on the Central Business District -1 (CBD-1) and Central Business District-2 (CBD-2) districts. Districts

surrounding this core include: Open Space/Government Uses (OSGU), Community Commercial (CC), Professional (P), Single-Family Residential (R-3) and Two-Family Residential (R-4) districts.

Like most zoning codes, Madison's standards focus on the issues of permitted uses and dimensional standards that regulate the location and size of buildings (height, setbacks, etc.). Additional provisions address development quality through basic standards for landscaping and parking, and in some areas (the CC district, particularly) additional standards related to site and building design. Additional guidelines and procedures supplement these standards for those properties located within the designated Historic District.

The current standards for those commercial and government districts included within or adjacent to the study area are summarized in **Appendix C**. Included are brief descriptions of each district, tables offering comparisons regarding permitted uses and bulk standards, and parking standards which apply across districts.

Zoning and Land Use: Findings

Use Standards

Each of the zoning districts contain permitted (PU), conditional (CU), accessory (AU), and prohibited uses. Key distinctions to note within the study area include:

- The CBD-1 and CBD-2 districts are identical, except that single-family and two-family detached residences are permitted in CBD-2 and are prohibited in CBD-1.
- The CC district and the CBD-2 districts are similar, except that restaurants and financial institutions with drive-thru's are a conditional use in the CC district while they are prohibited in the CBD-2. Funeral homes are a permitted use in the CC district while they are prohibited in CBD-2. Off-street public parking facilities are a permitted use in both the CBD districts but are prohibited in the CC district.
- Permitted uses in the P district are very limited, including a prohibition on retail sales and service uses.
- Single-family dwellings are permitted in all districts except the CBD-1 and OS/GU.
- Multi-family dwellings are not permitted in any of the districts in or surrounding the subject area.

Dimensional Standards

Height, yard, area, and bulk requirements govern each of the zone districts within the study area. The following key issues may impact redevelopment opportunities and character:

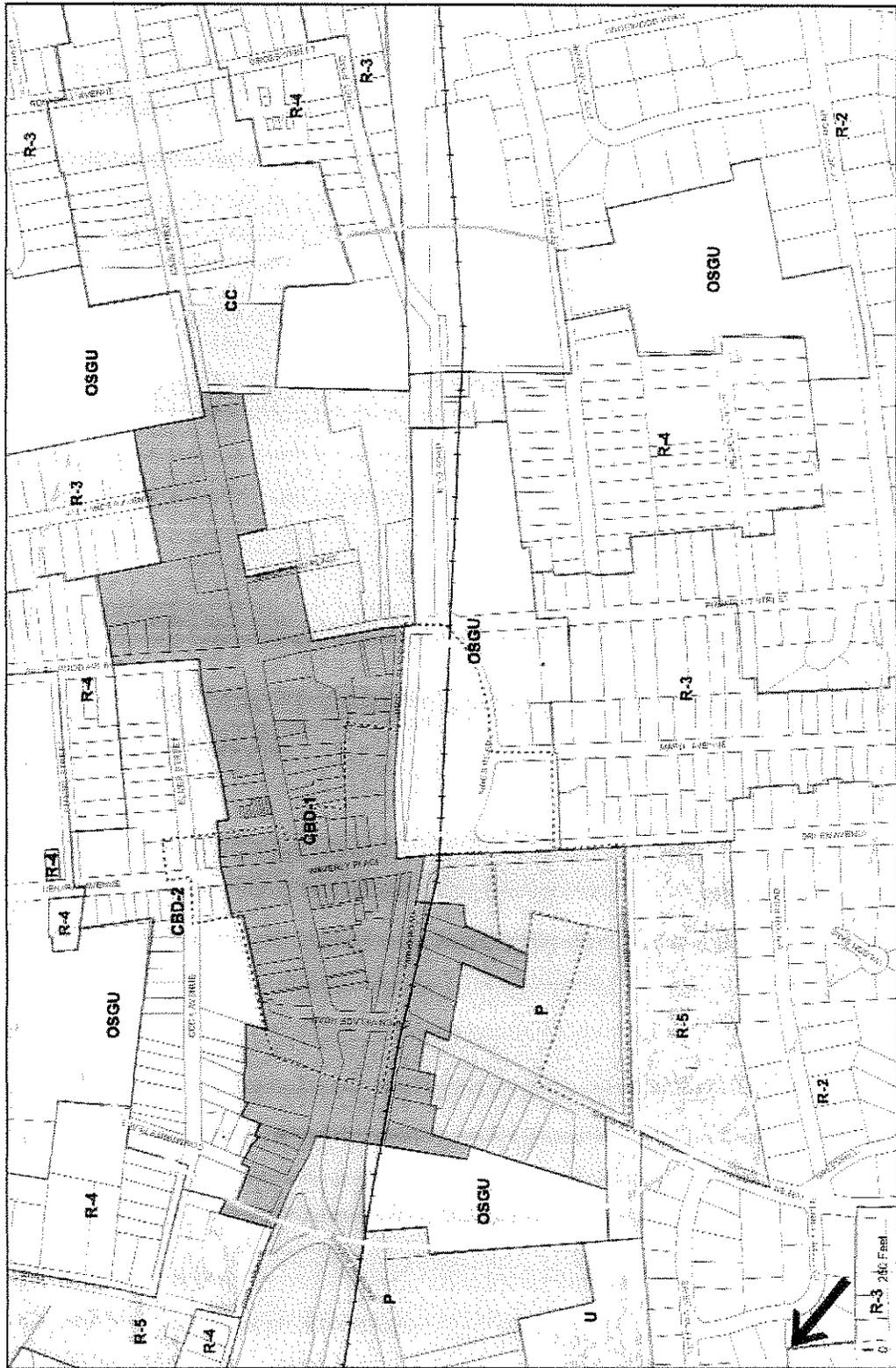
- Front yard setbacks in the CBD districts are determined based on the "predominant setback." This is a common tool that allows for new construction to match the existing setbacks of surrounding properties. This is important because the consistent placement of buildings at a fairly uniform distance from the front property line helps establish the character of the downtown. Buildings set far back from the street (especially to accommodate parking) would be inconsistent with that character.
- New housing built in the CBD-2 district has to meet the same standards as housing in the R-4 residential district. Under these standards, the ability to add more housing within this district is limited.³
- Maximum principal building coverage is limited to 5,000 square feet in the CC district, presumably to limit intensive uses. However, a number of much larger buildings are presently located in the district.

Additional Development/Design Standards

A variety of additional regulations supplement the key issues of use, dimensional and parking standards in the zoning code. In particular, design standards related to historic properties and building design in the CC district also impact the character of the downtown area and should be considered when evaluating redevelopment opportunities. Issues covered by the standards include:

- The conversion of residential uses to nonresidential uses;
- Access driveways;
- Parking location, shared parking provisions, and screening or parking areas;
- Landscaping;

3. The R-4 standards are the same as the P standards, except that maximum impervious coverage is limited to 40% (instead of 60%) and there is a 20% maximum principal building coverage.



Sources: Madison Township GIS Data
NJDOT GIS Data
Phillips Preiss Shapiro Associates, Inc.

Figure 3: Existing Zoning

- Building design, including standards related to the articulation of building facades, roof forms, and building entrances;
- Street furniture;
- Trash disposal; and
- Supplemental requirements for residential uses when located over retail or office uses.

Zoning and Land Use: Recommendations

A review of Madison's current standards suggests a number of potential improvements to implement objectives the 2004 Reexamination of the Master Plan while better accommodating future growth. See **Appendix D** for a detailed analysis of study area land use patterns.

Downtown Madison is characterized largely by its mix of residential, retail, office, and civic uses. The variety of uses make downtown a destination for a variety of people – local residents, university students, regional commuters, etc – which adds to the area's vitality and commercial success. The following issues could be examined further in order to retain and improve the mixed-use character of the area:

1. In the CBD districts, limit permitted uses on the ground floor to active uses that enhance the pedestrian character of the area. The intent of this approach is to animate the downtown by providing uses that, by the nature of their business, bring customers to the area. Examples include retail sales and service uses, such as restaurants, florists, clothing stores, and salons, and civic uses such as libraries. Office uses can also be considered active uses, but it is important that, like the other uses on the ground floors, they be located in buildings that allow for interaction between pedestrians on the street and the employees within buildings. This is typically accomplished by providing large, storefront windows. The effect can be further enhanced with outdoor seating areas, upper-story balconies, and other design features that integrate the public sidewalk and the private buildings. Residential uses are typically not considered appropriate for the ground floor.
2. Encourage additional housing opportunities and housing types in and around the downtown core, consistent with recommendations in the 2004 Reexamination. While housing above retail/office uses is currently permitted, changes may be appropriate to encourage additional residential opportunities. A range of options to consider include:
 - a. Make multi-family residential uses a permitted use in the area surrounding the downtown core.
 - b. Provide incentives for residential uses, such as additional floor area or increased density provisions. This approach encourages adding residential by improving the property owner/developers bottom line.
 - c. Make mixed-use buildings (including residential) a permitted use, while making single-use buildings (or buildings that do not include residential) a conditional use. This approach provides a procedural incentive to develop residential options, by reducing the review time for projects that include a residential component.
 - d. Require residential components in new development. This is the most aggressive option to increase residential opportunities in the area. It would require new development (and redevelopment above a certain to be defined threshold) to provide a residential component. While used in some communities, this approach can be highly controversial, as property owners may prefer to develop single use projects (e.g., all retail, or all office, or even a mix of retail and office, but without residential).

Dimensional Standards

Dimensional standards regulate the location, scale, and form of new buildings in the area. The current standards in the CBD districts are generally consistent with the goals of creating a pedestrian-friendly core consistent with the character of the historic downtown. Additional improvements to further reinforce that character and to encourage appropriate redevelopment that could be considered include:

1. Move from the current reliance on the "predominant" front setback to a more explicit requirement to develop prop-

- erties close to or at the front property line. This approach could be more effective and easier to understand for the general public. Buildings in the downtown core are generally flush with the sidewalk, a configuration ideally suited for pedestrian-oriented shopping districts. Zoning should not prevent future development from adopting the same pattern, and should further mandate such pattern on blocks where it prevails, so as to prevent new construction that does not fit into the downtown context. This approach would be particularly appropriate in the historic portion of the downtown where there is a clear uniform setback, but could be also be effective (with a different setback standard) in other areas, such as along Cook Avenue/Elmer Street.
2. Consider expanding the current boundaries of the CBD districts. This would allow increased development opportunities in the area immediately surrounding the existing downtown core. This could include promoting another anchor development at the intersection of Prospect & Main.
 3. Provide more explicit standards related to building form. Along with uniform setbacks, buildings in historic downtowns also typically include a number of common design elements, such as large storefront windows, entryways facing the main street, and parapet roofs with decorative cornices. Nearly every downtown includes at least one example of a building that has deviated from these patterns in a manner that diminishes the overall character of the area. Zoning standards are increasingly direct in requiring new buildings to match these types of patterns in order to reinforce the historic character.
 4. Revise the current building height requirements. Both minimum and maximum height requirements should be considered. Many communities now establish a minimum number of stories in downtown areas (two stories is common) in order to reinforce the pedestrian scale and mixed-use character. The current maximum building height restrictions (4 stories in CBD-1, 2 stories in other districts) are consistent with the character of the downtown area and contribute to a generally pleasant and pedestrian-friendly scale. But consideration should be given to whether additional height might be appropriate in some locations (e.g., corner sites; key redevelopment sites; gateway lots). This added height may be a way to incentivize important projects that meet community goals such as providing additional housing opportunities or structured parking.
 5. Consider a Transfer of Development Rights (TDR) program, allowing development potential on one site to be transferred to another. While these programs present some inherent difficulties, they can be effective at channeling increased development to desired locations while protecting areas such as historic sites. In general, these programs establish "sending" and "receiving" areas. Sending areas include properties where there is a desire by the community to limit development potential. Receiving areas include properties where the community has decided that additional development is appropriate. The development potential of a property in the sending areas may be transferred (sold, traded, or otherwise exchanged) to a property in a receiving area, allowing for additional development than what is permitted by right. In Madison, sending areas might include properties within the historic district where adding additional stories would be inconsistent with the architectural and historical character. Receiving areas might include currently under-utilized or vacant properties in the downtown vicinity.
 6. Change the dimensional standards for residential uses in the CBD-2 and CC districts to allow for additional residential opportunities in that area. Allowing multi-family, town home, or row home housing types in these areas may be appropriate, but would not be possible under the current use and dimensional standards.

