



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes - Approved ECONOMIC DEVELOPMENT COMMITTEE

Wednesday, June 15, 2011

5:00 PM

215 Martin Luther King, Jr. Blvd
Room 260

CALL TO ORDER / ROLL CALL

The meeting was called to order at 5:06 pm by Ed Clarke, Acting EDC Chairperson.

Present: 9 -

Mark Clear; Julia Stone; Alfred L. Zimmerman; Sandra J. Torkildson; Gabriel A. Sanchez; Edward G. Clarke; Matthew C. Younkle; Ald. Scott J. Resnick and Ald. Jill Johnson

Absent: 1 -

Peng Her

Excused: 3 -

Victoria S. Selkove; Joseph W. Boucher and Douglas S. Nelson

Also Present: Alder Sue Ellingson, Alder Chris Schmidt, Mark Woulf, Alcohol Policy Coordinator (Mayor's Office); Aaron Olver, Interim Director EDD; Matthew Mikolajewski, Manager of Office of Business Resources; Peggy Yessa, OBR.

APPROVAL OF MINUTES

A motion was made by Mr. Sanchez, seconded by Alder Resnick, to approve the minutes of the May 11, 2011 EDC meeting.
The motion passed by voice vote

PUBLIC COMMENT

These will be given at the time of the agenda item.

DISCLOSURES AND RECUSALS

None at this time (see item #2)

DISCUSSION ITEMS

- 1 Amending Sec. 38.05(9)(o) of the Madison General Ordinances to create entertainment venues, extend time limits for applying for new licenses in closed premises, modify annual reporting requirements, and extend the sunset provisions.

Registered speaker, Mary Carbine, representing the Madison Central Business Improvement District (BID), said ALDO (Alcohol Licensing Density Ordinance) is not effective; it does not reduce crime and disorder; and it does not provide non-alcohol business opportunities. It does not allow expansion of existing businesses and has unrealistic alcohol percentages. It limits the number of chairs and prevents live entertainment.

Alder Clear asked if the BID supports any part of ALDO?

Ms. Carbine said the BID opposes it and is not offering any workable solutions to it.

Alder Resnick asked Ms. Carbine to explain the comments from Hawk Schenkel, owner of a bar and grill downtown.

Ms. Carbine said his view is ALDO reduces competition and makes his business more valuable; but it does not improve safety.

Ms. Torkildson said she is in favor of ALDO and questions the BID statement that the City spends a lot of time enforcing ALDO. She does not see a lot of enforcement time by the City and this is the number one tool a city can use.

Ms. Carbine clarified there have been 16 subcommittee meetings and a lot of staff effort which is a low return on investment for public safety payoffs.

Mr. Clarke asked why the BID numbers do not agree with the numbers from Mark Woulf on the number of taverns and restaurants?

Ms. Carbine said the BID worked with Mr. Woulf to determine the overall numbers in the area.

Ms. Torkildson questioned the BID saying the area is not saturated with restaurants already?

Ms. Carbine referred to the Downtown Market Study which indicated a desirable overall business mix downtown.

Mr. Zimmerman asked about the overall impact of ALDO on tax revenues and other businesses surrounding the ALDO area? Where is the data?

Mr. Clarke said the visitors and convention bureau have some data.

Mr. Oliver said the data on the Downtown is on the BID website.

Ms. Carbine said the State will not release the sales tax revenue data for the Downtown.

Mr. Oliver clarified this is a policy question to the EDC from the Council.

Ms. Stone asked the BID's position on ALDO in 2007?

Ms. Carbine said the BID opposed ALDO on the same grounds in 2007. It does not target the real issues.

Ms. Torkildson asked about the number of police calls stated on page 5 and the costs?

Ms. Carbine said the \$3m per year cost is \$4,000 per person per month.

Registered speaker, Pamela Bean, is a resident of Madison and a business owner, a member of the ALRC and the Chairperson of the ALRC subcommittee for 18 months. She has done a lot of literature searches for material on decreasing the number of taverns and tavern patrons. This is the first time in four years that the Madison Police Department, the Tavern League and the University of Wisconsin all agree and support ALDO.

ALDO is one more tool for public safety. The revised ALDO includes proven best practices for public safety.

Mr. Younkle asked if the goal of ALDO is to decide on the right number of licenses? What is the right number?

Ms. Bean said Madison has one Class B license per 400 people. The national average is one per 1400 people.

Alder Resnick asked if the subcommittee had looked at providing a counterbalance of movie theaters and piano bars?

Ms. Bean said ALDO wants venues that focus on entertainment.

Mr. Sanchez said this is a multi-faceted problem and the BID and ALRC need to work together.

Mr. Zimmerman asked what other cities' policies look like compared to Madison's?

Ms. Bean said the ALRC seeks out other city plans.

Alder Johnson said we really do not have a comparison of other city best practices.

Ms. Bean said Austin Texas saw an association of density and violence; going forward we need to look at this in other places.

Mr. Zimmerman said he is an Austin, Texas, native and in Austin regulations relate to square footage not the number of licenses available.

Alder Johnson left the meeting at 5:50 pm, before any vote was taken. A quorum was still present.

