

**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, City Row Apartments, LLC (the “Claimant”), whose address is 1010 East Washington Ave., Suite 101, Madison, Wisconsin, hereby files a 2020 claim for excessive assessment regarding the property located in the City of Madison (“City”) at 602 E. Johnson St., Parcel No. 0709-133-1136-5 (“Subject Property”).

1. For the year 2020, the City assessed the Subject Property at a total assessment of \$7,110,000. Claimant believes the fair market value of the property does not exceed \$6,463,000.
2. The 2020 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 2020 net property tax amount of \$159,743.48.
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. Claimant has satisfied all conditions precedent to filing this claim.
8. Claimant hereby requests a refund of 2020 taxes in the minimum amount of at least \$14,536.41, plus statutory interest.
9. The undersigned is authorized to file this Claim on claimant’s behalf based on authorization previously provided to the City.

Dated this 27th day of January 2021.

FOLEY & LARDNER LLP

By   
Eric J. Hatchell

Claimant's Authorized Agent

