

**CITY OF SHEBOYGAN**

**REQUEST FOR CITY PLAN COMMISSION CONSIDERATION**

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**ITEM DESCRIPTION:** Application for Conditional Use Permit by Claw Lounge LLC to operate an indoor entertainment facility located 931 N 8th Street. CC Zone.

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**REPORT PREPARED BY:** Ellise Rose, Zoning Administrator

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**REPORT DATE:** May 14, 2026

**MEETING DATE:** May 26, 2026

**FISCAL SUMMARY:**

**STATUTORY REFERENCE:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

Wisconsin Statutes:  
Municipal Code: N/A

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**BACKGROUND / ANALYSIS:**

Claw Lounge, LLC is proposing to operate an indoor entertainment facility located 931 N 8th Street. The applicant states the following:

- The proposed use is an indoor commercial entertainment venue featuring claw machines, arcade-style games, and a small lounge area. All activities will occur entirely within the building.
- This site was selected due to its location within the Central Commercial district, accessibility, and proximity to downtown businesses and pedestrian activity. The surrounding area includes family-oriented destinations such as children's museums and public parks, as well as a variety of local restaurants and neighborhood dining establishments, all of which contribute to an active, walkable, and family-friendly downtown environment that supports the proposed use.
- No expansion of the building is proposed. Improvements will include an interior build-out for gaming and seating areas, minor exterior facade updates, and upgraded code compliant electrical systems. Existing ingress and egress points will continue to be utilized.
- All services, products, etc. to be provided
  - Arcade and Claw Machine
  - Prize redemption (novelty merchandise)
  - Pre-packaged snacks and non-alcoholic beverages
  - Private event rental for small groups.
- Projected number of residents, employees, and/or daily customers
  - Employees: Approximately 5-10
  - Daily customers: Approximately 50-100

- Maximum occupancy: Approximately 75-100 persons
- Traffic generation is expected to be similar to property's previous use.
- The existing structure will be maintained with no significant exterior alterations. The building's exterior will remain substantially unchanged, with the only proposed addition being business signage. The design will incorporate modern interior finishes while maintaining compatibility with surrounding commercial properties.
- Interior renovations will include flooring, paint, lighting, and electrical upgrades to support gaming equipment. Exterior work will be limited to minor facade enhancements and installation of compliant signage. No structural additions are proposed.
- While the property does not include dedicated off-street parking, ample on-street parking is available in the immediate vicinity. The site is located in a walkable downtown area with multiple public parking options. Existing access points provide safe and efficient ingress and egress.
- Signage will comply with applicable zoning regulations and is anticipated to include one wall-mounted sign and limited window signage.

### **STAFF COMMENTS:**

The applicant has not submitted a specific sign package for the site at this time. Applicant shall work with staff with regards to constructing a well-designed sign package for the site that utilizes colors and materials similar to the building. Staff may bring the proposed signage design back to the Plan Commission if there any concerns.

### **ACTION REQUESTED:**

Staff recommends approval of the conditional use permit subject to the following conditions:

1. Prior to operation/occupancy, the applicant shall obtain all licenses, and occupancy permits as well as meet all required codes including but not limited to building, plumbing, electrical, HVAC, fire, health, state, federal, etc. An occupancy permit will be granted only at such time as the applicant has met all requirements.
2. The facility will meet all zoning requirements including but not limited to noise, smells, vibration, hazardous materials, etc. If any issues arise, this matter may be brought back to the Plan Commission for review.
3. If using dumpsters, dumpster(s) shall be screened/enclosed and constructed of like materials and colors of the facility. If using chain link fencing, the applicant shall install Privacy Decorative Slating (PDS) material in order to effectively screen and enclose the dumpster.
4. All outdoor storage of materials, products or equipment shall be prohibited.
5. Any fencing/retaining wall shall be installed per Section 105-945 of the City of Sheboygan Zoning Ordinance.
6. All new lighting shall be installed per Section 105-932 of the City of Sheboygan Zoning Ordinance. There shall be no spillover light onto adjacent properties or the streets.
7. Applicant shall obtain the necessary sign permits prior to installation. Applicant shall work with staff with regards to constructing a well-designed signage for the site that utilizes colors and materials similar to the building. Staff may bring the proposed signage design back to the Plan Commission for review/approval.

**ATTACHMENTS:**

Conditional Use Permit Application and Attachments