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NIK KOVAC
ALDERMAN, 3RD DISTRICT

Date: July 20, 2018

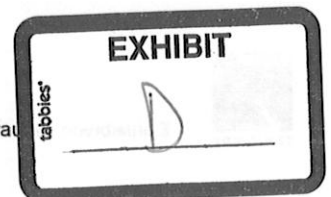
To: All Members of the Milwaukee Common Council

From: Licenses Committee

Re: Report on the Renewal Application of the Class "B" Tavern and Public Entertainment Premises (PEP) Licenses of Miguel A. Martinez, for the premises located at 828 South 1st Street in the City and County of Milwaukee, Wisconsin ("VIP Lounge").

FINDINGS OF FACT

1. Miguel Martinez (hereinafter "the Licensee") is the holder of Class "B" Tavern, and PEP Licenses for the premises located at 828 South 1st Street in the City and County of Milwaukee, Wisconsin ("VIP Lounge"). Said licenses expire at midnight on September 23, 2018.
2. An application to renew said licenses was filed with the Office of the City Clerk on June 5, 2018.
3. Pursuant to Chapters 85 and 90 of the Milwaukee Code of Ordinances and Chapter 125 of the Wisconsin Statutes, the matter was referred to the Milwaukee Police Department for investigation. On June 6, 2018, the Milwaukee Police Department responded with a report that could form the basis for nonrenewal of said licenses.
4. On July 5, 2018, the City Clerk's Office provided timely notice to the Licensee pursuant to Chapters 85 and 90 of the Milwaukee Code of Ordinances and Chapter 125 of the Wisconsin Statutes of the neighborhood objections. The matter was scheduled for a hearing on the objections on July 17, 2018, commencing at approximately 10:45 a.m. in Room 301-B of the third floor of City Hall. At said date, time and place, the Licensee appeared at the hearing and admitted receipt of the notice of hearing.
5. Based upon the sworn testimony heard and the evidence received at the hearing, the Committee finds the following:



- A. On May 21, 2017, at approximately 2:05 a.m., Milwaukee Police Department Officers were dispatched to a fight at 828 South 1st Street. Upon arrival, officers were unable to locate anyone fighting.
- B. On July 28, 2017, officers conducted license premise check at Desperados, 828 South 1st Street, based on a complaint of dancers, which is in violation of their license. The officers entered through the front entrance and observed females dancing in very revealing lingerie. The Licensee was on scene and stated the tavern was rented out for a private party. He was aware he did not have the proper license to allow dancers on the premise and did nothing to stop them. The officer also observed patrons with hands full of money and money on the floor. They also observed a changing room for the dancers.
- C. On August 6, 2017, officers were dispatched to VIP Lounge, 828 South 1st Street for a fight. The officer spoke with two victims who were security at the tavern. The guards stated that a subject was kicked out for being disruptive. The subject returned with five friends and chased one security guard outside. The suspects then began hitting and kicking the guard. The second guard was struck while helping the first guard. The suspects then fled the scene. On August 11, 2017, the officers contact the Licensee, who stated he did not witness the incidents and there are no cameras that would have captured the incident.
- D. On September 10, 2017, officers conducted a licensed premises check on VIP Lounge, 828 South 1st Street. Officers found 14 bottles of liquor contaminated with fruit flies. The Licensee was on premise and bottles were disposed of. No other violations were observed.
- E. On October 28, 2017, an officer observed vehicles parked In the alley adjacent to VIP Lounge, 828 South 1st Street. The officer spoke with the security guard at VIP Lounge who stated she did not know who owned the car. The officer began citing the cars and employees from other businesses came out to thank the officer because this was a constant problem. The officer observed a subject exit VIP Lounge and move one of the cars he cited. The officer spoke with employees of VIP Lounge and they were receptive to correcting the problem.
- F. On December 4, 2017 at 2:04 a.m. officers conducted a license premises check at VIP Lounge, 828 South 1st Street. Upon entering the officer observed 40 patrons who were still drinking alcohol. The Licensee was on scene and the officer asked him what time was closing and he stated

2:00 a.m. The officer then asked what the current time was and the Licensee stated 2:05 a.m. The Licensee was cited for allowing patrons after hours. The Licensee was found guilty of the citation on February 1, 2018, and fined \$10,190.00.

