

Dear ALRC members,

As you know, the BID Board has been very engaged with the ALDO. We look forward to good discussion of the final report from the ALRC Downtown Subcommittee at tomorrow night's meeting (agenda item 17).

The BID shares the goals of a safe and vibrant downtown, reduced alcohol-related disorder, and a positive business mix in the downtown. The BID continues to maintain that the ALDO (in any form) does little to reduce alcohol related disorder, and that other measures (such as proactive enforcement) are more effective. The BID maintains that the ALDO should be allowed to sunset, and be substantially amended if extended (see attached for BID position).

We appreciate the good work of the downtown subcommittee. The subcommittee's "Summary of suggested changes" (actually, a proposed amended version of ALDO) reflects much discussion and input from stakeholders. Even with the proposed changes, the BID believes ALDO discourages positive entertainment businesses from being proposed or established in the downtown. See below for specific feedback.

The BID is also concerned whether there is enough time for the ALRC and Council to make a good decision on ALDO by the March 5 sunset. We think that policy makers and the public need to see a 2010 ALDO annual review, enhanced with the information recommended by the BID. Thankfully, a new Alcohol Policy Coordinator is on board, but is just getting started in the position. We recommend consideration of timeline as well as the proposed amendments to ALDO.

Specific BID feedback: Proposed "Summary of suggested changes" (i.e., amendments to ALDO, <http://legistar.cityofmadison.com/detailreport/matter.aspx?key=21985>)

- Proposed changes to exceptional circumstances percentage and annual review are positive.
- 365 day limit – BID recommended eliminating this, or extending to at least 1095 days (3 years). BID also recommends discussion of start date.
- For proposed "Entertainment Venue," BID recommends an allowable alcohol revenue percentage of 75% or more (realistic business model)
- Entertainment Venue Capacity – BID is concerned about limitation of licensed capacity to dedicated seating capacity. What about business models that involve dancing or audience participation? This may limit viable business plans.
- Entertainment Venue - Business Plan – Requirement of detailed business plan "with level of detail normally required by lending institution." BID opposes, as this would require public disclosure of confidential, competitive information. BID instead recommends a set of standard questions on the application, or asking for a standard-format business outline (3 pages).
- Entertainment Venue- Annual Audit. The BID position is that this is undue financial burden on business. Audits costs at minimum \$1,000-\$1,500, with likely cost for analyzing receipts more like \$3,500 -\$5,000. Also, revenues tell only one part of the business story. What about expenses? BID instead recommends Entertainment venue businesses submit standard set of information (such as percentage of revenues and expenses devoted to entertainment) at renewal time.

Thank you & see you Wed. evening.

My best,

Mary Carbine
Executive Director
Madison's Central Business Improvement District (BID)
Mailing Address: P.O. Box 2136, Madison, WI 53701
Location: 122 W. Washington Ave., Ste. 250
t: (608) 512-1340

f: (608) 204-9028

mcarbine@visitdowntownmadison.com

www.visitdowntownmadison.com

January 18, 2011



Madison's Central Business Improvement District (BID)

BID Board Position on ALDO

Madison's Central Business Improvement District (BID) encompasses the greater State Street and Capitol Square areas. The BID includes some 220 commercial properties and 370 retail, restaurant, entertainment and service businesses, many of which are locally-owned and/or small businesses. The aim of the BID is to increase the vitality and health of the district and promote business within it, which includes attracting, retaining and expanding businesses, and reducing/eliminating retail vacancies. Our constituents are commercial property and retail business owners in the district, and their customers, both residents and visitors.

While the BID Board supports several goals of the Alcohol License Density Plan (to decrease the incidence of alcohol-related problems in the central downtown and to foster a business mix that contributes to economic vitality and quality of life in the central downtown) the BID Board disagrees that ALDO has been effective in achieving these goals.

The BID Board maintains:

- The ALDO's effect on licenses and capacity in the downtown is unsubstantiated.
- The underlying premise of the ALDO is that reducing the number of licenses will reduce alcohol-related crime and disorder. Since the ALDO was instituted in 2007, the city has not tracked or provided the annual number and types of licenses in the ALDO area—the core benchmarks of the ordinance. Nor does the city have reliable capacity numbers for licensed establishments, or an annual overall licensed capacity for the ALDO area. Using publicly available information, the BID compared of the number of licenses within the ALDO area as of January 2007 to May 2010. The comparison shows a 40% increase in the number of Class B combination licenses within the ALDO area. According to the 2009 ALDO annual review, there has been a reduction in alcohol-related disorder. Thus, *a higher density of licenses has coincided with reduced alcohol-related disorder* in the ALDO area. Claims that ALDO has reduced license and thus reduced alcohol-related crime and disorder are unsubstantiated.
- Other factors are more important in reduced alcohol-related crime and disorder:
 - Proactive policing;
 - Proactive regulation of licensed establishments;
 - An overall trend of reduced crime.
- The ALDO has negative unintended consequences for downtown business mix and economic development.
- The ALDO should be allowed to sunset, so that we can focus on policies which:
 - Target the problem behaviors and problem drinking;
 - Promote safe and well-run licensed establishments;
 - Incentivize a positive downtown business mix that develops downtown as a regional retail and entertainment destination.

The BID Board opposed the ALDO in 2007, and advocates that it be allowed to sunset. In the event the ALDO is extended, the BID advocates for the following changes:

1. No more than one year extension.
2. Remove the 365 day limit for granting of licenses to locations previously holding licenses. Exclude short-term “interim” businesses such as campaign headquarters from qualifying as “intervening businesses.”
 - The 365 day limit doesn’t give property owners enough time to find good tenants and responsible operators. This is counter to the best interests of the city and community: to have well-vetted, responsible operators and tenants.
3. Exceptional Circumstances – Allow more flexibility for license applications for entertainment establishments, and employ a holistic definition of exceptional circumstances that looks at factors beyond alcohol revenue percentage. Exceptional circumstance applications of up to 75% alcohol, 25% other revenue, should be considered.
 - The current 25% alcohol limit blocks entertainment businesses that are could be economically and socially beneficial to downtown from being established or even considered.
4. Allow capacity increases:
 - if permitted by code change or fire marshal
 - after probationary period (license condition) is satisfactorily completed
 - physical improvements, rehab or changes in bathrooms, etc.
 - for expansion into neighboring space as approved at discretion of ALRC
 - If a sidewalk café is approved.
 - The current ALDO prevents expansion and retention of good businesses and responsible operators. Allowing existing businesses and known operators with good track records to expand is a good choice for helping to control alcohol-related problems.
5. Changes to Annual Review as previously suggested (including retroactive data 2007-on). At minimum the report should include:
 - a. Annual list of number and type of licenses in the ALDO area, by sector
 - b. Reliable capacity numbers for establishments and ALDO area
 - c. Filter calls for service data:
 - i. daytime vs. nighttime
 - ii. Whether incident is specifically tied to licensed establishment vs. simply occurring nearby
 - iii. Exclude Halloween and Mifflin, which skew data
 - d. Crime maps based on filtered data
6. Reduce density plan area. Confine to areas with high calls for service instead of institute a blanket measure for the entire central business district, and/or create zones that protect primarily residential areas while allowing establishments in primarily commercial/mixed use areas.