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CITY OF MILWAUKEE  
UTILITIES & LICENSING HEARING

In the Matter of:  
736 South 3rd Street

Proceedings had and testimony given in the above-entitled matter before DAVID L. BOROWSKI, 731 North Jackson Street, Suite 824, Milwaukee, Wisconsin on the June 3rd, 2002, at 9:00 a.m., 200 East Wells Street, Milwaukee, Wisconsin, before Terese M. Schiebenes of Milwaukee Reporters Associated, Inc.

APPEARANCES

DAIN MADDOX, 806 South 3rd Street, Milwaukee, Wisconsin, Complainant.  
DAVID LARSON, Owner of 736 South 3rd Street, Milwaukee, Wisconsin.  
DEPARTMENT OF NEIGHBORHOOD SERVICES, by PANDORA BENDER, 200 East Wells Street.

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PROCEEDINGS

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HEARING EXAMINER BOROWSKI: Good morning, everyone. My name is David Borowski. I'm an attorney. I was retained by the Utilities & Licenses Committee to conduct these two hearings this morning. The first one that we'll do this morning, as it seems there's more people to testify on that matter, is the rooming house or licensed dwelling facility located at 736 South 3rd Street.

The way we will proceed today is everyone will have a chance to testify and documents that have been submitted thus far. Dain Maddox, is he present? All right, Mr. Maddox is essentially the complainant in this case. Is the applicant present, as well?

AUDIENCE MEMBER: Yes.

HEARING EXAMINER BOROWSKI: The owner of the rooming house?

AUDIENCE MEMBER: Yes.

HEARING EXAMINER BOROWSKI: If the two of you gentlemen want to step up, and we'll get started. Before we get started with testimony, as I indicated, I was retained by the Utilities & Licenses Committee to conduct these hearings under Chapter 275 of the Milwaukee Code of Ordinances. The way we will proceed is everyone will have a chance to testify today,

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1 submit exhibits and other testimony. In the course of  
2 the next week to 10 days, I will submit a findings of  
3 fact and conclusions of law as a recommendation to the  
4 Utilities & Licenses Committee on June -- I'll submit  
5 them by June 12th. There will be a hearing on June  
6 14th in front of the Utilities & Licenses Committee  
7 where I will make my recommendations. The U & L  
8 Committee will then act on those recommendations and  
9 make a recommendation one way or the other to the full  
10 Common Council.

11 In terms of options, there's three options  
12 for me to recommend and for the Council and the  
13 Utilities & Licenses Committee; either renewing the  
14 license, denying the renewal of the license, or the  
15 possibility of a suspension of the license. Before we  
16 start testimony today, we have a court reporter. She  
17 will be taking everthing down. I would ask that  
18 everybody try not to talk over another person.  
19 Everyone will have a chance to testify, but she can  
20 only take down one thing at a time, so if you can try  
21 to not talk over anyone else. Everyone will be sworn  
22 in to give their testimony. First of all, Mr. Maddox,  
23 if you could raise your right hand.

24 (Whereupon, DAIN MADDUX was duly sworn.)

25 HEARING EXAMINER BOROWSKI: And Mr. Larsen,

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1 if you could raise your right hand.

2 (Whereupon, DAVID LARSON was duly sworn.)

3 HEARING EXAMINER BOROWSKI: Procedurally,  
4 the way we will proceed is to allow Mr. Maddox, since  
5 he's the complainant, to call his witnesses and submit  
6 whatever written testimony or documents he may have,  
7 and then the applicant, Mr. Larson, will have an  
8 opportunity to cross-examine those witnesses. After  
9 Mr. Maddox has called all of his witnesses, then we  
10 will reverse that procedure, and Mr. Larsen will have  
11 a chance to call his witnesses, with Mr. Maddox having  
12 a chance to cross-examine those witnesses. Any  
13 questions on the procedure?

14 MR. MADDUX: No, sir.

15 HEARING EXAMINER BOROWSKI: Mr. Maddox, you  
16 can call your first witness.

17 MR. MADDUX: May I -- excuse me -- may I  
18 make an opening statement about some context?

19 HEARING EXAMINER BOROWSKI: Yes.

20 MR. MADDUX: First, Mr. Borowski, thank you  
21 for permitting us to bring this issue before you. I  
22 have lived in the immediate neighborhood, I live at  
23 806 South 3rd Street, less than a block from the  
24 rooming house up for renewal, and I've lived in the  
25 neighborhood for nearly 20 years. I walk the

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1 neighborhood often. I have a small business in the  
2 neighborhood. I also work downtown. I go past this  
3 property to and from work.

4 This particular property has been -- has had  
5 an amazing and significantly adverse impact on our  
6 neighborhood, and you'll be hearing testimony today to  
7 that effect. I would like to just raise a couple of  
8 points. There are -- and I'm submitting for the  
9 record a density map showing the number of rooming  
10 houses in the neighborhood. This map was prepared by  
11 the city's Legislative Reference Bureau at the request  
12 of Alderman Sanchez. There are 12 rooming houses  
13 within a three block area, there are 18 rooming houses  
14 within a six block area.

15 One of the problems that occurs is that you  
16 get a lot of -- at this particular rooming house at  
17 736 -- I'm sorry. One other point. This rooming  
18 house is immediately across the street from the new  
19 Tech High School, immediately, 20, 30 feet from the  
20 high school, and it is one block from the Vieau  
21 Elementary School.

22 Specific to this rooming house -- and these  
23 problems have been going on for many years. I know  
24 Mr. Larson, I'm not sure how long he's owned the  
25 property, but certainly the problems that I'm

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1       testifying to and others today are specific to the  
2       last year. There's a constant loud and ruckus noise.  
3       There are no doorbells. The way a tenant is called  
4       down is by honking and yelling, rocks and pebbles  
5       being thrown at the windows. This goes on all hours  
6       of the day and night. There's a deck off the east  
7       end, the rear of the building. It's very common,  
8       particularly last summer, for tenants to sit out there  
9       with loud stereo systems, drink beer, throw their  
10      bottles into the street. On one occasion I saw a  
11      fellow leaning over the balcony urinating on the  
12      sidewalk.

13                As I mentioned, I have a small business in  
14      the neighborhood, and I walk there frequently. I have  
15      been yelled at, screamed at, harassed, had things  
16      thrown at me by the tenants of the building sitting on  
17      the back deck, who were obviously intoxicated or some  
18      other altered mind state, yelling and fighting. I'm  
19      going to be submitting a police report that shows  
20      fighting. In fact, tenants have called police on  
21      fighting. This is my only copy, but it is a public  
22      record. This is a copy of -- I'm sorry, I need to  
23      look at it just a second. Thank you.

24                This is a police report prepared by the --  
25      prepared at the request of the alderman. This shows

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1 nine calls to this property in the last six months. I  
2 made a couple of those calls, Mr. Larson made a couple  
3 of those calls because of problems with his own  
4 tenants, tenants made calls to the police because  
5 people wouldn't leave their room. They were drinking  
6 and smoking, drinking and smoking drugs. One tenant  
7 called because his apartment was broken into. Nine  
8 calls to the police in the last six months. And  
9 that's one of the criteria for nonrenewal is frequency  
10 of police calls.

11 One of my main concerns is that there is  
12 clearly prostitution and drug sales occurring at this  
13 property. The police are informed of this, the police  
14 are watching this, and there are witnesses here today  
15 to testify to seeing prostitutes standing on the  
16 corner taking people inside the building.

17 My last submission are some photos. This  
18 shows -- and the photos have my name on the back --  
19 the date that the photo was taken and the address of  
20 the property.

21 HEARING EXAMINER BOROWSKI: Did you take  
22 those yourselves?

23 MR. MADDOX: Yes, sir, I took these myself.  
24 The first couple of photos are taken from the east  
25 side of the building looking west and show the litter

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1 that's always in the back yard and was always in the  
2 back until a week ago when Mr. Larson cleaned up the  
3 property, and I only assume in anticipation of this  
4 hearing. The next two photos -- actually, the next  
5 three photos are from the front of the building, the  
6 west side of the building. Although the photos are  
7 rather dark, you can see -- and one photo shows it  
8 more clearly -- there's all sorts of litter, including  
9 a gallon of freshly spilled paint on the entranceway  
10 of the property. One of the photos shows Mr. Larson  
11 sitting in his car.

12 I happened to be working in my front yard  
13 this particular day. I saw the litter on the street  
14 and the sidewalk up to the front of the house. I was  
15 working in the front yard, I saw Larson pull up. I  
16 waited, he got out of his car, did some things. He  
17 was probably there after an hour or so going in and  
18 out of the building. He was getting back into his  
19 car -- and this litter, this old clothing, broken  
20 glass, the paint is still fresh -- I walked up to Mr.  
21 Larson, knocked on his -- I approached his car. He  
22 rolled down the window. I asked him if he owned the  
23 property. He said he did. I asked him if he were  
24 going to clean up this mess. He said, "It's not my  
25 mess. I don't have to clean up anything around here."



