

**The Economic Development Commission
Report to the Mayor**



**Opportunities to Make Madison City Government
More Friendly to Business**

Presented:
December 2004

Madison Economic Development Commission

Mark Bugher, Chairman
Susan Gleason, Vice-Chair
Zach Brandon, Alder
Ed Clarke
Jeff Erlanger
Michel Falk
Patricia Jenkins
Richard Slone
Tom Still

Staff: Katherine Naherny
Department of Planning and Development

Madison's Economic Development Commission -Mission-

Madison's Economic Development Commission shall provide visible leadership in enhancing local economic growth and development while maintaining our city's outstanding quality of life.

The Commission shall:

- *provide the business community with a public forum for education and information exchange with regard to local economic issues and concerns.*
- *facilitate the coordination, articulation, advancement and dissemination of local economic development initiatives and strategies.*
- *provide elected and appointed officials and staff with evaluations and recommendations regarding critical, local economic development issues and policies.*

The Commission shall strive to encourage an appropriate balance between growth and development and Madison's outstanding quality of life.

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Summary

Charged by Mayor Cieslewicz to more thoroughly explore the view that Madison city government is anti-business, the Madison Economic Development Commission invited Madison businesses to describe their experiences working with the city. The commission heard from more than 100 citizens during a listening process that included three public meetings and an opportunity for written comment and phone and personal interviews. In addition, several business organizations surveyed their membership and presented testimony representing the views of more than 400 businesses.

While the commission heard from people who praised city government for trying to enhance the city's business climate, it also heard from citizens who expressed serious doubts about the city's ability to mitigate business concerns over the cost of regulations and delays; to expedite issues affecting business; and to effectively involve the business community in discussions regarding business-related policies.

The issues most frequently heard by the commission were negative experiences with the city's development review and approval process, as well as code enforcement and inspection. Other important issues included:

- Fear of retaliation for publicly criticizing the city.
- Skepticism that any changes will be made.
- A pervasive lack of understanding of business within city government and an attitude that discourages rather than encourages business.
- Regulations and delays that add to the cost of projects or doing business.
- No communication with or involvement of businesses in public policy and regulations that affect their operations.

The comments the commission heard at the public hearings are documented in the report's appendix to provide a record of specific concerns and suggestions for improvements.

In preparing its recommendations the commission considered the testimony it heard at the forums, current initiatives, staff comments and suggestions and commissioners' own experiences and ideas for making positive change. The commission recognizes that city agencies have implemented efforts to address some of these problems, e.g., on-line permitting and electronic site approval, Office of Business Resources. While good efforts, the commission believes that city elected officials and staff need to step up the commitment to business development and take action on the issues that are important to businesses staying and growing in Madison.

The commission asks the mayor to focus city government attention on three key areas:

- Overall economic development of the city.
- The entire set of processes of development review, approval, permitting and inspections affecting businesses location and expansion.
- The role of boards, commissions, and the Common Council in creating a positive regulatory environment.

Specifically, the commission recommends the following actions the mayor and Common Council should take to make city government more supportive and welcoming of business:

- The city should adopt a pro-business economic development mission statement and align city agencies and staff around measurable goals to fulfill the mission.
- The mayor should consider creating a cabinet-level office of economic development as a way to ensure that economic development is treated with equal priority as other important city goals.
- Renew the city's focus on customer service and quality improvement, particularly within agencies that have regular contact with businesses.
- Make a number of internal changes to processes that affect business, including:
 - Creating an ombudsman / project manager as a "first point of contact" for business;
 - Redesigning the application, review and approval processes for development projects;
 - Making better use of technology to enhance communication about such projects among city staff, boards and commissions.
- Incorporate *presumptive approval* into the development review process. Under this standard, a project that is not approved or denied within 180 days is deemed approved unless there is a mutually agreed-upon cause for extension.
- Consolidate existing commissions, such as the Urban Design Commission and the Plan Commission, to eliminate the fragmented approach to projects, and to reduce the number of reviews. Included in this recommendation are the ideas of ending certain practices that essentially "hold hostage" businesses for issues unrelated to the core approval parameters of the project and of limiting the introduction of legislation, e.g. new ordinances, by title only for Common Council action.
- The Common Council, either through the Common Council Organizational Committee or a separate committee, should institute a regular review of existing ordinances and regulations to get rid of the obsolete and eliminate conflicts and inconsistencies.
- The Common Council and City staff should use "carrots" – encouragement and rewards – rather than "sticks" or legislative mandates to promote a culture supportive of business and encourage private investment that benefits the community. Incentives might include expedited reviews, reduced fees, city-sponsored recognition and awards in addition to free workshops and seminars on industry best practices.

I. Introduction

If national rankings and the level of local construction activity are measures of a business-friendly environment, Madison is a great place for business.

Forbes Magazine (May 2004) ranked Madison #1 in the nation for business, *Careers, Inc. Magazine* (March 2004) gave the metro area the #2 spot for doing business in America, and *Entrepreneur.com* cited Madison as “the fast rising high technology star in the Midwest”. These were in addition to *Entrepreneur Magazine’s* October 2003 rating of Madison as the Best Midsize City in the Midwest for Entrepreneurs.

In the last year, some businesses, such as Dean / Morningstar and Rayovac distribution, did close or leave the city. Several major employers, however, expanded or located in the city – Schoeps, Virchow Krause, FE Petro and Rayovac North American headquarters, to name just a few – and many small businesses started or found a home in the city.

Despite the accolades from outsiders and the evidence of business expansion and attraction, there is a continuing perception that Madison, in particular the city government of Madison, is anti-business. Mayor Cieslewicz recognized this in his recent Healthy City plan for Madison’s economic future.

A central component of the mayor’s plan is a business-friendly city; a city that fosters the development of entrepreneurs and new businesses and supports the growth and success of established businesses. As noted in the plan, it’s hard to build the kind of public-private partnerships the mayor seeks if there is a perception that the city doesn’t want to work with businesses.

To more thoroughly explore the view that the city is anti-business and learn about specific actions that he could take to change both the perception and the reality, the mayor turned to the Madison Economic Development Commission. As the city commission charged with promoting high quality economic development in the community and being the voice for business in the city, the commission scheduled a series of listening sessions with businesses.

The EDC invited business owners, managers, and business service professionals to three hearings held over two months in the summer of 2004. Those who could not attend the hearings were encouraged to send letters and emails, talk personally with EDC members, or fill out a survey on the City’s Office of Business Resources website. In total, the commission heard directly from more than 100 people. In addition, several business organizations such as the Greater Madison Chamber of Commerce and Smart Growth Madison surveyed their membership and presented testimony representing the views of more than 400 businesses. A record of the testimony provided at the hearings and through other sources is in the appendices to this report.

The commission knows that those who attended the hearings or contacted the commission in some other way may not be a representative sample of the entire business community in Madison.¹ Exercises such as these tend to draw out people with complaints rather than those with good experiences. A variety of business entities, however – small start-ups, long established businesses,

¹ To supplement this information, the commission has engaged a group of UW-Madison graduate students in the AC Nielson Marketing Research Center to conduct an email survey of small businesses. Results of this survey will be available in early December and should help quantify the concerns and priorities of Madison’s businesses as well as establish performance metrics to measure the city’s progress in improving its service to businesses.

developers, professionals who advise businesses on expansion – took the time to either come to a meeting, call or write a letter. Although a diverse group, they described remarkably similar experiences, frustrations and issues.

This report summarizes the themes and recurrent issues that emerged from the listening sessions and presents eight recommendations to address them. In developing the recommendations, the commission also considered comments from city staff and drew upon its own experience with evaluating recent council initiatives.

The commission offers this report not to assign blame or point a finger, but to establish a record of the reasons that underlay the persistent perception that the city is unfriendly to business. From a shared understanding and appreciation of the issues that businesses face in dealing with the city, the implementation of solutions that will make a difference should more easily follow.

II. Business Forums' Findings: Common Themes

While the commission heard from people who praised city government for trying to enhance the city's business climate, it also heard from citizens who expressed serious doubts about the city's ability to mitigate business concerns over the cost of regulations and delays; to expedite issues affecting business; and to effectively involve the business community in discussions regarding business-related policies.

Much of the testimony received by the commission focused on the city's development review and approval processes and permitting and inspection. It's important to note that, although there were some specific criticisms, city staff were frequently praised for their professionalism and expertise in dealing with city systems and regulations.

