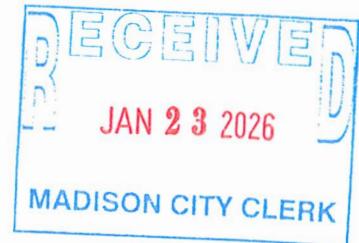


CLAIM FOR EXCESSIVE ASSESSMENT

Maribeth Witzel-Behl
 Clerk, City of Madison
 210 Martin Luther King Jr. Blvd.
 Room 103, City-County Building
 Madison, WI 5303



Pursuant to Wis. Stat. § 74.37, The Grove Apartments Madison LLC (the "Claimant"), whose address is 7901 W. National Ave., Suite C, West Allis, Wisconsin, hereby files a 2025 claim for excessive assessment regarding the property located in the City of Madison ("City") at 202 Cottage Grove Road, Parcel No. 0710-092-2901-6 ("Subject Property").

1. For the year 2025, the City assessed the Subject Property at a total assessment of \$9,344,300 (the "2025 Assessment"). Claimant timely filed an objection to the City's Board of Assessors who did not modify the 2025 Assessment. Claimant also requested and appeared at a Board of Review hearing, but the Board did not modify the 2025 Assessment.

2. The Subject Property is federally regulated housing pursuant to I.R.C. § 42 and subject to a Land Use Restriction Agreement which limits the amount of rents Claimant can charge its tenants.

3. The City's assessment of the Subject Property was based on the income approach, which converts the future benefits likely to be derived from the property into an estimate of present value. Under the income approach, the property's annual net operating income (income less expenses or NOI) is divided by a capitalization rate. The capitalization rate is an estimate of the rate of return an investor would expect in order to invest in the Subject Property. When assessing subsidized housing, assessors are required to consider the effects the property's restrictions have on value.

4. The City derived the capitalization rate from financing appraisals completed during construction for other low income housing tax credit properties in Madison. Deriving a capitalization rate in this manner does not account for the restrictions placed on the properties during its compliance period, and therefore, the City's chosen capitalization rate fails to consider the effect the restrictions have on the value of the property to a potential buyer.

5. In addition, the City failed to determine the assessment based on the actual income and expense performance of the Subject Property as required by Wisconsin law. Instead of using the actual *audited* expenses associated with the Subject Property, the City applied its own determined "market" Section 42 expenses. The City's rejection of actual expenses and use of "market" Section 42 expenses violates Wisconsin law.

6. As a result of the City's violations of Wisconsin assessment law, the 2025 Assessment exceeds the value of the property as of January 1, 2025.

7. The 2025 Assessment resulted in a 2025 net property tax amount of \$174,238.90.

8. Based on the actual income and expense of the Subject Property, the actual fair market value as of January 1, 2025 did not exceed \$7,660,000.

9. Claimant has satisfied all conditions precedent to filing this claim, and either has or will timely pay all installments of 2025 property taxes.

10. Claimant hereby requests a refund of 2025 taxes in the minimum amount of at least \$31,422.83, plus statutory interest.

11. The undersigned is authorized to file this Claim on claimant's behalf based on authorization previously provided to the City.

Dated this 23rd day of January, 2026.

FOLEY & LARDNER LLP

By 
Eric J. Hatchell

Counsel and Authorized Agent for Claimant