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1 I was working in the front yard about 15, 20 minutes  
2 later. He then proceeded to clean up the mess.

3 There were constant repeated problems with  
4 the property, problems with the tenants, loud ruckus  
5 behavior, prostitution, drug sales, and total  
6 disregard by the owner of his own admission even of  
7 doing such simple things as cleaning up debris in  
8 front of the house. Thank you, sir.

9 HEARING EXAMINER BOROWSKI: Thank you.

10 MR. MADDOX: I'd like to call Dave Martin,  
11 please.

12 HEARING EXAMINER BOROWSKI: State your name  
13 for the record, spell your last name for the court  
14 reporter, please.

15 MR. MARTIN: David Martin, M-A-R-T-I-N.

16 (Whereupon, DAVID MARTIN was duly sworn.)

17 HEARING EXAMINER BOROWSKI: Go ahead, Mr.

18 Maddox.

19 MR. MADDOX: I'll let Mr. Martin testify.

20 HEARING EXAMINER BOROWSKI: You just want  
21 him to testify? Do you want to ask him any questions  
22 first?

23 MR. MADDOX: No, sir. Let him testify of  
24 his own experiences.

25 HEARING EXAMINER BOROWSKI: I'll let Mr.

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1 Martin testify, then Mr. Larson will have a chance to  
2 cross-examine. Mr. Martin, go ahead.

3 MR. MARTIN: My name is Dave Martin, and I  
4 live at 828 South 3rd Street in Walker's Point. I am  
5 here today to oppose the renewal of a rooming house  
6 permit for 736 South 3rd Street. I was a witness to a  
7 very disturbing riot -- at least it looked like a riot  
8 -- that took place on the sidewalk adjacent to the  
9 side entrance to this property in early summer of  
10 2001. There were two men fighting at the center of  
11 the approximately 15 people. On May 7th, 2002,  
12 approximately 3:00 p.m., I witnessed a group of two  
13 women and approximately five to seven young men high  
14 school to college age collect around the side entrance  
15 of the rooming house and file through the door. One  
16 young man had his bicycle and carried into it into his  
17 house on his shoulder. Thanks.

18 HEARING EXAMINER BOROWSKI: Mr. Larson?

19 MR. LARSON: What's the issue with the  
20 bicycle?

21 HEARING EXAMINER BOROWSKI: Mr. Larson,  
22 sorry to interrupt. The court reporter is going to  
23 ask later, you need to speak into the microphone so  
24 she can hear you and also anybody else that's present  
25 can hear you.

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EXAMINATION

2 MR. LARSON:

3 Q What is the issue with the bicycle?

4 A I saw it.

5 Q Is there something wrong about that?

6 A I saw one guy had a bicycle. They were all very  
7 young. It was a disturbing scene to me.

8 Q To carry a bicycle in the building?

9 A Um-hum.

10 Q I don't know why that would be an issue. I don't  
11 think that's a law violation -- I guess I don't  
12 understand your point.

13 A Well, that's what I saw, sir.

14 HEARING EXAMINER BOROWSKI: Anything else,  
15 Mr. Martin?

16 MR. MARTIN: No.

17 HEARING EXAMINER BOROWSKI: Mr. Maddox?

18 EXAMINATION

19 BY MR. MADDOX:

20 Q But your point is that you did see some fighting  
21 occur?

22 A Correct.

23 MR. MADDOX: That's the point, sir.

24 HEARING EXAMINER BOROWSKI: Do you know who  
25 the fight involved?

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1 MR. MARTIN: I was too far away, and I was  
2 on my way to my car. All I saw is that there was an  
3 altercation, and everybody was participating in it,  
4 but it was focused on the two gentlemen.

5 HEARING EXAMINER BOROWSKI: Do you know who  
6 the two gentlemen were?

7 MR. MARTIN: I do not.

8 MR. MADDOX: Do you know if they were --  
9 The statute says or the ordinance says that the owner  
10 or employee, a resident, a guest, or anyone else  
11 associated with any of the four. Clearly these folks  
12 were there associated with either residents or guests  
13 of the rooming house.

14 MR. MARTIN: I remember being upset --

15 HEARING EXAMINER BOROWSKI: I do not want to  
16 be in a position where I'm asking questions, so I'm  
17 going to try to avoid that as much as possible,  
18 however, just to get clarity on the testimony, one of  
19 the things that I need to know not only from you, Mr.  
20 Martin, but from anyone else who testifies regarding  
21 things they saw is correct what Mr. Maddox said, I  
22 need to know if you knew where the people came from,  
23 were they employees, were they tenants of the property  
24 as opposed to someone who just might have been walking  
25 down the street in front of the property. There's a

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1 significant distinction legally, and so you or anyone  
2 else who testifies just be as specific as possible.  
3 Don't guess, but if you know they were tenants, if you  
4 know they were employees, if you saw them come in and  
5 out of the property, that's information I'd like to  
6 have.

7 MR. MARTIN: What I can say is that most of  
8 the people were within several feet of the side  
9 entrance.

10 MR. LARSON: Could I add something?

11 HEARING EXAMINER BOROWSKI: You can ask  
12 another follow-up, yes.

13 MR. LARSON: Well, I'd just like to make a  
14 point that when the high school --

15 HEARING EXAMINER BOROWSKI: You will --  
16 After -- Right now, what I want you to do is just  
17 cross-examine Mr. Maddox's witnesses, asking them  
18 questions each time. You'll get your chance for you  
19 to testify yourself for you to present all of your own  
20 witnesses after the complainant is essentially done  
21 with his presentation. So just to keep it clear and  
22 keep the record easy, I don't want it to go back and  
23 forth. So you can ask questions right now, and later  
24 on, you'll get the opportunity to make your own  
25 statement and call your own witnesses.

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1 MR. LARSON: I understand. Can I ask a  
2 question?

3 HEARING EXAMINER BOROWSKI: If you have a  
4 question for Mr. Martin, yes, go ahead.

5 MR. LARSON:

6 Q Mr. Martin, are you aware that there's a bus stop  
7 directly in front of this building?

8 A Yes, I am.

9 Q The bus stop obviously draws traffic from the local  
10 area. The accumulation of people out in front doesn't  
11 necessarily indicate that they were people from my  
12 building. So are you able to identify any of the  
13 people that were involved as tenants of my building?

14 A This had nothing to do with the bus.

15 Q How do you know that?

16 A Because the bus wasn't there, and they weren't --

17 Q The purpose of a bus stop is for people to wait for  
18 the bus.

19 MR. MADDOX: I believe Mr. Martin answered  
20 the question.

21 MR. MARTIN: I answered the question.

22 HEARING EXAMINER BOROWSKI: Do you have any  
23 other follow-ups, Mr. Larson?

24 MR. LARSON: No.

25 HEARING EXAMINER BOROWSKI: Anything else?

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MR. MARTIN: No.

HEARING EXAMINER BOROWSKI: All right.  
Thank you, Mr. Martin. You can have a seat, and Mr. Maddox can call his next witness.

MR. MADDOX: Tracy Williams, please.

MS. WILLIAMS: My name is Tracy Williams, W-I-L-L-I-A-M-S. I live at 821 South 3rd Street. I've lived in the neighborhood for over 15 years.

(Whereupon, TRACY WILLIAMS was duly sworn.)

MS. WILLIAMS: One comment I want to make is the bus stop was not there a year ago. It moved when Tech High School started construction. The bus stop has always been in the middle of National -- along National between 3rd and 4th, and when they started construction of Tech, which didn't start until last fall, then they moved the bus stop down to in front of the rooming house. And I believe Mr. Martin's testimony was from over a year ago.

I wanted to comment regarding the prostitution. I've seen a woman stand on the corner on several occasion, most notably Friday. When I got home around 4:00, I parked in front of my house, and I went -- I looked at the corner, and there were two women out there, and a car pulled up, and they talked to somebody in the car, he pulled around and parked in

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1 the Junior House parking lot, and then they came back  
2 out, talked for a little bit, and then they all went  
3 up into the rooming house. And that's not the first  
4 time I've seen the woman -- It's the first time where  
5 I saw them actually move and have somebody go with  
6 them, but it's not the first time I've seen a woman  
7 stand at that corner. And a bus goes by, they're not  
8 getting on the bus. And that's my testimony.

