

CITY OF MADISON,

Complainant,

Revocation of 21+ Entertainment License

v.

MCKO, LLC

d/b/a Cielo

Respondent.

REPORT OF THE ALCOHOL LICENSE REVIEW COMMITTEE OF THE CITY OF MADISON
TO COMMON COUNCIL

INTRODUCTION

On May 15, 2026, the Complainant City of Madison (City), represented by Assistant City Attorney Jennifer Zilavy, filed a Complaint requesting that the Alcohol License Review Committee (ALRC) revoke the entertainment license from Respondent MKCO, LLC (Cielo) pursuant to Madison General Ordinance 38.06(11)(n).

On June 16, 2026, the ALRC held an evidentiary hearing. After the parties presented their cases, the ALRC deliberated and determined that the City had proven by a preponderance of the evidence that the licensed premises has operated in such a manner that it has had a substantial adverse effect upon the health, safety and welfare of the immediate neighborhood. While revoking the entertainment license was an option, the ALRC voted to recommend a combination of suspension and conditions in lieu of revocation.

SUMMARY AND DECISION

At the June 16, 2026 hearing¹, the parties produced witnesses, cross-examined witnesses, entered exhibits, and were both represented by counsel.

In the fall of 2025, Cielo, a nightclub at 118 State Street, received its Class B (combination beer and liquor) license and its entertainment license from the City of Madison. The building adjacent to Cielo is 114 State Street which is a property with a commercial business on ground floor (Michealangelo's Coffee House) and residential apartments on the upper floors.

Residents at 114 State Street began making complaints about noise and quality of life from the beginning of Cielo's opening on September 25, 2025. The main resident witness, Kimberly Cho, described approximately eight months of her and her partner not being able to sleep or enjoy their home due to the constant sound and vibrations entering their apartment, particularly during Thursday, Friday, and Saturday nights until bar time the next morning. She testified to being fatigued from lack of sleep, getting migraines, and to Cielo's speakers causing vibrations that caused dishes to rattle. Ms. Cho described the sound and vibrations as "relentless" and said living in her own apartment when Cielo provided entertainment felt like being inside a "torture chamber". Of note, the residents had been tenants of the same unit for eleven years, living next to other establishments operating at 118 State Street with entertainment licenses. The tenants had not previously been disturbed by or complained about noise coming from prior establishments with alcohol and entertainment licenses until Cielo began their entertainment. Ms. Cho also made clear that she and her partner are well aware of noise and comfortable with the noise that comes along with living on State Street and that, in fact, they appreciate the ambience of a busy downtown. She stated that they can hear noise and music outside their apartment from events such as "Mad Lit" but that they do not complain about such noise because it is an expected level of sound that is not affecting their health and welfare. Ms. Cho distinguished the types of standard downtown sound, music, and noise from the sound and vibrations coming through their shared wall with Cielo. The tenants moved to a new apartment within the same building to try to mitigate the effect of Cielo's entertainment, and while it may have improved some, the negative effect on their health and well being has continued despite moving to a new unit.

The owner of 114 State Street, Ellen Despina, testified that she has owned the building for 37 years and this is the first time she has made complaints regarding noise and entertainment from the premise at 118 State Street. She testified that several businesses with alcohol and entertainment licenses have used 118 State Street over the years, but that the fall of 2025 was the first time that entertainment from that location affected her tenants

¹ The hearing lasted about six (6) hours, not including breaks and deliberations. A video of this hearing is available here: <https://media.cityofmadison.com/mediasite/Showcase/madison-city-channel/Presentation/e7b32ea2542d4753bb1bcf36a81309311d> (last visited 6/22/2026).

and her business. She testified that she has had difficulty leasing her available apartments since Cielo opened because she felt an obligation to disclose the effect of the noise coming from Cielo into the apartments. She worried about the effect Cielo's impact would have on the welfare of her business as a landlord leasing residential housing.

Both the residents and the owner of 114 State Street attempted to contact and work with the owner, agent, and staff at Cielo regarding the sound and vibrations. Occasionally Cielo representatives would state they would turn down the music or re-arrange speakers, but the testimony was that even if the disturbance was lessened for a while, the loud noise and vibrations would eventually return. Cielo did not provide a permanent solution to mitigate the sound and vibrations going into 114 State Street. The ALRC heard that the time there was a noticeable respite for the neighbors was in mid-May, 2026 until the hearing in mid-June because the parties had agreed to a set of conditions limiting sound while the hearing was being rescheduled.

Anthony (Tony) Mors, the owner of Michealangelo's, also testified that he heard sound and felt vibrations coming from Cielo while he was inside Michealangelo's in his office after hours and another time when Michealangelo's was open during the day on a Saturday during a Cielo "brunch rave" event.

