



City of Milwaukee

City Hall
200 East Wells Street
Milwaukee, WI 53202

Meeting Minutes LICENSES COMMITTEE

ALD. T. ANTHONY ZIELINSKI, CHAIR
Ald. Milele A. Coggs, Vice-Chair
Ald. Nik Kovac, Ald. Robert Puente, and Ald. Russell
Stamper, II
Staff Assistant, Molly Kuether, 286-2775
Fax: 286-3456, Molly.Kuether@milwaukee.gov
Legislative Liaison, Andrew VanNatta, 286-2253,
andrew.vannatta@milwaukee.gov

Thursday, September 17, 2015

10:00 AM

Room 301B, Third Floor, City Hall

Special

Meeting called to order at 10:15 AM

Present 5 - Zielinski, Borkowski, Kovac, Puente, Hamilton

1. [150346](#) Motion relating to the recommendations of the Licenses Committee relative to licenses.

Sponsors: THE CHAIR

04 KRAHN, Scott A, Agent for "Simplified Investments LLC", Class B Tavern, Public Entertainment Premises, and Food Dealers License Applications, Requesting Adult Entertainment/Strippers/Erotic Dancing, Dancing by Performers, Patrons Dancing, Patron Contests, Disc Jockey, Bands, Instrumental Musicians, and 5 Amusement Machines for "Silk Exotic" at 804 N Milwaukee St #4th Floor.

Appearing with the applicant:

Attys. Michael Whitcomb and Jeff Scott Olson

John Ferraro

Sarah Crandle

Also present:

Ald. Bauman

Opposed:

Dr. Matthew Panhans, President of Milwaukee School of Engineering (MSOE) stated he is concerned about the safety risk for alcohol and erotic dancing so close to MSOE's Kueger Hall.

Kevin Morin, Vice President of Operations MSOE, stated the proposed premises will have an additional financial impact for public safety of \$45,000 in salary and \$30,000 for a squad because female students are afraid to walk near the proposed location. He also stated there will be a perception that will have negative impact on prospective students and families.

Kevin Bale, Executive Director of Madison Medical Affiliates stated he is an active member of the downtown business community. The medical center has been downtown since 1903, and in its current location since 1970s. The lease up June 30, 2017 and will not renew if the proposed license is granted. He added parking is a current problem for patients, as well as panhandling and petty crime.

Mike Burr, CEO of K&L Trust, states as the owner of 825 Jefferson he believes crime

and loitering will increase. He is also concerned about unwanted building access, decreased property values, and access to parking.

Fr Jeff Aimes, Cathedral of St John the Evangelist, stated the Cathedral currently operates a homeless shelter and meal program, and houses Tenor High School. He fears Silk will lure people away from their mission of overcoming challenges and prohibit people from visiting church. He also believes the Cathedral will lose business for people wanting to hold weddings downtown because of the proximity to the proposed premises.

Lawrence Pope, 545 E Wells St, stated he is concerned about children in the area and playing in Cathedral Square Park.

Richard Abdoo, 923 E Kilbourn Ave, stated he enjoys living downtown and does not have to worry about undesirable people. He also added as former CEO of We Energies and Wispark that zoning affects real estate development.

Kendall Brunig, 10535 W College Ave, stated the posting requirements for the proposed premises had not been met, and is concerned that people will be smoking in front of Krueger Hall.

Alisha Schwartz, 545 E Wells St, stated she is a real estate agent and is concerned that property values will decrease if the license is granted.

James Orr, 545 E Wells St, Cathedral Square Condo Association, stated the condo has 27 units with a combined value of over \$10 million. He is concerned about the negative secondary impacts, such as the noise of the club emptying at 2:30 AM, increased crime, littering, parking scarcity, and an inappropriate environment for children.

Ken Schulburg, 545 E Wells, stated he is concerned about noise, lewd behavior, and decreased property values.

Kelly Brukel, Carnival Travel Agency, stated she has operated her business since 1980, and is concerned about clients' safety, parking, and will move her business elsewhere.

Dave Clarke, 923 E Kilbourn, Kilbourn Tower Condo Association, stated he is a former real estate manager of Northwestern Mutual, and fears this premise will discourage institutional investors from participating in real estate downtown.

Brandon Krieski, 741 N Milwaukee St, stated this premise will decrease property values, and entice panhandling and robberies.

Fr Tim Kitzke, Old St Mary's Church, stated the church has been in existence since 1848 and there are 1,100 families that are part of the parish. The parish is more kid-friendly, with education and reformation programs, and weddings. He is concerned that there will not be enough off street parking.

Gerald King, 14400 W Over Rd, Elm Grove, WI stated he as investment properties near Cathedral Square and would stop investing if the license is granted.

Kirk Totey 545 E Wells, stated he is concerned about decreased property values and the increased need for police when the club lets out.

Shelly Roeder, Director of Outreach Ministry at Cathedral of St John the Evangelist, stated she is concerned about increased traffic congestion and parking.

David Hassee, Board Member of Seeds of Health, operator of Tenor High School, stated students do circulate through neighborhood and sees potential problems with traffic and patrons.

