



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 49897**

**File ID:** 49897

**File Type:** Resolution

**Status:** Items Referred

**Version:** 1

**Reference:**

**Controlling Body:** FINANCE  
COMMITTEE

**File Created Date :** 12/19/2017

**File Name:** Payment of Tax Refund, tax year 2016 for Peloton  
Residences v. City of Madison.

**Final Action:**

**Title:** Resolution authorizing the settlement and payment of a tax refund for tax year 2016 for *Peloton Residences, LLC v. City of Madison*, Dane County Circuit Court Case number 17CV1416. Authorizing entry into settlement agreement and approving payment of \$33,908.19 from City resources to effectuate the settlement.

**Notes:** Refer back to Finance Committee

**CC Agenda Date:** 01/02/2018

**Agenda Number:** 17.

**Sponsors:** Paul R. Soglin

**Effective Date:**

**Attachments:** 2017 settlement agreement Peloton Residences

**Enactment Number:**

**Author:** Jaime L. Staffaroni

**Hearing Date:**

**Entered by:** aragland@cityofmadison.com

**Published Date:**

### Approval History

Version	Date	Approver	Action
1	12/22/2017	Brent Sloat	Approve

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Attorney's Office	12/19/2017	Referred for Introduction				
	<b>Action Text:</b>	This Resolution was Referred for Introduction					
	<b>Notes:</b>	Finance Committee					
1	COMMON COUNCIL	01/02/2018	Refer	FINANCE COMMITTEE			Pass
	<b>Action Text:</b>	A motion was made by Rummel, seconded by Baldeh, to Refer to the FINANCE COMMITTEE. The motion passed by voice vote/other.					
	<b>Notes:</b>						

## Text of Legislative File 49897

### Fiscal Note

This resolution authorizes a tax refund pursuant to a settlement agreement. The properties are located in Tax Increment District (TID) 42 and the refund will be paid through a reduction in revenue of \$33,908.19 to that TID.

### Title

Resolution authorizing the settlement and payment of a tax refund for tax year 2016 for *Peloton Residences, LLC v. City of Madison*, Dane County Circuit Court Case number 17CV1416. Authorizing entry into settlement agreement and approving payment of \$33,908.19 from City resources to effectuate the settlement.

### Body

#### Background

The subject properties consist of two vacant parcels located at 1004 and 1032 S Park Street in the City of Madison. The properties were sold in 2015, property 1 (1004 S Park Street) had a sale price of \$1,113,000 and Property 2 (1032 S Park Street) had a sale price of \$2,370,500. Subsequently the 2016 assessments of the two parcels were set at their respective sale prices. Peloton Residences filed an objection with the Board of Review, which was sustained and subsequently brought this suit.

After bringing this suit, Peloton Residences informed the City Assessor's Office that the sales price of the subject properties was not a reliable indicator of value as of January 1 2016, because as the owner began the process to develop the properties his original plan was not approved and the subsequent plan required additional contamination clean-up costs and the overall useable square footage of the properties was reduced.

#### Settlement

Based on the additional information the assessor re-calculated the 2016 assessments of the subject properties and came to a value for property 1 of \$661,000 and property 2 of \$1,408,000. This would result in a total refund for both properties of \$33,908.19. The parties have reached this tentative settlement based on the recalculated assessment. This resolution seeks approval of the settlement agreement with Peloton Residences along with all other approvals necessary to carry out the settlement including adjusting the City's revenues.

Under the proposed settlement Peloton Residences LLC would be paid a total of \$33,908.19 as a refund for the 2016 tax year and in turn the parties would stipulate to the dismissal of the lawsuit. Peloton Residences LLC will not be paid any additional interest or costs. This resolution authorizes the City Attorney to sign the Settlement Agreement on behalf of the City of Madison. These properties are located in Tax Increment District (TID) 42 and the refund will be a reduction in revenue to that district.

The City Attorney and the City Assessor recommend the approval of the proposed Settlement Agreement.

#### Necessary Authorizations

This resolution

1. Approves the Settlement as outlined above.
2. Authorizes the City Attorney to sign the Settlement Agreement on behalf of the City .
3. Approves the payment in total of \$33,908.19 to settle tax year 2016.
4. The refund will be paid through a reduction in revenue to TID 42.

WHEREAS, Peloton Residences, LLC pursued an action against the City of Madison for excessive assessment for two parcels located at 1004 and 1032 S. Park Street for tax year 2016; and

WHEREAS, Peloton Residences, LLC and City of Madison have reached a proposed settlement regarding the 2016 assessment, which settlement the Common Council finds is the best interest of the City; and

WHEREAS, The City Attorney, City Assessor and the Finance Director all recommend the approval of the settlement as described in this resolution; the City Attorney will subsequently enter into a Settlement Agreement for the following total tax refund of \$33,908.19 with no additional interest or costs.

WHEREAS, The refund will be paid through a reduction in revenue in TID 42.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes the payment of \$33,908.19 from City resources to Peloton Residences, LLC in full settlement for tax year 2016;

BE IT FURTHER RESOLVED, that the Assessor and other City staff are authorized to file for reimbursement from other taxing jurisdictions pursuant to Wisconsin Department of Revenue procedures; and

BE IT FINALLY RESOLVED, that the City Attorney is authorized to sign the settlement agreement on behalf of the City of Madison.