9 HEARING EXAMINER BOROWSKI: Questions, Mr.  
10 Larson?

11 MR. LARSON: Just one.

12 EXAMINATION

13 BY MR. LARSON:

14 Q How do you know that that had anything to do with  
15 prostitution?

16 A Because they are standing -- this is an assumption, I  
17 don't know -- but they're standing on the corner  
18 outside. If you live in the place, why would you  
19 stand out on the corner? Most people don't do that.  
20 It's unusual. And then to talk to people to a car and  
21 then you see it on several occasions, and these people  
22 standing on the corner, that I'm assuming that there  
23 is something more going on than them just waiting for  
24 friends. Most people stay in their house, their  
25 friends knock on the door, they don't stand outside on



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1 a corner and try and talk to people as cars go by. So  
2 I don't know for sure, but that's an assumption.

3 Q You don't know for sure that this had anything to do  
4 with prostitution?

5 A All I can tell you is what I saw, and that's what I  
6 saw.

7 Q I understand.

8 HEARING EXAMINER BOROWSKI: Any other  
9 questions, Mr. Larson?

10 MR. LARSON: No, sir.

11 HEARING EXAMINER BOROWSKI: Anything else,  
12 Ms. Williams?

13 MS. WILLIAMS: No.

14 HEARING EXAMINER BOROWSKI: Before I excuse  
15 you, you are familiar -- You work for the city,  
16 right?

17 MS. WILLIAMS: Yes, I do.

18 HEARING EXAMINER BOROWSKI: You're  
19 testifying in your own capacity?

20 MS. WILLIAMS: That's correct. I'm on  
21 vacation right now.

22 HEARING EXAMINER BOROWSKI: I just wanted  
23 that clear for the record. Thank you.

24 MR. MADDOX: Pat Koehn.

25 (Whereupon, PATRICIA KOEHN was duly sworn.)

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1 MS. KEOHN: Patricia Koehn, K-O-E-H-N. I  
2 live at 640 South 3rd Street. I'm right in bird's eye  
3 view of what goes on in that building. I don't know  
4 if I can discuss this, but we do have vice squad  
5 working on this building right now, and I'm going to  
6 let it out, okay. There has been, in my observation,  
7 I have sat on my steps -- And let me start --  
8 Because if I would have known this, I would have  
9 brought a notebook in.

10 We have vehicles pulling up there and  
11 specifically vehicles coming and spending maybe a few  
12 minutes, a man with red hair -- not you, sir -- but  
13 somebody with short cropped hair, about 250 pounds,  
14 six foot tall, standing by the bus stop acting like  
15 he's waiting for the bus for like six hours, and all  
16 he's doing is going from vehicle to vehicle servicing  
17 them, it seems, unless he's got a fabulous amount of  
18 friends. I doubt that. And I'm very angry about  
19 this, and I have -- my suspicions are is the man is a  
20 drug dealer.

21 Now, I'm on the phone Friday -- and I can  
22 recall this -- a white car, four-door,  
23 African-American, about six feet tall -- let's see --  
24 pulls up on West Pierce Street with another car. The  
25 guy gets out of his car -- I'm on my telephone talking

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1 to my niece -- and the guy gets out of his car, the  
2 car in front of him gets out, they trade money, he  
3 gets back in his vehicle, they both look at my window,  
4 I roll the window up and wave to them, and they took  
5 off. Now, this white car, which I have the plates  
6 for, went back around to the 736 building and  
7 continued defiantly, he saw me, and he still continued  
8 to actively engage in conversation with people that  
9 were tenants of that building. And then he would take  
10 off, and he'd go for a ride, and then he'd come back.  
11 And this went on for an hour.

12 Now, I don't -- You know, I don't think you  
13 have to be a rocket scientist to figure out what's  
14 going on here. No, I haven't been in the building,  
15 no, I don't know what's going on in the rooms, but I  
16 can tell you that I think there's a lot of drug  
17 dealing going on there. And I'm an MPS employee, and  
18 I'm very upset about this because I'm seeing kids  
19 going by that building, and God only knows if they're  
20 being enticed in there to buy drugs. And there's a  
21 lot of children. And I'm going to get the principal  
22 from Milwaukee Tech involved in this. I'm going to  
23 see Mr. Peters personally today.

24 I just want you to also know that I own a  
25 rooming house. I own the 224 West Pierce property. I

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1 bought it out of necessity. My husband and I were  
2 forced to buy it because it was full of ratty-type  
3 characters that were just making a lot of noise, a lot  
4 of drinking, drug use, and prostitutes going in and  
5 out of there. We had no control over that property  
6 until the landlord, the owner offered it to us. We  
7 didn't have any money, but we bought the building.  
8 We've worked on the building the last five years.  
9 With the little money we make, we've put money into it  
10 and rehabbed the property out of our own funding.

11 Today I can say -- and all my neighbors will  
12 vouch for this -- is I have very excellent tenants in  
13 there. They pay their rent, they're very quiet  
14 people, they don't hang out outside the building.  
15 They go in their house at night, and they go to bed,  
16 and they get up and go to their jobs in the morning.  
17 I have two men that are disabled who find it necessary  
18 to go to work every day. They go and find stuff to do  
19 in the neighborhood, fix people's -- you know, one  
20 guy, he likes to fix things, and another guy, he cuts  
21 lawns, and he's 62 years old.

22 I'm very proud of what we've done over  
23 there, and we have very good tenants. And like I  
24 said, nobody's waging war against me or coming after  
25 me, because I'm responsible and I'm accountable for

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1 ownership. And that's what I demand here to be done.  
2 Something has to be done about this property. Because  
3 I just ran the rats out of my building, I want the  
4 rats out of that building. And I'm fed up with it.  
5 I'm sick of fighting. I'm sick of having to protect  
6 and fight for my property. I'm a stakeholder. I'm  
7 here to stay, these people behind me are here to stay.  
8 We have all invested money into our homes. We've  
9 worked hard. We're not wealthy, rich people, we're  
10 all working class people.

11 So that's all I have to say. My husband  
12 will probably fill in the blanks for me.

13 HEARING EXAMINER BOROWSKI: All right. Mr.  
14 Larson, questions?

15 MR. LARSON: Just one.

16 EXAMINATION

17 BY MR. LARSON:

18 Q The idea of the vice squad having the building under  
19 observation comes as no surprise to me. I was  
20 wondering if you know how long that has been the case?

21 A That's none of my business. They don't talk about it.  
22 Once they go in, that's their business.

23 Q I have a letter here directed to Detective Valcarcel  
24 from August of last year asking for help on the drug  
25 issues, and that was a follow-up letter to an earlier

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1 phone conversation that we had had. So I'm not  
2 denying that there have been people in the building  
3 that have used drugs or dealt drugs, but that's a --  
4 it's a difficult thing to prove with some people,  
5 which is why I asked for his help.  
6 A Well, I've been asking them for the last three months.  
7 When did you call vice squad?  
8 Q Well, the date of this letter is August 24th. I had  
9 been down to the 2nd District Police Station to  
10 express my concerns previous to that. I don't have  
11 dates on that, but my recollection is it was about a  
12 year ago. And I had some difficulty getting return  
13 information from the police, I assumed because of the  
14 privacy, the nature of this business, and the fact  
15 that they had been watching the building.  
16 A Mr. Larson, I want to ask you a question when you're  
17 done.

18 HEARING EXAMINER BOROWSKI: All right. This  
19 already got into a little bit more of a dialogue than  
20 I would like. Let's leave Mr. Larson's testimony for  
21 when it's his opportunity. You can present all that  
22 when it's your testimony, and Mr. Maddox will have a  
23 chance to cross-examine. Thank you.

24 MS. KEOHN: Thank you.

25 MR. MADDOX: Mike Koehn.

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1                   MR. KOEHN: I'm Mike Koehn. I live at 640  
2 South 3rd. Patricia's husband.  
3                   (Whereupon, MIKE KOEHN was Mike duly sworn.)  
4                   MR. KEOHN: Regarding the matter of us and  
5 our rooming home, as my wife had mentioned, we  
6 purchased the home because when we moved in there, we  
7 understood that that came with the neighborhood. And  
8 we had a chance to see what was going on, and the only  
9 way we felt we could rectify it was if the opportunity  
10 came to purchase the property and to get control of  
11 it, because we live there, and we felt that we could  
12 keep an eye on things.

13                   One of the things that we had to do was rat  
14 out a couple of bad tenants. And after we were able  
15 to remove these tenants who were causing the same  
16 types of problems that Mr. Larson had, we had to find  
17 a way to keep good tenants. One of those ways was to  
18 set up a system of both screening and rules and  
19 regulations, and then after we had the screening and  
20 the rules and regulations, we had to have  
21 self-enforcement. Because we're property owners and  
22 we live there, the enforcement is a little bit easier,  
23 but I can tell you that, you know, we have to be on  
24 top of things all the time with our tenants with  
25 regards to maintenance of their particular room, with

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1 regards to their getting rid of the trash, with  
2 regards to respect of others' rights, including people  
3 living in the building that have to go to work.