Eric Durand, 741 N Milwaukee St, stated he is a MSOE professor and is concerned about increased crime, decreased property values, and potential forced prostitution per Journal Sentinel article.

Kip Kussman, Dean of Students MSOE, stated MSOE students are opposed and it is not a healthy environment. He is also concerned that this premises will bring larger gender based issues into the community.

Jim Temmer, Executive Director of Milwaukee Bar Association stated he is concerned about less parking in the area.

Phyllis Resop, President of Pentagon Property Management stated that her tenants are leaving or considering leaving if license is granted resulting in a higher vacancy

rate and decrease tax revenue. She is also concerned that there is no additional parking and smokers will congregate in front of the building.

Tom Guskowski, 925 E Wells St, stated he loves living downtown.

Jennifer Kraiski, 741 N Milwaukee St, stated she loves living downtown and is concerned about safety, decreased parking, the streetcar stopping in front of premises, and decreased property values.

Susan Smith, 1228 N Milwaukee St, stated she lives in a senior residence, and this premises is detrimental to the historical churches in the area that are trying to attract new members.

Kim Morris, Executive Director of East Town Association stated she is concerned if Madison Medical leaves the Association will lose \$100,000 of support per year.

Jeff Seymor, 741 N Milwaukee St, asked if this will make our community better, and added that crime rates tend to be higher with these types of businesses.

Mario Cosentini, 3479 N Shepard, stated he will sell before the property values fall, and if the license is granted it's at the detriment to the community.

Judy Hazard, owner of Karl Rasch's stated she is concerned with safety of patrons.

Mike Harrington, 925 E Wells St, stated he is concerned about residential property growth, public drunkenness, and inappropriate behavior.

Elizabeth Weirick, Chief Executive Officer of Milwaukee Downtown BID 21, stated this premises will not help downtown at all.

The meeting recessed at 12:23 PM

The meeting reconvened at 12:53 PM

In Support:

Chaz Hasting, 11310 W. Silver Spring Rd, owner of Milwaukee Harley Davidson, stated that Silk is a good operator, they keep patrons and employees safe, and his property value has increased.

Angela Fix, 14115 W Honey Ln, New Berlin, stated she has been a Silk employee for 7 years, and the applicant is concerned about safety and nothing has ever gotten out of hand.

Robert Lopez 3827 S 74th St, Manager of Luxury Valet, stated he will provide valet services downtown and rent lots from many downtown locations. He has already secured 200 spots for Silk, and the customer cars will not be parked on the street.

Alberto Gonzalez, 222 S 3rd St, stated he has been working for Silk for 9 years, and there is a strict dress code, there is a close relationship with MPD, and customers of downtown hotels take their clients out of downtown to visit clubs.

Adam Griffin, owner of Fire on Water, stated it is a shame not to have the business downtown, and he doesn't see it as a problem.

Mike Parker, 1333 W Oregon, stated he used to DJ at the club for 10 years and frequently sees the aforementioned problems at other bars in the City.

Jack Holt, 6919 W Rd, stated he currently manages Ward's House of Prime and is frequently asked by guests where they can go. He stated having more things to draw people downtown is a good thing, and this will be a state of the art facility with top notch security.

Ald. Bauman stated there are lots of things to consider, including the testimony of real estate professionals, MSOE, residents, and business owners. He is concerned about the secondary impacts such as traffic, noise, commotion, parking congestion, and the potential impact of 13,000 sq. ft. venue with the capacity of 700.

Atty. Whitcomb stated Silk is an entertainment facility, such as the Pabst, Riverside, and Marcus Center, who all provide alcohol to their patrons. The other Silk locations do not have tavern related problems because patrons are drawn to the entertainment, not alcohol. He added that objections are to the form of entertainment and based in fear because the owner has an 11 year history of a successful business ownership.

John Ferraro stated that only the "S" Silk logo will be on the building with no exterior lighting other than security lighting and there will be men with tuxedos greeting guests. He added he wants to buy building and would like to have a high end

restaurant and gym in building. There will be free valet parking, employees will promote patron safety, and he is applying for a rooftop patio and will extend elevator to roof. No loitering signs will be posted, and there will be armed guards and a patrol car. He added that the business is 90% credit cards and most of the objections are from people who have moral objections.

Ald. Hamilton moved to Hold to the call of the Chair. (Failed 2-3, Aids. Kovac, Puente, Zielinski voting no)

Ald. Kovac moved denial based on neighborhood testimony. (Prevailed 4-1, Ald. Hamilton voting no)

Ald. Borkowski moved to reconsider. (Prevailed 5-0)

Ald. Kovac moved denial based on neighborhood testimony. (Prevailed 3-2, Aids. Hamilton and Ald. Borkowski voting no)

A motion was made by ALD. KOVAC that this Motion be AMENDED. This motion PREVAILED by the following vote:

Aye 3 - Zielinski, Kovac and Puente

No 2 - Borkowski and Hamilton

The meeting recessed at 2:03 PM

The meeting reconvened at 2:07 PM

04 SMITH, Robert F, Agent for "Boardroom Entertainment Mke, LLC", Class B Tavern and Public Entertainment License Renewal Applications, Adding Adult Entertainment, Strippers, Erotic Dancing, Patrons Dancing, and Dancing by Performers and Class B Tavern and Public Entertainment Licenses for "Rusty's Old 50 " at 730 N Old World Third St.(Expires 10/30/2015)

Appearing with the applicant:

Attys. Andy Arena and Wayne Gianpietro

Individuals also present:

Ald. Bauman

Opposed:

Joe Werick, 930 E Lyon St, stated he is concerned about adult entertainment at the location, and believes it is not conducive to economic development of neighborhood. He stated the location has been sporadically open and is objecting to the secondary impact of the premises.

