



City of Madison

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

Wednesday, August 17, 2011

5:00 PM

215 Martin Luther King, Jr. Blvd
Room 260

CALL TO ORDER / ROLL CALL

The meeting was called to order at 5:07 pm.

Please note that Victoria S. Selkove was also present as a voting member.

Present: 8 -

Julia Stone; Alfred L. Zimmerman; Sandra J. Torkildson; Douglas S. Nelson; Edward G. Clarke; Matthew C. Younkle; Ald. Scott J. Resnick and Ald. Jill Johnson

Excused: 3 -

Peng Her; Mark Clear and Joseph W. Boucher

Also Present: Alder Shiva Bidar-Sielaff, Alder Paul Skidmore, Mark Woulf-Alcohol Policy Coordinator, Aaron Olver-Economic Development Division Director, Matt Mikolajewski-Office of Business Resources Manager, Peggy Yessa-OBR staff.

APPROVAL OF MINUTES

A motion was made by Selkove, seconded by Ald. Resnick, to Approve the Minutes of the July 20, 2011 meeting. The motion passed by voice vote.

PUBLIC COMMENT

Speakers agreed to wait until the agenda item to speak.

DISCLOSURES AND RECUSALS

None.

ANNOUNCEMENTS

Chairperson Nelson announced the retirement of Gabe Sanchez. Mr. Sanchez has moved to Florida.

Chairperson Nelson announced tonight's meeting will be his last meeting. He has spoken with the Mayor about resigning from the EDC.

DISCUSSION ITEMS

- 1 [23310](#) Creating Section 25.10 of the Madison General Ordinances to prohibit Nuisance Parties and amending Section 1.08(3)(a) of the Madison General Ordinances to establish bail amounts for this section.

A motion was made by Stone, seconded by Clarke, to Return to Lead with the Following Recommendation(s).

The EDC took no action, and suggests the following items be considered in developing the final version of this ordinance:

- **Section 1.(2)(a), 1-17, need to be more specific about when one or more of these would reach the threshold of a nuisance party.**
- **Section 1.(4), is too specific, and needs to set a threshold for all types of alcohol at parties, and not just barrels of beer.**
- **Section 1.(6)(b)2 needs more specificity about the need for a meeting of the police, alcohol coordinator, landlord, and Alder before imposing a penalty.**
- **Consider the overlap of this proposed ordinance with existing ordinances.**
- **Involve Landlords in the process of developing this ordinance.**
- **Encourage City Attorney to be present at future meetings where this proposed ordinance is discussed.**
- **Concern about misuse, mis-targeting of this ordinance.**

Sent to the PUBLIC SAFETY REVIEW COMMITTEE. The motion passed by the following vote:

Victoria S. Selkove: Aye

Excused: 3 -
Her; Clear and Boucher

Ayes: 7 -
Stone; Zimmerman; Torkildson; Nelson; Clarke; Younkle and Ald. Resnick

Noes: 1 -
Ald. Johnson

Discussion:

Registered speaker, Jon Standridge, 1011 Edgewood Avenue, is the Vilas Neighborhood Association President. He said their number one complaint is student parties and the second complaint is kids on their way home from parties being noisy, being nuisances and causing vandalism. The Vilas Neighborhood Association supports this ordinance.

Registered speaker, Rachel Gavin, is corporate counsel for Madison Property Management, 1202 Regent Street, but is representing herself only at this meeting. She supports a policy for out-of-control parties but not as drafted. This discourages investment in Madison by new landlords. The five-day notice does not allow landlords the right to file eviction notices. It penalizes landlords who have no power.

Mr. Zimmerman asked if state laws already prevent this?
Ms. Gavin said in her experience judges hesitate to evict tenants. This ordinance needs more definition.

Mr. Clarke asked if Madison Property Management was involved in creating this ordinance?

Ms. Gavin said they were not.