Additional Development/Design Standards

Somehow, design oversight must (paradoxically) be strict enough that it works; flexible enough that they it respond to the idiosyncrasies of sites and developments; and predictable enough that developers know what to expect in cost, time and consultation. This last point bears emphasis: developers are usually more dismayed by the unpredictability of design review than the actual costs, since they will adjust their bids for property accordingly. A design theme is often a good idea, but only if it helps to distinguish rather than homogenize a downtown. It therefore should be mindful of what the

competition – in this case nearby downtowns – looks like.

1. Employ form-based zoning to promote high-design quality and mixed-use redevelopment opportunities (indicating specific design solutions for specific sites). Form-based zoning is a method of land use regulation characterized by 1) an emphasis on physical design (building size, location, appearance) rather than land use/function (e.g., residential, commercial, industrial) and 2) a focus on what is desired—the kind of development and district character that people indicate they want—rather than what is forbidden. The end goal is producing a specific type of “place.” Form-based zoning is particularly well-suited for promoting development in built out areas, allowing mixed uses and the flexibility to respond to economic changes. For future redevelopment sites, appropriate contextual development is not guaranteed under existing zoning. By drafting and adopting form-based zoning for these types of properties, Madison can serve a Master Plan-like function of setting land use priorities, guiding the future development of downtown in character with the Borough’s vision. Such regulations may offer an opportunity to come up with shared / coordinated parking for off-street parking requirements.
2. Clarify and revise the treatment of non-conforming uses and buildings to allow for the retention or reconstruction of historic buildings. Many older communities, such as Madison, include large numbers of structures that do not conform to current zoning standards because they were constructed prior to the adoption of those standards. In the past, the general approach to dealing with these “nonconformities” was to encourage their eventual replacement with conforming buildings or uses. Today, we realize that many of these nonconformities are essential to defining the character of our communities. As such, standards for the treatment of nonconforming properties have been relaxed to remove what was previously a disincentive to investing in and improving older properties.
3. Consider the design standards associated with the CC district for broader application, as they address general concerns applicable in other areas of the Borough. These standards, found in §195-32.5.E. of the current Zoning Ordinance, address issues including the location of access drives to properties, parking location and parking lot design, landscaping, and building design. For example, the requirement to provide screening of parking areas and to design new parking areas for potential shared use should apply in the downtown, as well. Many of the building design standards in this section could also apply, though they should be revised for more specificity, consistent with the discussion in (2.) above. The prohibition on flat roofs would not be appropriate in the downtown area, where flat roofed buildings with decorative cornices or parapets are very appropriate.
4. Consider the impacts on storm water runoff when evaluating the impacts of increased development in the downtown area. The 2004 Reexamination notes increasing concerns about this impact.

Market Demand Analysis

Introduction

Without an understanding of the existing and future market demand for land uses in the study area, the discussion on how and where Madison could choose to grow is only half-finished. There is little point of building consensus about accommodating growth if residents and officials are without a solid understanding of how much, and in what form, that growth could occur. The market demand for uses (such as retail, residential, civic, institutional, office) has implications for the amount of development that could occur in the study area, for the location of that development, and for the best way to construct land use regulations such as parking and zoning codes.

Past studies have shown that the downtown could add a substantial amount of new development if it provided sufficient parking and maximized the amount of allowable space under current zoning. While this provides an understanding of what is theoretically possible, the Borough needs to account for economic and physical realities when planning for the future and matching potential development sites with potential uses. By doing so, Madison residents gain as clear a picture as possible of the amount of additional space the study area could support and the most beneficial way to add that space.

In order to gain a better understanding of the amount of additional space the Borough could expect to attract and support, the types of stores and housing products that could work as part of a new development, the affect on parking needs, and how development sites will need to be customized and financed, a market analysis was conducted. Retail and residential uses were determined to be the two major market forces driving the demand for (and possibly competing for) space within the study area.⁴ The analysis was based on an analysis of demographic and consumer spending data, interviews with real estate professionals and Madison officials, discussions with merchants, a review of industry market reports and field observations.

4. In future studies, the Borough may also want to examine the demand for non-retail or residential uses.

Market Demand Analysis: Findings⁵

Madison

Downtown

Growth

and Development

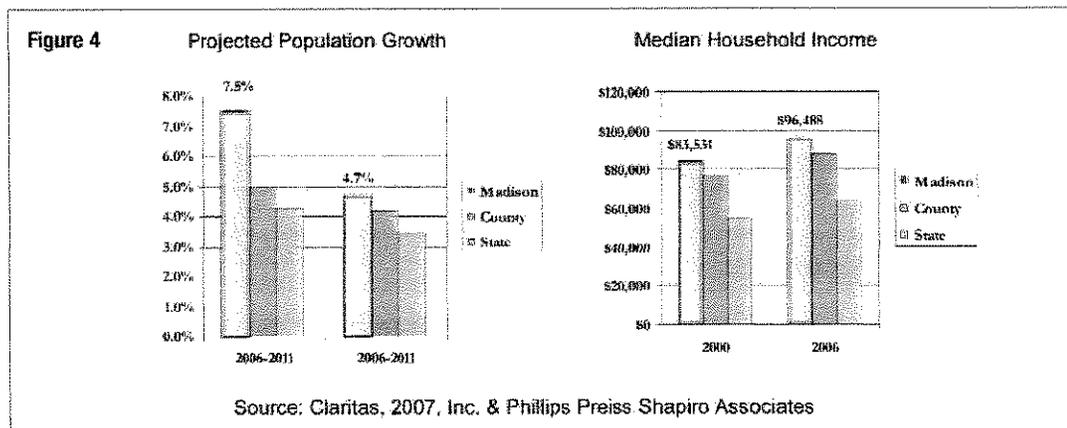
Study

Demographics & Housing

Social and economic demographics provide the basis for understanding the current and future marketplace for retail and residential uses. Developers and retailers use demographics, social indicators and economic trends to understand the current and future marketplace and to identify realistic business and real estate opportunities. The following are some major trends affecting the study area:

Growth: Madison is in the middle of a high growth area: Morris County is growing higher than state average since 2000 (4.33% v. 3.61%); Somerset County is also seeing very high growth (7.53%); people from higher density areas are beginning to skip over Essex and Union Counties when relocating; Florham Park has seen 23 percent growth since 2000. The projected growth of Madison in next five years is higher than the County and State (see **Figure 4**); this speaks more to the demand to live in the area than about the amount of growth that is actually going to occur.

Income: Median household income is comparatively high with the Borough becoming rapidly wealthier. 2000 Median Household Income (\$83K) was already higher than County and State 2003 Figures. The 2006 estimated figure (\$96K) represents a 15.5 percent increase since 2000.



Education Level: An extraordinary 57 percent of Madison's adults are college graduates (even if this figure is capturing some recent graduates of local universities, it remains a very high percentage). By comparison: County (44.1%) and State (29.8%).

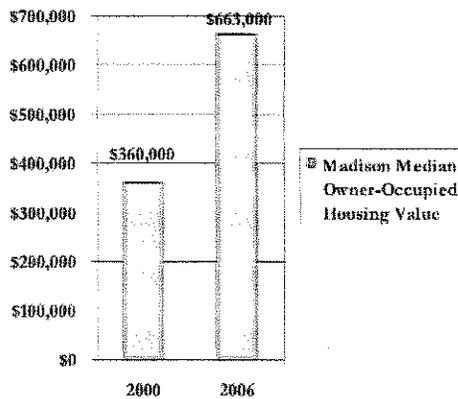
Transportation to Work: More people in Madison use public transportation to get to work than the rest of County (9% to 4%). Seemingly, the Borough is already capturing some of the commuter market and probably can continue to do so.

Housing: Generally, Madison is an older community with more housing variety, such as post-war suburban apartments. That variety might provide Madison with more ability to grow, as it offers a better chance to attract a wider-range of people looking for different types of housing stock.

- Median Year Built: On average, houses are older (1953 median age) and median rent is higher than the rest of the County and the State.
- Housing Values: Housing values were already relatively high in 2000 (\$360K vs. \$170K in State and \$257K in County); they have been estimated to double since (approximately \$663K in 2006, see **Figure 5**).
- Type: There were less people in family households (72%) than the County (87%) and State (85%) in 2000, probably due to the presence of students and seniors. According to 2006 estimates, that comparison has held.

5. A PowerPoint presentation of the market analysis findings is available at: http://www.rosenet.org/gov/ddc/downtown_improvement/default.htm. In Addition, data for the analysis is available upon request at info@ppsaplanning.com

Figure 5



Source: Claritas, 2007, Inc. & Phillips Preiss Shapiro Associates

Retail Market

The following are findings from a retail market analysis, leading to conclusions about how much retail space Madison can expect to attract and support. In addition, the analysis uncovers some updated and useful information about downtown and the study area as a whole.

Size

The amount of retail in downtown and in the east business area is not as small as people imagine. Madison's retail base is dense, compact and sizeable.

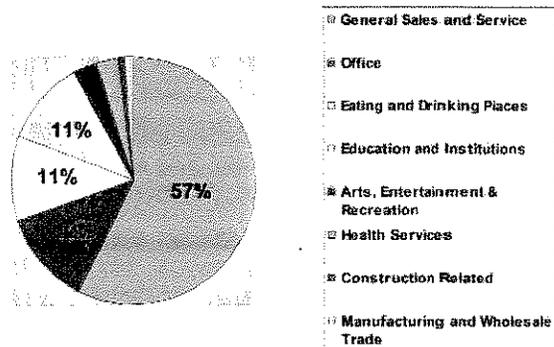
- Total commercial uses are approximately 820K square feet, with retail comprising roughly two-thirds of the total (550K SF).
- In many downtown areas, retail comprises less than 50 percent of total commercial space, indicating that the retail trade in Madison is of a healthy size.
- By comparison, if you take the total square footage of just retail uses in the study area (550K), and created a building on one floor, it would be equivalent to a site as big as the Short Hills Mall in terms of land area.

