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**LEGISLATION, LICENSING & COMMUNICATIONS COMMITTEE**  
**Meeting - Tuesday, February 28, 2006**  
**Committee Room #2**

PRESENT: Alds. Birschel, Grimm, Krill, Subotich, Sullivan, Treis – 6

ALSO PRESENT: Mayor Estness; T. Wontorek, City Admin.; A. Kesner, City Attorney;  
Capt. Reit, Police

Ald. Treis as Chair called the meeting to order at 7:00 p.m.

**Operator license application by Katie M. Hengel, 6174 W. Forest Home Avenue, Milwaukee**

Capt. Reit reported that Ms. Hengel's application was in order. The police department saw nothing of concern and had no objections.

Moved by Ald. Birschel, seconded by Ald. Krill to recommend  
approval of the operator license – 6

**Operator license application by Kaiton R. Yawney III, 2249 N. 61<sup>st</sup> Street**

Capt. Reit reported that Mr. Yawney's application was in order. The police department saw nothing of concern and had no objections.

Moved by Ald. Birschel, seconded by Ald. Grimm to recommend  
approval of the operator license – 6

**Proposed legislation regarding property tax exemption for benevolent associations**

Ed Huck, Wisconsin Alliance of Cities, 14 W. Mifflin, Suite 206, Madison, reported to the committee that the existing law has been interpreted to permit housing that is owned by benevolent associations to be exempt from property taxes, regardless of the income of the residents. LRB 4622/1 clarifies the property tax exemption for residential property owned by benevolent associations in Assembly Bill 573. Specifically, it provides that such property is tax exempt if it is used to provide housing for persons of low-income or with special needs. It also modifies a requirement that benevolent associations use all of the income earned from leasing residential for maintenance or construction debt retirement of the leased property in order for that property to remain tax-exempt. Today, the exemption applies not only to non-profit associations providing housing for persons of low income and special needs, but also to independent living facilities providing high-end housing to affluent elderly. Some of the eligible tax exempt facilities require residents to pay initial endowments as high as \$300,000. There has been a hearing in the Urban and Local Affairs Committee and LRB 4622/1, a bi-partisan substitute amendment to AB 573, was drafted.

Mr. Huck reported that over the last 35 years most of the burden of paying for municipal services has shifted to the homeowners. In 1970, homeowners paid 50% of all property taxes in Wisconsin. In 2006, homeowners pay over 70% of property taxes. LRB 4622/1 begins to reverse this unfair shifting of the tax burden by clarifying the benevolent association tax exemption and it makes the following changes to AB 573: 1) including a 5-year delay in the bill's effective date for a period of adjustment and to address concerns regarding the sudden change in tax status of property occupied by persons who reside in high-end, tax-exempt senior housing and 2) allowing benevolent associations to use lease income to support organization activities in the county where the tax-exempt property is located.

Mr. Huck said the following facilities retain their tax exempt status: 1) nursing homes, 2) Community Based Residential Facilities (CBRF), 3) adult family homes, 4) residential care apartment complexes, 5) domestic abuse shelters, 6) shelters for the homeless, 7) low-income housing, 8) residential facilities that provide alcohol or other drug abuse treatment services, and 9) residential housing for the permanently disabled. He said that facilities that only provide housing for the elderly are not low income and if left unchanged would not be eligible for tax exempt status in five years. They have the votes to pass the legislation in the Assembly. The Senate version is being introduced this Friday and the legislature will vote on Wednesday or Thursday of next week. This bill is one of the top three priorities this session. He asked for the committee to support the substitute amendment for AB 573.

Ald. Birschel expressed concern that taking the property tax exemption away from housing for the elderly would take away the tax exemption from the health care and the residents would have to go on Title 19. Mr. Huck responded that if the housing facility for the elderly arranges to become a 25% low income care property, they will remain off the property tax rolls. It is a matter of having a population mix. The legislature is trying to get the elderly the level of care the owners say they are giving. If the facility owners are not providing the services and they are a high end facility, they may lose any tax exempt status they have; however, they still have five years to get into compliance.

Ald. Birschel asked if a decision as to who qualifies for tax exempt status will be made arbitrarily. Mr. Huck said that currently the state is giving property tax exemptions to those who don't qualify and many facilities have been in violation of state law for years. Without LRB 4622/1, the state could have unlimited, tax exempt senior housing with the tax burden being shifted to seniors who own their own homes. It is a matter of fairness.

Ald. Sullivan said he understood this is an argument of justice; however, he would have liked to have heard about this issue sooner. He was concerned that this is the week before the vote and given the high amount of senior housing in Wauwatosa, he would have liked to have heard from the seniors in the community. He would also like to hear from the business community in his district. Mr. Huck said this is a very complicated subject. The people who crafted the amendment feel they have heard from the people affected especially the seniors. They heard about the need for services. He urged serious consideration in supporting this assembly bill. There may not be another opportunity for this type of legislation for another two years and right now they have the votes to pass.

