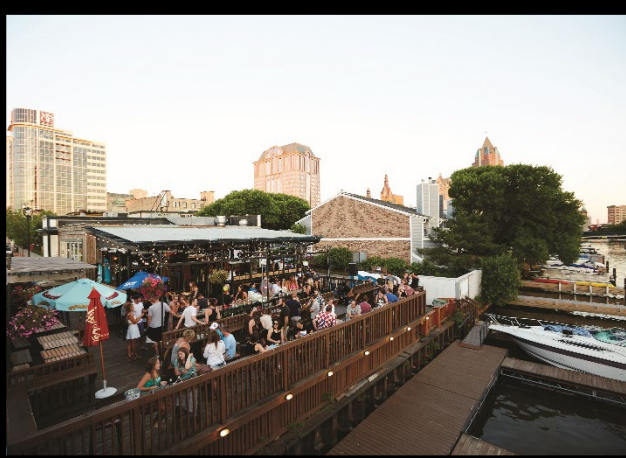
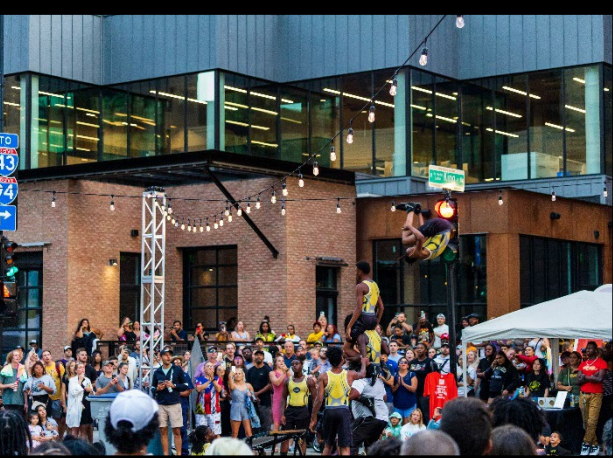


CITY OF MILWAUKEE'S NIGHTTIME ECONOMY ECONOMIC IMPACT STATEMENT



May 2023

Drafted by: Milwaukee Downtown, Business Improvement District #21

NIGHTTIME ECONOMIC IMPACT STUDY

A vibrant nighttime economy and a wide variety of entertainment offerings are an important consideration when people are choosing where to live, especially younger generations. This has been further amplified and accelerated during of the COVID-19 pandemic which has accelerated a growth in remote work trend allowing people more flexibility in choosing the city in which they want to live, while still maintaining their employment, regardless of location. When one can work from anywhere, the “sociability” of the city, which includes a variety of “third spaces”¹ such as parks, arts, culture, entertainment, sports, and nightlife, are more important than ever before in attracting people to urban centers. In a recent survey of millennials living in southeastern Wisconsin, 60% of the respondents cite a variety of entertainment and nightlife options as important in considering whether to live in the City of Milwaukee.²

The Nighttime and Entertainment Sector is a Major Economic Engine in the City of Milwaukee

The nighttime economy is a critical component in the overall City of Milwaukee economy. With 1,668 businesses and 25,664 people employed in the industry, it is the **fourth (4th) highest concentration of businesses and jobs in a sector in the City of Milwaukee.**³ This represents nearly 10% of all the City’s business and employment base, underscoring its significance as a growing industry of choice and an economic driver.



DIRECT ECONOMIC HIGHLIGHTS:

Combined, there are 1,668 “food service & drink places” and “arts, entertainment, and recreation” businesses in the City of Milwaukee employing over 25,600 people.

Taken together, these establishments account of nearly 10% (9.7%) of the total businesses and over 9% (9.2%) of the city-wide jobs.

The Nighttime Economy sector represents the 4th highest concentration of business and jobs in the City of Milwaukee.

The nighttime economy brings in over \$1.37 billion in annual consumer spending and is predicted to grow by 19% by 2027.

“Food Away from Home” and “Entertainment and Recreation” result in more than \$700 million and \$560 million, respectively, in annual consumer spending. This equates to over \$5,300 in per City of Milwaukee household spending annually on the social economy. These figures are expected to grow by 19% by 2027.

¹ Milwaukee Business Journal, “Can ‘third spaces’ lure remote workers back to downtown Milwaukee?” 6/22/2022

² Public Policy Forum, “My Generation: Surveying the Views of Millennials in Metro Milwaukee”

³ “Food Away from Home” and “Entertainment and Recreation” NAICS business classifications in ESRI’s Business Summary tool are used to define the “Nighttime Economy” for these purposes.

