

MINUTES OF THE SPECIAL MEETING OF THE COMMON COUNCIL

A Special Meeting of the Common Council of the City of Chippewa Falls was held on Tuesday, June 27, 2023 in the City Hall Council Chambers. Mayor Greg Hoffman called the meeting to order at 4:30 pm.

CLERK CALLS THE ROLL

Council Members present: John Monarski, Rob Kiefer, CW King, Heather Martell, Paul Nadreau, Jason Hiess. Absent was Chuck Hull.

Also Present: City Attorney Robert Ferg; Finance Manager/Treasurer Lynne Bauer; Police Chief Matt Kelm; Fire Chief Jason Thom; Police Lt. Korry Boos; Police Lt. Ryan Douglas; Building/Zoning Inspector Paul Lasiewicz; Duke Patel and Brenda Reynua of Badger State Hospitality; and City Clerk Bridget Givens.

HEARING ON 2023 ALCOHOL LICENSE APPLICATION OF BADGER STATE HOSPITALITY, LLC (AMERICAS BEST VALUE INN). ON JUNE 20, 2023, THE CHIPPEWA FALLS CITY COUNCIL PASSED A MOTION THAT IT WAS THEIR INTENTION NOT TO RENEW THE LICENSE APPLICATION. THIS IS A HEARING PURSUANT TO SEC. 125.12(2)(B), WIS. STATS.

Duke Patel and Brenda Reynua appeared on behalf of Badger State Hospitality, LLC. City Attorney Ferg advised the Council that a Notice of Hearing was served upon Badger State Hospitality, LLC relative to the Council's intention to not renew their Alcohol License Application. Ferg stated that the Police Department would summarize the supporting information concerning the intent to not renew as delineated in Chapter 125 of Wisconsin Statute.

Police Lt. Korry Boos advised the Council that the City's Ordinance governing intoxicating liquor and malt beverage licenses adopts Chapter 125. Further, the City has a continuation of business ordinance, §12.04(12), which requires an intoxicating liquor license holder to hold their premises open for the sale of intoxicating liquor at least 20 hours per week. Patrol Officers had noticed that the premises did not appear to be open. City Clerk Givens and Lt. Boos visited the premises in mid-May to inspect their newly-constructed bar in the lobby area. The manager disclosed at that time that the bar had not open for quite some time. Consistent with past practice for other locations not meeting this requirement, the patrol division began conducting checks to determine if the premises was open or not. These checks were conducted from May 26, 2023 – June 7, 2023, and the premises was not open. Factors utilized by patrol for determining whether or not a premises was open were discussed. The conclusion was the entity failed to comply with Municipal Ordinance §12.04(12) which would be basis for non-renewal of the license.

Police Chief Kelm advised the Council of §125.12(2)(ag)(2) and (6) of Wis. Stats. relative to keeping or maintaining a disorderly/riotous premises and knowingly allowing another person on the premises to possess, with the intent to manufacture, distribute or deliver, or to manufacture, distribute or deliver a controlled substance or controlled substance analog.

Kelm opened with the fact that the premises description for Badger State Hospitality, LLC encompasses the entire property. Call volume and the nature of calls at the location became a concern prior to the pandemic, and a meeting was held with the former agent to discuss concern with drug activity at the location. At that time, the Police Department counseled the agent on best practices that could be utilized to help curb some of their issues. Coming out of the pandemic, the issues resurfaced. Former Lt. Micolichuk met with the owner, Duke Patel, to again discuss areas of concern and offered information on best practices. The Chamber of Commerce and local hotel groups were also offered as resources to determine other hotels' procedures. Micolichuk felt the meeting concluded positively, and the hope was the improvements discussed would be implemented, and the drug and related criminal activity would reduce.

In August 2022, the hotel was shut down for an expired hotel permit. In the same month, the Police Department again met with the owner relative to concerning criminal activity and issued a warning letter regarding call volume. It was noted 60% of all hotel calls received were for Badger State Hospitality, LLC, with 77% of all drug calls being at the location. During this meeting, management was again provided with

recommendations on how to minimize the type of activity. The Police Department was assured that most of the best practices were in place or would be in place shortly. In April 2023, the Police Department was contacted regarding a suspected overdose death. As part of the investigation, it was brought to the Police Department's attention that the minimum hour requirements were not being met, nor had a majority of the recommended practices been implemented.