Table 3: Study Area Land Use

Use Category	Sq. Ft.	% of Total
General Sales and Service	469,004	57%
Office	94,370	12%
Eating and Drinking Places	89,478	11%
Education and Institutions	92,967	11%
Arts, Entertainment & Recreation	27,604	3%
Health Services	27,533	3%
Construction Related	11,938	1%
Manufacturing and Wholesale Trade	7,045	1%
TOTAL	819,939	

Source: DDC Business Uses Survey (2005); Phillips Preiss Shapiro Associates, Inc. 2007

Figure 6



Source: DDC Business Uses Survey (2005); Phillips Preiss Shapiro Associates, Inc. 2007

Mix

Among many interviewed for the market analysis, there was an across-the-board concern that the current range of retail choices was not sufficient. There also seemed to be a consensus on the types of retail people would like to see more of:

- Clothing (a wider range of prices)
- Bakery/Coffee Shops (gathering places)
- Boutique/Specialty/Crafts
- B&B/Hotel
- More Home Décor
- Small, Upscale Food Mkt.
- Convenience/Pharmacy

Supply and Sales

Overall and in comparison with older downtowns, Madison retailers are doing very well. Using consumer spending data, estimates on the number of retail establishments and retail sales in the study area were obtained. There are approximately 110 retail establishments that generate \$77 Million in annual sales, which equates to approximately \$140 per square foot in annual sales.⁶ There are few statistics on older downtowns like Madison where many retailers own their buildings and rents are cheaper than in modern facilities. However, it is generally understood that below \$100 per square foot would be underperforming. Many depressed downtowns in New Jersey are around \$75 per square foot.

Within the study area, the types of retail with the highest amount of sales include: auto dealers/gas stations; eating & drinking establishments; and home furnishings. Rents vary by location, but they do not seem, at this point, to be a barrier to growth. On Main Street and on prime corners lots, rents are generally in the lower \$30 range per square foot and are sliding upwards. Off of Main Street, rents are in the \$20 per square foot range.

Some merchants and officials have expressed concern over vacancies in the study area. However, at this point, the type and amount of vacancies are not out of the ordinary and should not give pause. The indicator of a problem would be persistent two to three month vacancies on major retailing corners caused by a lack of demand for space. Currently, many factors besides a lack of demand are playing a role in study area vacancies—landlords and potential tenants finding a satisfactory rent level seems to be the main cause.

Market & Competition

One of the strengths of the study area is that it offers a mix of convenience and comparison goods, with some stores providing both.⁷ In fact, it is almost an even split, which is positive (Madison is not dependent on either to be successful) but brings challenges (different management issues and different strategies for each type of good, like parking - people park different amounts of time and different distances for convenience vs. comparison goods).

The study area has strong competition for retail services. Within a fifteen to twenty minute drive, there are other downtowns of comparable size (Chatham, Summit, Morristown), strip developments along Routes 24 and 124 and the Short Hills and Livingston Malls. Two factors set Madison apart for many shoppers: the unique quality and service of the merchants and the authentic feel of the downtown area.

Trade Areas and Spending Power

Trade areas are the geographic area where a certain percentage of potential customers live.⁸ Downtown areas, even the size of Madison's, are complex. Because of its location and mix of convenience and comparison goods, Madison has two trade areas.

6. Approximately 110 retail establishments divided by \$77 million in sales = \$140 per sq ft in sales (Source: Claritas 2007)

7. Convenience = groceries, hardware, dry cleaning, etc., for which a premium is placed on convenience and proximity. Comparison = clothing, furniture, gifts and other items which can significantly be differentiated by price and quality.

8. Trade areas are a function of diverse factors, including:

- Driving times, distances and mode of travel (which are different for convenience and comparison goods)
- Retail competition and offerings
- Racial and income characteristics of shoppers.

- A Primary Trade Area made up entirely of Madison residents that use the study area for convenience and as civic center.
- A Secondary Trade Area, stretching roughly a three-mile radius from the corner of Waverly Place and Main Street, and comprised of residents using the study area mainly for comparison goods but also for some convenience shopping.

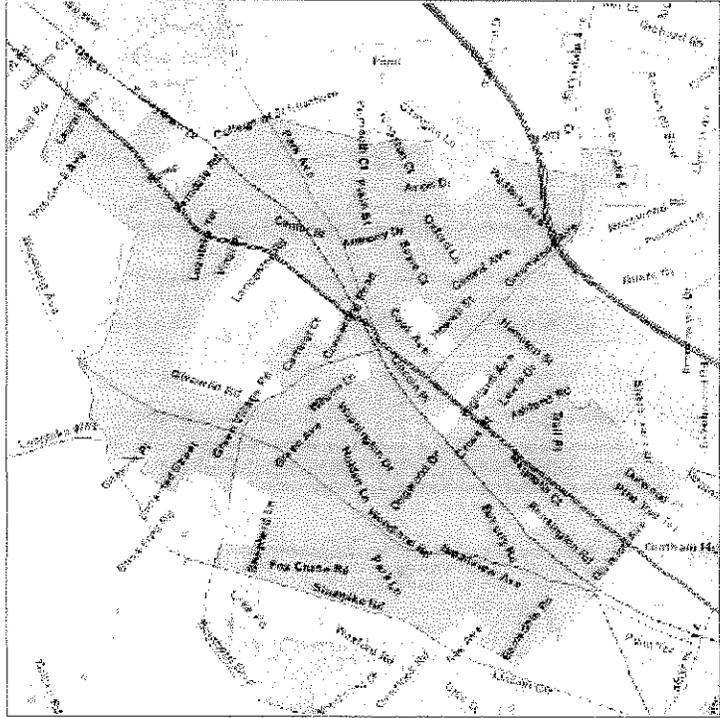


Figure 7:
Primary
Trade Area

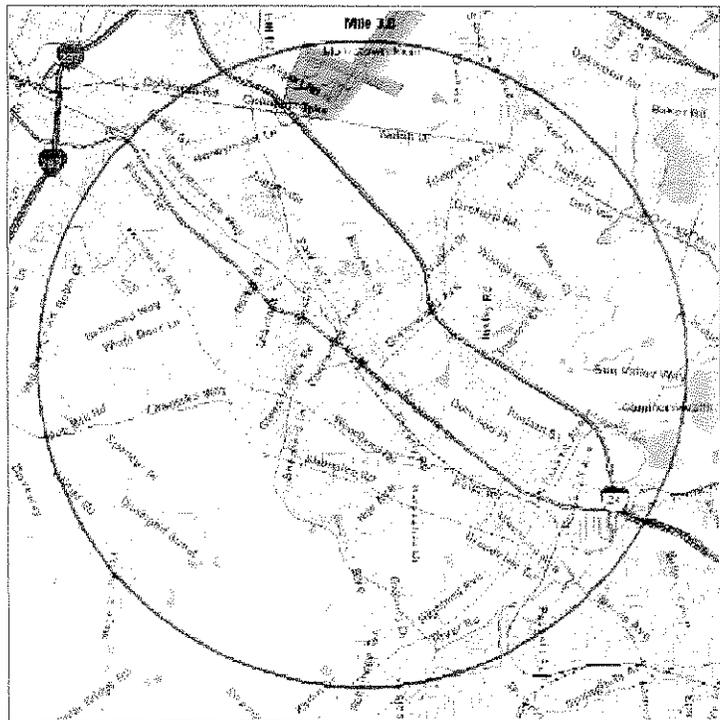


Figure 8:
Secondary
Trade Area

**Table 4
Trade Area Spending Power, 2006**

Market Segment	Spending Power	Capture Rate	Spending Available to Study Area
Primary Trade Area Residents	\$330 Million	25%	\$82.5 Million
Secondary TA (3-Mile)	\$1.04 Billion	12.5%	\$130 Million
Workers within 1-Mile	\$14 Million	25%	\$3.5 Million
			\$216 Million

Source: Claritas, Inc. 2007; Phillips Preiss Shapiro Associates, Inc.

Both trade areas are comprised of affluent residents quickly becoming wealthier, experiencing major increases in housing values, and showing the ability to grow rapidly. Overall, both trade areas, plus a local worker population, create enough spending power to create a substantial amount of demand for retail goods and services (they are spending approximately \$1.3 billion for retail goods and services somewhere – either within or outside the study area, as well as making online and catalogue purchases). In sum, there is approximately \$216 million in annual retail spending available to the study area, if retailers are able to capture a reasonable share of trade area spending (see Table 4).⁹

Conclusions about Supportable Space

A “gap analysis” measures the difference between the amount of money people spend on specific retail goods and services and the amount of money that is captured by a trade area’s businesses. This type of analysis was used to gain a better understanding of how unmet demand for goods, that are both appropriate to the study area (i.e., not gas stations or big box stores) and are not foreclosed by competition in close proximity, translates into demand for space. Overall:

- Businesses within the Primary Trade Area are “leaking” a little more than 50 percent of sales. This means that half of what the residents of Madison spend on retail, they are spending outside Madison.
- In the Secondary (3-Mile) Trade area, residents are spending about a quarter of their retail spending outside the 3 miles (a better ratio probably because of the presence of the Short Hills Mall within the trade area)

The amount of leaked, or unmet, demand for appropriate goods and services in both trade areas can support approximately 250,000 to 350,000 square feet of additional, supportable space (an additional 50 percent of current supply). This is a good figure for the Borough to use as a benchmark. The good news and the bottom-line is that there seems to be sufficient, unmet demand for appropriate goods and services to believe that retail can actually drive development projects. Of course, this does not mean that Madison has the room or capacity to build space for all unmet demand, nor does it mean that every type of store with unmet demand will work in any location that Madison creates or makes available. However, many municipalities are not in the same position: many that require redevelopment must drive projects first with residential to create enough support for new retail.

**Table 5
Gap/Supportable Space Analysis, 2006**

	Demand (Consumer Expenditure)	Supply (Retail Sales)	Opportunity Gap/Surplus	% Demand “Leaked”
Madison	\$330,093,390	\$163,551,987	\$166,541,403	51.5
3-Mile	\$1,044,269,640	\$754,517,810	\$289,751,830	26.7
Totals	\$1,374,363,030	\$918,069,797	\$456,293,233	

Source: Claritas, Inc. 2007; Phillips Preiss Shapiro Associates, Inc.

9. These capture rates are theoretical and conservative, but typical of a historic downtown like Madison’s. The study area’s actual capture rate may be somewhat higher, due to Madison’s loyal shoppers and a unique mix not found in competing retail areas.

Table 6
Primary Trade Area
Supported Space for Appropriate Stores and Services

	Gap (\$)	Supported Space (sq. ft.)
Total Primary Trade Area Alone	47,868,006	239,340
Full-Service Restaurants	7,941,133	29,055
Family Clothing Stores	7,644,592	10,888
Limited-Service Eating Places	5,656,108	28,280
Pharmacies and Drug Stores	5,177,575	15,065
Furniture Stores	4,295,618	68,126
Radio, Television, Electronics Stores	3,927,308	27,814
Jewelry Stores	2,905,993	32,493
Appliances	2,848,811	23,340
Hardware Stores	2,384,583	7,261
Computer and Software Stores	1,998,904	25,082
Book Stores	1,755,584	7,128
Hobby, Toys and Games Stores	1,331,797	18,013

Source: Claritas, Inc. 2007; Phillips Preiss Shapiro Associates, Inc.

Residential Market:

The following are general findings regarding the market demand for residential uses both unlikely to be created in the study area (i.e., single-family) and those that are more likely to be developed (condominiums; town homes and rentals). The analysis is based on secondary source research using state and local housing data and regional economic reports. The single most important source of information was interviews with local real estate brokers and professionals familiar with different aspects of the residential market in and around Madison.

Demand and Supply Factors

In any housing market, demand is determined by those people (individuals, family and other types of households) looking to move into, or within, a specific geographic area. The "trade area" is all the comparable areas, in addition to the study area, that people might look for housing. In addition to Madison, the trade area was determined to be Summit, Florham Park and Chatham.

