



City of Milwaukee

City Hall
200 East Wells Street
Milwaukee, WI 53202

Meeting Minutes

LICENSES COMMITTEE

ALD. T. ANTHONY ZIELINSKI, CHAIR

Ald. Jose G. Perez, Vice-Chair Ald. Milele A. Coggs, Ald.

Chantia Lewis, and Ald. Khalif J. Rainey

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Monday, April 17, 2017

1:30 PM

Room 301-B, City Hall

Special

The meeting convened at 1:31 PM

Present 5 - Zielinski, Perez, Coggs, Lewis, Rainey

1. [161333](#) Motion relating to the recommendations of the Licenses Committee relative to licenses.

Sponsors: THE CHAIR

04 KRAHN, Scott A, Agent for "PPH Properties I LLC", Class B Tavern and Public Entertainment Premises License Applications with 21+ Age Restriction Requesting Adult Entertainment, 5 Amusement Machines, Bands, Dancing by Performers, Disc Jockey, Instrumental Musicians, Jukebox, Patron Contests, and Patrons Dancing for "Executive Lounge" at 730 N Old World Third St.

Appearing on behalf of the applicant:

Attorney Christopher Meuler stated Mr. Buzdum will like to address comments he made at the previous meeting. Ald. Bauman asked that the video of Mr. Buzdum's testimony from the last meeting be played. Attorney Meuler objects to the playing of previous recorded testimony of Mr. Buzdum. Ald. Zielinski asked Attorney Meuler to state the team applying. He stated that the majority owners are Mr. Modl, Mr. Krahn, and Mr. Buzdum. The minority owners are Mr. Urban and Mr. Ploetz and that Mr. Ploetz will be Head of Operations. Closing remarks: Attorney Meuler submitted a plan that complies with the Ordinance and stated that the applicants can back it up with their track record. He stated that the applicants plan to run a good operation to meet and exceed expectations. He stated that the occupancy is 250, 1,000 parking spots will not be needed.

Craig Ploetz - 4777 Mallard Ct, Colgate WI stated he started in 1984 as Bartender, then Bar Manager and worked his way up ladder. He served as the General Manager of Fantasia and Insomnia and in 2003 with Silk Exotic, 11400 W Silver Spring Rd. He also served as General Manager for the second Silk location and later a 3rd location in Wisconsin. He stated that his license has not been revoked during his career. The club will be an upscale high-end club that will serve businessmen

and women visiting the City. He stated that security will be inside and outside during operation. The parking will be handled by Luxury Valet. The valet will park all cars off-site at the Federal Plaza and use street parking. There will be sound dampening material installed to prevent noise or sound from the strip club. The club will be low-key. The club will have security cameras inside and outside of the building. He stated that order will be kept. Those disruptive will be escorted outside. Ald. Coggs asked why there was a change of management. He stated that his thoughts were he was always the Head of Operations. He stated the majority owners will make the decision on clients and their aim is to attract businessmen and businesswomen. He stated that inside of the premise there will be unarmed security and a third-party security will be hired for exterior. They will be armed and walking the perimeter. The security will be present Mon – Thurs, 11 a.m. until close. Ald. Zielinski asked about the experience of Mr. Modl and Mr. Krahn. Mr. Ploetz stated that Joe Modl has 13 1/2 years of experience and 36% ownership. Scott Krahn has 13 1/2 years of experience and 36% ownership. Mr. Ploetz stated that there have been no problems in operations, no lowering of property values, and no crime in any of the areas of their strip clubs. Ald. Perez questioned the spots for parking. Mr. Ploetz stated that parking will consist of 660 spots at the Federal Plaza, 110 spots at 3rd and Wells, and 200 spots at Rimco. Ald. Perez asked if there were residents in the areas of the present strip clubs. Mr. Ploetz stated that there are no residents near the location on Silver Spring except for up the hill and a Hotel nearby. He stated that they do not use Police Officers that are currently working assisting them at this time but use ex-police officers as security. He stated that there haven't been any problems in Juneau area and the location is near residents. Ald. Lewis asked if they have spoken with any of the neighborhood groups concerning a location more feasible. He stated that they have not spoken to any neighborhood groups concerning relocation. He stated that they have looked for new locations but are stopped each time. They are open to ideas from the neighbors to control noise and loitering issues. Ald. Zielinski asked if there were any objections to renewals at either location. Mr. Ploetz stated that there were objections at the beginning of their other initial applications, but not at the renewals. Ald. Perez wanted to confirm if there were any incidents recorded at Silk. Jessica Celella, License Division Manager read incidents that occurred at the location on 11400 W Silver Spring Dr. Mr. Ploetz state that the shooting mentioned occurred outside of the Showtime Bar and there were no weapon inside bar. He stated that Silk used security surveillance to track down shooter. The staff handled situation and contacted MPD. Ald. Bauman asked for the exact place where leases are relating to parking. Mr. Ploetz stated that parking will be handled by Luxury Valet who is using parking lots, but they are not leasing the lots. Ald. Bauman asked if there is a contract for parking today. Mr. Ploetz agreed that there is no capacity and/or contract for parking at this time, but the likelihood of getting this is very good. Ald. Coggs asked about the lighting at the establishment. He stated that there is intent to increase the lighting outside and add 34 state-of-the-art cameras.