Throughout the listening session process, the commission heard several themes repeated again and again about the way many citizens view the city. These themes are:

Fear and Skepticism

A surprising number of business people expressed wariness about coming to the hearings or asked that their comments be kept confidential because they feared "retaliation." These included those who had a project under review by a board or commission – "[speaking out] could make my approval more difficult" – and those who needed an agency staff person's final approval – "you don't want to get on the wrong side of _____."

Many individuals are skeptical about the city's intentions to follow through on what they heard. They are not convinced that the Mayor and the council have the political will to really change how the city currently operates.

Lack of understanding about business and non-supportive attitude

There is a fairly universal feeling that city government, both its elected officials and its staff, neither values the importance of private business to the community nor understands the important drivers of business investment decisions.

As one commissioner puts it, "In a city dominated by state government and higher education, we have been able to look down our noses at people that focus on having to make money. There is perhaps the idea that trying to make money is not a good thing."

Many small businesses described their contact with the city as:

- Unwelcoming – "My first contact with the city when I opened my business was a visit from the City Assessor."
- Discouraging – "The Ordinance doesn't allow that. [Period]"
- Unhelpful – "I can't help you; you need an architect to answer that"
- and even suspicious – "Why do you want to do that?"

The commission notes that small and large businesses alike put a great deal of time, money, and emotion into planning a business or undertaking a project to change or expand it. In their view, they are doing a good thing, making an investment, adding a service, and creating jobs. While these

plans and projects may need massaging in order to comply with regulations or meet community standards, it's important that those dealing with these businesses recognize this intent.

Cost of Regulation and Delays

Related to the issue of the lack of understanding of business operation is the business concern about the cost of regulation and delays. This theme is at the heart of many of the other criticisms regarding process and decision-making.

"Time is money" is a reality for businesses, especially in an economy where things change very quickly and the rewards go to those who can seize the opportunity when it's presented. Delays, even short ones, create overall uncertainty and unpredictability. They can result in losses from a few days of revenues to a significant business disadvantage in a competitive industry. One major institution provided documentation that it took 166 days to get its expansion project approved in order to deal with issues not directly related to its expansion. This delay cost the organization \$1.1 million of the total \$30 million project investment. Another national food retailer threatened to give up trying to locate in the city because of his view that the city's approval process was causing delays.

The delays recounted include multiple referrals to next meetings of commissions because members want more information or can't come to a decision, staff reviews that aren't done in time for meetings where projects are up for approvals, and delayed processing of final plans and paperwork. Small changes cause rework and more delays in approvals. One speaker described the experience as "death by a thousand cuts."

The cost of regulation was also cited as a problem. Although the city requires that every ordinance and resolution considered by the council have a fiscal note approved by the city Comptroller, this statement only addresses the cost to the city to administer the ordinance. The cost to the businesses affected by an ordinance is not quantified or even routinely considered during deliberations.

Little Involvement and Communication

There was general agreement that the business community is at best inconsistently involved and at worst ignored in policy formulation. Initiatives affecting business or changes in fees and rules are often brought to the council for action **before** being discussed with businesses. Businesses then feel put on the defensive if they object or raise concerns. Consultation with the business community should be the practice.

Many noted that the city has developed systems and support for neighborhood associations. Neighborhood associations are routinely and consistently invited to public meetings or to participate, but business associations are not.

The city makes an effort to alert property owners about interruptions in business such as street reconstruction and closings, but communications with retailers in the properties is not always consistent or timely.

Much of the communication that the city has with businesses is "one-size-fits-all." The type of business or type of customer should guide how it communicates with business to insure that the information is received and understood.

III. Business Forums' Findings: Specific Areas To Improve

Building, health and safety code permitting and enforcement

A number of businesses expressed a high degree of frustration over their experiences with city staff around the interpretation and enforcement of codes that affected the opening of their businesses or their ability to expand their business. Specific complaints include:

- **Inconsistent interpretation of codes.**
There were several stories of businesses receiving approval from one inspector only to have another raise questions about the same item or even reverse the first action.
- **The International Fire Code.**
Adopted in 2003, the full effect of the code is just becoming understood by business and those in the building design professions. Several comments were made about the code's inflexibility and cost, particularly as it is applied to older buildings and infill development. Often the requirements show up after a project has been approved but needs final plan sign-off. The adoption of the code was done with very little community and business discussion of the costs and benefits to a community. Fire code requirements, such as the length of fire lanes, conflict with other city adopted objectives for site design and building landscaping.
- **Inability of staff to use their own judgment.**
Staff is either not empowered to or reluctant to make a decision when a code is silent on an issue or when different agencies' staff disagree. One small business stated it took three months to get an answer from the Health Department on something she wanted to do, which wasn't specifically covered in the ordinances.
- **Incomplete or convoluted explanation of requirements.**
- **The power of the inspector.**
Businesses on deadlines don't challenge an inspector on inconsistencies or requiring something not in the code because they fear inspector will hold up the process.

The Development Review and Approval Process

How the city regulates and reviews development projects is a hot topic whether the individual is a professional in the business of development or a small businessperson trying to locate or expand a business. The commission no doubt heard some of the worst experiences. Some of the experiences were not even recent. From the emotion with which they were described, however, these experiences had clearly left a lasting, negative impression on the business and on those to whom the story was repeated. What the commission heard in these war stories is that people experience these processes as very confusing. They are left on their own to navigate not only a myriad of regulations and procedures, but "mysterious" and arbitrary political decision making as well.

Specific criticisms of the city's development review processes include these:

Conflicting policies

With multiple departments and multiple missions, the city does not speak with one voice. When policies or ordinances conflict, the applicant is the one who must try to figure out whom to satisfy.

Unclear, cumbersome, and inconsistent processes

Particularly in more complex projects, the overall process, the many sub-processes and timeline from start to finish is not often clear and subject to change. Regulations and policies sometimes seem to "pop-up" late in the review. All policies affecting a project are not in one place. Applicants meet individually with staff from various departments. After a project is reviewed and approved by reviewing bodies, the final plans for a project must go through another round of sequential review and approvals. Projects that receive approval must submit all the plans again if there is even a small change.

Boards and Commissions

Businesses expressed frustration with the number of referrals and with how they were treated at these meetings. Particular issues include:

- Commissions not using professional staff effectively.
- Commission members not knowing the limits of their authority and making requests beyond the scope of their review.
- Commission members asserting their personal preference and micromanaging projects, e.g., the color of tiles.
- Staff comments not being available until the meeting and the applicant not having a chance to respond at the meeting.
- Commissions referring action to another meeting for arbitrary reasons.
- No consideration of the cumulative cost of additional requirements on a project.

These comments were primarily directed at the Urban Design Commission and the Plan Commission. Underlying the criticisms of how these groups operate is the concern about the time and money it takes to satisfy these requirements and delays.

Neighborhood Associations

Particular concerns cited about neighborhood associations and ad hoc groups of residents include:

- The amount of power the city gives to non-elected groups that do not have to meet any criteria / standards for recognition – e.g., representative structure, regular meeting schedule, open meetings laws.
- The lack of standard process from one association to another; the applicant seeking approval has to figure out each neighborhood's process.
- The inability of businesses to be members of some neighborhood associations.
- The lack of balance between the legitimate voice of neighborhoods, community-wide goals and objectives, and existing ordinances and regulations.

Business Signage

Several businesses testified on this issue. The city's ordinances and policies regarding signs are overly geared to controlling the look and the aesthetics within the community rather than recognizing that signage is a legitimate and important method of providing customer information. Rules are very restrictive compared to other communities in the area. The rules don't apply for all situations and restrict creativity. The city's policy on sandwich board signs is particularly frustrating. Many talked about the need to develop policies that encourage good, attractive signage instead of prohibiting it.

It came as a surprise to many commissioners that the erection of new billboards is not permitted in the city and that the city actively pursues a policy of eliminating existing billboards on properties seeking land use approvals.

The City's Commitment to Economic Development

A number of speakers commented there was more the city could be doing if it was committed to business and economic development. They raised concerns that:

- The involvement of the city in regional economic planning is spotty.
- Within the city, staff responsibility for economic development is fragmented within agencies.
- The city doesn't use its TIF tool aggressively to retain and attract businesses.

A few speakers spoke to how ill prepared Madison and the surrounding region is for competing in a highly competitive global economy. There is no single entity working on economic development for the city. There is no budget or political support for promotional activities that are crucial for attracting the kind of businesses that would grow the city's economic base.

There is also concern that important sectors of the economy are not getting enough attention given their importance to Madison. These include entrepreneurs and start-up businesses, small, locally owned businesses, and manufacturing businesses.