- G. On January 20, 2018, officers worked the special event, Fresh Empire, at VIP Lounge, 828 South 1st Street. The event was a tobacco free DJ event for children aged 13-17 with approximately 250-300 patrons. The event security was Midwest Intelligence Agency, who provides interior and exterior security. The security also assisted at closing time to clear additional business where patrons of the event go after closing.
- H. On February 23, 2018, officers conducted a licensed premises check at VIP Lounge, 828 South 1st Street. The business was closed, but the Licensee was on scene and allowed the officers inside. The officers located 13 bottles contaminated with fruit flies and 12 bottles missing labels. Wisconsin Department of Revenue Agents seized 18 boxes of hookah tobacco, which the Licensee said he supplies free to patrons. The Licensee does not have a Tobacco License. The DOR agents also seized 100 bottles of beer and 62 bottles of liquor that were not purchased from a distributor.
- I. On March 24, 2018 MPD officers responded to VIP Lounge, 828 South 1st Street, to assist with a large crowd exiting a Fresh Empire event. The officers observed 100 people standing in the street and 200 on the sidewalk. When the subjects walked to surrounding business they walked into the roadway affecting traffic. The organizer, Travis Chambers stated there was a fight inside between two females. Chambers had security empty the building. Several fights then occurred outside. He stated that he gives away 1500 tickets but only allows 300 inside. There were several calls for service regarding patrons from Fresh Empire. There were two arrests for Disorderly Conduct and two arrests for Resisting or Obstructing an Officer.
- J. Regarding the dancing incident, the Licensee stated that he rented the premises out for a birthday party on this date. He was unaware there were going to be dancers. He no longer rents the premises for these kinds of events. The Licensee also indicated that he has since hired a new security company.
- K. The Licensee stated that he put up five "No Parking" signs in the alley to alleviate the concerns regarding parking. He has also changed his "last



call” time from 1:50 a.m. to 1:30 a.m. in order to get patrons out of the licensed premises. He also stated that he has installed new cameras at the location as well.

- L. Alderman Cavalier Johnson indicated that he was concerned about the fruit flies in the bottles of alcohol. The Licensee stated that the bottles with the fruit flies had been sitting unsold, and were not available for sale at all. However, he has changed the caps on all his bottles to a more protective cover. Ald. Kovac indicated that he believed the Licensee’s explanation, and did not believe the issue represented a very serious infraction, but was more concerned about the public safety related issues.
- M. Mr. Travis Chambers, 725 North Plankinton Avenue, stated that he is the manager of the Fresh Empire events. He explained that Fresh Empire is a federally funded program that hosts events for youth between the ages of 13-18 between 4 p.m. and 8 p.m. Mr. Chambers stated that there were not 100 people in the street during the March 24, 2018 event, but a number closer to 25. He felt that the police response was disproportionate to the nature of the incident. He stated that the Licensee has been a tremendous help to Fresh Empire, including purchasing \$600.00 worth of alcohol locking equipment for Fresh Empire. Mr. Chambers stated that there were some issues with the proper storage of alcohol during the underage events, but that this was remedied as soon as it was brought to the Licensee’s attention. Mr. Chambers further explained that the fighting incident referenced above was a result of a gap in Fresh Empire’s private security, which was not the fault of the Licensee.
- N. Alderman Jose Perez, the local alderperson, was present and testified that he was concerned about the Fresh Empire events. He further testified that he was also to observe the bodycam footage of the patrons in VIP Lounge after hours. He indicated that he was concerned about the dancing and the illegally parked cars. The alderman indicated that he has been there when Fresh Empire Ald. Perez acknowledged that the Licensee had been receptive to the changes suggested during a meeting with the police and suggested a minimal suspension due to the theory of progressive discipline.
- O. Alderman Johnson made a motion for a renewal with a 10-day suspension based on the police report and aldermanic testimony. (Prevailed 4-0)



CONCLUSIONS OF LAW

1. The Committee has jurisdiction to hold hearings and provide Findings of Fact, Conclusions of Law, and a Recommendation to the full Common Council pursuant to Chapter 125 of the Wisconsin Statutes and Chapters 85 and 90 of the Milwaukee Code of Ordinances.
2. Based upon the above facts found, the Committee concludes that the Licensee, Miguel Martinez, has not met the criteria to allow renewal of his Class "B" Tavern and PEP licenses without serving a 10-day suspension.
3. In order to protect the health, safety and welfare of the citizens of the City of Milwaukee, it is the recommendation of the Licenses Committee that the full Common Council of the City of Milwaukee should exercise its judgment to renew the Class "B" Tavern and PEP licenses of Miguel Martinez for the premises located at 828 South 1st Street, in the City and County of Milwaukee, Wisconsin ("VIP Lounge") based upon the police report and aldermanic testimony.

RECOMMENDATION

Based upon the Findings of Fact and Conclusions of Law stated above, the Committee, by a vote of **four (4) ayes, zero (0) noes, and one (1) excused**, recommends that the Class "B" Tavern and PEP Licenses of Miguel Martinez for the premises located at 828 South 1st Street ("VIP Lounge") in the City and County of Milwaukee, Wisconsin be renewed with a 10-day suspension based upon the police report and aldermanic testimony.

Said suspension is in effect between 12:01 a.m. on September 24, 2018 until 11:59 p.m. on October 3, 2018.

Dated and signed at Milwaukee, Wisconsin this 20th day of July, 2018.



NIK KOVAC
Chairman, Licenses Committee

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