

## Annual Review of the Alcohol License Density Ordinance

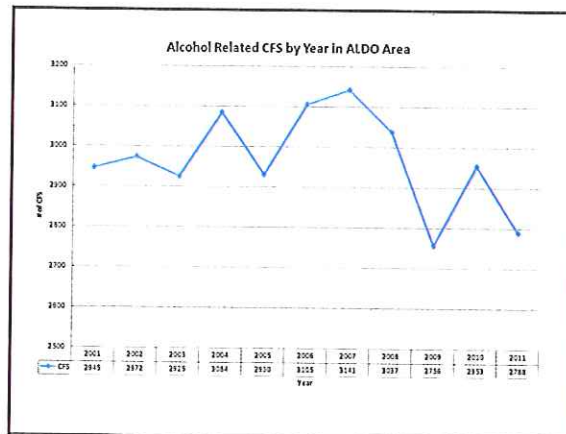
Tailored for the  
Economic Development Committee  
May 16, 2012

### What did the Alcohol License Density Ordinance (ALDO) set out to accomplish?

- Decrease the incidences of alcohol-related problems in the downtown area.
  - Maintain or gradually reduce the number and capacity of certain type of alcohol beverage licenses.
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- Decrease the strain on public resources.
  - Provide opportunities for businesses that sell alcohol incidental to their principal business.

### Changes to ALDO in 2011

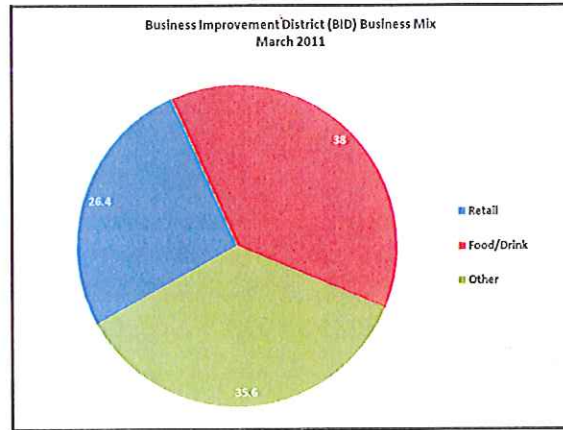
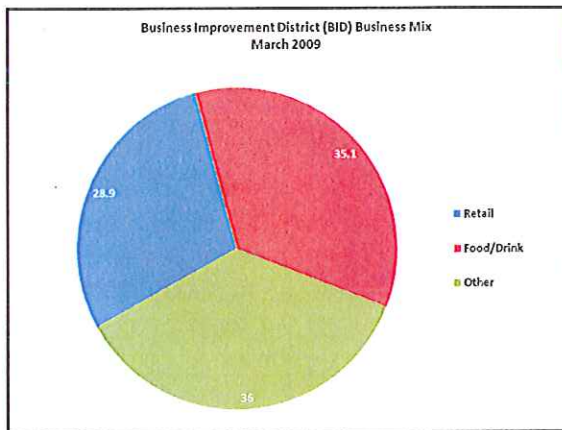
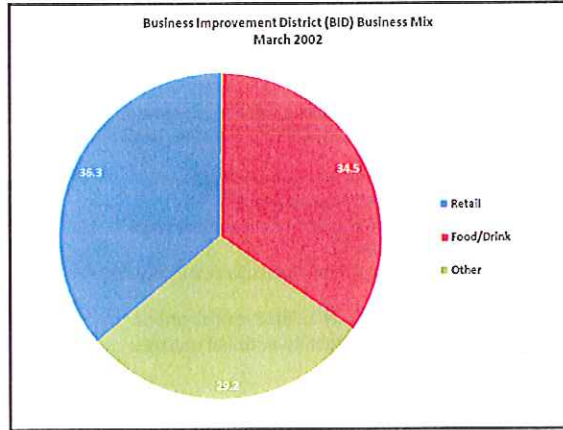
- Allowed flexibility for establishments operating as "entertainment venues" to locate within the ALDO area.
  - Up to 70% gross annual revenue from alcohol
  - Only 7 of these types of licenses available
- Increased the time for property owners to replace tenants from 1 to 2 years.
- Allowed for the possibility of capacity increases with physical changes.
- Placed a sunset of July 5, 2013 on the ordinance.
- Allowed for more flexibility in the annual review...



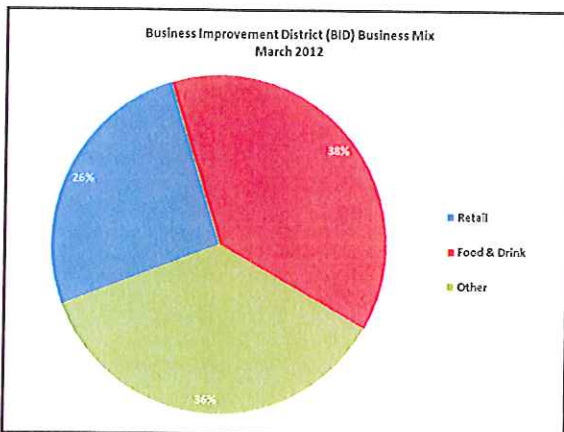


### Business Mix Data

- Food and Drink
- Retail
- "Other"
  - Services (health clubs, banks, etc.)
- Complete Business Improvement District (BID) data from 2002, 2009, 2011.







### National Retail Trends

- For the past three decades, the restaurant industry has consistently posted yearly sales gains. Today's consumers regard food prepared away from home as a necessity. Convenience, a need for socialization and gains in real disposable income have led consumers to spend more of their food dollars in restaurants (2003).  
– Let's Talk Business, Issue 84, Aug 2003
- Despite sluggish recovery by the nation's economy, the restaurant industry is projected to expand in 2012, according to the National Restaurant Association's [2012 Restaurant Industry Forecast](#).

### National Retail Trends Reported Closing Survey Data

Location of Retail Store	Empty Retail Area	Anchor/Corner Retail	Specialty Retail	Locally Owned
Regional Mall	3%	18%	27%	35%
Neighborhood Center	2%	16%	36%	42%
Downtown/Main Street	1%	4%	14%	63%

\*National League of Cities survey of city officials, 2009

➤ This survey was of city officials nationally who responded to the inquiry of if their city had retail closings in these areas (left column) and of what type (top row).

### National Retail Trends

- At the end of first quarter, vacancies at neighborhood and community shopping centers reached a 19-year high at 10.8 percent, according to Reis Inc., a New York City-based research firm. Vacancies at regional malls were at 8.9 percent—the highest level in the 10 years Reis has tracked the sector. Most researchers forecast that vacancies will continue to rise through 2010 and will decrease at a very slow pace in 2011.

\*Madison BID vacancy rate (2011): 6%

### Summary

- Tavern licenses are slightly down
- Total liquor licenses are up
- CFS are down from 2007
- National crime in four related categories is down
- Retail is declining in greater State Street area
- National retail is similarly struggling
- Vacancy rates are lower here than nationally

### Final Thoughts

- Sunset: July 5, 2013
- ALDO as a balance of regulating alcohol licenses and responsible economic development
- What is your vision of our core downtown district?
- Questions?