Many who participated in these listening sessions stated that those who do business in a number of communities consider Madison to be the most difficult community with which they work. This comparison applied not only to adjacent communities, like the City of Middleton, but to other cities in other parts of the country that are competitors of Madison for business location.

IV. Mayor and City Agencies' Response

During the period the commission convened its business forums, the mayor asked department and division managers to identify ways that their agencies and the city could be more responsive businesses. In addition, at the suggestion of city staff, a few members of the commission met with the city managers specifically involved in the development review, approval and permit processes.

Staff acknowledged that there were many opportunities for improvement. They pointed out that city agencies serve a number of different customers. In the review and approval of a development project these customers include the applicant / business, neighborhood residents, the Common Council, boards and commissions and others. There are often inherent conflicts.

Staff also cited the problem of agencies and the commissions they serve having different, often conflicting, goals and policies. They agreed it is hard for the city to speak with one voice. In some of the specific cases cited during the hearings, the reason for delays were due to reasons beyond the city's control.

Other issues city managers agreed needed attention and for which they offered specific solutions included:

- The need for a predictable process and timeline and transparency in the process.
- The current lack of clarity and timeliness in understanding requirements.
- Commission members' understanding of the role and limits of the commission on which they serve, and the ordinance and regulations they advise on.
- Interdepartmental communication and consistency of message.
- Role of neighborhood associations.
- The need for sufficient staff to provide timely response.
- Number of reviews required for small changes.

Staff recommended that an assessment of the need for changes to the process include an accurate quantification of the average time it took to review and complete all requests and identify the key points of delay. A recent planning staff analysis of developed projects acted on by the Plan Commission and the City Council in the last two years showed that most applications were approved within the standard timeline². Staff also pointed out to the commission that the city can and has moved quickly on approvals for business expansion and location projects, most recently FE Petro, Schoeps Ice Cream and Covance.

City agencies have already implemented or are just about to implement a number of initiatives to improve the city environment for businesses. These include:

² For rezonings, PUDs and land use amendments, the average time was 69 days within a range of 50-153 days. For conditional the average time was 40 days with a range of 28-82 days.

- On-line permitting in the Department of Planning and Development for windows, roofs and doors.
- A web-based system for the handling and tracking of final site approvals in the Department of Planning and Development.
- \$60,000 in the 2005 budget of the Department of Planning and Development for software to further process improvements.
- A “Best Practices Guide” for neighborhoods and developers involved in a development project.
- Legistar, a web-based program to track Common Council actions and board and commission referrals, that will enable better tracking of and information sharing on development projects.

V. The Economic Development Commission's

Final Recommendations

There are no quick fixes for most of the issues relayed to the commission as reasons the city is considered unfriendly to business. Building on the initiatives already begun by the Mayor and city agencies, there are additional actions the city can take, however, to make real change in how the city works with businesses and, as a result, become regarded among local businesses as THE place that businesses want to be.

The commission believes the mayor must focus city government attention on three major areas:

- Overall economic development of the city.
- The entire set of processes of development review, approval, permitting and inspections affecting businesses location and expansion.
- The role of boards, commissions, and the Common Council in creating a positive regulatory environment.

Here are specific actions we recommend that the mayor champion:

1. Make economic development and business development a high priority for every part of city government that is involved with or affects business.

- a) *Adopt a pro-business economic development mission statement for the city and align city agencies and staff around measurable goals to fulfill the mission.*

Although the Economic Development Commission has a mission statement guiding its actions, the city has no clear and unified economic development vision and statement on how it wants to work with the business community and others in achieving that vision. This action would send a strong message to the business community of the city's intent, and to city agencies, boards and commissions on expectations for future action. A clear statement of the city's mission would be the cornerstone of developing an attitude within the city that values not just equitably applying and enforcing codes and regulations but also of helping businesses to succeed and prosper.

- b) *Create cabinet-level office of economic development to increase the capacity of the city to grow its economy.*

- c) *Renew the city's focus on customer service expectations for city staff, including:*

- Customer service training for city staff especially those in direct contact with businesses.
- Quality review of processes.
- Establishing timelines for review and communication.
- Development of a customer satisfaction feedback mechanism for businesses to provide input.

2. Commit technology and staff resources to designing and implementing a comprehensive project management and development, review, approval and implementation system.

The commission commends the initiatives undertaken by city agencies, and the mayor and Common Council to improve the current system.

The commission feels very strongly, however, that a more comprehensive approach needs to be taken to move the current system of independently created parts to one that is well coordinated, timely, predictable and less costly to applicants and the city. Key actions the commission would like to see implemented include the following:

- a. *Creation of an ombudsman / project manager and a first point of contact for businesses seeking city approvals and permits.*

This service would be first stop-either in person or on-line – where businesses could learn about the approvals and permits required for their business and project. The service would not replace direct contact with specific agency staff, but would provide a clear set of directions on what businesses needed to do and act as an advocate if the business encounters problems. This service could be implemented even as the development review system is being evaluated and redesigned. The mayor has asked the Department of Planning and Development to organize around this concept in 2005.

- b. *Undertake a total evaluation and redesign of the current system of development review and approvals.*

The commission recommends a *professional systems analysis in conjunction with city staff be done on the entire process and all its possible permutations.* The commission has already had an offer from UW's LaFollette Institute to have a class of experienced graduate students undertake an initial analysis.

Other cities' approaches should be examined to identify successful practices. [See the Appendix for examples of other cities that have re-engineered development processes, e.g. San Diego].

Any new system design should involve representative applicants and include these features:

- *Customer-focus* so that it can be responsive to different customer groups, e.g., businesses, homeowners, commercial builders, and developers.
- *A project management system* to include:
 - A whole project approach, not piecemeal multiple approvals and permits.
 - A project manager for each project who serves as the single point of contact and is empowered to resolve conflicts or issues across disciplines.
 - A team of staff who operate as “options thinkers.”

- *Single location* for project entry and management, e.g., an office of development services.
- *Clearly defined project timelines* including firm timelines for commissions' and neighborhood groups' review and comment.
- *Universal use of Web technology*, accessible to all city staff, applicants, commissions, neighborhoods and others, to provide accurate and timely information on the entire process in general and on every aspect of a project in review.

The commission recognizes that if Madison is to be competitive in a global economy, it must aggressively integrate and use information technology to automate, improve and innovate how it conducts business. The success of a redesigned development review and approval system depends on technology to more effectively communicate, display and store information on city processes and current activities and enable city staff, boards and commissions to make more expedient and value-added reviews and approvals.

The commission strongly encourages the city to increase its investment in information technology that will save time, enhance communication and understanding among all parties, and maintain accurate and reliable information. This investment would include more advanced project tracking and online permitting, replacement of paper packets with electronic power point presentations for staff and boards and commissions, and highly interactive web pages that guide businesses directly to data, permit and license forms. Use of interactive and mapping technology could result in almost paperless Plan Commission meetings – all the relevant information on projects would be displayed electronically.

- c) *Adopt presumptive approval as a basic operating principle of the development review process. Under this standard, a project that is not approved or denied within 180 days is deemed approved unless there is mutually agreed cause for extension.*

The commission is aware that the current schedules for project review and approval is to some extent set by public hearing notice requirements, commission and Common Council meeting schedules and staff reviews. A recent staff analysis of the most frequently used processes shows that the land use approval part of a project usually occurs within these established timelines.

Nevertheless, in order to address the issues associated with more complicated projects, and to hold the city accountable to a timely review, the commission recommends the city commit to specific deadline.

3. Institute a review and restructuring of commissions' role in the development review process and of the city regulatory environment affecting business location and expansion.

Specifically, the commission recommends the following actions:

- a. *Consolidate existing Commissions, such as the Urban Design Commission and the Plan Commission, to eliminate the fragmented approach to projects, encourage whole project review, and reduce the number of reviews.*

The commission found that in some cities with a greater population than Madison, such as Des Moines, Iowa and San Diego, California, the equivalent of the Plan Commission and/or the Common Council are the only committees with the authority to review and approve private development projects. The commission believes that project review and approval would be better served by having two additional members with architectural and community design expertise serve on the Plan Commission, in addition to making greater use of staff for approving projects that meet the standards of existing ordinances and requirements.

- b. *Identify opportunities to eliminate or limit public body review of routine items, e.g., conditional uses that are usually approved.*

Over time the number of conditional uses that were at one time permitted uses has grown significantly. Review and action to reduce the number of conditional uses should be a priority for staff and the Common Council.