4 The rules were posted. These people were  
5 screened. We did criminal background checks on them.  
6 These are things that, if you're going to be in the  
7 business of a rooming house, I think it's just good  
8 business. You have to look at the type of people  
9 you're putting in, and you can't just exchange dollars  
10 for taking dollars and having the cash flow.

11 What my wife said, she's observed and I've  
12 observed, and I can substantiate the same things, that  
13 the people have been milling around, drinking openly.  
14 We come and go. Both of us go to work. We pass that  
15 building quite often. We see people hanging out,  
16 they're going to the building, look like -- whether  
17 they're tenants or not, they're doing something there,  
18 and we can't substantiate exactly what it is, whether  
19 it's prostitution, drugs, or whatever. My testimony  
20 was just to say that you can run a rooming house if  
21 it's run in the proper manner without being an  
22 absentee landlord and have people who will respect  
23 your property and will live in the neighborhood and be  
24 good neighbors with the rest of the people that live  
25 there.



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1                   And we've been there eight years, we've  
2                   owned this rooming house about four years, so I've put  
3                   a substantial amount of money and time into it to make  
4                   it a property where I know that the rest of the  
5                   neighborhood would be happy that these people are  
6                   living there and not causing problems.

7                   HEARING EXAMINER BOROWSKI: Mr. Larson?

8                   MR. LARSON: Yes, sir.

9                   EXAMINATION

10 BY MR. LARSON:

11 Q               Are you aware of any of the procedures that I have in  
12               place for checking backgrounds?

13 A               No, I'm not aware. I just know that if you follow  
14               procedures, you're not going to get 100 percent, but  
15               we make our people follow rules, and if they don't and  
16               they don't toe the line -- I mean, this is my  
17               business, your business is your business -- we have  
18               a way of vacating them very quickly, all within the  
19               legal limits of the law. We've researched it and  
20               found out we don't have to go through sheriff removal  
21               or anything, we know how to terminate them and have  
22               them out of there in a very quick manner. And it is  
23               the only way you can run it, because some people just  
24               won't follow rules no matter what you do.

25               And I would recommend highly that anybody

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1 who is in that business take a look at it, because  
2 there's very bad stigma with rooming houses, and  
3 rightfully so, because when we took it over, we had  
4 similar problems, but we rectified them, and we don't  
5 have that problem. In fact, we have a room that's  
6 been vacated, and I'm renovating it right now, and you  
7 know, I could use the cash flow, but I want to see  
8 that the room is renovated correctly and that I have a  
9 tenant that's going to respect and fit in and respect  
10 the neighborhood as well as my property. And without  
11 that, I'd rather have the thing empty for a year until  
12 I find the right person or persons.

13 HEARING EXAMINER BOROWSKI: Any other  
14 questions, Mr. Larson?

15 MR. LARSON: No, sir.

16 HEARING EXAMINER BOROWSKI: Anything else,  
17 Mr. Koehn?

18 MR. KEOHN: No.

19 HEARING EXAMINER BOROWSKI: Mr. Maddox,  
20 anything else for Mr. Koehn?

21 MR. MADDUX: No. Two more witnesses,  
22 please. Thank you, Mike. Sue Potts, please.

23 MS. POTTS: My name is Susan Potts,  
24 P-O-T-T-S, and I live at 934 South 3rd Street,  
25 approximately two blocks away from this rooming house.

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1 (Whereupon, SUSAN POTTS was duly sworn.)

2 HEARING EXAMINER BOROWSKI: Go ahead.

3 MS. POTTS: This property has been a  
4 problem, the rooming house portion of it, since I've  
5 lived in the neighborhood, and that's about 12 years,  
6 and historically, there has been difficulty by all of  
7 the owners trying to control the tenants in this  
8 rooming house. Recently there has been much more  
9 activity. I can speak specifically to my assumption  
10 that the woman who was standing on the corner with  
11 some regularity does not wait for the bus and on one  
12 occasion has taken someone that she flagged down in a  
13 car upstairs, I'm going to assume that this woman is  
14 engaged in prostitution, because this is an educated  
15 opinion as opposed to just a mere guess. I think  
16 that, you know, we can assume, that we are smart  
17 enough to be able to judge or at least have an  
18 educated opinion about whether this is illegal  
19 activity or not.

20 I walk my dogs past the property and also  
21 own a small building or part owner of a small building  
22 about half a block away. There have been continued  
23 problems. I think by Mr. Larson's own admission, he  
24 can't get control of his tenants. No one has been  
25 able to get control of his tenants. I think

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1 historically there's a time when it becomes obvious  
2 this should not be a rooming house, because it's just  
3 not working out. And I think that is probably the  
4 best argument. Mr. Larson can't get control with his  
5 neighbors, we never have control. I think he needs to  
6 find a better use for this property.

7 HEARING EXAMINER BOROWSKI: Ms. Potts --  
8 First of all, go ahead, Mr. Larson. Any questions?

9 MR. LARSON: No questions.

10 HEARING EXAMINER BOROWSKI: Ms. Potts,  
11 the woman that you mentioned, did you see her go into  
12 the building in question, 736 South 3rd?

13 MS. POTTS: On one occasion, I saw her take  
14 a man into the building, and other times I saw her  
15 making motions to cars or passing by.

16 HEARING EXAMINER BOROWSKI: What time of day  
17 did this go on?

18 MS. POTTS: Late afternoon, early evening is  
19 the time that I usually pass. I don't know if it's  
20 any other time.

21 HEARING EXAMINER BOROWSKI: All right. And  
22 Ms. Potts, anything else to add?

23 MS. POTTS: No.

24 HEARING EXAMINER BOROWSKI: Any other  
25 questions, Mr. Larson?

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MR. LARSON: No, sir.

HEARING EXAMINER BOROWSKI: Thank you.

MR. MADDOX: Thank you. Ms. Lopez.

MS. LOPEZ: Good morning. My name is Catalina Lopez, L-O-P-E-Z. I live at 713 South 4th, and I have lived in the neighborhood since I was 14.

(Whereupon, CATALINA LOPEZ was duly sworn.)

MS. LOPEZ: So I've been living there for a long time seeing people come in and coming out, buying homes, selling homes, people I really like, people I didn't like. On the corner -- I don't live on 3rd, but I live on 4th, and I used to drive, I had a stroke, but I do go by there, and there has been women out there. And most of the people that go in there or come out there, sometimes I'd stand on the corner maybe 15 minutes, and they're going in and out I'd say at least four times in 15 minutes. They look like they are sour drunk. And to me, a rooming house represents not mobility. I've lived in my neighborhood a long time, and I like to know my people.

Number two, I like to know if in other areas they have rooming houses, and if they're so good, they wouldn't have the traffic that they have, like he said about the traffic. They would have it in Oak Creek,

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1 they would have it in Shorewood, they would have it  
2 everywhere, but they have it in our area. We have  
3 taverns, too. And I don't like people coming in and  
4 out, every Tom, Dick, and Harry. And that's about  
5 all -- I'm saying this from my heart, from a person  
6 that has been born in Milwaukee, I lived in this area  
7 for a long time, I had a business 25 years before A &  
8 P.

9 I like to know my neighbors, and I don't  
10 like those neighbors. I don't like those neighbors,  
11 and it isn't because I don't know them, it's because  
12 they're always rolling over from one to another. And  
13 to me, when you buy a home or when you live in the  
14 area, you want mobility. I think that's a very strong  
15 statement. And I think that's about it. That's all I  
16 have to say. Thank you.

17 HEARING EXAMINER BOROWSKI: You're welcome.  
18 Mr. Larson?

19 MR. LARSON: No questions.

20 HEARING EXAMINER BOROWSKI: Any other  
21 witnesses, Mr. Maddox?

22 MR. MADDOX: No, sir.

23 HEARING EXAMINER BOROWSKI: Anything else  
24 you want to add?

25 MR. MADDOX: Am I to make a closing

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1 statement now or at the close?

2 HEARING EXAMINER BOROWSKI: Let's wait until  
3 the end. Do you have any documents or photos or  
4 anything else you want to submit?

5 MR. MADDOX: One other document.

6 HEARING EXAMINER BOROWSKI: What is it?

7 MR. MADDOX: It's a letter. It is addressed  
8 to me, it is from Mr. Curt Olinger, who owns a rooming  
9 house at 802 South 3rd Street, which is north of me,  
10 south of 736. Mr. Olinger has owned that rooming  
11 house, he and his father, for several years, and we  
12 worked out a very workable congenial relationship, and  
13 Mr. Olinger is very good about immediately addressing  
14 problems.

