

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.