- c. *Clearly define the role and limits of boards and commissions and develop clear criteria for referral.*

- d. *Adopt the following “best” organizational practices:*

- Through the Common Council Organization Committee or a separate rules committee, institute a regular review of ordinances and regulations to clean out the obsolete, eliminate conflicts and inconsistencies, and revise to meet current conditions.
- Curtail or eliminate entirely the Plan Commission’s and Common Council’s practice of holding project approvals “hostage” for issues unrelated to the project’s approval.
- Do not permit new ordinances, amendments or other significant regulatory and policy changes to be introduced into the Common Council agenda by title only.
- Require a routine use of an economic or business impact assessment for major new legislation affecting businesses.
- Building on the Department of Planning and Development’s *Best Practices Guide*, develop a clear statement of the rights and responsibilities of all parties involved in the development review process.
- Use “carrots” – the methods of encouragement and rewards– rather the sticks of legislative mandates to promote a culture supportive of business and to encourage private sector investment that exceeds basic requirements and standards. Specific incentives might include expedited reviews, reduced fees, city-sponsored

recognition and awards in addition to free workshops and seminars on industry best practices.

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More Friendly to Business**

**December 2004
Appendix**

A. Public Comment at the EDC Business Forums

Economic Development Commission

Forum for Businesses

July 1, 2004 (Monona Terrace)
11:30 a.m. – 1:30 p.m.

EDC Members Present: Mark Bugher (Chair), Alder Zach Brandon, Jeff Erlanger, Susan Gleason, & Richard Slone

City Staff: Katherine Naherny, Office of Business Resources
Peggy Yessa, Office of Business Resources
Nancy Prusaitis, Dept. of Planning & Development
Mario Mendoza, Mayor's Office

Registered Attendees: Allen Arntsen, Foley & Lardner
Curtis Brink, Decision Analysis Group, LLC
Eileen Bruskewitz, Isthmus Apartments
Jim Campbell, Investment Planning Corp.
Mary Carr Lee, Meriter
Mark Davis, Merrill Lynch
John Foss, The Boldt Company
Devon & Linda Hugdahl
Brenda Konkel, City Common Council
Kim S. Meadows, Wells Fargo Bank
Regina Miller, RMM Enterprises, Inc.
Delora Newton, Smart Growth Madison
James P. Roberts, White Hawk Press
Jed Sanborn, CPA, LLL
Larry Shields
Frank Staniszewski, MDC
Martin D. Verhelst, CPA
Ron Vincent, WI Sports Development Corp.
Marian Walluks, WI Women's Business Initiative
Bill White, Michael Best & Friedrich LLP
Ray White, Dimension IV-Madison
Irene Winkler, GMCC

Mark Bugher introduced the commission and city staff and gave an introduction. He stated that persons wishing to speak should sign a registration form and give specific problems or compliments that they have come across when dealing with the city. He asked speakers to try to keep their comments to 3-5 minutes.

Bill White, Michael Best & Fredrich, LLP, Managing Partner. Mr. White stated that Madison is a good place to do business. He represents developers. The city has a highly professional staff, free of politicization. The problem he brought up was the loss of Epic to the city of Madison because of problems with TIF financing. The city did not aggressively go after Epic. Epic is having a huge effect on Verona. Legislation has passed new laws involving TIF, which allows borrowing increment back and forth between districts. If the city wants good, high-tech jobs, we need to target those businesses. The city has not had a failed TID yet.

Mr. Bugher asked what the obstacles were involving TIF.

Mr. White responded:

1. Limitation of 50% used within the TID.
2. Not being able to take an increment back and forth between TIDs.
3. TIF being used heavily for affordable housing.
4. Not enough emphasis on job creation.

Mr. White also brought up shortening the managers' contracts to two years. He doesn't think it's a good idea. It's more helpful to have a professional staff.

Martin D. Verhelst, CPA, Oregon, Wisconsin. Mr. Verhelst stated he lives in Oregon. Oregon is a part of the Madison Chamber of Commerce. He wants people to have a positive perception of Madison. He mentioned some things that he felt are not positive for the city's image: EOC, minimum wage, and a smoke-free environment. There is a lot of activity in Oregon, Fitchburg and Verona. It's not good for anyone if the outlying areas are doing really well and Madison is just a shell.

Jed Sanborn, CPA. Mr. Sanborn is concerned about the minimum wage and smoking ban ordinances, especially the minimum wage ordinance. The minimum wage ordinance will hurt his clients, especially businesses that are right on the edge. If you raise the cost of labor, less people will be employed.

James P. Roberts, White Hawk Press, Owner/Publisher. Mr. Roberts came to the meeting for pointers on re-establishing a desktop publishing business in the area. Mr. Bugher told him that the Office of Business Resources could contact him and try to help him out.

Ray White, Dimension IV, Owner/Architect. Mr. White mentioned sprawl and economic development happening outside of the city. The city needs to use its power of annexation and TIF for under-used areas and blighted areas, not for green space or farmland. It takes four to six months to get through the planning process in Madison. Now a 30-day notice has been added to the process for Alders and neighborhood associations. He is impressed with the direction of the Mayor. Mr. White feels the city should encourage good, quality development. Use the tools that exist to avoid sprawl. Losing Epic was a serious blow to the city.

Ms. Gleason asked if the planning process was longer in Madison than in other areas.

Mr. White responded that it takes three to four months on a project with no problems. It's not nearly that long in other communities, such as Wausau.

Mr. Verhelst stated that the timeframe for the planning process in Oregon is similar to Madison.

Ms. Naherny stated that the Department of Planning and Development is currently reviewing the planning process. She could provide data about timeframes in other communities.

Mr. Slone asked what components are shorter elsewhere.

Mr. White responded that Madison has more committees here and neighborhood associations. Some communities just have the Plan Commission, not Urban Design Commission. Working through all the various city departments can be a problem. Des Moines, Iowa (city of a similar size to Madison) has a person in the Planning Department who ushers the project through the different departments. Eau Claire has planners who work closely with the developers.

Mr. Slone asked Mr. White if he had any experience in Milwaukee or Chicago.

Mr. White responded that Milwaukee is easier than Madison; he does not have experience in Chicago.

Kim Meadows, Wells Fargo Bank. Mr. Meadows stated that he has worked in Des Moines and it's a lot easier and quicker process.

Eileen Bruskewitz, Isthmus Apartments, Landlord and also Dane County Supervisor and member of the Madison Metropolitan Planning Council. Ms. Bruskewitz stated that she has been a business owner/landlord in Madison for over 20 years. She has worked very well with Building Inspection and the Fire Department. Landlords are "demonized" in Madison. They're made to feel like the bad guys. There is a proposed ordinance that landlords cannot require tenants to give their social security numbers. This is a way that landlords are able to get a credit report. This makes it very difficult for landlords. There are a lot of unintended consequences. There is also a landlord-licensing ordinance proposed. Madison has some of the best rental housing stock. Building Inspection makes landlords maintain their housing and that's a good thing. Fifty percent of people live in rental housing. Ordinances should be looked at thoroughly and fairly before they are passed.

Ms. Bruskewitz stated that as a Dane County Supervisor, she represents Westport and Waunakee. Madison should look at a Regional Plan Commission that's multi-county in nature. There should be a healthy balance between Madison and outlying communities. Not everything should be in Madison. That's a positive thing. Managed growth can be positive for the area – allows downtown to be healthy and vibrant.

Mr. Slone asked if she is looking for more representation for landlords.

Ms. Bruskewitz stated they had a very competent attorney on the Housing Committee, but his term expired. Committees need a balanced board that understands issues for landlords.

Ms. Gleason asked Ms. Bruskewitz if she felt that ordinances are passed for a few bad landlords.

Ms. Bruskewitz mentioned that Progressive Dane is against landlords. There are a few bad landlords. The City doesn't use the tools that they could to take care of them, i.e., drug houses, prostitution, etc. The Police Department won't take action; they need more evidence, etc.

Jim Campbell, Investment Planning Corporation, Owner/Landlord. Mr. Campbell stated that he is concerned about the social security ordinance proposed. A landlord can pull a credit report without a social security number, but you won't get all the accurate information. This is bad public policy. Landlords are urged by Building Inspection and the Police Department to do a better screening job. This comes down to stable neighborhoods.

