



Madison's Central Business Improvement District (BID)

MEMO

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To: ALRC Subcommittee on Downtown Alcohol Issues & Ordinances

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Re: July 13 meeting, BID Board position on ALDO

Dear ALRC Subcommittee members,

I'm writing to summarize the BID Board position on the Alcohol License Density Ordinance and on specific items on your July 13 meeting agenda:

Summary - BID Board position and recommendations on the ALDO:

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 opposed the ALDO in 2007, and advocates that it sunset in October 2010.

- The ALDO's effect on licenses and capacity in the downtown is still 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 BID Board recommends the ALDO 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.

RE: Agenda Items 1, 3 & 5.

1: Proposed Changes to the Alcohol License Density Ordinance

3: Increasing the percentage of alcohol permitted under the exceptional circumstances (currently set at 25%).

5. Amendments to annual Alcohol License Density Ordinance Review

In the event the ALDO is extended, the BID will advocate 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 (not percentage-based) definition of exceptional circumstances as previously suggested by the BID (see attached “More Particular Version”). 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 sidewalk café is approved.
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.

RE: Agenda Item 4: *Sunset/potential extension of Alcohol License Density Ordinance*

The BID Board opposed the ALDO in 2007, and advocates that it sunset in October 2010 for the following reasons.

The ALDO's effect on licenses and capacity in the downtown is still unsubstantiated.

The stated purpose of the ALDO is to “maintain or gradually reduce the number and capacity of certain types of alcohol beverage licenses in the identified ALDO area,” based on the theory that reducing the number of licensed establishments and capacity in an area will reduce crime.

Yet, 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.

The BID Board maintains that no credible results can be attributed to the ALDO when the most basic information—the annual number and capacities of certain types of licenses in the ALDO area—is unknown.

The BID opposes any extension of the ALDO for the purpose of collecting more data, as core benchmarks of the ordinance were not tracked by the city in the first 3 years of the ordinance and there is no indication they will be tracked in the future.

Other factors are more important in reducing alcohol-related crime and disorder.

The ALDO is sometimes credited as having “worked” in reducing the frequency of alcohol-related crime and disorder since 2007.

The focus on reducing licenses takes policy-maker attention away from core problems:

- Problem drinking (overconsumption) that produces disorderly and violent behavior;
- Significant community and police costs for a small group of habitually intoxicated, chronic nuisance offenders;
- Problem drinking environments (house parties, problem licensed establishments), which generate an inordinate amount of disorderly and violent behaviors.

Factors other than ALDO have been more important in the reduction alcohol-related crime and disorder in the area:

- Proactive policing
- Proactive regulation of licensed establishments;
- An overall trend of reduced crime.

Proactive Policing:

- According to UW Professor Dr. Aaron Brower (presentation to ALRC Subcommittee, June 2, 2010), the majority of alcohol-related crimes in the general downtown area decreased between 2003 and 2008. He identified the biggest factor as a change in enforcement policy towards early intervention, i.e., proactive police enforcement earlier in the evening for lesser offenses, which reduces the number of later serious offenses.
- In 2007, the same year that the ALDO was instituted, the Central District Police implemented the Downtown Safety Initiative, with additional policing on weekend nights.

Proactive Regulation: Establishing & Enforcing Standards:

- Enforcement actions for problem establishments by the ALRC and city attorney's office have helped to establish and enforce standards.
- Alcohol Policy Coordinator hired and began work in 2006.

An overall trend of reduced crime:

- According to Uniform Crime Reporting (UCR) data March 2 by the Madison Police Department, overall city crime was down 4.4% in 2009.
- According to the US Dept. of Justice, overall violent crime in the Midwest decreased 4.6% in 2009, the third consecutive annual decrease.

It's important to note that whether there is an ALDO or not, the ALRC has the discretion to deny a license application and ask for changes or conditions that would improve safety. Whether or not there is an ALDO, the ALRC, City Attorney and Police can use existing enforcement options to address problem establishments.

The ALDO has negative unintended consequences for downtown business mix and economic development.

The ALDO is a blanket limitation on a wide range of entertainment businesses (not just bars) in the entire central business district, including areas that do not generate a large volume of calls for service.

The ALDO has a number of unintended consequences:

- It doesn't give property owners enough time to find good tenants and responsible operators, particularly in the current economy. This is counter to the best interests of the city and community: to have well-vetted, responsible operators and tenants. With the ALDO area so important to the city's tax base (1.14% of the city's total land area but 8.5% of its total assessment), the BID recommend against policies that foster vacancies over opportunities for responsible tenants.

- It blocks entertainment businesses that are could be economically and socially beneficial to downtown (such as a “dinner and movie” concept, neither bar nor restaurant) from being established or even considered. Quality entertainment and activities foster a safer environment, as patrons who are bored are likely to drink more alcohol, increasing their potential for problem behavior.
- By preventing all capacity increases, the ALDO prevents expansion and retention of good businesses and responsible operators who make a positive contribution to the neighborhood and business mix.
- While the ALDO states the city seeks to provide “opportunities in the downtown area for businesses that are either not associated with the sale of alcohol or that sell alcohol incidental to their principal businesses,” the ALDO does nothing to foster or incentivize non-alcohol businesses (i.e., retail) downtown

BID Recommends: Policies that focus on the problems, promote safe establishments, and incentivize a positive business mix downtown

The BID Board advocates that city and business community efforts focus on areas which can generate demonstrated results. The BID Board advocates that the ALDO be allowed to sunset and replaced with policies that:

- Focus on the sources of alcohol-related crime and disorder:
 - problem drinking
 - chronic nuisance offenders who are habitually intoxicated
 - problem establishments
 - house parties
- Continue:
 - Proactive policing/Downtown Safety Initiative
 - Proactive ALRC evaluation of license applications (potentially utilizing benchmarks and best practices, below)
 - Proactive enforcement efforts for house parties
 - Policies that focus on problem drinking (e.g., recently approved “ban list” to prevent sales to chronic alcohol abusers in a way that is fair to merchants).
- Consider:
 - Additional policies that focus on problem behaviors associated with problem drinking, i.e., penalty enhancer for disorderly conduct *while intoxicated*.

- Utilize existing enforcement options for problem establishments:
 - ALERT meetings
 - Formal complaints
 - Formal Expression of Concern
 - Conditions on License at Time or Renewal
 - Suspension/Revocation Hearing
 - Disorderly House Complaint
 - Chief's Security Plan
 - Public Nuisance-Circuit Court

- Incentivize retail and a positive downtown business mix:
 - Tenant Improvement or other incentive funding, e.g., along the lines of the package of grants and forgivable loans recently approved in Milwaukee to provide incentives for retailers to locate downtown;
 - Facilitate combining building footprints to create larger rentable spaces downtown;
 - Streamline, expedite city approval process for development and signage;
 - Prioritize downtown customer experience:
 - Convenient access: vehicle, multi-modal
 - Improved wayfinding signage to and through downtown;
 - Convenient, good-value public parking;
 - Clean, well-maintained and attractive public spaces;
 - Minimize unsafe and problem behaviors in public spaces.

The above would require involvement and increased attention from the Mayor's Office, downtown Alders, Planning, Parking Utility, Traffic Engineering, Mall Maintenance, Parks, Police, the BID and other downtown stakeholders and organizations.