Sarah Crandall - 131 W Wilson St, Madison WI In reply to Ald. Coggs inquiry about the change of management, Ms. Crandall stated that originally Mr. Buzdum would handle day-to-day operations but was changed to Mr. Ploetz and an Amendment was submitted. She stated that after informal talks with City Attorney Office a joint application was filed, Sept 2016. Ms. Crandall stated that the informal talks preferred that all the applicants join as one to apply for the license. Ms. Crandall stated that Silk stated that if they were to merge, they wanted to be in charge of operations because of their track record. The paperwork for the change was just filed a week ago. The decision to place Craig Ploetz as Head of Operations has been in place since December 2016. She stated that Mr. Ploetz was brought in to be Head of Operations because of his track record and ability. The owners reached out to neighborhood groups and they had no suggestions and did not want to help them find a new location. The ownership hasn't changed but the management has changed.

Ald. Zielinski asked for clarification of who is leasing the property. The lease is with PPH 1 Properties LLC and Ferraro has no connection to the entity. PPH Properties 1 LLC consists of Scott Krahm, Joe Modl, and Radomir Buzdum. She stated that the management group is identical to the club in Madison and Mr. Buzdum will rarely be seen.

Radomir Buzdum - 1027 N 4th Street, Watertown WI – He stated he apologizes for the disrespect and inappropriate comments made toward Ald. Bauman at last meetings.

Individuals also present:

Ald. Bauman requested that the video from previous meeting be played. Ald. Zielinski interrupted the video and asked Ald. Bauman the point that he is making and that the video was too long to watch at this time. Ald. Bauman objected to the video being interrupted and stopped by the Chair. . He stated that there have been incidents involving guns at Silk in the past. That hasn't been the issue. The issue is the redevelopment of the area Grand Theatre and The Shops of Grand Avenue. He stated that business owners have spoken about the negative impact of this venue first hand. Estate and property owners have also testified in opposition. There will be a conflict in generating retailing with a Gentlemen's Club. He stated that this will cause conflicting markets. He stated that this is the 6th time a strip club has been considered at this location. He stated that nothing has changed but the economics underground. The same and even stronger facts have been presented this time around.

Ald. Bohl stated Silk is located in District 5 starting in 2003. He inherited the group in his District. He stated that they are very proactive with few accidents. He encouraged the group to contact him immediately when incidents happen instead of him finding out another way. He stated that they run a tight operation, has an abundance of security, and are proactive with MPD. They run a strong operation. He stated that he spoke with the Attorney for Bid 21 and the attorney stated that there is no location supported by the group. He stated that he notified the applicant that they will not be able to have large signage advertising the strip club. The owners stated that they would not, but remain low-key. There is one existing strip club on Juneau and Water Street and is across the river from the ALOFT. The MSOE invested in residential apartments across from strip club. The Marcus Theatre is considering moving their headquarters near the existing strip club. The strip club has not stopped any redevelopment or investments. The strip club currently downtown has not affected anything.