John Hennessey, owner of St James apartments at 831 W Wisconsin Ave, and board member of CED, BID, Westtown, stated he is concerned about business development from secondary effects, and added most business don't want to be located next to a strip club.

Stacy Callis, Executive Director of Westtown Association and President of BID, stated she is opposed to this use at this location because it will negatively affect the revitalization effort in the area and effect property values.

PO Martin stated he observed dancers exposing their breasts at the premises.

PO Benitez stated he observed a female dancing with thong, pasties, and see through garment, patrons were sitting at bar drinking, and in a room that was curtained off had chairs around the perimeter where a dancer with pasties was giving a private dance to a man. The dancer stated she was a private contractor who works for tips, and at the premises there was a stage with a fixed pole.

SGT Ackley stated he oversaw two of the tavern checks on the 22nd and 23rd of January and issued citations for license violations. He believes the applicant wanted to be shut down, and that the premises was a gentleman's club.

PO Bogust stated he saw a female in bra and panties who stated she was an independent dancer and cocktail waitress. He added that located in the backroom/locker room were other dancers and a jar of pasties.

In Support:

Red Budzum, 2270 N 4th St, stated it was his idea that the premises would make a good gentleman's club, and the problem in the area is the homeless people. He also

added that the dancers were customers, not employees.

Aaron Schulz, 231 W Wisconsin Ave, stated he is in support.

David Weir, 2602 E Newberry Blvd stated he owns the building and the operator is a good tenant. He doesn't see the area as great for retail and doesn't believe neighbors are against it.

Shane Kowall, 734 N Old World Third, stated the premises adds security because of cameras and better lighting.

Ira Robbins, 734 N Old World Third, stated the street is in disrepair and there is crime in the area.

Pat James, South Milwaukee, stated she saw homeless people sleeping in the alley, panhandling, lewd behavior and public urination. She believes men want to go to a gentleman's club after a Buck's game.

Ald. Bauman stated applications are handled on a case by case basis. He added that the applicant has knowingly and defiantly operated outside of the plan of operation and is taunting the City. He recommends the license not be renewed.

Atty. Gianpietro states the applicant is not taunting the City. The Buzdum's found a location they thought would work for a gentlemen's club and adult entertainment is constitutionally protected. He stated licenses can be denied only if the business will show legitimate adverse effects in the community and no neighbors objected, and the believes business will improve neighborhood.

Ald. Kovac stated he is concerned about the deception about the operating plan, and that the operator willfully and knowingly violating business plan, no business should be this openly defiant. He added that a strip club downtown, does not mean a strip club anywhere downtown run by any operator.

Ald. Kovac moved nonrenewal based on neighbor testimony, police testimony, applicant testimony, and failure to comply with operation plan. (Prevailed 4-1 with Ald. Zielinski voting no).

A motion was made by that this Motion be AMENDED. This motion PREVAILED by the following vote:

Aye 4 - Borkowski, Kovac, Puente and Hamilton

No 1 - Zielinski

04 BUDZUM, Dusanka, Agent for "Boardroom Entertainment Mke, LLC", Class B Tavern and Public Entertainment Licenses Transfer - Change of Agent, and Requesting to Add Dancing by Performers, Comedy Acts, 11 Concerts, Patrons Dancing, Jukebox, and Adult Entertainment/Strippers/Erotic Dancing for "Rusty's Old 50 " at 730 N Old World Third St.

Appearing with the applicant:

Attys. Andy Arena and Wayne Gianpietro

Individuals also present:

Ald. Bauman stated applicant mislead the Committee previously when she said she wanted to operate a supper club and he objects because she is not credible.

Atty. Arena stated applicant has changed her opinion about how she wants to operate premises, and the police report looks worse than it actually is. He further objects to items #12-13 on the police report.

Opposed:

Joe Werick, 930 E Lyon St, stated this operation would be detrimental to the neighborhood.

Ald. Hamilton moved denial based on the applicant's credibility. (Prevailed 4-1, Ald. Zielinski voting no)

A motion was made by ALD. HAMILTON that this Motion be AMENDED. This motion PREVAILED by the following vote:

Aye 4 - Borkowski, Kovac, Puente and Hamilton

No 1 - Zielinski

Meeting adjourned at 5:25 PM

Molly Kuether

Staff Assistant

A motion was made by ALD. KOVAC that this Motion be RECOMMENDED FOR APPROVAL. This motion PREVAILED by the following vote:

Aye 5 - Zielinski, Borkowski, Kovac, Puente and Hamilton

No 0