Currently, the buyers driving the market in New Jersey and within the trade area are those looking to upgrade both the value and space of their current living situation ("move-ups"). Increasingly, they are commuters looking to relocate from higher-density areas, such as Hoboken, Jersey City, and New York City, looking primarily for additional space. These buyers are increasingly more willing to trade a longer commute for additional space, which means the train station on the Morristown Line will continue to be a major asset. Many of the move-ups are seeking space because of increasing family size, so they are also seeking strong public school systems and are seeking new construction or recently built residences. Additional buyers driving demand in the trade area are move-ups from Madison who wish to remain residents.

Demographic patterns and trends generally drive the demand for housing. More specifically, housing demand is driven by growth in the number of households or by internal migration. As was previously discussed, Madison is located within an area that is experiencing increased growth and is poised to do so for another decade. Morris County is experiencing an increase in the number of housing units and the number of dwelling units authorized by building permits.

There is also increasing demand for active adult housing, not surprising considering the aging baby-boom demographic, the oldest members of which are just about to turn sixty years of age. Low-interest rates continue to remain within the 6 percent range. Finally, the State Land Use and Planning is directing growth to places like the study area.

Single-Family Market

The residential market in New Jersey is driven by single-family buyers. While this type of residential product will most

likely not be built within the study area, the demand for this type of housing can fuel demand for more downtown development. As the single-family market becomes tighter, buyers will look for additional types of residential products. Also, empty-nesters will be more willing to sell their homes and move into smaller units – possibly higher-end multifamily residences that are more of a fit within the study area. Despite a general slowdown of the residential market, local real estate brokers have witnessed no slowing of demand within the trade area for single-family homes, with many recent sales in the millions of dollars (the average value of a home in Madison is approximately \$650,000, almost double the amount captured by the 2000 Census).

Condos/Town homes/Rentals

These are residential products more suited to the mixed-use, higher-density character of the study area. Condominiums are generally priced between \$500,000 and \$700,000 in the trade area and the majority are 2-bedroom units. Local brokers report a limited supply. Currently, empty-nesters (active adults) do not appear ready to downsize, mainly because a suitable product (more high-end condominiums, town homes or multifamily developments) does not exist on a big enough scale within areas like the study area that are pedestrian-friendly and offer amenities in close proximity. In terms of rentals, brokers report a constant demand of people looking for this product within the trade area. In the trade area, smaller apartments over stores are priced between \$850-900 per month. The price rises in historic buildings (approximately \$1100-1200 per month).

Conclusions

As with retail, the demand for housing can also drive development projects within the study area, but there is currently a lack of the types of products that are appropriate to the area's character and will be in demand in the near future (multifamily, condominiums and town homes). As previously noted, Madison has a variety of housing types spread throughout the Borough that provides an advantage over less diversified municipalities within the residential trade area. However, the same can not be said for the study area itself. There is a need for the Borough to begin to match the correct product with potential buyers and renters. There will also be a need to create marketing mechanisms and amenities necessary to attract household groups that comprise the potential market for "downtown" housing units: younger singles, childless couples, empty nesters, retirees and a range of urban families seeking the lifestyle afforded by the study area. Madison has the potential to capture these groups of home seekers because it offers the advantages and services of a suburb with the convenience of a commute and the potential to create a more "urban walkability".

Market Demand Analysis: Recommendations

Prepare for and encourage mixed-use development

The demand for specific types of retail (significant amounts of both comparison and convenience goods) and residential uses (more urban-oriented), and the specific character of the traditional downtown (limited development space; pedestrian-oriented; transit-friendly), all turns to a focus on mixed-use development as an appropriate strategy for specific sites within the study area. Mixed-use simply refers to a real estate project that creates space for more than one use (retail, residential, office, civic, etc.). Currently, there are many factors favoring this type of development:

- The diverse nature of downtowns like Madison's can usually support multiple uses in a project if timing and sizing are appropriate;
- In a situation like Madison's, where it has demand for two different uses (retail and residential), the Borough is not forced to choose between the two (or other additional uses for that matter), as they can be mutually supporting;
- The commuter station is a key amenity and calls for incentives that reward a site's proximity, potential for higher density zoning, or zoning that encourages a variety of uses;
- Economic and financial trends: Land costs are climbing and developers often need to build at higher densities; developers need to build projects more quickly, and a diversity of uses can hasten absorption;
- Consumers are seeking vibrant, interesting and safe pedestrian environments;
- New types of land use controls that permit a use of mixes have been created and are being successfully imple-

mented in similar communities across New Jersey and the nation;

- It has been proven to bring financial success and positive contributions to certain types of environments.

There are also associated challenges:

- From a business point of view, mixed-use development calls for a high level of planning, management and political patience.
- The design of mixed-use projects, because of their typical size, diversity, and density, requires much more skillful urban design talent.
- Mixed-use projects, as easily as other projects, can be failures.

In addition to many of the recommendations in the Land Use Analysis section of the report, the Borough should enact zoning tools to encourage mixed-use development:

- Mixed-use zoning districts are different from most other techniques such as PUD ordinances and special-purpose districts, primarily because they not only permit a mix of uses but also encourage or even require such mixing (provided they are reasonably related and compatible). They often specify the locations of mixed-use development, so potential neighborhood concerns can be addressed in advance. These types of districts do require qualified staff to administer.
- Overlay districts are mapped areas where special regulations promoting and managing mixed-use development are applied. An overlay is typically superimposed over conventional zoning districts but may also be stand-alone regulations. These also can add complexity to local development regulations.

Maintain and enhance the retail mix to encourage and implement mixed-use development

The Borough should concentrate on strategies to find a supportive mix and maximize revenue between convenience/comparison and day/night shoppers. The following are strategies for doing so:

1. Aggressively tenant-recruit; direct telephone marketing of downtown space to targeted retailers (see Development Analysis section of the report for mechanisms to implement this strategy):
 - Support downtown's burgeoning home-furnishings niche: more antique stores that carry a mix of expensive items and lower-cost, "funky" used items.
 - Create room for restaurants (nighttime dining), home furnishings/improvement, comparison retailing, all manner of high-end retailing.
 - Provide more stores that appeal to both primary and secondary trade areas; "Fusion" niches provide goods that local residents need, but in an environment and with a product selection that can also attract wealthier residents from surrounding areas.
2. Work with existing stores to expand their cross-over appeal (merchandising; window displays; signage, façade treatments)
 - Conduct outreach (workshops between merchants and professional retailing experts)
 - Help merchants realign market orientation

Create opportunities for more non-retail anchors in the study area

The more destinations that are available to future residents, the more developers will be interested in investing in the study area. The fact that the Madison Hotel is not in Madison is a signal that there might be an untapped market for a Bed & Breakfast or catering facility within the study area. In the Development Analysis section of this report, there are also recommendations for moving a local performance group into the study area (specifically, the discussion on Opportunity Area 1 focuses on this possibility).

If necessary, consider incentives for downtown living/new residential products

In truth, if word gets out on the street that Madison has come to consensus about growth, there will most likely be devel-

opers knocking down the door. However, it may be necessary, especially at first, to be more aggressive and create incentive programs to help leading residential developers take the first step in creating more urban-style housing units within the study area. There are many examples. A few include:

- As-of-Right property tax abatements for downtown housing projects. The amount might vary according to location and type of housing. This incentive would help close the gap between the development cost and the rental/sales value of study area housing.
- Low-cost financing programs like a Housing Investment Fund. This is usually low-cost, short-term, and long-term gap financing for downtown housing projects in order to fund acquisition, construction, and development costs of downtown housing projects.
- Cost reduction incentives such as utility tap fee credits. This can be full or partial credit for existing water and sewer taps in order to reduce upfront infrastructure costs for new-build and renovation projects throughout the study area.
- Funding of street and sidewalk improvements to enhance the curb appeal of new residential units for downtown commercial and residential developers.

Create and maintain affordability within the study area

The range of incomes and lifestyles within Madison is an important component of its vitality. Development and growth in the study area means good news and bad news. The good news is that if a critical mass of walkable urbanity is created, the rents, sales values, and land values will climb higher, rewarding those willing to take the risk, to build high quality construction, and to wait patiently for returns. The bad news is that often, only the well-to-do will be able to live in the study area. To address this issue, an affordability strategy must be developed early-on in the development process. The issue of affordability generally focuses on housing but it is also an issue for commercial space. One of the usual approaches to affordability is to simply mandate it be addressed. Some downtown projects have a quota of affordable housing, such as 20 percent, particularly if the project had some form of government assistance. While this approach is required if federal housing tax credits are employed, it is counter-productive if they are arbitrarily used.

An alternative experiment being employed in larger downtowns may bear watching. Civic Trusts have been established to finance affordable housing and commercial space and also to provide new public spaces for downtown areas. It is an attempt to have gentrification pay for affordable space on a permanent basis by the private sector. It works under the assumption that as the upward spiral of value creation occurs in a developing downtown, there will be unanticipated profits made by the private sector. These private developers are being encouraged to dedicate a portion of those profits to the Civic Trust, a concept known as "value-latching". If a development project exceeds the financial projections the project's backers used to underwrite their investment, only then will a portion of the unanticipated profits be given to the Civic Trust. The future cash flows that are dedicated to the Civic Trust can be employed to provide equity investments in market-rate housing projects in return for an agreed upon number of affordable housing units. These housing units will be affordable for the long-term, not for 15 years like Federal programs. The obvious problem with value-latching is that the funds from the market rate development projects are not available to the Civic Trust when the downtown is just in the beginning stage of additional development, when the prices are the most affordable.

Development Analysis

Opportunity Sites

In general, the opportunities for redevelopment in the study area are limited. Many sites are either well-utilized, too small or are located near sensitive adjacent uses (e.g., historic structures). However, sites with significant development potential do exist, some with more constraints to redevelopment (due to a parcel's size, shape, current use, etc.) than others. In order to stimulate discussion around potential areas that could accommodate demand and growth (and begin to build consensus around a level of growth the Borough might be comfortable with), initial "soft sites" were selected for further study. These initial soft sites were not selected for particular uses (like retail, parking or residential), but only for their development potential. These initial soft sites were chosen according to broad criteria:

1. Vacant or underutilized (re: building, use, scale; etc.) lots; including current parking areas (not ancillary to a specific use)
2. Lots of a significant scale; or where several adjacent lots sharing similar characteristics, preferably with common ownership and with minimal potential displacement, might be assembled to create scale
3. Lots where specific development ideas were not at an advanced stage
4. A lack of potential use conflicts (e.g., lots adjacent to sensitive, historic properties)

Feedback and interviews with the DDC, Borough officials, merchants and real estate professionals helped focus the initial list of sites. These conversations helped provide a deeper understanding of the soft sites, including insights on social and political realities, issues and sensitivities. As a result, a few sites were added to the initial list. The findings of the market demand research – that there exists significant unmet demand for particular types of uses and that mixed-use development would be an appropriate development strategy – provided additional focus. As a result, the initial soft sites were taken through a further round of analysis. The following attributes, used by developers and retailers to determine site location for their projects, were used to determine marketability and development potential:

- The site itself (size, topography and shape of the parcel): Mixed-use developments must usually be substantially sized and/or allow for relatively high density development to accommodate multiple uses. Mixed-use sites can be small but only if they allow for stacking uses to fairly high levels (unlikely in Madison). Single-use developments can often be of a smaller size. Topography and irregular shapes can decrease the true development capacity of a parcel.
- Access and visibility (roads, transit, pedestrians): Sites for mixed-use projects usually have excellent access and good exposure. Each potential use (retail, residential, office) varies in its site location criteria – some will thrive because of proximity to public transportation, others because of pedestrian traffic, others because of visibility from particular auto routes.
- Proximity (adjacent land uses): Often, being within close proximity to a particular activity center (a food market; a performance space) will determine feasibility. On the flip side, being adjacent to a use that is not complimentary (industrial manufacturing) is often seen as a negative.
- Land use controls: As discussed previously, zoning and codes can often determine development potential and therefore the value of a parcel to a particular developer.
- Landownership: An owner's readiness or willingness to sell, and the potential to assemble a site with adjacent parcels in order to increase density or capacity, is often a major factor in developer decision-making.

