CLAIM FOR EXCESSIVE ASSESSMENT

RECEIVED
JAN 27 2023
MADISON CITY CLERK
hand-delivered

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, Mirus Madison II LLC (the "Claimant"), whose address is 7447 University Ave., Suite #210, Middleton, Wisconsin, hereby files a 2022 claim for excessive assessment regarding the property located in the City of Madison ("City") at 1502 Troy Drive, Parcel No. 0809-254-1591-4 ("Subject Property").

1. For the year 2022, the City assessed the Subject Property at a total assessment of $7,491,000. Claimant believes the fair market value of the property does not exceed $6,290,536.

2. The 2022 assessment exceeds the fair market value of the Subject Property.

3. Claimant challenged the assessment at the Board of Review but the assessment was confirmed without any change and resulted in a 2022 net property tax amount of $148,352.18.

4. 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.

5. 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.

6. 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.

7. The 2022 assessment exceeds the fair market value of the Subject Property.

8. Claimant has satisfied all conditions precedent to filing this claim.

9. Claimant hereby requests a refund of 2022 taxes in the minimum amount of at least $23,702.88, plus statutory interest.

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

Dated this 26th day of January 2023.

FOLEY & LARDNER LLP

By ______________________________
Eric J. Hatchell

Claimant's Authorized Agent