15 This letter, as you can see, I told him that  
16 there was a tenant that was causing some problems. He  
17 sent this letter back to me telling me that that  
18 tenant no longer lives at that address and is no  
19 longer permitted on the property. He goes on to say,  
20 however, this person does associate with many of the  
21 tenants who live across the street at 736 South 3rd.  
22 The point being that there are -- anyone who knows  
23 anything about 736, apparently, except Mr. Larson,  
24 recognizes that there are numerous repeatable problems  
25 with the tenants, the guests, and the operation,

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1 including other rooming house owners, Mr. Olinger, via  
2 this letter, as well as two other people who testified  
3 today who own rooming houses.

4 Thank you. That's all the additional  
5 information.

6 HEARING EXAMINER BOROWSKI: Thank you.  
7 Mr. Larson?

8 MR. LARSON: Can I make a statement?

9 HEARING EXAMINER BOROWSKI: You can make a  
10 statement first, yes, and then call whatever witnesses  
11 you wish.

12 MR. LARSON: I guess after listening to the  
13 various witnesses in opposition to the renewal of this  
14 rooming house license, I can certainly understand  
15 their concern. My questioning of those witnesses I  
16 think I kind of, as time went on, thought there really  
17 wasn't much of a point in questioning what they're  
18 seeing, because I believe what they're seeing is  
19 accurate. I don't necessarily agree with all of the  
20 interpretations of what they see, but I have no doubt  
21 that everyone that was called here as a witness this  
22 morning to this point appears to be a very solid  
23 citizen, and I do understand their concerns about the  
24 neighborhood. If I were in their position, I would  
25 have the same concerns.



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1                   There are, I believe, though, some  
2                   extenuating circumstances, I think, that make this a  
3                   little more than an open and shut that this is a bad  
4                   place full of bad people conclusion. I'm wondering --  
5                   Now, I've owned this building since November 8th of  
6                   the year 2000, and other than Mr. Maddox, no one has  
7                   ever approached me, called me regarding any complaints  
8                   about this building or any of the tenants that are in  
9                   it.

10                   And what Mr. Maddox said was -- I would  
11                   agree with what he said -- regarding the pictures that  
12                   he has and the things that he said, except that I  
13                   don't agree with how he said I responded to that. I  
14                   did get out and clean things up. But the circumstance  
15                   there was a tenant had gotten drunk the night before,  
16                   not in my building but in the local bars around there,  
17                   and had, for whatever reason, completely lost control  
18                   and did extensive damage to the inside of my building,  
19                   and that included breaking windows, which resulted in  
20                   the gallon of paint that was spilled on the sidewalk  
21                   outside, and trash, clothes all over the place.  
22                   There's no exaggeration as to what Mr. Maddox said.  
23                   The only thing that I would like to have on the record  
24                   regarding that incident, though, is that the tenant  
25                   made the repairs to the building and did some of the

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1 clean-up, which was my intent in holding this person  
2 responsible, and shortly after that, I took Mr.  
3 Maddox's comments to heart and thought okay, I  
4 understand his point. This shouldn't wait for  
5 clean-up, and I spent time cleaning things up,  
6 including broken glass in front of the building.  
7 With regard to trash, I think you've --  
8 anyone that's lived in that neighborhood can see how  
9 the trash has accumulated over time, especially for  
10 people walking from one bus stop down on 2nd Street up  
11 to this bus stop or just walking past the building,  
12 whatever the case might be, plus the congregation of  
13 students. Since that bus stop was moved there, I  
14 believe that was -- I would agree with one of the  
15 witnesses who said it was just when the construction  
16 started for the new high school, I believe that is  
17 accurate. But I was never asked by the city or  
18 whoever is responsible for -- I guess that would be  
19 the County, the Transportation Department -- I was  
20 never consulted as to whether that was a proper place  
21 for the bus stop, and I wish it weren't there, because  
22 it's caused me damage to the building from students,  
23 and I've been there at approximately 2:30 when many of  
24 the students are out, and I've seen the trash  
25 accumulate and damage to my building occur. So I

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1 think the bus stop being there hasn't done anybody any  
2 favors in terms of that particular location and people  
3 that have to walk by or just live in the neighborhood.

4 I have made a more concerted effort to keep  
5 the grounds clean, and I think in contrast to what Mr.  
6 Maddox said, that had nothing to do with this hearing.  
7 Actually, as I was -- The building is now for sale.  
8 I don't know if everyone knew that, but I put the  
9 building up for sale a week ago today, had attempted  
10 to sell it once before. And the reasons for that are  
11 I bought this as an investment opportunity. It hasn't  
12 proved to be that. There have been structural  
13 problems in the building -- I shouldn't say  
14 structural, but plumbing issues that prohibited a  
15 tenant from being downstairs, and I currently am suing  
16 the previous owners for the recollection of monies  
17 that I had spent to make it rentable or to be able to  
18 sell the building.

19 With regard to renting to tenants and doing  
20 screenings on them and things like that, I do have  
21 some copies of documents that I use. I have a room  
22 rental application, which is relatively extensive as  
23 far as the backgrounds go on these potential tenants,  
24 I do have a tenant agreement, which specifically  
25 mentions things like no drugs, no involvement in

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1 illegal or unlawful activities on or near the  
2 premises. So I'm just making the point that I do have  
3 things in place that are difficult to enforce  
4 certainly, but the attempt is there.

5 I have a guest policy, which is highlighted  
6 here about a curfew in terms of having guests there no  
7 later than 11:00 p.m. I can't be there all the time,  
8 so it's difficult for me to enforce, but I do have a  
9 person in the building who does the cleaning for me.  
10 He's also -- he refers to himself as the manager.  
11 He's not the manager, but he is my eyes and ears and  
12 will report things to me.

13 HEARING EXAMINER BOROWSKI: What's his name?

14 MR. LARSON: His name is Lester Valenzuela.

15 HEARING EXAMINER BOROWSKI: Is he here  
16 today?

17 MR. LARSON: No, he's not. He's working.  
18 And the other thing I have is -- and this might have  
19 been -- one of the witnesses might have been  
20 referencing -- the use of a five-day notice for being  
21 able to remove tenants that either violate rules or  
22 fail to pay their rent or whatever the case might be.  
23 I do have that form here. And two of the phone calls  
24 that I had made to the police were involving getting  
25 the removal of one of my tenants using this form and

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1 the knowledge of that system.

2 I previously mentioned that I had a letter  
3 here addressed to the Milwaukee Police Department, the  
4 vice squad specifically, Detective Valcarcel, and I'm  
5 a little unsure in terms of what they're doing or when  
6 they're doing it, because I haven't -- They don't  
7 report to me, obviously, but I had offered them keys  
8 to the building, if they wanted to make access easy,  
9 and they did not take me up on that offer. I had  
10 phone conversations with this detective, as well, and  
11 I haven't heard anything since shortly after this  
12 August 24th, 2001 letter, although they did remove one  
13 tenant from my building who happened to be a -- he was  
14 on probation, adult probation, and was removed for  
15 violating his probation with the use of drugs. That  
16 happened -- I don't have an exact date, but it was  
17 somewhere around that time, late summer or early fall  
18 of last year.

19 I have here, too, a stack of nine former  
20 tenants that I kicked out of my building for problems  
21 that I had with them. So I guess this goes to say  
22 that I have been making attempts to clean things up at  
23 that building. I, too, was down to -- I had three  
24 open rooms. I have 10 rooms in that building, and I  
25 had three open rooms for an extensive period of time

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1 to -- as I was cleaning house, getting rid of those  
2 that I thought were bad tenants, were violating rules,  
3 weren't paying the rent, whatever the case might be,  
4 and went some time without filling those rooms. I  
5 currently have all 10 rooms full.

6 HEARING EXAMINER BOROWSKI: There's 10 rooms  
7 in the property?

8 MR. LARSON: Correct.

9 HEARING EXAMINER BOROWSKI: And they're all  
10 full right now?

11 MR. LARSON: Yes. I had mentioned the  
12 police previously. I guess one thing that troubles me  
13 is, as I said, I can certainly understand people's  
14 concerns, but no one has approached me other than Mr.  
15 Martin -- I'm sorry, Mr. Maddox, and that was just a  
16 passing comment when he happened to be walking by, it  
17 appeared. And I work in human services, and I've  
18 overseen a group home operation that sometimes is in  
19 a very similar situation in what this rooming house is  
20 now. People don't want them in their neighborhoods,  
21 but there's a need for them. Agreed, operation, a  
22 top-notch operation is what needs to happen to make  
23 everyone happy. And I'm not there 24 hours a day, I  
24 don't live there, but I do have good tenants in some  
25 respects, and I have some that probably shouldn't be

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1 there and will be dealt with.