Ald. Coggs objected to the interruption of the video (previous testimony by Mr. Buzdum). Ald. Coggs asked for clarification on why management changes within a week when the application has been on file since Sept. 2016. She stated that testimony has been heard about the credibility of Silk, but it is not just Silk running this establishment, its several owners.

Ald. Perez objected to the interruption of the video (previous testimony by Mr. Buzdum).

Individuals present in opposition:

Stacey Callies - 633 W Wisconsin (representing the West Town Association) The Board of Directors has consistently opposed this use of the property since the application in 2010. She stated opposition is due to neighbor concerns and its negative impact. The business will negatively impact the tax base. Huge projects will be impacted. The business will have a negative impact on property value. It will affect the owner's ability to retain and recruit commercial tenants. She stated that economic impact is at stake, future projects will be impacted, property values and

quality of life will be impacted. There are over 2,000 units in West Town. Ald. Lewis asked Ms. Callies for clarification that she (Ms. Callies) has spoken with the businesses and they stated that they are not willing to move forward with their development if the gentlemen's club comes into the neighborhood. Ms. Callies stated she has not spoken with other businesses, but she personally feels that this business will be incompatible with those existing and could negatively impact their business. She stated that the other business owners are there to testify on their own behalf. John Hennesy - 831 W Wisconsin Ave (Owner of St. James Court Apartments since 1984) He stated he owns properties near the proposed club. The use of this property is incompatible to what is in the neighborhood so far. He stated that the plan is set for what the neighborhood will like to attract. He stated that this use will change that plan.

Mehazar Aldi - 509 W Wisconsin Ave. (Hilton Milwaukee City Hotel) He stated there would be an increase in crime and other things associated with this type of business. He stated there would be an increase in littering, loitering, and parking issues.

Doug Nice - 100 E Wisconsin Ave (Chief Financial Officer of Marcus Corporation) He stated the company has made millions of dollars of investments in the downtown area. They have concerns about the negative economic impact, negative impact on tourism and property values. He stated there are several projects happening such as the Arena project, 4th and Wisconsin project, and the expansion of Convention Center just blocks away. He stated that the approval of this license will cause a step backwards.

Bob Monet - 301 E Erie St (Property Managers of Library Hill and Boston Loft Apartments) He stated that their properties, which consists of over 300 residents, are located a few blocks from proposed club. He stated that the neighborhood is heavily residential and the use of this premise will be detrimental to the neighborhood. This type of use is inappropriate for the neighborhood.

Kristin Sedle - 648 N Plankinton #220 (Director of Communication, Visit Milwaukee) She stated that the business would have an effect on the economic impact of different societies that holds events downtown. These groups will withdraw their proposals for upcoming years. There would be long term economic impact due to strip club. Ald. Coggs asked if the concerns were based on conversations held with the groups that do the conventions. Their concern is based on their Sales team's meetings with the meeting planners. Ms. Callies stated that the groups that are religious based stated that they would not choose a city based on a strip club being in walking distance of their venue.

Steven Chernoff - 3722 N Lake Drive, Shorewood (President of Organization for Revitalizing, Council, Milwaukee Symphony Orchestra) He stated the neighborhood has gained several new projects over the years. These projects have caused an enormous number of positive impacts. He stated that the applicants have not done anything to improve its position. He stated the release of judgment is illegal and the settle agreements are unenforceable. Ald. Zielinski stated that the testimony should be on firsthand knowledge. Mr. Chernoff stated that he has seen the settlement agreements himself. Ald. Coggs asked that the City Attorney address some of the legal talk done by Mr. Chernoff. Assistant City Attorney Butler stated that the comments should be addressed in closed session and not addressed at the table.

