



## Office of the Common Council

### Ald. Ledell Zellers, District 2

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December 19, 2016

Subject: Alcohol license application for 502 State Street  
ALRC Dec 21, 2016--Agenda item 22

Dear ALRC members,

I had hoped to be able to join you at your December 21, 2016 meeting but I have a conflict that does not allow me to be there. I want to share with you my perspective on the alcohol license request for 502 State Street which is item 22 on your agenda.

I am not able to support granting that alcohol license. Concerns have been expressed over a number of years (since before I became alder) about the trend of State Street losing retail establishments and becoming a "Bourbon Street" of the north.

Just today, the study "Ensuring a Vibrant Downtown Retail Destination: A Retail Assessment and Strategy for Downtown Madison"<sup>1</sup> by Tangible Consulting Services was released. [Note: all page references below are to the report.] In the introduction to that report it talks about strategies for helping the situation of declining retail on State Street: "Some of the strategies would strengthen the retail environment through building its distinctive identity and brand, and through **adding new retail stores and shopping opportunities** to the environment. Other strategies address the priority of retaining the unique calling card of the area—its ***fine-grained store density***—so that there is an ongoing critical mass of stores to attract shoppers, and the small retail floorplates which are conducive to one-of-a-kind local businesses." [p. 6; Emphasis added.] Instead of adding new retail stores and shopping opportunities, we have experienced a steady decline. Since 1989 "Retail/Service" establishments have dropped from 73% of the population of the street to 51%; "Bar/Restaurant Establishments have more than doubled from 20% to 45%. [p. 22]

In addition, it is not just the sheer number of bar/restaurant establishments, but it is the fact that there is not a reasonable path to reverse the slide going forward once a retail store has made the switch to a bar or restaurant. "Retail stores are not likely to recover commercial space from bars and restaurants very often in the current market. The economics of making that change are difficult after a commercial kitchen investment has occurred." We have to determine whether retail on State Street matters to us and take steps to discourage the evolution that basically

December 19, 2016

Page 2

excludes retail before the irretrievable step has been made to make spaces into bars/restaurants.

Another point to consider is that “eat, play, shop” is currently the brand of State Street (along with the small store fronts and historic character). [p. 39-40] That balanced patron experience relies on a critical mass of retail to be able to retain the “shop” aspect of the experience. As noted in the report, “Capitol Square for all intents and purposes no longer has a critical mass of traditional retail stores that sell goods.” It is the domino effect...lose too many and the remainder struggle and often ultimately fail. There is an interdependency needed to create a shopping experience that attracts people and which is needed to support success. The report notes that “because in downtown Madison bars and restaurants often compete for the same storefront spaces as retail businesses, their growth has led to a reduction in retail store density. And that in turn decreases the attractiveness of downtown retail.” [p.48]

The proposed alcohol license at 502 State Street is the former home of American Apparel. It is on a prominent corner (State and Gilman) in an architecturally significant building which would increase the impact of it becoming a bar/restaurant. Given the report just released my conclusion is that an alcohol license here should be denied. The welfare of the community is not served by continuing to eat away at the retail environment on State Street. Granting an alcohol license at this location would be a significant step in irrevocably harming the retail environment.

And finally, given the requirement of considering “health, safety and welfare,” the proliferation of alcohol licenses in this area of our city adds to concerns about safety. As has been documented time and time again, alcohol license density contributes to increased crime. Continuing down the path of more and more alcohol licenses on State Street and in that area is not a safe choice for our community.

Thank you for your consideration.

Sincerely,



Ledell Zellers  
Alder, Second District

<sup>1</sup> “Ensuring a Vibrant Downtown Retail Destination: A Retail Assessment and Strategy for Downtown Madison”<sup>1</sup> by Tangible Consulting Services for the City of Madison, WI. November, 2016. Find the full report at:

<https://madison.legistar.com/View.ashx?M=F&ID=4846338&GUID=968B0F8F-F172-4452-87EB-703067102F5F>