Indirect Nighttime Industries Significantly Increase the Overall Economic Impact

The figures in the previous section focus on those businesses, jobs, and consumer spending in the direct nighttime economy sector. Those figures do not quantify all the related businesses, jobs, and spending that result in industries that are related to having a vibrant nightlife. For example, consider the multiplier effect in the following companion industry examples:

- Hotel room stays result from people visiting Milwaukee for sporting events, concerts, festivals, and other social experiences with family, friends, or colleagues. *Visit Milwaukee* deduces that approximately 66% of all the hotel room stays in the city of Milwaukee are for leisure travel.
- Graphic design professionals create promotional posters to advertise various social happenings and events.
- Social media professionals are employed to engage the community and promote venues and events.
- Apparel and accessory retail stores that sell clothing catered to customers that go to events, bars, shows, restaurants, and social activities.
- Ride share provides safe options for patrons traveling to and from nightlife and social destinations.



Establishments employ graphic designers to promote events as an example of spill over economic impact of a vibrant nighttime economy

All these industries and more that are directly and indirectly connected to the nighttime economy exponentially increase the number of businesses and jobs that are positively impacted by a strong nighttime economy.

Consumer Spending in the Nighttime Economy Will to Continue to Grow and Expand

In 2022, the \$1.36 billion in consumer spending on the nighttime economy and on entertainment in the City of Milwaukee is only surpassed by spending on housing, and funds invested on retirement and in financial instruments.

With a projected 19% growth in consumer spending in the nighttime and entertainment sector over the next 5 years to over \$1.62 billion, it will continue to outpace most other expenditure categories. Reinforcing the significance as an industry where consumers will continue to prioritize spending their disposable income and time.

Peer Cities with Nighttime Economy Offices & How Milwaukee Compares on Economic Concentration in the Industry

Each of the cities in the below chart, other than the City of Milwaukee, have created a variation of a formal nighttime economy office. The City of Milwaukee has a very similar, and in many cases an even greater concentration of businesses and jobs in the nighttime economy than peer cities that have already created a nighttime economy management office.

The peer cities have a range from 8.6% to 11.1% of total citywide businesses and 6.6% to 13.2% of total citywide employment in the nighttime economy, while the City of Milwaukee having 9.7% of total businesses and 9.2% of total jobs in the industry respectively. Of the peer cities chosen, the City of Milwaukee has the same, or higher *business* concentration in the nighttime economy than Atlanta, Austin, and Washington D.C. Milwaukee also exceeds Atlanta, Boston, Washington D.C. and Pittsburgh in terms of percentage of jobs in the nighttime economy.

City of Milwaukee & Peer City Nighttime Economy Comparison								
Direct Economic Impact	Milwaukee	Atlanta	Austin	Boston	Washington D.C.	Detroit	Pittsburgh	Seattle
% of City-wide Total Businesses	9.7%	9.7%	8.6%	9.5%	8.9%	9.5%	10.6%	11.1%
% of City-wide Total Jobs	9.2%	7.0%	10.3%	7.6%	7.8%	13.2%	6.6%	9.8%

Source: ESRI Business Summary NAICS classifications for “Food Away from Home” and “Entertainment and Recreation” NAICS are used to define the total businesses and jobs in the “Nighttime Economy” in each of the peer cities in the chart above.

Note: All peer cities in the chart above have a variation of a nighttime economy office

The peer city set was chosen as they have some similar characteristics to the City of Milwaukee or are considered aspiration cities that are outpacing the national averages in population growth and employment expansion. Including this peer city set, 22 cities in the United States have formed a variation of nighttime economy office, with 8+ cities exploring their respective mechanisms to form a nighttime governance structure.

This comparison further illustrates that peer and aspiration cities understand and are prioritizing the importance of the nighttime and social industries as an economic development tool. To keep pace and increase competitiveness in being an attractive location, Milwaukee needs to signal that it also prioritizes the important roles a strong social economy plays in business and talent recruitment.

A Strong Nighttime Economy is Important for All Milwaukee Neighborhoods

City wide, residents find family supporting employment in the nighttime economy sectors, either directly or indirectly. With nearly 10% of Milwaukee businesses and jobs in the nighttime economy sector, residents from every neighborhood work in the sector. Often, the sector provides flexible entry level positions that offer a fast path of upward mobility to management level positions.

New Nighttime & Social Economy Developments Will Bolster the Sector

Milwaukee’s nighttime economy is currently the fourth largest cluster of businesses and jobs making it a critical employment sector for Milwaukee residents. The industry is only getting more important with several new large scale entertainment related developments and districts that are currently under construction, or expected to start soon, adding millions of dollars in new investment, thousands of jobs, and additional tourism attractions. These developments will also trigger additional investment by expanding the marketplace, attracting new ancillary development.

New nighttime and social economy developments include:

The Iron District

The \$160 million, 11-acre redevelopment in the largely underutilized southwestern quadrant of downtown, will bring the State of Wisconsin's highest level of professional soccer to the City of Milwaukee. In addition, the District is adding new housing options, a hotel, retail opportunities including several new nightlife options.



The \$160 million Iron District will include entertainment venues, soccer stadium, a hotel, apartments, and bars/restaurants.