The result of this analysis was the identification of thirteen "Opportunity Sites" that the study team believes can accommodate mixed-use development. These sites are shown in **Figure 9**. The Opportunity Sites have been re-ranked into three categories:

"A" Opportunity Sites (1-3)

At this time, these sites seem to have the highest chance of developer interest, and the greatest potential to successfully accommodate mixed-use development and create a positive impact on the growth and character of the study area. These sites seem most poised to take advantage of the particular type of retail and residential products currently in demand within the study area.

"B" Opportunity Sites (4-8)

These sites are marketable and potentially attractive for the development community. Certain policy shifts, physical actions and market factors most likely need to occur before these sites can hold the same potential development interest or marketability as the "A" sites.

"C" Priority Sites (9-13)

These sites hold significant development potential, but, at this time, seem to be more long-term development options (with their value increasing as development occurs first on other Opportunity Sites). These sites might hold more value in the future than they do at the moment (both financial value and value in terms of the future growth needs of the Borough).

It is essential to note that the ranking of the Opportunity Sites is not equivalent nor suggesting a sequential strategy (where "A" sites are developed first, "B" sites second and "C" sites last). These sites only represent opportunities for accommodating growth in the current development environment and should be viewed as a menu of physical options. When partnering with the development community to discuss potential projects, the Borough should be taking more of a "Deck of Cards" approach. The market for retail and residential uses, and the personal preferences among investors and developers, is not fixed, but rather fluid and can change rapidly. This means the Borough must also be flexible, with an understanding that the "ranking" of these sites (i.e., their "marketability") can change. Developers will often have their own specific criteria for sites. It also bears repeating: the Borough should never put all of its development eggs into one basket.

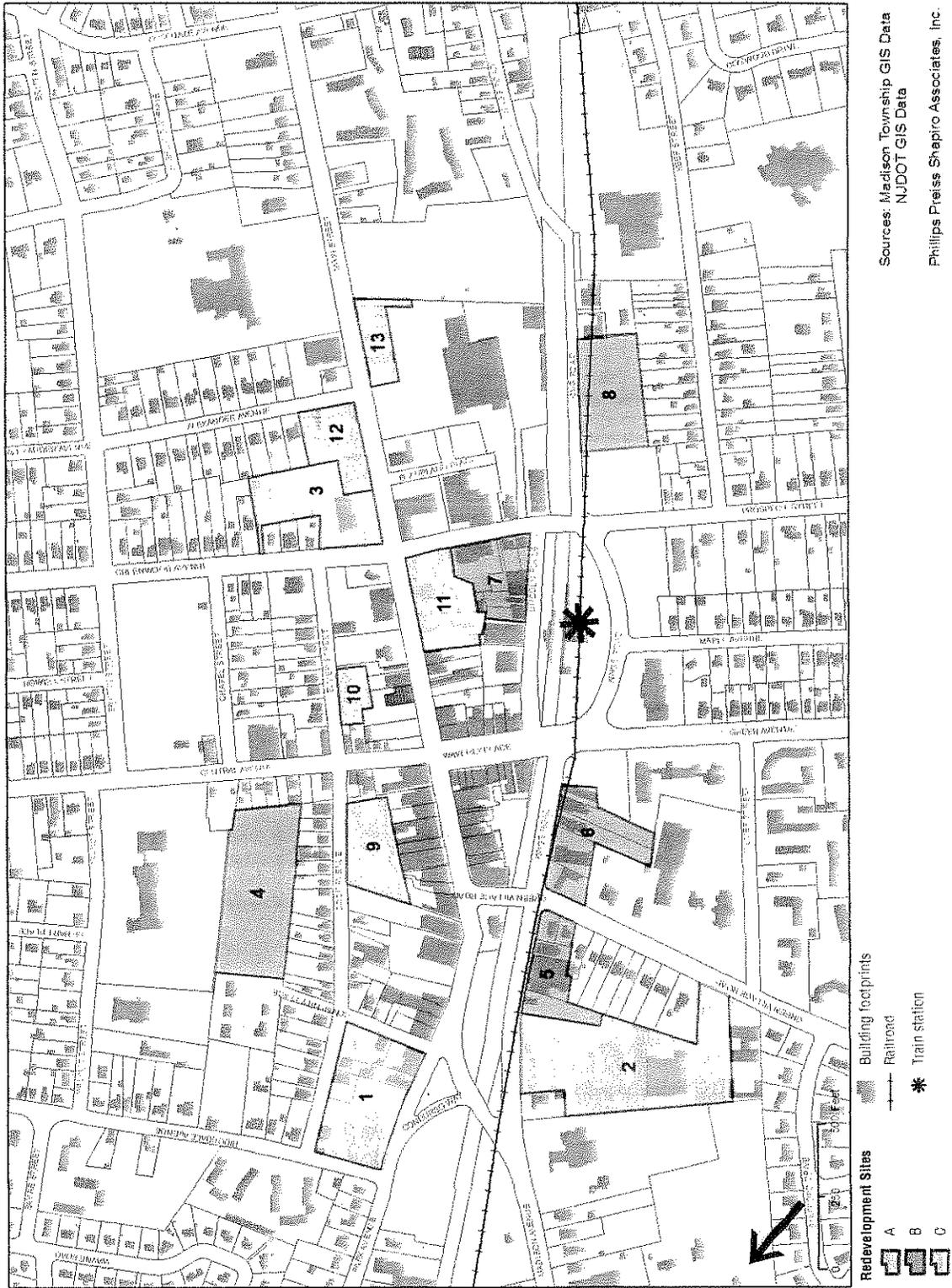


Figure 9: Potential Strategic Sites

Capacity

In order to provide a realistic sense of the amount of additional space that all the Opportunity Sites, both as a group as well as each individual site, could accommodate, PPSA conducted a capacity analysis. The purpose of the exercise was to provide the Borough with additional information to make policy decisions regarding each site and to be proactive when partnering with a sophisticated development community.

The development capacity of the Opportunity Sites was examined under four different scenarios. (The complete analysis, with full descriptions of assumptions used for each scenario is available in the **Appendix E**)⁹. In each scenario, the following important assumptions were used:

- All sites were rezoned to CBD-1 and current CBD-1 zoning standards were used. In particular, the maximum impervious coverage limit of 0.85 and the maximum height of four-stories largely defined the amount of potential development.
- All sites were to be developed with an equal mix of retail, residential and office uses (office was included in the mix in order to allow for market flexibility).
- Parking spaces were assumed to require 350 square feet. This is a commonly-used number that includes the area of the parking space itself, plus an additional area to accommodate drive aisles needed to access the space.
- Residential units were assumed to be 1,200 square foot 2-bedroom units.

Scenarios 1 and 2 reflect a much more urban type of development, maximizing building area with parking to be provided either below-ground or off-site. Scenarios 3 and 4 present more suburban approaches, with parking provided on site in surface lots. Actual development on any site could be somewhere between the bookends suggested by Scenario 1 and Scenario 4.

- Scenario 1 simply defines the maximum building size possible under the CBD-1 zoning standards. This scenario is not realistic in general, but was provided for comparison with the other, more realistic scenarios.
- Scenario 2 assumes that one-half of the allowed impervious coverage (or 42.5% of the site area) would be used for surface parking and the other half would be used for building coverage, also to the 4-story maximum.
- Scenario 3 estimates a maximum amount of parking available on site and then extrapolates the square footage that could be accommodated by that parking. The Borough's current parking standards are used for the calculations.¹⁰
- Scenario 4 repeats the same calculations as Scenario 3, but reduces the amount of required parking to reflect less onerous standards (lower parking standards may be appropriate in an area like downtown Madison given the mixed use character of the area and the availability of adjacent transit).¹¹

Table 7 that follows compares the range of capacity between Scenario 2 and Scenario 4, as the first scenario seems unrealistic for nearly all sites. Development under Scenario 2 is also unlikely, since the parking shortage is substantial.

9. A detailed excel spreadsheet with calculations is available upon request. Contact Phillips Preiss Shapiro Associates at info@ppsa-planning.com

10. Current parking standards:
 • 1 space per 200 square feet of retail
 • 1 space per 250 square feet of office
 • 2 spaces per residential unit (2-bedroom assumed)

11. Lower parking standards:
 • 1 space per 250 square feet of retail
 • 1 space per 33 square feet of office
 • 1.5 spaces per residential unit (2-bedroom assumed)

Opportunity Site Group	Retail Range (SF)	Office Range (SF)	Residential Range (SF)	Total Range (SF)
A	34,142 – 238,997	42,678 – 238,997	102,427 – 238,997	179,248 – 716,990
B	33,573 – 235,010	41,966 – 235,010	100,718 – 235,010	176,257 – 705,029
C	18,473 – 129,311	23,091 – 129,311	55,419 – 129,311	96,983 – 387,932

Source: Madison Township GIS Data; NJDOT GIS Data; Phillips Preiss Shapiro Associates, Inc.

The numbers above illustrate that the actual amount of square footage that could be developed under current CBD-1 zoning standards is significant. The "A" sites alone, even under current parking regulations, could handle much of the unmet demand for retail uncovered in the market demand analysis. However, the requirement to provide parking severely reduces development potential. Efforts to reduce the amount of required parking (Scenario 4), or to allow for parking to be provided off-site in centralized lots, could open the door for considerable additional development activity.

Table 8 shows total estimated capacity by site, organized by the three scenarios (the "A" sites are highlighted):

**Table 8
 Total Estimated Capacity by Opportunity Sites
 Scenarios 2, 3 4**

Opportunity Site	Total SF		
	Scenario 2	Scenario 3	Scenario 4
2	370,521	92,630	122,007
4	242,420	60,605	79,825
1	196,933	49,233	64,847
3	149,536	37,384	49,240
8	136,000	34,000	44,783
6	134,239	33,560	44,203
11	115,811	28,953	38,135
7	100,591	25,148	33,123
9	97,922	24,480	32,244
5	91,780	22,945	30,222
12	84,475	21,119	27,816
13	56,236	14,059	18,518
10	33,488	8,372	11,027
TOTAL	1,809,951	452,488	595,991

Source: Madison Township GIS Data; NJDOT GIS Data; Phillips Preiss Shapiro Associates, Inc.

Again, these are estimates, but they demonstrate that the Borough has some room and flexibility to accommodate specific demand and, maybe most importantly, provides officials with baseline figures for having realistic conversations with developers.

Location / Market Scan

Strategies to develop each opportunity site will have to be appropriate for the unique characteristics of each location. Each potential use (retail, residential, mixed-use, office) varies in its site location criteria—some will thrive because of proximity to pedestrians or a certain amenity, others due to visibility from a major roadway. Understanding the physical context of a site is an important step to understanding its market potential.

The following is an abridged site location scan for the "A" and "B" sites (the "C" sites were determined to be more long-term options dependent on actions and development associated with the more immediately marketable Opportunity Sites). Each site is catalogued by location requirements that developers use to determine their level of interest. These scans also include subsequent actions that the Borough might want to consider. The idea is to provide the Borough with additional information in order to ready sites and communicate with a very sophisticated development community.