Ron Vincent, Wisconsin Sports Development Corporation, President. Mr. Vincent stated this Wisconsin Sports Development Corporation is host for the Badger State Games, Ironman and the ESPN Outdoor Games. They are a statewide organization. These three events will bring in eight million dollars to Madison. These events have a bid fee. They need a streamlined process. They want to lessen their burden. Florida has a mechanism to fund these events by selling personalized license plates. If Madison wants to be competitive, they need to give this some consideration. They will look at other cities if Madison doesn't help them out. Taverns, restaurants, etc., could help. Hotels always step forward. Tempe, Arizona put in a bid of \$100,000 to have their first Ironman there. They had a problem here getting the gun permit for the target portion of the ESPN event at Quann Park. ESPN went to a lot of trouble and even had a neighborhood meeting.

Someone asked if the city has a liaison office. Ms. Naherny stated the Office of Business Resources helps businesses looking to expand, financial programs available, state programs, etc. The web site is www.businessmadison.com.

Alder Zach Brandon stated there is a Rapid Response Team that started in December 2003 that deals with recruitment, retention and relocation of businesses. Trying to find ways to keep businesses here. They were instrumental in keeping Schoeps Ice Cream here. Alder Brandon stated that he moved here from out of state and started a business. Madison is a very successful city, in spite of ourselves.

Regina Millner, RMM Enterprises, Inc., Owner. Ms. Millner stated that she is concerned with schools. Schools teach the work force. It's important to develop a high-tech area. Some people are moving to the suburbs when they want to start a family. There is diminishing reputation of the school system.

Mr. Bugher stated this is a statewide issue. The governor has received recommendations regarding four-year old kindergarten, keeping schools open all year, etc.

Ms. Bruskevitz stated that committee appointments are very important. She mentioned the \$17 million interchange between Sun Prairie and Madison. One of the mayor's appointees of the Madison Metropolitan Planning Organization turned it down.

Mr. Bugher stated that it's important to have diversity on committees.

Mr. Ray White stated that housing is very important for economic growth. Metropolitan Place stated that one unit out of 174 has children. Inclusionary zoning is a good idea. Someone in his office is buying a home in Waterloo because she can't afford to buy a house in Madison. People are earning above median wage income still can't afford to live here.

The meeting adjourned around 12:30 p.m.

Economic Development Commission

Forum for Businesses

August 5, 2004 (Westside Police Station)
11:30 a.m. – 1:30 p.m.

EDC Members Present: Mark Bugher (Chair), Ed Clark, Jeff Erlanger, Susan Gleason, Richard Slone, Tom Still and Alder Zach Brandon

City Staff: Katherine Naherny, Office of Business Resources
Peggy Yessa, Office of Business Resources
Nancy Prusaitis, Dept. of Planning & Development

Registered Attendees: Jennifer Alexander, GMCC
Kristin Balistreri, M&I Bank
Mike Clark, Architect
Russ Frank, Madison Top Co.
Wayne Harris, Glowacki Harris & Maison and Ancora Cafe
Jesse Ishikawa, Reinhart Law Firm
Gary Johannsen, Johannsen's Greenhouse
Rex Koderl, Small Business Development
Mike Kornermann, Madison Magazine
Willa Kowalski, Suby Von Haden
Michael Lomperski
Jeff Mackesey
Shana Magill, Suby Von Haden
Salli Martymah, Dane Fund
Eileen Mershart, YMCA of Madison
Delora Newton, Smart Growth Madison, Inc.
Hamid Noughani, Assemblage Architects
Rick Petri, Murphy Desmond
J. R. Smart, Smart Motors, Inc.
Fred Truman, Durrant Architects-Engineers
Michael Viands, Vienna Perk
Phyllis Wilhelm, MG&E

Mark Bugher did an introduction.

Willa Kowalski, Suby Von Haden (CPA Firm). Letter from client: Two businesses start in Madison in last nine months. City employees not working together, slow response rate. Looking outside of Madison-loss of 100 jobs. (See letter). Slone suggested the clients talk to someone on the commission or with the city to get to specifics of their problems. Ald. Zach Brandon said that people could talk to him on a confidential basis.

Katherine Naherny mentioned the City's Office of Business Resources which helps businesses start up or expand.

Delora Newton, Smart Growth Madison, Inc.: One and a half year old trade association. Fear of people speaking out for retribution by city employees or policy makers. A lot of good city employees. Reflection of procedures and policies that have to be followed and bureaucracy with Madison. (Will give a copy to Katherine). Suggestions: Have mayor develop a mission statement for development standards such as construction, zoning, density, and street width. Currently lots of conflicting policies. Conflicts between neighborhood plans. Set standards for priority development. Additional conditions imposed by city committees that hinders affordable housing which the mayor is promoting. Example: Nonprofit company – UDC wants them to change the roof which will cost thousands more. Would cause a delay to fight so company went with UDC’s recommendation, but are out thousands of \$\$ now. Internal project advocate or ombudsman needed. Each agency prepares a staff report, but they only look at it through their agency. Conflicts between agencies. Such as narrower streets which Fire Department has a problem with. Ombudsman could be charged with working on conflicts between agencies. This would help streamline development. Need expedited review process. City currently working on computerized program. Encourage city to make that a priority. Encourage PD to work on “Best Practices Guide.” Different committees adding conditions that go beyond State and Federal law. Good intentions, but no public review. Affects demolition permits, e.g., recycle plan. Should get introduced in a more formal manner. Additional water quality standards being added. County and State already have requirements. Different developments are being treated differently. City Alders have ability to introduce ordinance by title only. Confusing for public. Public doesn’t know substance of ordinance.

Michael Lomperski, 1648 Capital Avenue. Have lived across the street from a CDA property (1647 Capital Avenue). City has owned this property for 10 years. Very challenging. Trash situation. Ladies of the evening. Animals getting into trash. (Presented picture). Would like to see maintenance. Waited 2 ½ years for garage doors. Drug people like it when the units are open.

Jeff Mackesey, lives @ 317 State St., #1: Involved in Irish Pub & Mackesey Carpet Cleaning Company. International Fire Code passed without debate from council. Had heard nothing about this. Received bill for permit of assembly (\$50/year) for Irish Pub. Pays for inspections, which should be covered by property taxes. Unfunded mandate that we’re told nothing about. Have been on State St. for four years. More and more businesses leaving, such as Puzzle Box, etc.

Hamilton Street – Needed to pull truck up onto terrace in order to clean carpet. Parking enforcement asked him to move it. Received parking ticket. City Attorney told them to work with Alder. Alder did not want to pursue it.

Business Improvement District on State Street: Set up without a ballot of members affected. Fee, which does nothing. Residential renters paying to put up Christmas lights. Huge park in an area already under policed.

Phyllis Wilhelm, MG&E. Has been told by business owners that Madison is the most difficult place for businesses to work in. Limited places to grow and well planned development is critical to sustaining and growing economy. Have to be vigilant and diligent in following plans. Attract investors and developers. Limited tools – public policy issue. Want to keep growing businesses in city. Need to be competitive. Need user-friendly process. Technology-based firms have different needs. Rapid growth of companies. Need for space is sooner rather than later. Need to improve our processes because of changes in economy. Rapidly changing markets. Failure to get new facilities causes loss in market share. Economic growth important to all of us. Access to customers, ease of doing business, cost – Darin Buelow’s presentation. Need customer-oriented government process.

Ron Trachtenberg, Attorney-Murphy & Desmond. Used to be an alder for eight years. Agree with all previous speakers. Council structure and committee structure is what people are upset with. Make presentation based upon staff comments. Don't get a chance to reply to people opposed to your presentation after public hearing is closed. Ask that committee structure be reformed as to the way they hold hearings. Give applicant a shot at addressing issues. Committee members have an objection. Clarify objections and concerns at public hearing stage to applicant.

Very strong neighborhood association basis in the City Of Madison. Some neighborhood associations represent only a few people and only represent themselves. Given absolute veto. That is not in the city's interest.

Vision – Does this city want to be a city or a large village? Population growing in city and Dane County. Using up all the farmland. Need increased density. Going to have to accept higher densities.

Gary Johannsen, Johannsen's Greenhouse: Business at 2600 West Beltline Highway @ Todd Drive intersection. Just got relocated into City of Madison (City of Madison-Town of Madison-Fitchburg agreement). Town of Madison was more rural when they built their greenhouse, turned into urban. Town of Madison dealt very well with local business owners. Very accessible. Weren't there to put him out of business. Scary to be annexed into the city. Member of Todd Drive Redevelopment Committee. Was pleasantly surprised by all the Department heads, Traffic, Planning, etc. Major road project in the near future. Ald. Bruer has been unbelievable in pushing project ahead. Open Pantry corner / Mortensen Group doing new development with four stories of office space, retail, etc. Kayser Ford going to redevelop other corner. He was worried about how it was going to affect his business. Suggestion to upgrade front of his building. Hopefully permit process will go smoothly. Park Street is next phase being annexed into Madison. He suggested that businesses are contacted and let them know how they go about working with the city and where to go for assistance. Have 10 full-time employees. They're able to afford houses. Low-profit business. Ald. Brandon encouraged him to talk to Katherine Naherny. He also mentioned Façade Improvement Grants to help defray the cost.