FPC Live

The \$50 million, dual performance venue on the site of the former Bradley Center in the Deer District is expecting 50 shows in the large venue and 85 shows in the smaller venue with a projection of 220,000+ tickets sold in the first year of opening. FPC Live will have nearly 20 full-time and hundreds of part-time jobs and is anticipating a \$12.5 million annual economic impact from the development. The number of shows and economic impact is expected to grow as the venues stabilize.



FPC Live is building two new venues with up to 5,000 seats in the Deer District, with areas for a future hospitality use.

Foxtown Landing & MKE Dog Park

Fromm Family Pet Foods and Foxtown Brewing are investing more than \$15 million in a new 30,000 SF brewery, distillery, restaurant, and event space with expansive outdoor seating areas that seamlessly connect to downtown's first dog park. The "Downtown Dog District" will be a new social hub that will include 400+ feet of public riverwalk and be one-of-a-kind attraction in the region.



Foxtown Landing and the new dog park will be a new social hub and public space for downtown users and their pets.

The Milwaukee Theatre District

The Milwaukee Theatre District campaign was launched in 2022 to promote the 15,000 theater seats in the District as it ranks No. 1 in the United States for the highest number of seats per capita. With a combined 2,100 performances attracting 2 million attendees annual, the District is a core part of Milwaukee's nighttime economy, which generates an estimated \$400 million in visitor spending annually. The Milwaukee Theater District venues employ over 1,000 Milwaukeeans and draws from all neighborhoods in the City of Milwaukee and region.



In 2022, a campaign to promote the economic impact of performance venues launched and is attracting national attention.

The nighttime economy is one of the most significant business and employment sectors in the City of Milwaukee. With the large-scale development projects like The Iron District, Foxtown Landing, FPC Live, the Milwaukee Theater District, the \$80 million Milwaukee Repertory Theater expansion, and more, the economic impact of this employment and business sector will grow significantly through millions in new investment and countless new jobs.

Next Steps in Supporting the Nighttime Economy and Building a Competitive City

In the 2022, Milwaukee ranked as the 47th overall Best City in America largely due to the prominence of the nighttime economy, (ranked 25th out of 100),⁴ citing "...[Milwaukee] celebrates its beer heritage and offers a vibrant farm to table culinary scene—built from a century of feeding and brewing for a continent." This level of recognition is occurring naturally, and can be significantly bolstered as a true catalyst with the proper acknowledgment, promotion, and management to ensure a safe environment that can flourish.

The nighttime economy is the fourth largest economic sector in the City of Milwaukee and it is poised for exponential growth through substantial investment in new entertainment districts and in existing nighttime corridors. To harness this economic engine and its inevitable growth to help the City of Milwaukee enhance its competitive advantages, it is more important than ever to properly manage and promote this sector.

Connec+ing MKE Downtown Area Plan Update and a Call-to-Action Strategy

The City of Milwaukee and Milwaukee Downtown, Business Improvement District #21 are finalizing an update to the downtown area comprehensive plan to adopt recommendations and strategies to guide investment to create the downtown and city of the future that growing, innovative, and attractive to live, work, socialize and invest.

During the unprecedented public engagement process, the project team recorded several reoccurring themes related to the nighttime economy, including to:

- Encourage diversity of retail & entertainment options intended for a diversity of people
- Create inclusive & activated spaces
- Increase density of retail & entertainment – all price points
- Strengthen defined retail & entertainment areas
- More family restaurants and activities
- More activities for all – movies, bowling, theatre, etc.
- Design and activate for pedestrians
- Continue to strengthen the identities of downtown districts
- Ensure that everyone feels welcome

Grounded in this community feedback, the Plan contains several recommendations and policy strategies that include

- **Recommendation:** *Embrace Downtown as the region's center for nightlife and social gathering and ensure the proper management of the nighttime economy.*

⁴ Best Cities. <https://www.worldsbestcities.com/reports/2022-americas-best-cities/>

- **Supporting Policy & Strategy:** *Identify and implement strategies that increase coordination and communication between businesses in the nighttime and culture sector and relevant City departments in order to facilitate safe, accessible and enjoyable places for nightlife. This would benefit nighttime businesses citywide, but have an especially positive impact on Downtown where more than 15% of the city's nighttime businesses are located. Long term, continue to explore the potential creation, funding, and location of an "Office of Nightlife & Culture" with partner agencies to support the social economy and promote safe, accessible and enjoyable places for nightlife.*

A strong nighttime economy with safe and diverse experiences is a critical factor in creating a high quality of life that retains existing and attracts new residents, businesses, and investment alike.

Therefore, building on our past incremental success that have assisted to stabilize, organize and promote Downtown's nighttime economy, there is a clear and present need for a proactive approach to leverage the importance and growth in the industry with a formalized Nighttime Economy Office in the Milwaukee City Government.