The Borough will have to decide the level of growth it is comfortable with. Whatever level that might be, it will still be essential to have an early success and to build momentum for appropriate development that adds and enhances the character and vitality of the study area.

Site 1: Block 1501, Lots 1-6

This site, with its location and potential capacity, offers the opportunity for a western anchor and gateway to the downtown area. The addition of a non-retail anchor (possibly a small performing arts theater) in a preserved and re-used barn on the property makes the site more regional in scope.

- The assembled block is of a large size: 115,843 square feet
- Capacity for a mixed-use building: 49,000 to 196,000 square feet
- The western end of the block is nearly vacant, allowing for flexibility in site design and new construction
- The current mix of CBD-1, CBD-2 and R-5 zoning could allow for a good mix of uses and scale without rezoning
- The site has both frontage on Park Avenue (pedestrian traffic) and sits at a major traffic intersection (Park Avenue and Ridgedale Avenue), potentially capturing traffic heading to and from higher use roadways.
- The development capacity of the site depends on consolidation of the entire block; the entire block is owned by common ownership which makes assembly much less challenging
- The owner has already expressed interest in mixed-use, creative development and the preservation/re-use of a barn located on the property
- The re-use of the barn is an opportunity to create a non-retail anchor for the site and for the entire western half of the downtown area (the Borough should make contact with local theater companies to gauge their interest in relocating to the site)
- The site is adjacent to established residential neighborhoods which may lead to conflicts associated with increased intensity
- While the mixed zoning could be advantageous, it could also make overall redevelopment more difficult; a rezoning for the entire site (or an overlay) may be in order
- Retail uses should be located along Park Avenue in order to capture pedestrian traffic and extend the downtown shopping district to the west; especially with a potential non-retail anchor, uses can be more comparison in nature: a restaurant; antiques; boutique: there can also be a mix of convenience retail along Park: hardware store, small appliances, hobby store.
- Residential units should be more urban in nature (rentals, condos, town homes); borough officials already seem open to these types of residential products being created on the site.

Site 2: Block 3001, Lot 8

As the largest Opportunity Site, with access to two roads, and a location within walking distance of the train, this site holds great potential for significant mixed-use development. While re-use of the current educational/non-profit buildings can be considered, the site's size may allow for those uses to continue to have a presence on the site (either in the current facilities or in new office space).

- The site is the largest among the Opportunity Areas: 217,953 square feet
- Capacity for a single mixed-use building: 92,000 to 370,000 square feet
- Potential access from both Kings Road and Green Village Road is attractive
- The site enjoys good pedestrian access – via the Green Village Road underpass – to current and future shopping and destinations on the western half of the downtown area
- Retail uses along Kings Road would benefit from traffic coming in from town along Madison Avenue; potential retail includes: a clothing store; a furnishings or furniture repair shop; a small pharmacy
- Proximity to the train calls for more urban style residential uses and possibly creates eligibility for Transit-Oriented Development funding
- The site has expansion potential through a possible assemblage opportunity with Opportunity Site 5, which would create almost a complete frontage on Kings Road
- The recreational fields allow for new construction and creative site design
- Adjacency to the train tracks could create unacceptable noise impacts for residential uses; however, these impacts can be minimized by the use of building technology (which might lead to a pre-requisite for developer selection)

- The current OSGU zoning would have to be changed and dimensional standards created
- There is current use by non-profits (educational) and new space (either on-site or off) will need to be found for these organizations.
- There have been many ideas floating around for this property; the Borough would be wise to come to a quick consensus about its future

Site 3: Block 1803, Lot 11

With its size and location on a major intersection, this site holds the potential to become an eastern anchor and gateway to the downtown area through a major mixed-use development (with regional retail and substantial residential units).

- It is a large site: 1.94 acres; 87,963 square feet
- Capacity for mixed-use building: 37,000 to 149,000 square feet
- Prime location with excellent visibility and accessibility on main roads
- The site's frontage on this portion of Main Street calls for more comparison retail on a larger-scale: a large home furnishings store; a restaurant; a large bookstore and café; a clothing store, etc. (an indirect benefit of successful retail at this site would be an extension of the psychological boundaries of downtown, potentially easing people's hesitancy to park on this part of Main Street and to stroll two blocks to the traditional downtown)
- The odd lot configuration backs to residential uses, but could work to the site's advantage: residential uses can be placed above retail or away from Main Street traffic on the northern portion of the lot
- The site's proximity to the train station may make it eligible for transit-oriented funding
- While the gas station forces environmental remediation issues, the Borough should work hard (possibly provide incentives) to change the lease restriction on residential uses
- The site could serve as a model for the future redevelopment of gas stations at this valuable intersection
- The site is currently vacant and for sale; the small size of the gas station itself allows room for new construction and creative site design
- The site is already zoned CBD-1
- Expansion is a possibility with a future assemblage with Opportunity Site 12
- A drainage easement cuts across the site and must be accounted for in design and construction

Site 4: Block 1601, portion of Lot 1

This site offers the Borough an opportunity to answer any parking challenges for the foreseeable future without having to build parking structures in the traditional downtown. However, while only parking has been discussed for this site, the maximum amount of parking potential that can be placed on this site does most likely does not need to be created at this time. The size and capacity of this Opportunity Area does not foreclose the opportunity to accommodate additional Board of Education or Central School-specific needs. Regardless of the final amount of parking that can potentially be placed here, serious design guidelines will have to be enacted to ensure safety for school children and access for downtown patrons.

- This is a large site: approximately 142,600 square feet
- Although the site has been solely considered for potential parking expansion, the capacity for a mixed-use building is significant: 60,000 to 242,000 square feet
- If the site is dedicated fully to parking, it could create approximately 168 surface spaces very close to the downtown CBD (which seems a bit excessive at this time)
- Parts of the Civic Center on 28 Walnut Street are potential expansion sites or, at the very least, shared parking opportunities through design and code
- With an imminent agreement with Florham Park, and the potential to add fifty-plus acres of recreational space, the Central School students could be well accommodated: however, the logistics of getting children to the new fields will have to be worked out ahead of time.
- Permission from the Board of Education has not been obtained and the creation of public parking on the site has

always been a political lightning rod

- The Board of Education will likely need preferred access or an official shared parking agreement for school events
- Site design will be key as access needs to be established either to and from Cook Avenue (preferred because of proximity to downtown traffic and lack of conflict with school traffic) or Central Avenue; pedestrian walkways with attractive landscaping and lighting will also need to be created to make people feel comfortable walking from their cars to downtown shopping and destinations

Site 5: Block 3001, Lots 9-14

This site is smaller in size, making a single-use probably a better development strategy. With strong pedestrian access via the Green Village underpass, it calls out for additional retail. Its highest use might come after development of more comparison retail along Kings Road on Opportunity Site 2, or with eventual assemblage with that site.

- Even with the assemblage of lots 9 through 14, the site remains undersized for mixed-use: 53,988 square feet
- Capacity for mixed-use building is only 22,000 to 91,000 square feet; however, for a single-use, the site can accommodate a good amount of retail or residential
- The site enjoys a high visibility corner (Kings Road and Green Village Road) and great pedestrian access via the Green Village Road underpass.
- Retail would be bolstered by the development of Opportunity Site 2 (creating a consistent street wall of retail at the western portion of Kings Road; even so, retail would most likely be more convenience-oriented, although a small boutique-like use is not out of the question: hardware store; hobby or sporting goods; small appliance shop, an antique store, a small clothing shop
- Potential retail uses fronting along Green Village Road would stretch people's conception of downtown beyond the underpass (making retail success more of a likelihood and diminishing the psychological distance between parking south of the train tracks and Main Street); there is an opportunity to complete a stronger retail stretch along the eastern portion of Kings Road (along with retail development on Opportunity Sites 2 and 5)
- Proximity to the train calls for more urban style residential uses and possibly creates eligibility for Transit-Oriented Development funding
- Adjacency to the train tracks could create unacceptable noise impacts for residential uses; however, these impacts can be minimized by the use of building technology (which might lead to a pre-requisite for developer selection)
- CBD-1 zoning is a plus
- There are existing, productive uses on the site that would need to be accounted for (either relocated, bought out or worked into the new site design)
- Multiple ownership of the lots would make consolidation more challenging

Site 6: Block 2801, Lots 1-5

Strong pedestrian access via two underpasses creates the opportunity for stronger retail along both Kings Road and the northernmost point of Green Village Road (bringing downtown, both physically and psychologically, south of the train tracks).

- This assembled site is of a moderate size for mixed-use development: 78,964 square feet
- The capacity for a mixed-use building: 33,000 to 134,000 square feet
- Unusual lot configurations – with lots 3 and 4 in the middle of the block stretching a good distance southward – could work to the site's advantage; specifically, the southern portion of those lots allow for parking in the rear to support uses on the site; additionally, the configuration allows for shared parking arrangements – through design and/or codes – with both St. Vincent's Church and Webb Memorial Chapel
- The site enjoys pedestrian connections via both the Green Village Road and Waverly Place/Green Road underpass
- Potential retail uses fronting along Green Village Road would stretch people's conception of downtown beyond the underpass (making retail success more of a likelihood and diminishing the psychological distance between parking south of the train tracks and Main Street); there is an opportunity to complete a stronger retail stretch along the eastern portion of Kings Road (along with retail development on Opportunity Sites 2 and 5)

- Potential retail uses would most likely be more convenience-oriented, although a small boutique-like use is not out of the question: hardware store; hobby or sporting goods; small appliance shop, an antique store, a small clothing shop
- CBD-1 zoning is a plus
- Proximity to the train calls for more urban style residential uses and possibly creates eligibility for Transit-Oriented Development funding
- Adjacency to the train tracks could create unacceptable noise impacts for residential uses; however, these impacts can be minimized by the use of building technology (which might lead to a pre-requisite for developer selection)
- There are potential environmental issues due to the gas station site
- There are existing, productive uses on the site that would need to be accounted for (either relocated, bought out or worked into the new site design)
- Multiple ownership of the lots would make consolidation more challenging

Site 7: Block 2702, Lots 12; 17, 19-23

This assembled site holds the potential for a high-end, western anchor to a revitalized Lincoln Place. Its proximity to the train station and its traditional downtown location creates serious retail and residential opportunities.

- This assembled site is of a moderate size for mixed-use development: 78,964 square feet: 59,171
- Building capacity for mixed-use building: 25,148 to 100,591 square feet
- The site's access on both Lincoln Place and Prospect Street is very attractive for both new residential and retail uses
- New retail uses could be high-end: antique, restaurant/cafe; home furnishings; boutique, clothing
- The small, affordable retail spaces along Lincoln Place are relatively uncommon in the area and will be lost (in order to support the new development)
- The sloping lot could allow for integrating structured parking at reduced cost
- CBD-1 zoning is a plus
- Eventually, there might be increased development opportunities if combined with Opportunity Site 11
- Proximity to the train calls for more urban style residential uses and possibly creates eligibility for Transit-Oriented Development funding
- Adjacency to the train tracks could create unacceptable noise impacts for residential uses; however, these impacts can be minimized by the use of building technology (which might lead to a pre-requisite for developer selection)
- Existing productive uses, particularly along Prospect St. appear to be in good condition and productive; they would need to be accounted for (either relocated, bought out or worked into the new site design)
- Multiple ownership of the lots would make consolidation more challenging

Site 8: Block 3802, Lot 1 (portion)

Among the current parking lots designated as Opportunity Sites, this lot is both the largest in size and the farthest away from the historic center. In the longer-term, because of its location, it has the opportunity to anchor the western portion of Kings Road within the study area with retail that complements development of Opportunity Sites 2, 5 and 6 and with higher-end residential. The site holds the potential to meet additional community goals (density, affordable housing, etc.). Redevelopment would require accommodating current parking plus parking for any added uses.

