

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, Mirus Madison II LLC (the “Claimant”), whose address is 7447 University Ave., Suite #210, Middleton, Wisconsin, hereby files a 2020 claim for excessive assessment regarding the property located in the City of Madison (“City”) at 1520 Troy Drive, Parcel No. 251-0809-254-1591-4 (“Subject Property”).

1. For the year 2019, the Claimant filed a claim after the City assessed the Subject Property at a total assessment of \$8,750,000, which was based on a total estimated fair market value of \$9,271,700.
2. The 2019 claim was denied. Thus, Claimant filed a lawsuit in Dane County Circuit Court challenging the 2019 assessed value of the Subject Property, Case No. 2020-CV-1245 (“the 2019 Litigation”).
3. The 2019 Litigation remains unresolved.
4. For the year 2020, the City increased the assessment of the Subject Property to a total assessed value of \$9,188,000. The Claimant objected to the assessment and the Board of Assessors decreased the assessment to \$8,240,000. Claimant further challenged the 2020 assessment at the Board of Review. The Board reduced the assessment to \$7,795,000 which resulted in a 2020 net property tax amount of \$175,133.68.
5. The revised 2020 assessment still exceeds the fair market value of the Subject Property. Based on the actual income and expenses of the Subject Property, Claimant contends the assessed value does not exceed \$5,401,946.
6. 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.
7. 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.
8. Claimant has satisfied all conditions precedent to filing this claim.

9. Claimant hereby requests a refund of 2020 taxes in the minimum amount of \$53,765.70, plus statutory interest.

10. The undersigned is authorized to file this Claim on claimant's behalf; see attached authorization.

Dated this 27th day of January 2021.

FOLEY & LARDNER LLP

By 
Eric J. Hatchell

Claimant's Authorized Agent