Kelm then provided a number of examples and details of calls that the Police Department has responded to at the premises. Kelm concluded that the license holder is responsible to maintain and effectively manage the premises. The Police Department met with the agent/owner of the establishment on three different occasions over a period of three years and provided them with ample resources and best practices to utilize, yet illegal activity at the location persists.

Attorney Ferg inquired if the Council had questions for the Police Department. Discussion was had relative to the number of meetings held with the license holder; the number of drug cases; any citations issued to the owner; and if any known prostitution is occurring at the location.

The opportunity was then given to Badger State Hospitality, LLC to ask questions of the Police Department. Mr. Patel questioned if information was available on the number of calls from September 1, 2022 (the day following their last meeting) to date. The call analysis was discussed, but that specific time period of calls was not available. Mr. Patel offered that they began implementing the recommended practices following the August 31, 2022 meeting and was curious if the call volume reduced following that meeting.

Building/Zoning Inspector Lasiewicz advised the Council that he issued a permit in August 2022 for the removal to two front offices and the installation of a snack bar. It was recently brought to his attention that the building permit was exceeded and a full bar was installed without the appropriate electrical or plumbing permits. An order was issued on June 21, 2023 to secure proper contractors and obtain the appropriate permits by July 10, 2023 or remove the bar if it is their intention to not make corrections. Discussion ensued relative to repercussions for not remediating the issues by the deadline, which could be fines for each of the violations potentially assessed daily.

Fire Chief Thom appeared to advise that a fire inspection was recently completed as part of the liquor license renewal process. The first inspection was conducted on June 7, 2023 with code violations identified. Notification of the violations were provided to management with a deadline for remediation of June 23, 2023. Upon reinspection, the corrections had not been completed. Details on the violations were discussed.

At this time, Badger State Hospitality, LLC was allowed to present to the Council. Owner, Duke Patel advised that following his meetings with the Police Department, they began to implement the recommended practices. He also indicated that COVID was difficult for them and played a large part in their decision making processes. He further expressed that this hotel is difficult in comparison to other hotels as it is full-service offering a bar, restaurant, and banquet facilities. Monthly expenses are higher, they were short-staffed, and decisions had to be made to try to keep the operation profitable. They were hoping business would pick up following COVID, but that has not been the case to this point. Failure to meet the 20-hour per week requirement was an oversight on his part. He stated they are working hard to make sure recommendations are being implemented and to bring down the number of calls. He feels a majority of the calls are hotel related as opposed to bar related.

Discussion was had relative to rental of the back side (exterior rooms) of the hotel as opposed to the front as recommended by the Police Department. The Council also questioned if Mr. Patel had kept in contact with the Police Department on a regular basis to determine if their number of calls was trending in the right direction. Mr. Patel indicated he had not.

Mr. Patel further offered that he intends to bring the restaurant and bar back to pre-COVID standards. He has hired someone who understands the bar side of the business, but needs a qualified cook to handle the restaurant side. He hopes to have all three things working together including the banquet hall for events. He stated that he hopes this summer is a turning point for them.

Discussion ensued relative to the Building Inspector's order and the violations identified by the Fire Inspector. Mr. Patel advised that he has been unable to find someone to do the plumbing and electrical, and the bar is currently surrounded with caution tape. It was noted that the bar was open during Country Fest despite the fire inspection issues not being rectified.

Attorney Ferg advised that the current license expires at midnight on June 30, 2023. If Council makes the decision to not renew, the license would cease to be in effect on July 1, 2023. They could reapply in the future.

Mr. Patel was questioned if plans to sell property in the future. He noted that he has had off-listing showings of the property, and if the right buyer comes along, a sale could move fairly quickly.

In conclusion, it was noted that Badger State Hospitality, LLC has had three times as many calls as the next closest hotel. The Council supports and encourages business, but they also have to be concerned with the safety of citizens and the community. There have been significant City resources invested at this location.

Motion by King/Monarski to not renew the Alcohol License Application of Badger State Hospitality, LLC, America's Best Value Inn. Councilor Nadreau indicated he understands COVID was a difficult time for the industry. Councilor Martell acknowledged that the primary reason why the Council is making this decision is based upon testimony that the licensed establishment was not meeting City Ordinance relative to being open the requisite 20-hours per week. Councilor King called the question. **Roll Call Vote: Aye – King, Monarski, Kiefer, Martell, Nadreau, Hiess. Motion carried.**

ADJOURNMENT

Motion by Hiess/King to adjourn at 5:43 pm. **All present voting aye, motion carried.**

Submitted by:
Bridget Givens, City Clerk