Present: 8 -

Mark Clear; Julia Stone; Alfred L. Zimmerman; Sandra J. Torkildson; Gabriel A. Sanchez; Edward G. Clarke; Matthew C. Younkle and Ald. Scott J. Resnick

Absent: 1 -

Peng Her

Excused: 4 -

Victoria S. Selkove; Joseph W. Boucher; Douglas S. Nelson and Ald. Jill Johnson

Mr. Zimmerman asked if ALDO manages or restricts business?

Ms. Bean said the revised ALDO is less restrictive.

Mr. Zimmerman asked if ALDO will be perpetual?

Ms. Bean said it originally had a four year sunset but the Mayor supports a two year sunset.

Ms Torkildson asked if Ms. Bean has heard of Dr. Rich Braun, who is researching the relationship of environment and high alcohol consumption?

Ms. Bean said he has a \$5m grant from the NIH (National Institutes of Health) and is working on intervention.

Registered speaker, Amanda Ney, representing herself, is a Vilas neighborhood resident. She supports ALDO in its original form. She wants more time for landowners to find responsible new tenants.

Alder Resnick asked if she is speaking on behalf of herself because her handout is from the Dane County Coalition to Reduce Alcohol Abuse?

She said she is speaking on behalf of herself.

Ms. Stone asked about the 365 days?

Ms. Ney said 365 days to find a new tenant to take over a license is not long enough.

Mr. Olver asked if 365 days is a rush to find a new tenant or is 730 days better?

Registered speaker, Susan Schmitz, representing Downtown Madison Inc (DMI) said DMI is pushing for a sunset of ALDO. It is important for the ALRC to have tools to shut down a business. The current ALDO prevents business expansion.

Alder Clear asked if ALDO reduced the number of police calls for service?

Ms. Schmitz said bad operators closing reduced the number of police calls.

Alder Clear asked if ALDO causes bad operators to close?

Ms. Schmitz said no. The DMI safety committee does not see evidence that ALDO is a safety tool.

Registered speaker Joshua Berkson, representing the Merchant Restaurant, 121 S. Pinckney St., opposes ALDO. He said ALDO is unfocused and a misguided, knee jerk reaction. Madison has a huge population of young adults and they want a vibrant, diverse, and safe downtown. ALDO stifles competition. National trends are showing a move away from fine dining establishments and gastropubs are the "hot" business now serving good food and craft cocktails with professional bartenders. Madison is missing the boat on this.

Mark, Woulf, Alcohol Policy Coordinator, distributed and explained his handout dated June 9 explaining ALDO.

Mr. Clarke asked why ALDO is limiting entertainment to 7 spaces?

Alder Resnick asked for clarification if a gastropub is a restaurant?

Mr. Woulf said it is a restaurant.

Alder Clear asked to look at ALDO from a policy perspective. Is ALDO effective in increasing safety?

Mr. Woulf said he does not know if this version answers the problem. The short sunset would give us a total of six years of data.

Ms. Stone asked if the exact revenues are in the ALRC annual report?

Mr. Woulf said the ALRC can ask for an official audit of a licensed business.

Mr. Zimmerman asked if this is a public report?

Mr. Woulf said, yes, it is part of the public record.

Mr. Zimmerman asked what if the 50% alcohol sales target is missed?

Mr. Woulf said the ALRC could take action but is not required to.

Mr. Zimmerman said this will raise the price of food. Public reporting of earnings is not in the business owner's best interest.

Ms. Torkildson asked if the ALRC can ask any licensed establishment to report its

percentage of alcohol sales?

Mr. Woulf said, yes, it can.

Mr. Zimmerman said this creates an artificial environment and creates conflict.

Alder Resnick asked if the area around the Vintage Tavern has seen an increase in crime?

Mr. Woulf said sector 403 did not change much; it did not decrease when the Vintage closed.

Ms. Stone asked for clarification that the ALRC calls for audits and the police are called first?

Mr. Woulf said he does outreach on an individual basis and there are "closed meetings" with business owners, police and Mr. Woulf.

Mr. Clarke asked for any economic development issues related to ALDO?

A motion was made by Alder Clear, seconded by Alder Resnick, to recommend to Council to place this resolution on file.

Alder Clear said we are missing out on new businesses downtown because of this ordinance and it is not having a beneficial effect on existing businesses.

Ms. Torkildson said the effect is on retailers. There are not many retail members in DMI or the BID. She sees this as a way to keep downtown business mix with retail. Once a retail base is lost it is hard to get back. The downtown is more than an entertainment district. Mixed use is endangered.

Mr. Zimmerman said ALDO is not good for economic development.

Mr. Sanchez said we need to send a message we want to help business not restrict business.

Alder Resnick said the focus should be on enforcement not economic restriction.

Ms. Stone asked what the motion means?

Alder Clear said "place on file" means the existing ALDO would sunset in July 2011.

Mr. Younkle says ALDO affects the economy in two ways: restricts new concepts of new businesses and if real estate costs go up everything goes up.

Ms. Torkildson said the UW is attractive to new business.

Mr. Zimmerman asked to amend to motion to ask the Council to send ALDO back to the ALRC for one year.