Alder Johnson asked if Ms. Gavin was a lobbyist, and if the patrol officers are not qualified to deem a party a nuisance who is?

Ms. Gavin said she is representing herself at this meeting.

Ms. Torkildson asked if leases could be modified to pass on the fine to tenants?

Ms. Gavin responded a lease could probably be written to pass the fine on to the tenants. The ordinance is also asking for tenant eviction for having a nuisance party.

Ms. Selkove asked if the police are called a five-day eviction notice could be given immediately.

Ms. Gavin said even with a police report as proof of a party she has never won an eviction trial.

Alder Resnick asked if MPM leases ban kegs of beer?

Ms. Gavin said in some properties, such as their high rise buildings and historic properties, the leases ban kegs.

Mr. Olver asked if a social gathering would violate this ordinance? Is a house party a nuisance party?

Ms. Gavin said the current definition has no threshold and it's up to the police to say it's a nuisance party.

Alder Bidar-Sielaff, District 5, explained she referred this ordinance to the EDC. She said the police are already enforcing this-the ordinance is adding parameters. There are 32 police officers on the street and it is already a tool for them to use. She suggests the ordinance be changed by:

1. Changing the definition of a nuisance party by requiring that the incident meet two or more of the seventeen categories.
2. Adding oversight by a convening a meeting of the police captain, Alder, landlord, and Alcohol Policy Coordinator first before fines are issued.

Alder Skidmore, District 9, said the focus of the ordinance is not economic development, it is keyed toward behavior. There is lots of City overtime spent on these types of parties. He is a licensed security guard and has seen these types of parties. He has issues with the five- and fourteen-day notices. The police in the Central District are competent. This type of behavior is year-round.

Mr. Clarke asked if any landlords were involved in writing this draft ordinance?

Alder Skidmore said it is a rehash of an earlier ordinance.

Mr. Clarke asked why, if the problem is student behavior, does this ordinance go after the landlord?

What is the theory that says landlords are responsible for what goes on in an apartment?

Alder Skidmore said someone needs to be accountable and it is put in the lease.

Mr. Zimmerman said there are seventeen ordinances already in place, why are these not enforced?

Alder Skidmore said the key is to stop the party.

Mr. Zimmerman said police need probable cause. If the landlord is held accountable for tenant behavior, how does the landlord enforce this?

Ms. Selkove said if this ordinance is directed at bad behavior, why not increase the

penalties of the existing seventeen ordinances?
Alder Skidmore said judicial standards do not allow this.

Amanda Ney registered in support of the ordinance but did not wish to speak and left the meeting.

Chairperson Nelson called for discussion.

Alder Resnick said there are economic issues.

Mark Woulf, Alcohol Policy Coordinator, said this proposal does two things:

1. Refocuses efforts at out-of-control parties.
2. Notifies landlords to provide incentives to enforce their leases.

The current version provides a review process and has a provision to make sure the landlord cannot pass the fine to the tenant. Sometimes landlords do not know these parties are happening. It is aimed at for-profit parties.

Mr. Zimmerman asked why can't the existing ordinances be enforced? Other major university cities have this problem. How do they deal with it?

Mr. Woulf said this is an enforcement issue. Landlords need direct control of their premises.

Mr. Clarke said if what we are doing is working why do the police have to go back and do it again?

Mr. Woulf said a house party is not totally illegal if it just violates the noise ordinance.

Mr. Clarke is concerned that current police intervention is not working and this transfers the responsibility to the landlord.

Mr. Woulf said it is a shared responsibility of enforcement.

Ms. Torkildson asked if there is data on properties with this behavior?

Mr. Woulf said he does not have data.

Ms. Torkildson asked how much money is profited from these types of parties?

Mr. Woulf said \$10,000s based on party givers of the past.

Chairperson Nelson asked if this would discourage investment and diminish value of existing housing? Will it discourage future building?

Mr. Woulf said no if investing in the downtown. They know it happens already.