Ald. Coggs asked the City Attorney to speak on the purpose of the meeting. The Assistant City Attorney stated that new scheduled alcohol applications must be heard within three cycles which the three cycles have passed and that is why this application is being heard today. Ald. Bauman asked the City Attorney if all three of applicants signed the settlement. The City Attorney stated that they all signed. Ald.

Zielinski stated that he wanted to confirm with the City Attorney that there was a settlement agreement previously and the Council voted to deny in spite of the settlement agreement. The City Attorney stated that was true.

Beth Weirick - 930 E Lyon, Milwaukee Office: 600 E Wells Street (CEO, Milwaukee Downtown District #21) – She stated that she opposes the application due to the negative secondary impact. The business will be incompatible to the current downtown comprehensive plan that is in place. She stated that the area has risen to the request to build a city to be proud of. She stated that there are several art projects on Wisconsin Avenue to draw our youth. She states that the strip club will not add positivity to the neighborhood and does not improve the quality of life. She stated that she is not opposed to strip clubs just not in this District where there are several residents and commercial businesses exist. She stated that the District is not an entertainment District and goes against the master plan. Ald. Rainey asked Ms. Weirick if it is her belief that a strip club in any neighborhood will have a negative counter-productive impact. She stated that she is not oppose to strip clubs but four doors down from the Grand Avenue Shops or around the corner from the Grand Theatre is not a good location. She stated that it is not a compatible use. Ald. Rainey asked Ms. Weirick has she ever testified against any other strip clubs. She stated yes. Ald. Rainey asked if she ever testified against strip clubs in any other neighborhoods and she stated that she has not because she does not reside in those areas.

Tony Janowick - 275 W Wisconsin Ave (Shops of Grand Avenue) He stated that they invested over 26 million dollars and hopes to invest another 40 million dollars. He stated that approving a Strip Club in this area would be a slap in his face. The area is a family-focused neighborhood. The business is seeking the wrong location, wrong fit. He stated he don't support adding more obstacles in improving the area. The strip club will hurt his plan of redevelopment. He stated that there are several businesses holding off on signing leases because of the proposed strip club and this business will be a direct conflict to the master plan.

Tom Sheperd - 833 E Michigan (Commercial Real Estate Broker, 310 W Wisconsin - The Big Blue) He stated that there's a lot of turnover of businesses. As of now, there is interest in the downtown area from out-of-state investors. The strip club will be detrimental to large projects. It will have a negative impact on property value. He stated a negative stigma and perception has plagued West Town. Ald. Rainey asked Mr. Sheperd's if it is his belief that a strip club has a negative impact on property value in any area. Mr. Sheperd stated yes.

Michael Maher - 3rd and Wells (CFO, Legal Action of Wisconsin) He stated that their group serves 4,300 clients who are victims of crime, sexual assault, elderly, 50% females. He stated that this license is not appropriate for the area. The victims bring their children and will have to walk by this location coming from the bus stop. There are concerns about retaining staff and clients in the neighborhood.

David Wiley - 720 N Old World Third St. Stated he values living in the neighborhood. Community-oriented area and the approval of the license will cause him to move from the neighborhood. He is uncomfortable with the assurances offered about noise and disturbances.

Allison Carpier - 720 N Old World Third St. Ms. Carpier stated that she is directing next door and composed of 100 apartments and 2 commercial spots. The club will be detrimental to doing business. She stated that she is concerned with the effect on residents.

Nicole Krieger - 725 N Plankinton Ave. She stated there has been positive changes and transformation in homeless and loitering over the last two years. The club will negatively impact the progress being made.

Matt Dorner - 141 N Jackson St (Downtown Business Approval District) He stated that there are 3 organizations that he is a part of that is in opposition and on record. Newaukee Night Market generates 40,000 people for the event. This consists of families including children that attend event. He stated that the approval will disrupt the momentum of the neighborhood.