Attorney Rick Petri, Murphy & Desmond, 2 East Mifflin Street #800. Cranes all over the skyline in the City Of Madison. Business environment in this community not a problem because of all the construction (one of his friends says this). Present environment reflects permits approved before the current administration. Madison is a difficult place to do business – he hears it from his own clients and co-workers. He worked for 20 years as a City Attorney. Makeup of this committee is all city of Madison. Madison has a tendency to view itself out of a larger context. Need to have more coordinated effort for economic development. Madison is used by communities outside of Madison. Shouldn't fight that. How to have thoughtful development on a regional basis.

Represent a convenience store that wants to sell beer. They run 10 operations that already sell beer. Have to talk to Central PD, then East PD, then North PD, Neighborhood Association, Alder just to get this before the ALRC and then the Common Council. That's what you have to do in this town to get something as simple as a beer license.

Would serve city's interest well if there were a small group of individuals who could be project managers for larger development projects. One agency has a problem and they all get pulled back

and have to start over again. Very frustrating for developers to deal with. Wonderful community. Appreciate this committee holding hearings and letting people voice their opinions.

Jesse Ishikawa, Reinhart Law Firm, 22 East Mifflin Street, Suite 600. Lawyer who represents real estate developers. Had a client that is a subsidiary of a big fast-food chain. Had to apply for a liquor license. Had to have criminal background checks run. Other cities it's a one-page form. Approval process for development projects in the city. Planning Department does a very good job. A little bureaucratic at times, but can always deal with them, very professional. Clients consistently run into roadblocks with Traffic Engineering. City Planners have gone to conferences to learn about traditional neighborhoods. More pedestrian friendly. Live off High Point Road – terrible planning. Really wide, four lanes plus parking lanes on either side. Then neighborhood complains about all the traffic coming through. Traffic calming devices added. Should have built road more narrow and then traffic would move slower. More green space, more park space, more residential lots. Developers will get their plans through all the agencies and then are stopped by Traffic Engineering. One of the Traffic Engineers thinks each parking lot should have an easement so that all parking lots can connect to each other. Where in the City Code does it say this? One person's pet project. Example: Conditional Use permit was granted by Plan Commission; Traffic would not approve it unless they gave an easement with the fast-food franchise next door. Long delays at Traffic, three-four months for a plan to be approved, sometimes then have to go back to square one, traffic fee impact charge. Couldn't get an answer on how traffic fee impact charge was computed. Finally got an answer and then when he made suggestions about how it should be calculated, the person sent an email that said no more nickel and diming, this is it.

J. R. Smart, CEO, Smart Motors, 5901 Odana Road. Trying to expand their business. Experienced recent growth. Trying to relocate on current property or close by. Very challenging. Considering leaving the area to one of the surrounding areas. One example: Bike path recently put behind their building. Had storage shed that housed equipment. It was onto the easement by about a one foot. Told we needed to move it. They tore down the old shed to build a new one a foot away (10' x 12') unit. Were told they needed the plans for the entire site for the shed permit. Shed is halfway completed now and afraid to finish it. Still waiting for the right person to talk to.

Wayne Harris, Partner, Glowacki, Harris & Maison and Ancora Café, 330 S. Whitney Way. Have several friends who like to frequent bars and also some friends who own bars. Very concerned with smoking ordinance. Concerned about losing business and that the city is starting to legislate lifestyle. Also city concerned with supporting war or not supporting war. Shouldn't legislate things we can't control. Had a friend whose project was voted down and he didn't even know it was on the agenda (addition to existing business). City needs to get involved with Dane County Airport. Need more airlines and flights going in and out of Madison. Some communities get very creative to attract businesses / new jobs. Racine created their own mini wharf. Manufacturing companies donate the technology. Be a little more creative. Ed Clark said Frank Staniszewski from MDC is working on similar program here.

Russ Frank, Madison Top Co., 1111 Stewart Street. Have been in business more than 20 years. Madison Area Small Business Council is up to 50 members. Relocated from East Johnson Street. Had it all planned. Construction started, curb cut. City Inspector told them they had to move curb cut because they couldn't have a truck backing up there. It's an industrial area; all the other curb cuts are on that street. Wouldn't let them have security lighting because it would affect truck drivers on Stewart Street. Was told by one person had to have the lighting, the other person said they couldn't

have it. Was told he had to have earthquake clips. Thinking of expanding because he bought a double lot. Seriously thinking of relocating outside of Madison.

His mother has property on State Street. Went and applied for Façade Grant program. \$20,000 grant. Put it out for bids. Trying to make it how the building used to look – had some old photos. Everything approved. Problems with that. Ended up doing it themselves. Love business in Madison. A lot of small businesses that he knows, the minimum wage ordinance is going to create outsourcing. In his business there are a lot of entry level jobs that move up. A lot of entry-level positions will be eliminated. Inflation rate shouldn't determine wage rate. It's the company's income. Outsourcing will affect a lot of businesses. To stay competitive, you'll have to look outside Madison. He has an \$8 / hour minimum wage. What concerns him is the inflation clause in the future.

Jennifer Alexander, President of Chamber of Commerce. Thanked the businesses for speaking and the City / EDC for having these meetings.

Mike Clark, Principal in Architectural firm in Madison, 1468 High Point Road. Strong planning and approval process means attractive communities. It's how it's being done is what should be addressed. Removing the capricious nature in the approval process. His firm designed this building and Fire Station next door. Received comments that the facility wasn't heroic enough (UDC). Another UDC comment was that it wasn't municipal enough. Comments like this are difficult and create uncertainty. Madison is what it is because it has a strong planning and approval process. He wouldn't want a less attractive community because we aren't paying attention.

Hamid Noughani, AIA, Assemblage Architects, 1 Prairie Hill Court. Work in a number of cities and overseas. Better planning organizations. Agree with last speaker. If rules are better understood and explained, it's easier to follow them. If rules are consistent and applied consistently, then most people will follow it with greater enthusiasm.

Ald. Brenda Konkel. Have been working with the Planning Department and Delora Newton to figure out where the problems are. A lot of these things are currently being worked on. Part of the problem is where does it fall on the priority list for the city. Make these things a higher priority.

Ald. Holtzman: Member of UDC. Regarding the Westside Police Station, UDC member who thought the building looked like an apartment building and would not be recognized as a Police Station.

Mike Kornermann, Madison Magazine, 7025 Raymond Road. No set of guidelines for developers to follow. Last minute requirements.

Economic Development Commission

Forum for Businesses

August 24, 2004 (Olbrich Gardens)
6:00 – 8:00 p.m.

EDC Members Present: Mark Bugher (Chair), Ald. Zach Brandon, Ed Clark, Jeff Erlanger, Susan Gleason (Vice-Chair), Patricia Jenkins, and Richard Slone,

Staff: Katherine Naherny, Office of Business Resources
Peggy Yessa, Office of Business Resources
Nancy Prusaitis, Department of Planning & Development
Mario Mendoza, Mayor's Office

Registered Attendees: Jennifer Alexander, Greater Madison Chamber of Commerce
Mark & Alison Bergum
Peggy Burke, Kimia Lounge
Alan Capelle, Upper Iowa University
Tracy Dietzel, Wisconsin Center for Book & Paper Arts
Chris Eigenberger, Adams Outdoor Advertising
Cheryl Farnsworth, Farnsworth Consulting Group
Tami J. Friedman
Jim Garner, Sergenian's Floor Coverings
Michael A. Goodman
Sarah Grooms, Town Bank of Madison
Terri Groves, Monona Chamber of Commerce
George Hagenauer, 4-C
Dennis Harder, Joseph Freed & Assoc.
Michael Heifetz, Dean Health System / St. Mary's Hospital
Dale Hopkins, Workforce Development Board
Elizabeth Hopkins, 27 News
Rex Koderl, SBDC
Mike Kohn, Petinary
Willa Kowalski, Suby Von Haden
Lisa Lathrop, Wisconsin Cheesecakeery, Inc.
Len Linzmeier, Staybridge Hotel
Dean Loumos, Housing Initiatives
Susan Lubar, Smith Barney
Carrie Mainquist, Applied Tech
John Martens, Ironworks Development
Fred McGee, Meriter Health Services
Erik Minton, Butler Plaza, LLC, Capital Fitness, Madison's Dining & Diversions
Renee Moe, United Way of Dane County
Brian M. Monroe, Automotive Investments, Ltd.
Jim Norton, Cranberry Creek Cafe

Kenton Peters, Kenton Peters & Assoc.
David Petit, Madison Credit Union
Bob Rubin, Retailer
Marsha Rummel, Rainbow Bookstore Co-op
Phil Salkin, Realtors Assoc. of South Central WI
Bob Schenk, Cranberry Creek
Karl Schulte, Union Cab of Madison, Cooperative
Craig Stanley, Real Estate
Sandra Torkildson, A Room of One's Own Bookstore
Bob Worm, Essen Haus
Shannel Yancey, Employment Resources
Rob Zache, Central Place Real Estate

Mark Bugher gave an introduction.