Alder Clear said this is different enough to be a separate motion. He asked for Mr. Zimmerman to elaborate on his idea.

Mr. Zimmerman said ALDO has a place in a different form to manage licenses.

Mr. Clarke said if this happens the ALRC would have to come back with something different.

Alder Resnick said the ALRC already has the power to say no to a new concept.

Ms. Torkildson asked how much discretion does the ALRC have?

Mr. Woulf said the ALRC has full discretion.

Mr. Zimmerman compared this to the discussion to the Development Review Process as not restricting but managing.

Mr. Clarke is cynical that in the four years of ALDO we do not have data and that it calls for two more years of data?

Alder Clear said the data is not conclusive enough.

Ms. Yessa was asked to read the motion by Mr. Clarke:

[22548](#)

Amending Sec. 38.05(9)(o) of the Madison General Ordinances to create entertainment venues, extend time limits for applying for new licenses in closed premises, modify annual reporting requirements, and extend the sunset provisions.

A motion was made by Clear, seconded by Ald. Resnick, to RECOMMEND TO COUNCIL TO PLACE ON FILE - REPORT OF OFFICER. The motion passed by the following vote:

Absent: 1 -

Her

Excused: 4 -

Selkove; Boucher; Nelson and Ald. Johnson

Ayes: 6 -

Clear; Zimmerman; Sanchez; Clarke; Younkle and Ald. Resnick

Noes: 1 -

Torkildson

Abstentions: 1 -

Stone

2

[22350](#)

Dissolving Tax Incremental District (TID) #23 (Capitol Square).

A motion was made by Clear, seconded by Torkildson, to Return to Lead with the Recommendation for Approval. Sent to the BOARD OF ESTIMATES. The motion passed by the following vote:

Absent: 1 -

Her

Excused: 4 -

Selkove; Boucher; Nelson and Ald. Johnson

Recused: 1 -

Clarke

Ayes: 7 -

Clear; Stone; Zimmerman; Torkildson; Sanchez; Younkle and Ald. Resnick

Joe Gromacki, City TIF Coordinator, said this resolution is a housekeeping item to close TID #23. He explained that a project plan is created at the beginning of all TIDs. The taxing jurisdictions representatives meet and approve the plan. At the end of a TID district when all the costs are recovered by tax increments, the TID must close and the excess funds are distributed to the taxing entities. This was a good example of a well-managed and performing TID and there is excess money to send to the jurisdictions. Two more TID closings are coming in 2012. TID #23 increased \$51m in value in 17 years.

Mr. Clarke noted a conflict of interest on this item as he is employed by Madison College, one of the taxing entities that will receive the excess funds.

Alder Clear noted this is a textbook example of TID used well.

3 [21454](#)

Accepting the Development Process Initiative Report dated January 31, 2011 as amended and approved by the Economic Development Committee on February 16, 2011; and, directing the City Attorney and responsible department/division directors to begin immediate implementation of the recommendations contained therein, including the formulation of ordinance modifications and budget proposals where necessary.

Mr. Olver reviewed the report was acted on at the May 11th EDC meeting and sent to the Council On June 7th, OBR staff and Al Zimmerman attended and briefed the Common Council Organizational Committee on the the report. Since that meeting Alders have sent their amendments to the report to Peggy to compile. The Council will take final action on the report at the June 21st meeting. At issue is the logical next step of prioritization of the items in the report.

Alder Schmidt explained the Council will ask Brad Murphy and Aaron Olver to prioritize the items in the report and get this back to Council in Mid-July for possible adoption by September. This would be in place for the 2012 budget process.

Mr. Zimmerman said the pre-application phase items are most important in the prioritization.

Mr. Younkle said from a practical standpoint prioritization should focus on the early stage of the review process.

Alder Ellingson asked if it is practical for staff to have this complete by the end of July? For example how will we know the cost of the IT systems?

Mr. Olver said he cannot speak to the costs of an IT system.

Alder Resnick said the prioritization can speak to orders of magnitude and not have hard budget numbers.

Mr. Clarke asked if a pot of money can be put aside for this project?

Alder Ellingson asked for Mr. Zimmerman to be included in the prioritization.

Mr. Olver said there may not be time to bring the prioritization back to the EDC if it is due in four weeks, however, staff can talk with individual EDC members on this.

Mr. Clarke said there is no need to bring it back to the EDC.

Alder Ellingson said Mr. Murphy and Mr. Olver can give a broad brush idea of

priorities without exact costs to the CCOC on August 2nd.

4 [21360](#)

EDD Director Report

Ms. Stone asked about staffing OBR?

Mr. Olver explained there is a new vacant position for a small business focused staff person and there is the vacant position that was occupied by Michael Gay.

5 [17643](#)

Upcoming Meetings

The next EDC meeting is July 20, 2011.

6 [18860](#)

Introduction of New Items from the Floor

Mr. Zimmerman would like the EDC to develop a fundamental process for review of items before the EDC.

7 **ADJOURNMENT**

A motion was made by Clear, seconded by Stone, to Adjourn. The motion passed by voice vote and the meeting was adjourned at 7:27 pm.