2 But I haven't received any complaints either  
3 from the police or from Alderman Sanchez or any of the  
4 people in the immediate neighborhood. So I guess the  
5 amount of opposition here today surprised me, because  
6 I haven't -- Other than the two letters that were in  
7 the file, I wasn't aware of anything else or anyone  
8 else's unhappiness regarding this situation.

9 I didn't ask for the school to be built  
10 across the street. That -- I knew that was going to  
11 happen when I bought the building. My thought was  
12 that it shouldn't make any difference, providing the  
13 rooming house were run in a good fashion. And as far  
14 as the downstairs tenant, there was -- I didn't hear  
15 it mentioned today, but I think Mr. Maddox had concern  
16 regarding a possible tavern license, and there was no  
17 intention on my part to have a tavern go in there. I  
18 had had a discussion some time ago, probably the  
19 better part of a year ago, with Alderman Sanchez about  
20 what type of a business might be acceptable in that  
21 neighborhood, and he made it clear that a tavern was  
22 not something that would be in the neighborhood's best  
23 interest, and most of our conversation was around  
24 restaurants, things like that, other businesses, but  
25 restaurants was probably the most important or

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1 significant suggestion.

2 As I mentioned before, I'm currently on my  
3 second attempt to sell this building, and it's been  
4 nothing but a financial loss for me. In the 19 months  
5 or so that I've owned it, I've lost approximately  
6 \$8,000 on it, which is isn't a very good investment.  
7 And my reason for wanting to sell it is just that,  
8 it's been a poor investment for me. The main reason  
9 for that is that I haven't had a tenant downstairs in  
10 the commercial space for the majority of the time that  
11 I've owned the building, and there currently is no one  
12 in that space on the lower level.

13 I would like to say, though, that I've been  
14 in compliance with the city's expectations in terms of  
15 operating the rooming house and maintaining the  
16 property. I did receive a notice on graffiti from the  
17 city and had that cleaned up within the time period  
18 that I was instructed to do that. I also received a  
19 notice regarding some trees that were apparently  
20 diseased, and I had those trees removed within the  
21 time that was necessary.

22 As I mentioned, I do have an on-site  
23 caretaker that keeps the building clean. I had a  
24 licensing inspection in March, and that inspection  
25 went very well, and I was told my license would be



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1 renewed at that point. Basically, that's it.  
2 I do have one witness.

3 HEARING EXAMINER BOROWSKI: First of all,  
4 before you call your witness, Mr. Maddox, do you have  
5 any questions for Mr. Larson?

6 MR. MADDOX: Yes, just a couple, please.  
7 You said that you've owned the property and  
8 run it as a rooming house since November of 2000?

9 MR. LARSON: Correct.  
10 MR. MADDOX: So by your own count, maybe 18,  
11 19 months?

12 MR. LARSON: Yes.

13 MR. MADDOX: And you've had nine evictions  
14 during that time?

15 MR. LARSON: No. I've had nine evictions  
16 during the year 2001.

17 MR. MADDOX: How many have you had total?

18 MR. LARSON: I don't have the number  
19 offhand. I could venture a guess.

20 MR. MADDOX: I'd want a number. I can  
21 guess, too. I'm not going to guess. It's your  
22 record, sir. How do you go about enforcing? By your  
23 own admission, sir, you said it's difficult to enforce  
24 the rules. You have an on-site manager or whatever  
25 the right title is apparently who's responsible for

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1 cleaning. I don't know, by your own admission, you  
2 can't enforce the very rules that you have; is that  
3 correct?

4 MR. LARSON: No, I didn't say I can't  
5 enforce them, I said it's difficult.

6 MR. MADDOX: When are you there? How often  
7 do you visit the property?

8 MR. LARSON: I have records here if you'd  
9 like to see it. For tax purposes I keep track of my  
10 trips to the building. And probably over the last six  
11 months, I'm there nearly every day, previous to that,  
12 not as frequent, but as the demands of the building  
13 require it, that's how often I'm there.

14 MR. MADDOX: Did you call the police on your  
15 own a couple of times over the last six months because  
16 of problems with tenants, according to this police  
17 record?

18 MR. LARSON: With one tenant.

19 MR. MADDOX: You made two calls?

20 MR. LARSON: Two calls on the same tenant.

21 MR. MADDOX: So you're having problems on  
22 your own with tenants? You had to call in police to  
23 help you manage your tenants?

24 MR. LARSON: The reason I called in the  
25 police on this particular tenant is that he wouldn't

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1 vacate his room. He hadn't paid rent, and he had been  
2 violating rules and causing difficulties with other  
3 people in the building, and I called the police to  
4 have him removed. They gave him the benefit of the  
5 doubt on the five-day notice. He claimed he never got  
6 a five-day notice, and after I reissued it to him, he  
7 was still there five days later, at which point, I  
8 called the police, and they came and escorted him out  
9 of the building.

10 MR. MADDOX: No more questions at this time.

11 HEARING EXAMINER BOROWSKI: All right. Mr.  
12 Larson, before I have you call your witness, I just  
13 want to ask you a couple of questions. First of all,  
14 you acknowledge receiving notice of this meeting and  
15 the possibility that your license could be affected,  
16 whether that's revoked, suspended, or granted,  
17 correct?

18 MR. LARSON: Yes, sir.

19 HEARING EXAMINER BOROWSKI: Okay. I think  
20 you mentioned this earlier, but how many rooms are  
21 there?

22 MR. LARSON: There are 10 rooms.

23 HEARING EXAMINER BOROWSKI: And they are all  
24 rented right now?

25 MR. LARSON: Yes.

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1 HEARING EXAMINER BOROWSKI: What's the rent  
2 basis of the rooms; are they monthly, weekly?

3 MR. LARSON: That depends. I have some  
4 clients that either an agency pays for them, like  
5 Wisconsin Correctional Service, I have one in that  
6 situation, or I have one gentleman who's my witness  
7 here that is able to pay his rent on a monthly basis  
8 and receives a discount as a result of that, and I  
9 have one that receives an SSI payment and makes a  
10 monthly payment in that respect. All the rest are  
11 weekly. I would prefer the monthly, because it's a  
12 lot of work chasing people for their rent, but the  
13 majority are weekly renters. The rents vary from  
14 -- the smaller rooms are \$80 a week, and as they go  
15 up, I have one room that's 90 and the rest are 85.

16 HEARING EXAMINER BOROWSKI: Mr. Larson, go  
17 ahead, call your witness, please.

18 MR. LARSON: I'd like to call one of my  
19 tenants who's been with me for seven months now. His  
20 name is Albert Wellstein.

21 (Whereupon, ALBERT WELLSTEIN was duly  
22 sworn.)

23 HEARING EXAMINER BOROWSKI: Do you want to  
24 make a statement or, Mr. Larson, do you have questions  
25 for him?

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1 MR. LARSON: I'd like to just explain Mr.  
2 Wellstein's situation and then I'd --

3 MR. WELLSTEIN: I can explain it.

4 HEARING EXAMINER BOROWSKI: Yeah, why don't  
5 we have him do that.

6 MR. WELLSTEIN: My name Albert Wellstein. I  
7 was born in the City of Milwaukee. I believe I was  
8 baptized at Our Lady of Guadalupe Parish when my  
9 parents were married. And I hold a bachelor's degree  
10 from the University of Wisconsin at Madison. I served  
11 my country as a United States Peace Corps. volunteer  
12 in the Island Paradise of Jamaica. It's in the West  
13 Indies. I have been away from Milwaukee for nearly 17  
14 or 18 years living in the east traveling extensively.  
15 I'm a professional salesman. In the year 2000, I  
16 returned to University to garner my master/webmaster  
17 ranking and completed Drexel Commerce Program. That  
18 is in Philadelphia, Pennsylvania. I'm a card carrying  
19 member of the Democratic National Committee. I have  
20 volunteered for the Barrett For Governor campaign and  
21 have been an observer since I left that campaign.  
22 That status will be changing shortly.

23 I know Mr. Larson to be a good man, lenient  
24 and fair. I live there largely because I could not  
25 afford to live anywhere else. It is convenient. I am

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1 a dedicated heterosexual. I like women. I married  
2 one. It just didn't work out. None of the women that  
3 live in the building -- I believe there are three  
4 black women and one Latino -- have ever offered any  
5 services to me. We get along quite well. Folks, this  
6 ain't the Ritz. But these people are poor like me,  
7 and we try to get along as best we can.

8 I am vehemently anti-drug, so I don't do  
9 drugs, I don't like people who do drugs. Now, I know  
10 there have been some problems there. Mr. Larson has  
11 been excellent about attending to them. Rarely do I  
12 complain. I keep to myself. I'm a fairly busy  
13 individual. And he has dealt with them fairly. He's  
14 reasonable with us who have trouble bringing the cash  
15 on a timely basis. Do I want to live there? I don't  
16 know, but it is a convenient place to live and serves  
17 a valuable service to these people who are poor,  
18 black, and Latino.