- This is a sizeable lot: approximately 80,000 square feet
- The capacity for a mixed-use building: 34,000 to 136,000 square feet
- Municipal ownership allows for patience and creative discussions with the development community
- A parking structure with retail or other uses wrapped or integrated into the design is a structural possibility; in general, the idea to develop over lots/structured parking and group with residential, while long-term, is seemingly acceptable to many within the Borough
- Its access to a roadway leading to the junction of Routes 124 and Route 24 (by avoiding Main Street traffic) and its proximity to comparison retail offerings on the East side of Main Street makes calls for higher-end residential
- The current OS/GU zoning limits uses and development capacity, so a rezoning would be in order

- Proximity to the train calls for more urban style residential uses and possibly creates eligibility for Transit-Oriented Development funding
- Adjacency to the train tracks could create unacceptable noise impacts for residential uses; however, these impacts can be minimized by the use of building technology (which might lead to a pre-requisite for developer selection)
- Given its location, retail uses would most likely be more comparison in nature: clothing, furniture, large bookstore with café

*Madison
Downtown
Growth
and Development
Study*

Implementation

Building Consensus

Madison has the potential for growth within the study area. Hopefully, the recommendations included in this report for standards, codes, development sites and market actions will help the Borough to make policy decisions about development. Madison can go forward with the sites and the recommendations for each, or, truthfully, it can let the market decide and go forward that way. If the Borough does not direct growth and demand, developers will step in and make those decisions, particularly in places like Madison (and for many communities that is enough!). This report is hopefully providing the tools to be proactive and allows the Borough to choose where and how much the it can grow the downtown area.

Building Capacity

The Borough should begin to develop economic development capacity to provide developers with direct links to all local government and business leaders, as well as coordination services between city and civic organizations. The following are some general recommendations:

1. Immediately establish a Development Team made up of the heads of all key departments in the town (public works, planning, building, fire, police, etc.), as well as representatives from the DDC and the Council. The team's responsibility would be to serve as a coordinating body for all town services that impact economic development. This team should meet on a regular basis to:
 - Review all major development projects and initiatives in the Borough that directly or indirectly impact economic development;
 - Provide an opportunity for all department heads to report on how their priority projects could impact development;

- Identify areas and issues that need coordinated action and support from multiple departments;
- Develop tools for sharing information and data across departmental lines; and
- Create solutions and quick-response capability among all departments when it comes to development needs and opportunities.

The importance of this team approach cannot be overemphasized. Virtually all municipal services have an impact on development. The Borough needs to commit to a coordinated approach to service provision.

2. If it becomes necessary, select an economic development structure that is appropriate for the Borough's development needs and opportunities. First, there seems to be near unanimous agreement among economic development leaders in other communities that the single most important indicator of a successful development model is the unified and committed leadership from a community's elected officials and business leaders. Without a clear commitment from the leaders to work together, no development model or system will be successful. A few long-term (or single project) options:

- Create the position of economic development director for the Borough or for a specific development project, possibly with a number of responsibilities in key development areas:
 1. Maintain an inventory of all developable land and buildings for commercial and industrial development;
 2. Collect and publish all demographic and economic data on the town;
 3. Review all development plans and help expedite the permitting and regulatory process;
 4. Serve as the Borough liaison with all regional and state economic development organizations; and
 5. Prepare proposals for all state and federal economic development grants.
- Contract with another organization for economic development services. For example, the County may be of assistance for business attraction, site availability and preparation, business visitations, and assistance to business that are expanding or relocating. This model offers advantages: the Borough does not have to make significant investments in building its own economic development capacity; the Borough pays for only the services it ants; and regional organizations, like Regional Planning Association, have years of experience in economic development and a strong network of state and federal organizations that can be used for the benefit of the towns.

3. Create a local entity capable of sustaining a tenant recruitment effort among multiple ownerships. In a downtown setting, there is a lack of centralized managing agent and there are a variety of lease terms to understand and deal with. And successful recruitment is a full-time activity. For this purpose, the Borough might consider combining the Madison Chamber of Commerce within the Downtown Development Commission. The Chamber has the resources (financial and social) necessary for the recruitment process, while the DDC provides direction and Borough policy for the activity.

4. Use the market and development analysis portions of this study to create a promotional package that can be distributed to prospective developers and retailers, highlighting market opportunities within the study area. The data included in this report is the exact same data as would be compiled by a developer or retailer. Make sure to promote signature sites and buildings.

5. Update the Town's marketing materials, and put procedures in place to keep them up to date over time.

6. Invite developers and brokers to meet with town officials and land owners and make a pitch about available sites and downtown plans.

Appendix

APPENDIX A. Data Improvement and Future Studies

The following recommendations identify land use standards and information sources that could be enhanced or updated to allow the Borough to manage and maintain Downtown at its optimum capacity:

- *A detailed land use survey for the downtown area.* While the 2005 Business Information study provides a comprehensive survey of commercial uses in the Borough, for the purposes of development planning downtown, it could be improved. It is important to note that data from this survey contains several limitations. First, the study did not look at residential uses. This is particularly problematic in the downtown area since many commercial buildings include residential space on upper floors. Second, the study did not disaggregate square footage into separate use categories in the case of mixed-use buildings. Therefore, the study team in this report was forced to divide the total square footage evenly among the various uses in a building to get an estimate for the total amount of space ascribed to each use category. Finally, the review of the data identified a number of discrepancies between the use description and the assigned Standard Industry Classification (SIC) code. These errors were corrected for this report where possible, but a thorough review of each individual use was not performed. The Borough may wish to update the study with a more detailed land use review specific to the downtown to gain a better understanding of the land use mix in the future.
- *A detailed parking analysis.* If and when the Borough feels it is necessary for a more detailed look at its options for increasing its parking supply, it should solicit a more detailed parking study. It should be noted that utilizing the 1997 study as a basis and supplementing it with limited field observation would not prove a determination of the actual "deficit" of parking spaces that currently exists (i.e., the number of additional spaces needed so that the perception of a parking problem would disappear) for parking downtown. However, from additional parking observations, counts, and interviews with merchants and/or patrons, the level of additional demand can be estimated, and the work in this study would be a good starting point to begin to strategize about possible solutions available to meet such a demand. Determining the exact number of parking spaces in the downtown that would satisfy this demand—which should be defined as the point at which no consumer would abandon a shopping trip or choose an alternative place to shop because convenient parking is not available—is difficult to quantify, but should be attempted when the time is right.

APPENDIX B. Madison Parking Standards

Madison prescribes required parking based on assumptions about the relative amount of vehicle traffic generated, and therefore parking required, for various use categories. Tables laying out those standards are provided below:

Appendix Table 1: Parking Standards for Residential Uses

Housing Unit Type / Size	Parking Requirement
Single-family detached	
2-bedroom	1.5
3-bedroom	2.0
4-bedroom	2.5
5-bedroom	3.0
Garden apartment (b)	
1-bedroom	1.8
2-bedroom	2.0
3-bedroom	2.1
Townhouse	
1-bedroom	1.8
2-bedroom	2.3
3-bedroom	2.4
Retirement community	Values shall be commensurate with the most appropriate housing type and size noted above that the retirement community resembles
Assisted-living	0.5

Appendix Table 2: Parking Standards for Non-residential Uses

Non-Residential Use	Parking Requirement
Automotive showroom/sales	1 per 300 square feet of lot showroom and sales office
Bar, nightclub	1 per 3 occupants at capacity
Bowling establishment	2 per lane
Car wash	3 per washing lane
Financial institution	1 for each 200 square feet of building area or 5 spaces per teller, whichever is greater
Funeral home, mortuary	10 for each viewing room (minimum 30 spaces)
Garden center	1 per each 1,500 square feet of property area
Gasoline service station	3 for each bay, plus 1 for each service vehicle
Golf course	4 per hole
Home occupation	1 per employee
Hotel	1 per room, plus 1 for each 1,000 square feet of conference or similar space
Indoor recreation	4.5 for each 1,000 square feet including roller rink, of building area ice rink, recreation center and sports club
Laboratory, research use	1 for each 300 square feet of net building area
Long-term care facility	.3 per bed, plus one per full-time staff, plus one for every 2 part-time staff on the maximum shift
Office, dental or medical	4 for each doctor, plus 1 per 250 square feet of building area
Office, other	4 per 1,000 square feet of building area
Outdoor recreation	Court games: 4 per court Other: 1 per 150 square feet of assemblage space
Places of worship, community buildings, social halls and places of indoor public assembly	1 for each 3 seats. Where the specific amount of seating is undetermined, then 1 parking space shall be required for each 75 square feet of assemblage area.
Restaurant (including sit-down and take-out), catering hall, delicatessen, sandwich shop, coffee shop and similar food service establishments	1 for each 2.5 seats or 1 for each 180 square feet of gross floor area, whichever is greater
Retail uses not separately listed [Amended 6-13-2005 by Ord. No. 22-2005]	5 per 1,000 square feet of gross floor area
Educational facility: Elementary and intermediate school Secondary school Post-secondary and other educational facility	1 per employee 1 per employee, plus 1 per each 5 students in grades 11 and 12 2 per each 3 full-time students and 1 for each 5 part-time students
Theater	1 for each 3 seats

APPENDIX C. Study Area Zoning Standards

Core Zoning Districts:

- The **Central Business District-1 (CBD-1)** district covers the heart of Madison's downtown, stretching along Main Street from roughly Community Place to the Madison School and extending south to the train tracks. The district is intended to preserve and strengthen the downtown shopping area. It allows for a wide range of commercial uses, but residential uses are limited to apartments over retail or office uses. Building setbacks are intended to match the historic context, with minimal front and side setbacks permitted. A maximum of four stories/60 feet is permitted.
- The **Central Business District-2 (CBD-2)** district is mapped to the north of the CBD-1 district along between Community Place and Greenwood Avenue along Cook Avenue and Elmer Street. The district is identical to the CBD-1 zone in terms of permitted uses and dimensional standards, except that single-family and two-family residential uses are also permitted. Many of the businesses in this area occupy former single-family residences. The district provides a transition to the residential neighborhoods further to the north. Residential uses are subject to the bulk standards of the Two-Family Residence (R-4) district.

Surrounding Zoning Districts:

- The **Community Commercial District (CC)** extends east along Main Street/Route 124 from the downtown towards Chatham Borough. The district is intended to provide community commercial uses which primarily serve the residents of the Borough. According to the zoning code, it is not intended for the development of large, regional retail uses, though in fact it does contain some uses that draw customers from surrounding areas. Offices and multifamily housing are also permitted. Development is limited to 2 ½ stories/35 feet and a 0.25 floor area ratio. In addition to these basic standards, development in the CC district is subject to a set of more detailed design standards that issues such as parking location, parking lot design and buffering, landscaping, and building design. Apartments built over office or retail uses are encouraged by not counting that floor area against the maximum permitted floor area
- The **Professional Office Zone/Residential (P)** district is mapped over areas south of the commercial uses that line King's Road and around the intersection of Madison Avenue and Park Avenue. The district contains several large religious uses, as well as a strip of mixed residential and office uses along the west side of Green Village Road. The district permits office uses, parks, and single-family residential uses by-right, with institutional uses and assisted-living/long-term care facilities allowed as conditional uses. Dimensional standards are identical to the R-4 residential district, except that additional impervious cover is allowed, presumably to accommodate parking needed for the permitted uses.
- The **Open Space/Government Use (OSGU)** district is mapped over the public uses south of the downtown core, including the train station, the Hartley Dodge Memorial building, and the adjacent municipal parking lots. Educational and recreational uses north and east of the downtown are also included in this zone. The district is intended to acknowledge and preserve the existing open space/parks and government-related uses throughout the Borough. Dimensional standards are not provided for this district.