Alder Resnick asked about the high end penalties?

Mr. Woulf said three individuals were fined \$32,000 each several years ago.

Alder Resnick said the reasons it's at the EDC are they are working on the landlord component and kegs are popular in Madison. His district will be affected by this. The police captain thinks it will be used about 8-12 times a year.

Mr. Zimmerman said the economic impacts affect the cost of going to the UW-Madison, the costs of living close to campus and the potential downtown residents who are priced out of the market. A better way is to hold people more accountable. Other cities have a distributed police force.

Ms. Stone is not sympathetic to the keg dealers. Landlords need to be brought in on this discussion.

Alder Johnson said the impacts on her district are that police resources being taken away from it. Landlords will pay attention to this. The economic development issues on this are not compelling. She trusts the police officers. She likens this to the ordinance on bad sexual behavior, this identifies the problem and is worth doing.

Ms. Torkildson said to look at the downtown as a neighborhood and not just students. House parties are an issue of quality of life. She is concerned the law is written for a small number of incidents and may be used in minority neighborhoods.

Mr. Younkle said the language needs to be clarified, it only mentions barrels of beer. A barrel is 31 gallons. The ordinance should set a threshold on amount of alcoholic beverages.

Ms. Stone said this needs to be fleshed out. Mr. Olver clarified this was referred to the EDC for advice to the Council.

Chairperson Nelson asked if an ordinance should be created for the 6-8 times a year it occurs or if existing tools should be beefed up?

Mr. Zimmerman is concerned about misuse and it does not address behavior.

Mr. Clarke asked when \$80,000 in fines are issued what is the rate of recidivism?

Alder Resnick said it was reported in the newspaper that a girl hosting a 2006 party had to drop out of college because of her fines and debt. This ordinance still has to go through committees and the Council is looking for recommendations.

Mr. Clarke said it is not ready, there is a need to look at students, businesses, and families.

Alder Johnson said adding more police is not going to happen. The City budget is millions of dollars in the hole.

Mr. Zimmerman said don't punish people, involve them. Other cities have solved this. More cooperation and positive ways to work with the landlords are needed.

The Committee took a recess at 6:47 pm.

The Committee reconvened at 6:53 pm.

Present: Victoria S. Selkove

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Also Present: Aaron Olver-Economic Development Division Director, Matt Mikolajewski-Office of Business Resources Manager, Peggy Yessa-OBR staff.

Mr. Olver, Economic Development Division Director, reviewed the organization chart for the EDD.

He noted 36% of the EDD funding comes from inter-agency billing, such as TID district and capital projects accounts. He is concerned that over time this will deplete accounts by charging staff costs to them. Historically about 30% of the EDD budget was billed and this percentage has risen over the past 4-5 years.

The Mayor would like a 5% budget cut for the 2012 budget.

The 2012 EDD budget submittal included filling one vacant position in the Office of Business Resources and one vacant position in the Office of Real Estate Services.

Ms. Stone said there is a 40% vacancy rate and by filling two positions that brings it to 20%. Do unfilled positions get automatically deleted?

Mr. Olver said the vacant positions are in the budget now and theoretically we could fill them now but that is not a responsible thing to do. We might have to lay these people off right away.

Mr. Mikolajewski noted the small business development position was in the budget and funded for half of 2011. Changes to avoid layoffs are happening.

Ms. Selkove is glad Mr. Olver was hired permanently as the Economic Division Director. She said the small business development position came out of the Economic Development Plan and it has not been filled. She would like the EDC to ask the Mayor to allocate funding for this position. There is no other position that focuses on small business.

Alder Resnick agrees with Ms. Selkove and the position is needed to grow the tax base.

Mr. Clarke also agrees and advocates for the filling of Michael Gay's position. He advocates for both positions to be filled.

Mr. Zimmerman suggests holding off on hiring until mid 2012 for the small business development position and then working that person up to working with larger businesses. Small businesses support large anchor businesses.