19 I'm glad I'm not here because there's a  
20 Barrett For Governor sign in the window. I'm glad I'm  
21 not here because I am a Democrat. I don't like  
22 Republicans. That is a statement of fact. That is  
23 why I'm here.

24 HEARING EXAMINER BOROWSKI: Any follow-up,  
25 Mr. Larson?

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1                   MR. LARSON:  When I had said I wanted to  
2 explain his situation, I was referring to his stay in  
3 my building.  He began on one side of the building.  I  
4 don't know that anyone here has been in the building  
5 other than Mr. Wellstein and myself, but the building  
6 is split in two.  He was on the west side of the  
7 building for probably about six months and more  
8 recently has moved to the east side of the building  
9 for a larger room.  So he has pretty good knowledge of  
10 how things operate in the building on both sides.  
11 There's four rooms on the west side and six rooms on  
12 the east side, and he could speak for himself in terms  
13 of if there's a difference between the two sides or  
14 what kind of problems there might be in the building,  
15 but he has a good flavor, having lived there for seven  
16 months, what type of operation we have.

17                   HEARING EXAMINER BOROWSKI:  Mr. Maddox, any  
18 questions?

19                   MR. MADDOX:  Yes, just a couple.

20   EXAMINATION

21 BY MR. MADDOX:

22 Q   Mr. Wellstein, you've lived there since when?

23 A   February, I believe.

24 Q   And you've lived there continuously from February  
25 until today?

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1 A Yes, sir.  
2 MR. MADDUX: That's the only question I  
3 have.  
4 HEARING EXAMINER BOROWSKI: All right.  
5 Anything else, Mr. Wellstein?  
6 MR. WELLSTEIN: None, except that I know Mr.  
7 Larson again to be a good and fair man and a good  
8 landlord.  
9 HEARING EXAMINER BOROWSKI: Thank you.  
10 Mr. Larson, do you have any other witnesses?  
11 MR. LARSON: No, sir. Could I just correct  
12 one statement, though?  
13 HEARING EXAMINER BOROWSKI: Whose statement?  
14 MR. LARSON: Mr. Wellstein in his response  
15 as to how long he had been in the building. He  
16 actually moved in in November of 2001 as opposed to  
17 February.  
18 HEARING EXAMINER BOROWSKI: All right.  
19 First of all, before I close testimony, is there  
20 anyone else here to testify in regard to the license  
21 for the rooming house at 736 South 3rd Street? I'll  
22 take that as a no. Before I let you both do your  
23 closing statements, Mr. Larson, let me just ask you  
24 this. Obviously, there was some testimony from  
25 citizens and residents that indicated that there may



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1 be prostitution going on at the property or people  
2 coming in and out of the property and doing things  
3 that are illicit or potentially illegal. How do you  
4 respond to those allegations?

5 MR. LARSON: I'm not aware that there is any  
6 prostitution or illegal activity happening in or  
7 around the building, but I do understand from the  
8 observation of other people why they would draw that  
9 conclusion. There is a lot of traffic. I often find  
10 the door to the building at 736 South 3rd Street open  
11 when it's supposed to be locked at all times except  
12 when people are coming in and out. As a part of the  
13 guest policy that I have, the tenants are supposed to  
14 be locking the door behind their guests if their  
15 guests are leaving, or they're supposed to meet their  
16 guests at the door.

17 I understand the -- I don't doubt that there  
18 are people driving by honking their horns, things like  
19 that. There is no doorbell, that's correct. Those  
20 are things we could work on if it were felt that that  
21 was necessary.

22 HEARING EXAMINER BOROWSKI: There was  
23 testimony earlier regarding the issue of people  
24 driving by yelling, honking their horns. If there's  
25 not a doorbell on the property, if someone is picking

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1 someone up, how do they contact them? How do they  
2 know they are out front if they're there?

3 MR. LARSON: From my observation, the  
4 tenants should be -- they all have a window in their  
5 room, they should be watching for that, otherwise,  
6 they should be downstairs waiting if someone's picking  
7 them up. It may not necessarily be a planned meeting,  
8 but I -- I don't know how you could avoid that.

9 HEARING EXAMINER BOROWSKI: Mr. Larson, how  
10 do you respond to the allegations and the photos that  
11 were submitted earlier regarding litter and things  
12 around the property?

13 MR. LARSON: I admit there has been some  
14 significant litter, but I think if you look at the  
15 property now, that was my own motivation for cleaning  
16 things up. I have even gone to the point of -- on the  
17 reverse side of the fence, which actually isn't my  
18 property, the large parking lot there that's owned by  
19 Mr. Coakley, people park there and throw their trash  
20 when they get out of their cars. That's unauthorized  
21 parking, but that doesn't really have anything to do  
22 with my building in particular, but I have to collect  
23 the trash that blows against the fence there, and  
24 that's pretty much an everyday thing that I need to  
25 do -- I've even considered taking down the fence, but

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1 understanding that that trash would just then continue  
2 to blow rather than be collected someplace, I thought  
3 it was best to leave the fence up and just clean up as  
4 necessary.

5 HEARING EXAMINER BOROWSKI: Mr. Larson, you  
6 indicated earlier that -- Well, let me ask this. Is  
7 there a property manager at the property?

8 MR. LARSON: The gentleman that's at the  
9 property that does the cleaning is not a property  
10 manager, in his mind he is a property manager, but he  
11 is not. I manage the property myself.

12 HEARING EXAMINER BOROWSKI: That was going  
13 to be my next question. You're the owner, and you're  
14 responsible for managing it and keeping it in order  
15 and all those things, correct?

16 MR. LARSON: Yes, sir.

17 HEARING EXAMINER BOROWSKI: All right.  
18 Before we close testimony, you're here from the  
19 Department of Neighborhood Services, correct?

20 MS. BENDER: Yes.

21 HEARING EXAMINER BOROWSKI: Can you state  
22 your name for the record and spell your last name.

23 MS. BENDER: My name is Pandora Bender,  
24 B-E-N-D-E-R. I'm an assistant code enforcement  
25 supervisor for commercial.

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1 HEARING EXAMINER BOROWSKI: And what's DNS's  
2 position on this rooming house license?

3 MS. BENDER: Mr. Larson is correct in that  
4 we have issued orders on the property. He has, in  
5 fact, made corrections. We did do an inspection of  
6 the property. We at that time did not have objection  
7 to the license.

8 HEARING EXAMINER BOROWSKI: And that's your  
9 position today, there's no objection from DNS of the  
10 license being granted?

11 MS. BENDER: That's correct.

12 HEARING EXAMINER BOROWSKI: Once again,  
13 anyone else who wants to offer testimony? Okay. Mr.  
14 Maddox, you can do a closing and then Mr. Larson.

15 MR. MADDOX: Thank you, sir. May I ask a  
16 procedural question?

17 HEARING EXAMINER BOROWSKI: Yes.

18 MR. MADDOX: Neighborhood Services has just  
19 testified concerning their objection. I was wondering  
20 if before the June 14 or as part of the June 14  
21 hearing where you present your findings to the  
22 committee that the police and other city agencies,  
23 departments would also have an opportunity to state  
24 whatever concerns they may have?

25 HEARING EXAMINER BOROWSKI: That's a good

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1 question. I would imagine, yes, the police  
2 department, if there was an objection, would have that  
3 opportunity.

4 MR. MADDOX: That's something that would be  
5 presented to the committee prior to their --

6 HEARING EXAMINER BOROWSKI: I would imagine,  
7 yes.

8 MR. MADDOX: And secondly, related to that,  
9 as I understand the ordinance, it's at the discretion  
10 of the chair as to whether any additional testimony  
11 would be taken by any residents, concerned citizens,  
12 but it is optional, and it is up to the chair to  
13 decide. Is that correct?

14 HEARING EXAMINER BOROWSKI: That's the way I  
15 understand it, as well, yes.

16 MR. MADDOX: So we don't know what the chair  
17 is going to do until the 14th?

18 HEARING EXAMINER BOROWSKI: Right. The  
19 reason -- Just so you're aware and anyone else that's  
20 here, these types of objections to rooming house  
21 licenses like this don't come up real often in terms  
22 of the committee. Because of the other calendar the  
23 Utilities & Licenses Committee has, that was why they  
24 decided to go the route of having a hearing examiner.  
25 And then I will make a recommendation and reduce it to

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1 a smaller set of findings of facts which I'll submit  
2 on the 12th. And just so you're aware, Mr. Maddox and  
3 Mr. Larson, when I submit those on the 12th, it will  
4 go to the committee, but you also will both get copies  
5 of the recommendations and findings of fact that I  
6 issue. And yes, it's my understanding, as well, that  
7 it's up to the chair of the committee whether they  
8 take any other testimony on the 14th.