The owner of MCKO, LLC, Susan McKinney, and the liquor agent of the business, Sean Ortega McKinney, both testified about the layout of the premise, speaker location, type of music and DJ performances at Cielo, and some of the measures they have tried to mitigate the noise and vibrations coming from their business. Some of these things included moving some DJ equipment, changing the number of speakers, and working with local DJs and sound design to try to manage the sound. The testimony showed that these steps had not been successful, but that sound proofing had not yet been attempted. McKinney testified that around or after April 9, 2026, she contacted a sound proofing expert to explore the option of sound proofing the premise. No sound study, plan, or timeline for sound proofing has yet been presented by Cielo but Ms. McKinney represented that she is willing to have the study about sound proofing completed. Susan McKinney and Sean Ortega McKinney testified about the complaints they received from 114 State Street including the neighboring residents, the building owner, and the neighboring business.

A representative of Bachman Construction, Zachary Helsel, testified that his company should be able to install acoustical measures at Cielo to remediate the sound and vibration complaints if an audio design specialist named John Westra does a study and makes a recommendation. The audio design study and recommendations had not yet started by the time of the hearing.

Michael Azarello (Mikey) testified about his experience as a DJ and promoter at Cielo and in the Madison area. He noted that Cielo “needs to be able to play music at the volume that it requires to be felt, heard, and understood”.

Ryan Savic (RJ) an audio engineer and DJ, and owner of Lake Effect Productions, testified about his involvement with Cielo. He explained he is a DJ at Cielo and he had tried to remedy or develop solutions for the sound complaints starting in January or February, 2026. Some measures included adding a “limiter” and moving equipment. He testified that the bass from Cielo is, without question, the problem causing the sound complaints. He stated that his measures did not lead to a meaningful improvement for the neighbors, but he thought they should have. He testified that he had not done sound proofing.

Madison Police Department Lieutenant Jennifer Hannah testified about the “calls for service log” (Respondent Exhibit R3). She explained that the document shows the calls that come through the 911 center, but would not show all complaints that come into the Madison Police Department in other ways. Lt. Hannah also testified that she and other City representatives had a meeting with Cielo representatives in February 2026 to discuss the noise complaints that the police department had received.

After the parties presented their cases, the ALRC went into closed session for deliberations. The ALRC returned to open session and voted on four separate motions to establish its finding and recommend a combination of conditions and suspension.

CONCLUSION AND RECOMMENDATION

The ALRC carefully considered the evidence presented during the June 16, 2026 hearing and based its decision on the totality of the circumstances, not solely on one piece of evidence. The ALRC found that the City had met the burden of proof for a Revocation/Suspension or Nonrenewal of an entertainment license as it had proved by a preponderance of the evidence that the licensed premises operated in such a manner that it has had a substantial adverse effect upon the health, safety and welfare of the immediate neighborhood. MGO 38.06(11)(n).

THEREFORE, it is the recommendation of the ALRC that the Common Council adopt the ALRC's report and recommendation to do the following:

1. Immediately impose the following conditions on the entertainment license which expires on June 30, 2026.² The conditions will also be placed on the alcohol license pursuant to the Common Council's Alcohol license renewal action of June 9, 2026. Conditions will continue to the 2026-2027 entertainment and alcohol licenses and will remain in effect unless the ALRC recommends a change of conditions.

Condition 1: Establishment shall limit sound amplification devices to 75db at the source of the sound.

Condition 2: Establishment shall not use or permit the use of subwoofers, base boosters, or other low frequency amplification devices in a manner that causes base sound, vibration, or rhythmic beat to be audible or felt outside of the premises.

Condition 3: Establishment shall cease entertainment by 1:00AM daily.

2. Renew the entertainment license for the 2026-2027 licensing year starting with a 6 month-suspension.

RESPECTFULLY SUBMITTED,

City of Madison Alcohol License Review Committee

Drafted by Amber McReynolds, Assistant City Attorney
Counsel to the City of Madison Alcohol License Review Committee

²² While the ALRC's motion was to immediately suspend the current license expiring June 30 and impose a 6-month suspension on the new license, to avoid a potential argument about having more than a six month suspension, the parties have agreed to not "suspend" the entertainment license for the last days of the 2025-2026 licensing year, although all the same conditions will be in effect during that time. The 6-month suspension will begin with the renewed license for the 2026-2027 licensing year. The ALRC's attorney recommends that the Council approve this small change and the way the recommendations are listed above as the parties have agreed to it and it does not substantially change the ALRC's intended recommendations.