Legislation Details (With Text)

File #:	49897	**Version:**	2	**Name:**	Substitute - Payment of Tax Refund, tax year 2016 for Peloton Residences v. City of Madison.
Type:	Resolution			**Status:**	Passed
File created:	12/19/2017			**In control:**	FINANCE COMMITTEE
On agenda:	1/16/2018			**Final action:**	1/16/2018
Enactment date:	1/22/2018			**Enactment #:**	RES-18-00078

Title: SUBSTITUTE - 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. $13,099.96 represents the City's estimated portion of the settlement.

Sponsors: Paul R. Soglin

Indexes:

Code sections:

Attachments: 1. 2017 settlement agreement Peloton Residences, 2. Original resolution v.1.pdf

Date	Ver.	Action By	Action	Result
1/16/2018	2	COMMON COUNCIL	Adopt	Pass
1/8/2018	2	FINANCE COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
1/2/2018	1	COMMON COUNCIL	Refer	Pass
12/19/2017	1	Attorney's Office	Referred for Introduction	

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

SUBSTITUTE - 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. ~~$13,099.96 represents the City's estimated portion of 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. ~~The City's share of the settlement is estimated to be $13,099.96.~~

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 City's share of the settlement is estimated to be $13,099.96~~. Authorizes a refund of revenues from Tax Increment District (TID) 42 to finance the refund.

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 City's share of the settlement is estimated to be $13,099.96~~. The properties are located in Tax Increment District (TID) 42.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes the payment of $33,908.19 ~~from City resources~~ through a refund of revenue from TID 42 to Peloton Residences, LLC in full settlement for tax year 2016; and

~~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.

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