Chris Eigenberger, Adams Outdoor Advertising, General Manager & also part-owner of Steve's Liquor, 102 East Badger Road. Plan Commission attaches unrelated item to a conditional use permit. City is killing their business by making them take down their billboards. Example: Park Street (See letter). Conditional approval requires removal of billboard at end of current lease period. Under recommendations it states remove billboard. Two situations on Broadway and South Stoughton Road with similar situations.

Two and a half years ago went to Parking & Transit Manager to sell advertising in parking ramps. She liked it. After about a year, they finally got the thing on the table to vote on. A City Alder and some other people spoke at the meeting against it and it was denied. This would have been money coming in to the city. It was finally approved. Then waited nine months for an RFP to be written. A lot of the things in the RFP were inaccurate. Finally got their bid in after a month and a half. Waited three weeks and received a notice from Purchasing Services – David Johnson that the RFP process is being suspended until further notice. The city could have made \$200,000 on this. After three years, no one is doing this.

Steve's Liquor: Dark sky initiative would kill their outdoor signs and also parking lot lights that keep the parking lot safe (right across from Speedway). His wife runs the liquor store and has to walk to her car late at night. Sandwich signs not allowed. Wanted to put on a very low-key anniversary party on the lot next door (wine tasting, gourmet cheeses, small one or two-piece band) for their customers. His wife, Karen and an employee, Jonas, went to the City Clerk's Office to get a permit and were told it would take two-three months for the permit. They dropped the idea at that point.

They love Madison, living and working in Madison, but would like to see it be more business friendly.

Phil Salkin, Realtors Association of South Central Wisconsin, Government Affairs Director, 127 North Main Street, Verona. Prior Mayor of Verona. (See letter submitted to Mayor). Offer four suggestions:

- 1) Create Advisory Housing Board Group including professional members of the development sector, builders, Mayor, etc., for siting, designing, and marketing real estate. Potential legislation.

- 2) Committee charged with reviewing and monitoring existing ordinances to decide which are no longer relevant, which might need amendments. Waukesha County finds this a very helpful tool.
- 3) Review resolutions and ordinance amendments in terms of their impact on housing. Almost 63% of Madisonians are priced out of the market. Changes to TIF policy, for example. Inclusionary zoning could cause higher home prices.
- 4) Develop Regional Housing Committee. Impacted not just by the actions of Madison and surrounding communities, but also by communities in Jefferson, Dodge, and Rock Counties.

Dennis Harder, Joseph Freed & Associates, Owner of Hilldale Shopping Center. Work actively in five states. Have had involvement with approval processes all over the place. Efficiency is very important in the approval process. The best processes they've encountered are very efficient, listening is key. Looking forward to stabilizing and improving Hilldale. Understandable, predictable, know rules and can follow them. The new Big Box Ordinance has some issues and concerns. Understanding is promoted by statements of clear objectives, specific incentives and disincentives are stated and understandable. Predictability follows this. Some ideas are in conflict with standards. Creativity should be allowed and have mechanisms to allow it. For example, buildings should be pulled to the street – this needs further definition, flexibility. Rigid formula, for example an entrance on a corner, can hurt a business. Need to look at inside affects on a business. Security, etc. Pedestrian movement on Midvale very different. Need to look at the relationship between street & building. Tenants' concerns haven't been given enough weight in the Big Box Ordinance. Some potential restaurant owners, because of the minimum wage ordinance, may choose to locate outside of Madison – adds 15% to the cost of their operation. Competitive advantage. Hilldale deserves a special place and there ought to be mechanisms for that. Balance needs of customers and community.

Lisa Lathrop, WI Cheesecakeery, Inc., 2313 Bashford Avenue. Have been in business for 2 ½ years in the City of Madison. Spent the last year and a half looking for a location. Issues regarding building codes, health, and zoning. Can't get a straight answer from people. Had specific site in mind. She had a question and was told she had to hire an architect to have the question answered. Participate in East Side Farmers' Market. Working through the City Health Inspector, asked if they needed an additional permit for that. Licensed for City for retail and food. Took three months to get an answer. Wanted to have an ice cream bicycle cart. Was told she couldn't have a mobile cart, but couldn't tell her why. Can't sell pre-packaged food in a mobile cart that's not mobile. Can't get reasons for some of the things. Building Code regarding HVAC requirements changed. It's not applied evenly across the board. Came across a similar business who wasn't required a certain type of ventilation, but she was required to do so. Will cost her \$10,000-\$20,000 more. Other municipalities are more willing to work with her. Very frustrating situation. Shouldn't have to go through so many layers of people to get answers. Rules should be applied consistently across the board. Should do more to support local small businesses, not chains.

Ald. Zach Brandon asked if she had any suggestions and told her to email them to us if she thought of anything.

Fred McGee, VP, Planning & Public Affairs, Meriter Health Services, 202 South Park Street. (See letter). Meriter has been in the community for 105 years. One of the top employers. Recent experiences for an addition to their Park Street Campus. Sought to add 108,000 square feet, six stories to an existing four-story building. In early 2003 shared design with UDC. Came in for approval and it was challenged on two issues regarding existing structure. Mobile technology pad

next to building and mobile MRI was sometimes there. They were told this was a zoning violation. Existing atrium tower building lacked architectural detail and had an imposing view on Park Street. Referred them to another meeting. Worked with staff and alder. Got a favorable ruling from Zoning and added significant landscaping. Returned two months later and were challenged again. Had to go before Zoning Board of Appeals; were told more screening was needed. Were referred once again. Made changes to curb cut, streetscape. After 120 days received UDC approval. To get building permit had to go through all the department approvals again. City Fire Marshall had problems with streetscape changes which UDC required. Conflict with codes. Pulled building permit on July 8 (116 days later). Additional cost added \$1.1 million dollars to the project. City Ombudsman would be helpful. If multiple department reviews could occur simultaneously. Experience with UDC was particularly frustrating. No clear guidelines, back and forth between member suggestions. Other designers say it's 10 times worse to do business in Madison than other communities. Enjoy excellent relationships with City Planning staff.

Bob Rubin, Retailer, 317 East Wilson Street. Twenty years ago was before a similar group. Also at that time across the country developers, landlords, and businessmen realized there were some good bargains downtown. Bought downtown properties that were useful to everyone. Now we have a plum. Ordinary citizens should control ordinances. Progressive Dane very wonderful political group. Request media to make someone accountable. The Mayor is a special interest mayor, not a mayor for the community. General public needs to vote on what is going on. His complaint of 25 years ago was parking. Opened his downtown store on Sunday.

Marsha Rummel, Rainbow Bookstore Coop, 426 West Gilman Street. Manage small business downtown after State Street. When Mayor Bauman was in office, half of their sidewalks were ripped up and signs warning of danger. Streets had no requirement to notify business owners of their plans.

Maxwell Street Days – Right in front of the store, the meters were bagged. This has been an annual event for 30 years. Sometimes get notified of liquor license review. Would be nice to know what's going on.

Signboard Ordinance: Signboards are important features for businesses. Some restaurants have outdoor seating. Why can't signboards occupy the same space?

Are told mixed use is good in developments. Is this an empty mantra? Is there a population to support retail? Some areas retail space sits empty while housing is occupied. Do developers have tenants in mind beforehand? Direct retail to where we've already invested money and infrastructure.

Distinction between home grown and chain businesses. Predatory nature of chain bookstores. Don't value local retailers. Helps local economy. Big Box Ordinance – ask for economic impact statement. Just shifting money from small local independents to big businesses. Should not subsidize these big businesses (TIF). It's not clear that it's a level playing field for local businesses.