Martha Love - 18th and Cherry (one of the founders of the Human Trafficking Task Force) She stated that she is concerned with the safety of children. She is concerned with increased sex trafficking. Ald. Rainey asked Ms. Love if they attend hearings on strip clubs regularly. She stated that they don't come as often as they use due to assurance that the Alderpersons will not tolerate strip clubs in various districts. She stated that they are willing to help in any district that they feel their help is needed.

Debbie Thomchek - 1000 N 21st Street (Attorney representing BID #21) Ald. Coggs moved to enter into the record Exhibit 1 - Radomir Buzdum testimony from Sept. 17, 2015 and Exhibit 2 - Dusanka Buzdum testimony from Sept. 17, 2015. Ms. Thomchek asked for previous premise items 12, 13, and 16 be read into the record from the previous premise. Ald. Zielinski moved to have those items read. Assistant Attorney Butler read the items. The applicants' attorney requested that the results of the charges also be read. Ms. Thomchek stated that the business was operating as a strip club and there was a plan of operation approved but no strip club activities were approved at that time. She stated that the character of the applicants remains the same. The downtown group does not oppose all the locations, just three of the five locations. She stated that the settlement agreements are inappropriate and will bring more lawsuits. She stated that there is a need for an opportunity to work with the City to find a reasonable solution.

Individuals in support:

Duron Epperson - 734 N Old World Third St. Mr. Epperson stated he support the opening of this location. Ald. Bauman asked if the landlord the same landlord for the proposed strip club. He stated yes.

Carmen Lux - 734 N Old World Third St. She stated the business will bring more jobs, visitors, and provide entertainment for many. The security that will be provided by the club will be helpful. There are shootings and crime without the club being there. She stated that more business and money is a good thing.

Shane Kuwall - 734 N Old World Third St. He stated it will increase security and lighting for the residents. He stated that there will be safety for those walking their pets. He stated that the business will bring more people to the area. The business will bring bartenders and waitresses. He stated that the building should be invested in even if this doesn't work out. Ald. Bauman asked if he testified in favor of the previous clubs at this location. Mr. Kuwall stated yes.

David Weir - 2602 Newberry St (Owner of 730-741 N Old World Third St.) He stated that he wants the highest and best use out of his property. The owners will bring prosperity. Mr. Wier stated that he offers affordable living downtown. Ald. Lewis asked if he is dependent on the security of the strip club to protect his tenants. He stated that he is relying on the club to provide security and safety to his residents because strip clubs have a better track record for security. Ald. Perez asked about his track record with his tenants, in particular, Rusty's. Ald. Bauman asked if his

tenants were able to renew or not and did they have issues while leasing the property. Mr. Wier stated that he's not aware with issues with Rusty's except for an ID issue. He stated that he is not aware of non-renewal of previous tenants, Rusty's and Martini Mikes. Ald. Bauman asked the landlord from whom he is leasing. The landlord, Mr. Weir, stated he is leasing to an entity but no sure of the name and has leased to the entity for over 2 years now. He stated that he has no insight on the group.

Gautam Pulla - 734 N Old World Third St. He is in support. He stated that this business will be conducive to the area. It will bring an addition of diversification to the area and help with loitering and safety. He stated that allowing the spot to remain empty would increase the loitering and other issues. He feels that there need to be strict regulations on appearance at the club and that this business can help the City accomplish its goals. He stated that everyone should work together with regulations. This move will be better than an abandoned building. Ald. Bauman asked how long has he lived there. Mr. Pulla stated that he lived at this at this location for 2 months.

Surya Chionesu - 734 N Old World Third St (tenant and signed her lease today) She stated that she was notified about the Gentlemen's Club seeking licensing. The security will make her feel safe. She is in support.

Ald. Lewis moved to Hold to the Call of the Chair (Prevailed 3-2, Alds. Zielinski and Perez voting no)

A motion was made by ALD. LEWIS that this Motion be HELD TO CALL OF THE CHAIR. This motion PREVAILED by the following vote:

Aye 3 - Coggs, Lewis and Rainey

No 2 - Zielinski and Perez

The meeting adjourned at 4:39 PM

Yashica Hayes
Staff Assistant