Mayor Estness said her office was made aware that this was coming up last week. The City Assessor has spoken about this before. The committees involved on the state level held hearings. If nothing happens, there will be a continual shift of the property tax burden to residential property owners. It is a matter of justice and fairness. More and more facilities and providers are becoming aware that they need to rectify the situation. These senior facilities provide needed care and it would not be right for them to only be available to those who can afford it. She noted that there are also institutions in the city that pay in lieu of taxes. Some communities may not be as aware of the situation as others. Good solutions can get lost in a

short legislative session. Property tax exemptions should be fair and equitable to all in the senior population. Mr. Huck said this is an opportunity in which everyone can benefit. The worst that can happen is that some facilities would have to increase services to the elderly. If they choose not to do anything and lose tax exempt status it will be their decision.

Beth Anderson, Laureate Group, 1805 Kensington Drive Waukesha, said that they are a 100% tax paying entity. The substitute amendment to AB 573 is the best opportunity for real change. There is a group of older people who pay their fair share of property taxes and those who don't. Even if one of the benevolent organizations has to pay for property taxes, the residents can qualify for homestead credit. So there is property tax relief for those who are low income.

Moved by Ald. Sullivan, seconded by Ald. Krill to instruct the City Attorney and the City Assessor to draft a letter to the Wisconsin State Assembly and Senate in support of LRB 4622/1, the substitute amendment to AB 573. Vote on the motion was Ayes: 5, Noes: 1 (Birschel)

**Review of licenses held by AMF Bowling Centers, Inc. d/b/a AMF Bowlero Lanes, 11737 W. Burleigh Street**

Ald. Treis requested that this item be placed on the agenda because there was an incident on the AMF Bowlero Lanes property that had to be handled by police from three communities. He was also troubled by the amount of debris on the property. He said that occasionally the community would like to talk with businesses that have had some problems. He was very concerned that the incident at the AMF Bowlero did not reflect well on the city.

Ald. Herzog said this is a good opportunity to try to solve these problems before they get out of control. With regards to the recent incident, he said the police department indicated that the owners were being cooperative more so than the former ownership. The residents in the area made it known when Steak N Shake applied for Burleigh Square, that they didn't want the problems they assumed that restaurant would bring to the area. In the same way, they do not want any problems with AMF Bowlero.

Ald. Grimm said that AMF Bowler runs a classy operation. They did the right thing the night the incident happened by calling the police right away. He thought they did a tremendous job taking care of a volatile situation. A large group of people had forced their way in the doors and they handled it correctly adding that the reason why there were police from multiple jurisdictions is that the people causing the problems were from multiple jurisdictions. He noted that Wauwatosa firefighters, policemen and engineering staff have bowling teams there. It was an unfortunate incident that was out of AMF Bowlero's control.

Ald. Sullivan felt strongly that if he invited guests to his house and those guests create litter and debris, he would be responsible. He added that if a business has to have multiple police calls the city might need to assess them for the extra police work. Ultimately the owners are responsible for their guests.

Roy Brent, AMF Bowlero, N20W26623 Sawgrass Lane, Pewaukee said they send an employee out every morning and afternoon to clean the parking lot. A lot of litter blows into their lot as it does into surrounding properties. He assured the committee that they will make sure the lot is cleaned up.

Dave Strachota, AMF Bowlero, 8504 W. Locust Street, Milwaukee said the company takes these matters very seriously. He assured the committee that it is good to get their feedback. AMF Bowlero has

standards that their managers are expected to uphold. It is also their responsibility to take stronger measures to keep the property clean. He noted that apart from the portrayal of the incident in the media, AMF Bowlero holds many high profile tournaments that bring tens of thousands of competitors to Wauwatosa each year. Their customers expect a fun and safe environment and a lot of their customers are residents of Wauwatosa that regularly enjoy their facilities. The people involved in the incident showed no respect for authority or the police and they were not their regular customers.

Brian Gorecki, Agent, AMF Bowlero, 11737 W. Burleigh Street said that as soon as they saw the intent of the crowd, they contacted the police before anything serious could happen. He said they want to make sure AMF Bowlero is a good neighbor in Wauwatosa.

Former Mayor James A. Brundahl, said that anytime there is a big group of people there can be problems. She felt the management of AMF Bowlero handled the incident correctly. She added that AMF Bowlero has been good for the community.

**License applications forwarded for review**

The committee reviewed the operator license applications for Matthew L. Graff and Chantel M. Arrington.

Moved by Ald. Birschel, seconded by Ald. Krill to have Mr. Graff appear before the committee on March 14<sup>th</sup> – 6

Moved by Ald. Krill, seconded by Ald. Sullivan to recommend approval of the operator license for Chantel M. Arrington, 1623 W. Wisconsin Avenue, Milwaukee – 6

The meeting adjourned at 7:53 p.m.

Carla A. Ledesma, City Clerk  
Wauwatosa, Wisconsin

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