Need to look at highest and best use when we value property. Always trying to commodify the space above. How do we value property that rewards use? End up with new developments that no one can afford to rent. A lot of new businesses need old buildings. Institute for Self Reliance – collects ordinances – she will email them to us.

George Hagenauer, 4-C, Assistant Director, 5 Odana Court. Nice to talk about child care as economic development instead of social services. Child care in the city of Madison is the best in the country.

58% of the kids in the city in childcare are in childcare that is above required standards for childcare. Community Services does a lot for the community. How do you maintain the level of quality? Major headaches are in childcare, healthcare and elderly care. How do we keep State subsidy going? Funded with Federal dollars. Frozen at the Federal level since 9-11. We lost 25% of our staff last year. Critical that business leaders put this on their agenda. Economic issue as well as social services issue. Interface between public education system and private childcare. Growth of full-day kindergarten has taken children out of daycare. Need to put childcare on the front burner.

Live in Springdale Township. Sit on Verona School Board. Need to start looking at opportunities outside of the city to see how these economies are working.

30-35% of their houses are used for businesses in Springdale.

Len Linzmeier, Staybridge Hotel, Owner, 3301 City View Drive. Retired businessman. Offer suggestions. Started with three employees in a housing manufacturing plant. Now acting as a consultant for a Housing Task Force here and Milwaukee. Can't be done by rules and regulations. Went through UDC & Planning for the Staybridge Hotel. 3/4th through the building, the Building Inspector redesigned the building. Walked up to the front desk. Asked for chain of command – lady at front desk asked what that was. Told her he had a serious problem that he needed to resolve. This was very important because they were losing money by not opening. Already had State approval. Got State Inspector to talk to head of Building Inspection and problem was solved in an hour.

Had a problem with water running from neighboring property. Ran into their retaining wall and took it right out. Took a year to solve the problem. Damages from wall \$15,000 to \$20,000. Have to take the neighbor to court to get him to pay for it. Told couldn't shut the contractor down.

UDC told them what brick they had to use, what color. The building next door didn't have those requirements. Built same hotel in Middleton. Process much shorter, not as many hoops to go through. Maybe you could require departments to approve something within a specified amount of time or it's automatically approved. Time is money for the business person and the city also. He told Middleton \$8,000 of room tax would be coming in as soon as the hotel opened.

Inclusionary Zoning – Do not believe this will work in the long run. The real way is to open up the market so you can build more economically.

Mike Kohn, Petinary, owner, 1014 Williamson Street. Concept of integrating business associations into the noticing process of all commissions, etc. Rarely informed of neighborhood projects. Not part of the information process. Michael Gay has been an advocate for this process. Would like to invite business associations to be more involved with the EDC. It shouldn't be just on a basis of once or twice a year. It should be routine, bi-monthly, etc.

Support Phil Salkin's comment about reviewing City Ordinances. Personally asked Ald. Brandon to repeal the graffiti ordinance. Not properly functioning. Businesses, are victimized twice. Building is defaced and then requires them to personally spend their money to fix it. Abatement process (co-pay) not functioning on a continuous basis. Request that ordinance be reviewed and potentially repealed. Societal problem, not an individual problem. Other vehicles that could be used.

Support childcare. Societal problem. Will pay for 20-30 years from now.

John Martens, Ironworks Development, Owner/Designer, 4118 Hegg Avenue. Architect, served on ZBA 10 years. Sat on both sides of decision-making table. Have requirements that spread across numerous agencies, boards, committees, etc. Bottom line is that the right hand doesn't always know what the left hand is doing. Given conflicting information, different requirements. A lot of good city employees. Nature of bureaucracy. Problem of communicating across the board and getting consistent information. When Paul Soglin was Mayor, there was an Ombudsman for a period of time. That would be helpful.

City of Portland – Have single committee that handled all concerns, whether zoning, planning, landmark, traffic, etc. All handled by a single committee. Would publish plans for project on site 30 days in advance of the meeting. Worked with single entity on getting all the city requirements in one package. This is a wonderful way to handle that process.

On Zoning Board of Appeals, at end of each meeting would review their processes. That little review led to numerous text changes, administrative approvals of minor things that streamlined the process for the citizens and for the board.

Went before a board a year ago that less than half the people on the committee knew the ordinance that they were there to enforce. Don't raise the board high enough for committee members.

Difference between having a tape recorder at the meeting. Raises the bar, holds the members more accountable and gives the citizen a chance to check what was said. Small expense for the city, but worth it.

Historical buildings – able to get certain breaks and grandfathered things – not held to the same standards as new construction. Might consider something of the same sort for zoning and other issues / regulations that apply to historical structures. In favor of historical preservation. Great love of contemporary architecture. What are we building today that's going to be worth preserving tomorrow? Particularly, when it's mandated to imitate historical structures. Architecture should reflect the time it was built. Completely missing the boat. Unfortunately, we're getting a design by committee. Take a better look at what we're doing. People are being handcuffed.

Eric Minton, Butler Plaza, LLC, Capital Fitness, Madison Dining and Diversions, 21 North Butler Street. Moved to Madison 20 years ago. Through his college years got involved in investment and real estate. Learned the business of remodeling. Became a real estate developer. Process gets more difficult and complicated daily. What seems to be a necessity one day, maybe five or six years later is not at all (for example study rooms). Feels IZ process will stifle projects. No small developers left in the city are doing projects downtown. Randy Alexander asking for six million dollar subsidy for 30 affordable units. Tutto Pasta Café outdoor seating was closed for a month. Open small restaurant. Liquor license requires earlier closing. Were told armed, deputized security agents required. MPD not allowed to do this, Dane County Sheriff's deputies can, but will only work eight-hour shifts for \$25/hour, cash payment nightly. This costs them \$1600/month. Small businesses around King Street have closed. Consensus is you're out of your mind to pursue a project downtown. Union Corners – rumored to require \$10,000,000 TIF. Monroe Street Market - \$4.5 million dollars. Difficult circumstances. Incredible talent that want to locate downtown.

Alan Capelle, Upper Iowa University, Manager, 4601 Hammersley Road. No major issues with the city. Upper Iowa University – significant bottleneck at intersection of Midvale and Hammersley. Every night delays for students, faculty. Would like to request green advance arrow on intersection.

Traffic has continued to increase across Madison. Two years ago submitted a large petition signed by numerous students, employees, faculty. One individual started to work on it, but that employee left and it got put on the back burner. Big issue for them. Impacts their operation directly. Traffic Department said they would look into it and would have to do a traffic study before they could do anything. Short staffed somewhat – that's his perception.

Jennifer Alexander, Greater Madison Chamber of Commerce, President, East Washington Avenue. (See handout). Thanked the Mayor and EDC for their efforts. Talked to members of the community. Will share some of their comments. Fear of speaking publicly that their project will be put at bottom of pile. Policies, procedures, attitude for delivery. Indifference toward businesses on some policies. Small group of business people support something and its perceived that it's supported by all businesses. Balance professional expertise on committees. Building approval process – concerned with economics and feasibility are not taken into consideration. Sometimes process is confusing. Frustration with endless steps and uncertainty with when it would end. Must travel through a lot of committees. Inordinate power of neighborhood organizations. Attitude – initial communication was not always friendly and sometimes discouraging. Not knowing what questions to ask. Spirit was unwanted. Unwillingness or interest to work with businesses. St. Mary's works with a team of staff and that has helped. Ambassadors or personal advisors to small businesses available, retired or volunteers. One-stop permit place. Reduce committees. Overlap of UDC & Planning Committees. Some sort of timeline – inordinate power of neighborhood organizations. Praise for the OBR.

Sandra Torkildson, A Room of One's Own Bookstore, 307 West Johnson Street. Agree with past speakers. Signage in the City – Expanding and thought about changing the sign. Looking into ordinance (awning put up seven years ago). Rules have changed, more restrictive. Her husband runs a small building workshop in the Town of Westport. No problems with putting up his new sign. Have heard from others when they couldn't take down old, ugly sign because would not be able to put up a new sign. Need more flexibility. One size does not fit all. Signage is an important part of business – write laws that take that into consideration. Striped awning was not allowed because UDC did not like that. City prides itself on being creative, but we stifle that.

Downtown – ALRC meeting – want to ban drink specials. If we're an entertainment district downtown, we have to deal with it instead of just writing an ordinance.

Mark Bugher thanked all the speakers. We will accept the testimony with seriousness. Will present a report from these meetings to the Mayor. Properly recorded and articulated in their document to the mayor.

Adjourned 8:20 p.m.