Mr. Younkle asked for clarification on if we can fill 1 or 2 positions?

Ms. Selkove agrees with Mr. Clarke that the role of the EDC is to advocate for business. The approximately \$206,000 to fill the positions is a small percentage out of the \$192M total budget.

Alder Resnick said this is 0.9% of the overall budget for economic development. The Common Council needs to know this.

Ms. Stone said both positions need to be filled. Economic development is a leading item.

Mr. Zimmerman questioned hiring two people at the same time and the learning curve for them.

Mr. Clarke made a motion, seconded by Ms. Selkove, for the EDC to prepare a letter for signature by Mr. Nelson as his last action as EDC Chairperson, to indicate strong support to fill both vacant OBR positions.

Alder Johnson proposed a friendly amendment to broaden the language of the letter to support filling all vacant positions within the Division. The amendment was accepted by Mr. Clarke and Ms. Selkove.

Chairperson Nelson said this is important to do as the economy is recovering.

Mr. Clarke said the budget needs to be fully funded to accomplish the mission.

The motion passed by voice vote.

3 [23241](#)

Economic Development Division Work Plan

Mr. Mikolajewski referred to his handout of the 2012 redline version of the 2011 adopted work plan. He asked the EDC to review it and develop their preliminary thoughts on it to discuss at the September meeting.

Alder Resnick asked for the 700 & 800 Block E. Washington Ave Proposals to come to the EDC in September.

4 [23243](#)

Explore EDC Involvement in City Projects and Planning Efforts

Mr. Olver referred to the handout by Mr. Zimmerman and asked him to explain it.

Mr. Zimmerman said this is a topic that has been brought up many times. He said Item 1 addresses where we are at. For example, EDC members did not know TID # 23 was closing until it appeared on the agenda.

Item # 2 addresses new ideas , Item # 3 reviews projects that have been completed and helps decide which future projects to go after.

Mr. Clarke would like to talk more about this in the future. He would like to focus on what the EDC is about and what is the value of the EDC.

Ms. Selkove appreciates the work by Mr. Zimmerman. She suggests an entire EDC meeting devoted to this topic. The EDC is a reactive body instead of an initiating or pro-active group.

Mr. Younkle agrees with Ms. Selkove. How do we know the EDC is effective? The EDC does not add value to some of the referrals it reviews.

Ms. Stone said the reactive nature of the EDC is systemic and hard to get ahead of.

Mr. Clarke asked for goals for the City and the EDC. Can we track metrics? What can we measure?

Alder Resnick said the Common Council tries to decide where to send items. It would be helpful for Alders to have feedback from the EDC.

Alder Johnson said this is great, but bear in mind referrals are often for political reasons. Could the EDC mission be sent to the members?

Mr. Olver said this is a large conversation. The EDC has a more abstract mission.

5 [23242](#)

Development Process Initiative Report: Update (ref. Legistar 21454)

Mr. Olver explained the Council amended and adopted the Development Process Improvement Initiative Report and asked staff to develop an implementation chart for it. It will go to the Common Council Organizational Committee on September 6th.

6 [21360](#) EDD Director Report

Mr. Olver said the public meeting on the Capitol East District/Don Miller proposals is Thursday, August 25. The EDC will be sent the agenda and is welcome to attend.

7 [17643](#) Upcoming Meetings

Ms. Yessa said the Green Madison Commercial Energy Program presentation in September is at the request of Larry Studesville, the City's energy staff supervisor.

8 **Introduction of New Items from the Floor**

Ms. Selkove thanked Chairperson Nelson for his service on the EDC.

Alder Resnick said the Council will be reviewing the request for proposal process. This is an issue of local versus out of state businesses, creating jobs locally and the tax impact on the City. If you are interested in this contact Alder Johnson or Alder Resnick.

ADJOURNMENT

The meeting was adjourned at 8:00 pm.