

TO: Members of the Senate Committee on Elections and Local Government

FROM: Senator Robert Cowles

DATE: January 26, 2016

RE: Senate Bill 535

Thank you for having a public hearing today on SB 535. I am pleased to offer this legislation with my Assembly colleague, Rep. David Steffen. This bill creates two options for municipalities who have no available liquor licenses to obtain a "Class B" liquor license. This legislation was crafted in order to promote economic development where opportunities exist while preserving the value of already issued liquor licenses.

The need for this bill was brought to our attention by the Village of Ashwaubenon, which is in our district. Recently, the Green Bay Packers announced plans to develop the Titledown District, a \$130 million commercial development west of Lambeau Field. The development will include restaurants, hotels and other retail and commercial establishments. Unfortunately, Ashwaubenon has no available "Class B" liquor licenses for future tenants in the district who would not qualify for a liquor license exemption.

SB 535 offers two solutions to Ashwaubenon and other municipalities across the state who may find themselves in a similar position. The first option is the Regional Transfer Option (RTO). Under the RTO, a municipality may transfer up to three of its unused "Class B" licenses to a neighboring municipality for a minimum price of \$10,000 per license.

The second option is for a municipality to create a Premier Economic Development District (PEDD), which allows a municipality to issue two new "Class B" licenses outside of the quota system. Under the bill, a PEDD is defined as having a new construction value of at least \$20 million, a footprint of no more than 40 acres, contiguous property, and does not include single family or industrial parcels. A municipality can establish one PEDD by 2/3 vote of its governing body.

Senate Bill 535 has bipartisan legislative support and recently passed the Assembly on a voice vote. A wide range of stakeholders support the bill, including the Tavern League of Wisconsin, the League of Wisconsin Municipalities, the WI Realtors Association, the WI Restaurant Association, the WI Hotel and Lodging Association, and the Association of WI Tourism Attractions.

Thank you for the opportunity to testify on SB 535, and I would be happy to answer any questions.



DAVID STEFFEN

STATE REPRESENTATIVE • 4TH ASSEMBLY DISTRICT

**Prepared Testimony by Rep. David Steffen before the
Senate Committee on Elections and Local Government
Senate Bill 535: Municipal quotas for retail intoxicating liquor licenses
January 26, 2016**

Chairman LeMahieu and Committee Members,

Thank you for scheduling a public hearing for Senate Bill 535. This bipartisan bill creates two additional pathways to obtain a “Class B” liquor license for municipalities that have exhausted all licenses available to them based on our state’s quota system. This legislation was crafted in order to promote economic development and foster a business friendly environment, while at the same time, protecting the value of these licenses. As such, this bill has earned the support of a broad range of stakeholders including the Tavern League, the League of Municipalities, the Realtors Association, the Restaurant Association, the Hotel and Lodging Association, and Tourism Attractions Association.

The Village of Ashwaubenon has become home to the Green Bay Packers Titletown District, a \$130 million development surrounding Lambeau Field. The development will include high-end restaurants and hotels including Hinterland Brewery and Lodge Kohler. Problem: Ashwaubenon has no additional liquor licenses for future tenants in the Titletown District. While Hinterland and Kohler meet existing license exceptions, any smaller sports bars and businesses looking to open their doors in this development would be unable to obtain a “Class B” license. While the starting point for this bill came from a district-specific issue, the solution this legislation offers will be beneficial to municipalities and development projects throughout the state.

SB 535 offers two solutions to municipalities that find themselves in Ashwaubenon’s position. The first solution is the Regional Transfer Option. This option allows a municipality to transfer up to three of its “Class B” licenses to a neighboring (within 2 miles) municipality for a minimum price of \$10,000 per license. In the case of the Titletown District, the City of Green Bay has already expressed willingness to sell three of its licenses to the Packers, adding support to the claim that this is an attractive option to both parties of this transaction. **This option allows for unused licenses to be tapped into and incentivizes regional transferring by allowing municipalities to set their own transfer price.**



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The second option is the Premier Economic Development District (PEDD) Option. This bill defines a PEDD as having a new construction value of at least \$20 million, a footprint of no more than 40 acres, contiguous property, and does not include single family or industrial parcels.

A municipality can establish one PEDD and determine its boundaries by 2/3 vote of the governing body. A municipality can issue up to two Premier “Class B” Reserved licenses to a PEDD for a minimum of \$30,000 each. These two licenses do not count against a municipality’s quota. **This option incentivizes investments into our communities by providing additional license opportunities if PEDD requirements are met. Ultimately, the PEDD option will allow future projects to turn their full potential into reality.**

Finally, this bill clarifies the definition of a 300 seat restaurant for the purpose of meeting a liquor license exception. Current law provides a quota exception for a 300 seat restaurant. Essentially, this provision clarifies existing statutes and ensures the usual and customary seating capacity threshold for a license exemption is calculated using only the facility’s interior seating capacity (i.e. permanent) versus a combined total seating amount that includes external or seasonal (i.e. non-permanent) capacities provided through patios and decks.

Senate Bill 535 is the solution to a real problem faced by any community tapped out of licenses, but looking to develop. SB 535 demonstrates a pro-business commitment to encouraging investment in our communities, the benefits of which go far beyond the borders of a municipality. I strongly encourage you to support SB 535.

Thank you for allowing me to testify, and I welcome your questions and input.