The table below details the permitted (PU), conditional (CU), accessory (AU), and prohibited (blank) uses in each of the study area zone districts:

Appendix Table 3

PU = Permitted Use CU = Conditional Use AU = Accessory Use Blank Cell = Prohibited Use

USE	CBD-1	CBD-2	CC	P	OS/GU
Apartments over retail or office uses	PU	PU	PU ¹		
Assisted-living residences	CU	CU	CU	CU	CU
Borough parking lots					PU
Business, medical, professional, executive, or administrative offices	PU	PU	PU	PU	
Child care centers	PU	PU	PU	PU	PU
Customarily incidental and accessory uses	AU	AU	AU	AU	AU
Financial institutions, non-drive-up window	PU	PU	PU		
Financial institutions, with drive-up window			CU		
Funeral homes			PU		
Gasoline service stations	CU	CU	CU		
Home occupations	AU	AU	AU	CU	
Institutional uses	PU	PU	PU	CU	
Libraries					PU
Long-term care facilities	CU	CU	CU	CU	CU
Major public open space lands and recreation areas					PU
Municipally-owned or operated buildings					PU
Off-street parking facilities	PU	PU			
Public garages			CU		
Public parks and playgrounds	PU	PU	PU	PU	
Recreation facilities, commercial or private	PU	PU	PU		
Rescue squad facilities					PU
Restaurants, drive-through			CU		
Restaurants, non-drive-through	PU	PU	PU		CU
Retail sales and service	PU	PU	PU		CU ²
Schools					PU
Senior citizen centers					PU
Single-family detached dwellings		PU	PU	PU	
Theaters	PU	PU	PU		
Train stations					PU
Two-family dwellings		PU	PU		

The table below details the height, yard, area, and bulk requirements that govern each of the study area zone districts:

¹ Additional standards apply, per § 195-32.5F

² Per §195-32.10.D(3), “commercial uses” are permitted as a conditional use; however, that term is not defined. We assume it refers primarily to “retail sales and service” but clarification is needed.

Appendix Table 4

Standard	CBD-1	CBD-2	CC	P	OS/GU
Max. Stories	4	Same as CBD-1 for non-residential uses. Standards for R-4 zone apply to residential uses.	2 ½	2 ½	No dimensional standards.
Max. Height	60		35	35	
Min. Front Yard Setback	(a)		15 (d)	30	
Min. Side Yard Setback	(b)		5	10	
Min Rear Yard Setback	(c)		15	40	
Min. Lot Area (sq. ft.)	10,000		7,500	7,250	
Max. Distance from ROW Area to be Calculated	-		150	-	
Min. Lot Width (Interior)	75		50	75	
Min. Lot Width (Corner)	100		75	100	
Min. Lot Depth	100		150	100	
Max. Impervious Cover	85%		70%	60%	
Max. Principal Building Coverage	-		(e)	-	
Other Requirements	-		Max. FAR 0.25 (f)		

NOTES:

- a: Front yard in the CBD Zones: Predominant setback shall be maintained.
- b: Side yard requirements for CBD: None, except where abutting a side yard in a residential zone, then a side yard of one foot for every two feet of height of the principal structure in the CBD Zone. No such side yard shall be less than 10 feet and none need be greater than 30 feet.
- c: Rear yard in CBD Zone: One foot of rear yard for each two feet in height of principal building, with a minimum rear yard of 25 feet and a maximum of 30 feet. If rear yard abuts a residential use, a minimum five-foot fence shall be erected to screen the business use.
- d: Each side yard shall be the minimum stated in the schedule, if the property in question meets the minimum lot width (interior or corner).
- e: Maximum building footprint: 5,000 square feet.
- f: Except for the provisions in §195-32.5F concerning apartments over retail and/or office uses.

APPENDIX D. Patterns of Study Area Land Use

In its existing conditions analysis, the study team relied largely on two previous studies, supplemented with its own observations, to identify the patterns of use within the study area. A survey from August of 2005 titled "DDC Business Uses" provides a good snapshot of commercial uses in Madison. Information specific to the downtown study area was culled from that study and aggregated into general categories, as shown in the table below.

Appendix Table 5:

Use Category	Sq. Ft.	% of Total
General Sales and Service	469,004	57%
Office	94,370	12%
Eating and Drinking Places	89,478	11%
Education and Institutions	92,967	11%
Arts, Entertainment & Recreation	27,604	3%
Health Services	27,533	3%
Construction Related	11,938	1%
Manufacturing and Wholesale Trade	7,045	1%
TOTAL	819,939	

Because this survey only examined commercial uses, the study team supplemented data from that study with information on residential uses from the 1997 Parking Study. Obviously, the age of that study suggests the potential for inaccuracies; however, since much of the existing residential uses in downtown areas are located in older buildings, we expect that the results will still remain fairly accurate. The 1997 Parking Study also did not include the blocks on the north side of Cook Avenue/Elmer Street, or east of Prospect Street/Greenwood Avenue. The 1997 Parking Study was also used to find additional information on public and parking uses.

Appendix Table 6

Use Category	Lots	% of total	Lot Area (SF)	Lot Area (Acres)	% of total
Institutional (Education, Religious)	6	2.6%	956,139	21.95	21.7%
Single-family Residential	80	34.8%	863,051	19.81	19.6%
Commercial (Sales, Service, Office)	59	25.7%	803,806	18.45	18.2%
Public (Government, Transportation, Parks)	14	6.1%	583,176	13.39	13.2%
Parking (Principal Use)	16	7.0%	363,236	8.34	8.2%
Commercial/Residential	23	10.0%	260,147	5.97	5.9%
Multi-family Residential	2	0.9%	218,327	5.01	4.9%
Commercial/Restaurant/Residential	13	5.7%	106,213	2.44	2.4%
Vacant	2	0.9%	91,833	2.11	2.1%
Commercial/Restaurant	6	2.6%	82,614	1.90	1.9%
Restaurant	4	1.7%	52,383	1.20	1.2%
Restaurant/Residential	3	1.3%	18,881	0.43	0.4%
Unknown	2	0.9%	13,348	0.31	0.3%
TOTAL	230		4,413,154	101.31	

As Shown in Table 6, the presence of Drew University and other educational/religious institutions near downtown accounts for the "institutional" use category totaling the highest percentage of used land (21.7%) in the study area (while only accounting for 2.6% of study area lots). Land dedicated to "Commercial" space and "Single-family Residential" is approximately equivalent, although these residential uses are, not surprisingly, found on more lots.

A Note on Data Limitations and Potential Follow-Up

It is important to note that data from the "DDC Business Uses" survey contains several limitations. First, the study did not look at residential uses. This is particularly problematic in the downtown area since many commercial buildings include residential space on upper floors. Second, the study did not disaggregate square footage into separate use categories in the case of mixed-use buildings. Therefore, the study team was forced to divide the total square footage evenly among the various uses in a building to get an estimate for the total amount of space ascribed to each use category. Finally, the review of the data identified a number of discrepancies between the use description and the assigned Standard Industry Classification (SIC) code. These errors were corrected where possible, but a thorough review of each individual use was not performed. The Borough may wish to update the study with a more detailed land use review specific to the downtown to gain a better understanding of the land use mix in the future.

APPENDIX E. Opportunity Site Capacity Projections

PPSA conducted an analysis of thirteen potential redevelopment sites in Madison to better understand the development opportunities in the downtown study area. The purpose of the exercise was not to determine a specific development plan for the sites, but rather to compare the development potential under four different scenarios.

In each scenario, the following important assumptions were used:

- All sites rezoned to CBD-1
- Current CBD-1 zoning standards were used. In particular, the maximum impervious coverage limit of 0.85 and the maximum height of four-stories largely define the amount of potential development.
- All sites developed with an equal mix of retail, office and residential uses.
 - Parking spaces were assumed to require 350 square feet. This is a commonly-used number that includes the area of the parking space itself, plus an additional area to accommodate drive aisles needed to access the space.
 - Residential units were assumed to be 1,200 square foot 2-bedroom units.

Scenario 1

This scenario simply defines the maximum building size possible under the CBD-1 zoning standards. This scenario is not realistic in general, but is provided for comparison with the other, more realistic scenarios. It assumes that new development takes advantage of the entire impervious coverage limit (85% of the site area) for building, and builds to the 4-story maximum. No allowance for surface parking is provided, resulting in a "parking shortage" – the amount of parking required by the parking standards that would have to be located in structured parking either below grade or off-site. While this scenario is not realistic in general, it is possible that some smaller sites could develop at or near this intensity.

Scenario 2:

This scenario assumes that one-half of the allowed impervious coverage (or 42.5% of the site area) would be used for surface parking and the other half would be used for building coverage, also to the 4-story maximum. The resulting square footage available for retail, office and residential uses exceeds the amount of parking that could be provided from on-site surface parking. Therefore, providing the potential amount of development would require locating parking underground or off-site. The "parking shortage" is provided for each scenario.

Scenario 3:

Where scenarios 1 and 2 predict the maximum building size and then extrapolate the parking shortage, this scenario estimates a maximum amount of parking available on site and then extrapolates the square footage that could be accommodated by that parking. The Borough's current parking standards are used for the calculations, as follows:

- 1 space per 200 square feet of retail
- 1 space per 250 square feet of office
- 2 spaces per residential unit (2-bedroom assumed)

As with scenario 2, one-half of the available impervious cover area is allotted for surface parking, and the remainder is allotted for building coverage. In this scenario, all required parking is provided on site in surface lots.

Scenario 4:

This Scenario repeats the same calculations as Scenario 3, but reduces the amount of required parking to reflect less onerous standards, as follows:

- 1 space per 250 square feet of retail
- 1 space per 33 square feet of office
- 1.5 spaces per residential unit (2-bedroom assumed)

Lower parking standards may be appropriate in an area like downtown Madison given the mixed use character of the area and the availability of adjacent transit.

Scenarios 1 and 2 determine a maximum building size, unaffected by the requirement to provide parking. Scenarios 3 and 4 determine a maximum amount of parking that can be provided on site, and then use that number to determine the maximum building size. Scenarios 1 and 2 reflect a much more urban type of development, maximizing building area with parking to be provided either below-ground or off-site. Scenarios 3 and 4 present more suburban approaches, with parking provided on site in surface lots. Actual development on any site could be somewhere between the bookends suggested by Scenario 1 and Scenario 4. However, the comparison table that follows compares the range between Scenario 2 and Scenario 4, as the first scenario seems unrealistic for nearly all cases. Development under Scenario 2 is also unlikely, since the parking shortage is substantial.

Obviously, any and all of the assumptions used in these calculations are subject to debate. Again, the intent is not to determine a specific plan for one or all of the sites, but only to suggest a range of potential development available in the area given some reasonable assumptions. These numbers illustrate that the actual amount of square footage that could be developed under current CBD-1 zoning standards is significant, but the requirement to provide parking severely reduces the development potential. Efforts to reduce the amount of required parking (Scenario 4) or to allow for parking to be provided off-site in centralized lots could open the door for considerable additional development activity.

A complete Excel spreadsheet with calculations is available upon request (info@ppsaplanning.com)