9 I would say if they do, it's probably going  
10 to be brief, because one of the reasons that they  
11 retained me is so that they can not spend as much time  
12 themselves conducting all these hearings, but  
13 ultimately, I think it would be the decision of the  
14 chair.

15 MR. MADDUX: Last point on that issue; and  
16 that is, if they do decide, how would we be notified,  
17 or should we just be there and await the chair's  
18 decision on whether or not additional testimony can be  
19 provided at that time? As much as I like the building  
20 and like the room, there's other places I'd rather be.

21 HEARING EXAMINER BOROWSKI: Rather than in  
22 this room at City Hall?

23 MR. MADDUX: Yes, sir, yes, sir. I just  
24 have to make that call, you don't have any particular  
25 advice on that one?

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HEARING EXAMINER BOROWSKI: I don't know the answer to that.

MR. MADDOX: Closing statement.

HEARING EXAMINER BOROWSKI: Go ahead.

MR. MADDOX: You've heard from several witnesses, all of whom are long-time residents of the neighborhood, and several individuals stated have made substantial personal and economic investments to work to make this neighborhood better, and I think that we are succeeding, but occasionally problems arise, as we have testified here with this rooming house, and the only course of action that we have is to come before the licensing authority and ask that our issues be addressed.

In this particular instance, the numerous witnessed violations and the compromising the integrity of our neighborhood that you've heard today is overwhelming. These are a variety of people from all different angles of this property that all have witnessed, directly witnessed the same events. The same people standing on the corner -- not waiting for a bus, because they see buses go by again and again -- waiting for a car or soliciting a car, taking people upstairs. I've witnessed drug sales that have been reported to the vice. These are irrefutable. You can

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1 say, well, how do you know it's prostitution? How do  
2 I know I'm going to get wet if I go outside and it's  
3 raining? Some of these things are just intuitive.

4 I realize this is not evidence that would  
5 hold up in court, but the committee is not limited to  
6 that evidence. The statute is very clear. And this  
7 is not anecdotal. This is factual direct eyewitnesses  
8 to prostitution and drug sale that has been going on  
9 for well over a year. Mr. Wellstein testified to the  
10 economic condition of many of the tenants. Each  
11 person who testified here today would need make this  
12 statement on their own. However, I have spent 20  
13 years in this city working very, very hard to insure  
14 low income housing, economic opportunities, securing  
15 grants for people to purchase homes, grants to make  
16 security deposits in rental properties. I've been on  
17 the board of different organizations whose sole  
18 purpose is to work toward the broad full spectrum of  
19 economic development and opportunities in our  
20 neighborhood and throughout the city. Other people  
21 here today have been on similar committees and similar  
22 boards and have their own experiences.

23 This is not an issue of economics, this is  
24 not trying to force out people who may not be as  
25 fortunate as we are. That's absolutely not the case,



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1 and I take very personal strong umbrage to that  
2 innuendo. These rents aren't cheap. This isn't a  
3 bargain here. If they're paying close to \$400 for  
4 four weeks to share a bathroom, to have a room and  
5 share a bathroom, if two of those people got together,  
6 they could rent a nice apartment on the east side if  
7 they chose.

8 This is an issue of poor management, this is  
9 an issue of turning a blind eye to repeated violations  
10 over a long period of time. I watched Mr. Larson  
11 stand on the sidewalk on one of his visits while the  
12 women took two men upstairs. He's not there very  
13 often, by his own admission when he came before us, he  
14 has difficulty enforcing. He's the manager of the  
15 property. He won't let anyone else be the manager, he  
16 won't permit an on-site manager. He's had the  
17 property for nearly two years. He's called the police  
18 himself for problems, he's called vice to come in over  
19 a year ago to solve problems. He can't control what's  
20 going on. This is not someone who, "Oh, give me a  
21 chance, I'll try better." By his own admission, he's  
22 been working hard to get control of the situation and  
23 by his own admission cannot.

24 Please help us continue to improve our  
25 neighborhood. We're not anti-rooming house, we're not

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1 anti-poor people, we're not anti-anything except  
2 things that detract from the willingness of families  
3 to move into the neighborhood. We're opposed to  
4 people who take advantage of the situation or turn a  
5 property into a house of prostitution. That's what  
6 we're opposed to. And we have no recourse but to come  
7 to you as a representative of the committee to not  
8 renew the license for a rooming house. Thank you,  
9 sir.

10 HEARING EXAMINER BOROWSKI: Thank you. Mr.  
11 Larson.

12 MR. LARSON: I guess my biggest concern is  
13 that I'm not sure that when the problems began that  
14 this has become a fair process for me, and the reason  
15 I say that is the lack of complaints from people.  
16 It's my understanding from my 22 years in human  
17 service that if there's an issue in the community,  
18 that the first step is that you maybe make direct  
19 contact yourself or you call your -- you can call the  
20 police or you call the local politician, and I haven't  
21 received complaints from any of those individuals, so  
22 it's --

23 As I said, I'm not there all the time. You  
24 might imagine that when, if you're in a school room,  
25 for example, and when the teacher turns his or her

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1 back, people behave differently than when the teacher  
2 is observing. We probably have a similar situation  
3 here when I'm not present that things happen, and I'm  
4 not always aware of what goes on, but under those  
5 circumstances, I would think that people from the  
6 neighborhood, if their concerns were that great, that  
7 they would contact me directly. I have a sign posted  
8 on the side of the building with my phone number, yet  
9 my phone has never rung on any of these issues.

10 So I guess I'm a little bit -- I'm feeling a  
11 little bit cheated in that we're at this point with  
12 the possibility of the rooming house being not renewed  
13 when I don't feel I've been given an adequate  
14 opportunity to address any issues that have come from  
15 the local community. I mentioned, but I don't think  
16 it was entered into evidence, I have documentation  
17 here of my frequency of visits, if that's anything  
18 that's necessary.

19 HEARING EXAMINER BOROWSKI: Mr. Larson, you  
20 testified as to your frequency of visits, and I think  
21 that's adequate. Do you have any challenge or dispute  
22 with that, Mr. Maddox?

23 MR. MADDOX: No.

24 HEARING EXAMINER BOROWSKI: Go ahead, you  
25 can continue, Mr. Larson.

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1                   MR. LARSON: I'd like to also mention that,  
2 again, that I have the building up for sale. It's  
3 mainly for financial reasons, and also, I'll admit  
4 there have been a lot of headaches in terms of trying  
5 to manage this property both from a lack of a tenant  
6 downstairs as well as the turnover that I've had and  
7 problems in dealing with some of my tenants. My  
8 concern -- and I don't know if this would be shared by  
9 anyone or not -- but my concern is if my rooming house  
10 license is not renewed, I don't know how that's going  
11 to affect the potential sale of this building. So if  
12 people were looking for someone else to be managing  
13 this building in whatever form it might be, I don't  
14 know how that might impact the situation, but my  
15 belief is that it could limit my ability to sell the  
16 building, and considering that -- I've already  
17 mentioned I've lost about \$8,000 since I took over  
18 this building in November of 2000, I really would like  
19 to sell it, and I'm tired of all the problems that  
20 I've had to deal with, but if I'm not able to sell it,  
21 I have to somehow pay for the two mortgages I have on  
22 the building, and the two of those total close to  
23 \$2,000. So I'm not in a position right now to be able  
24 to operate that building without an active rooming  
25 house.

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1                   So I have great concerns over my financial  
2 situation, but I do understand -- I want to reiterate  
3 that again -- I understand the concern of the local  
4 community and would like to have the opportunity to  
5 address some of those concerns without the rooming  
6 house license being denied. I think that's only fair.  
7 Thank you.

8                   HEARING EXAMINER BOROWSKI: Thank you, Mr.  
9 Larson. With that, I'm going to end the hearing on  
10 the licensed dwelling facility at 736 South 3rd  
11 Street.

12                   (Proceedings concluded at 10:45 a.m.)

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1 STATE OF WISCONSIN )  
2 )  
3 MILWAUKEE COUNTY )

4

5 I, TERESE M. SCHIEBENES, of Milwaukee  
6 Reporters Associated, Inc., 5120 West Blue Mound Road,  
7 Milwaukee, Wisconsin 53208, certify that the  
8 foregoing proceedings is a full and complete  
9 transcript of my stenographic notes taken in the  
10 foregoing proceedings.

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TERESE M. SCHIEBENES  
Certified Shorthand Reporter

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21 Dated this            day of    , 2002.

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