



## Legislation Details (With Text)

<b>File #:</b>	65458	<b>Version:</b>	1	<b>Name:</b>	Resolution Authorizing Settlement for Dane Co. Case No. 20-CV-1071
<b>Type:</b>	Resolution	<b>Status:</b>		<b>Status:</b>	Passed
<b>File created:</b>	5/10/2021	<b>In control:</b>		<b>In control:</b>	Attorney's Office
<b>On agenda:</b>	6/1/2021	<b>Final action:</b>		<b>Final action:</b>	6/1/2021
<b>Enactment date:</b>	6/7/2021	<b>Enactment #:</b>		<b>Enactment #:</b>	RES-21-00402

**Title:** Resolution authorizing the settlement and payment of a tax refund for tax years 2019 and 2020 for Madison Joint Venture LLC #500 v. City of Madison, Dane County Circuit Court Case number 2020CV001071. Authorizing entry into settlement agreement and approving payment of approximately \$317,825.43 from City resources to effectuate the settlement, \$129,025.52 represents the City's approximate portion of the settlement.

**Sponsors:** Satya V. Rhodes-Conway, Sheri Carter, Michael E. Verveer

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
6/1/2021	1	COMMON COUNCIL	Adopt	Pass
5/24/2021	1	FINANCE COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
5/18/2021	1	COMMON COUNCIL	Refer	Pass
5/10/2021	1	Attorney's Office	Referred for Introduction	

### Fiscal Note

The proposed resolution authorizes a \$317,825.43 total tax refund pursuant to a settlement agreement and approves payment of \$129,025.52 from City resources to represent the City's share of the settlement. The subject properties are East Towne and West Towne malls in the City of Madison. The city's share of the refund will be paid through a reduction in property tax revenue budgeted in the 2021 Adopted Operating Budget. Other taxing jurisdictions (Dane County, Madison Metropolitan School District and Madison College) will pay their respective shares of the refund. If approved by the Wisconsin Department of Revenue, tax refunds can be recovered through levy limit adjustments.

### Title

Resolution authorizing the settlement and payment of a tax refund for tax years 2019 and 2020 for *Madison Joint Venture LLC #500 v. City of Madison*, Dane County Circuit Court Case number 2020CV001071. Authorizing entry into settlement agreement and approving payment of approximately \$317,825.43 from City resources to effectuate the settlement, \$129,025.52 represents the City's approximate portion of the settlement.

### Body

#### Background

The subject properties are East Towne and West Towne Malls, parcel numbers 0708-261-0098-8 and 0810-273-0096-2. For both tax years 2019 and 2020, the subject properties experienced declining tenants and reduction of sales as a result of increased on-line shopping and closures related to the COVID-19 pandemic.

The City set the assessments and the Board of Review sustained the assessments based on the best and current available information available. The Claimant brought suit in Dane County Circuit Court pursuant to Wis. Stat. § 74.37 as a claim for excessive assessment for both tax years 2019 and 2020.

## **Settlement**

Based on the additional appraisal and income and expenses submitted to the City for both malls and tax years 2019 and 2020, it is appropriate therefore to reduce the 2019 and 2020 assessed values of both East Towne and West Towne Malls.

### West Towne

2019 assessment of \$88,900,000 reduced to \$85,230,000

2020 assessment of \$88,900,000 reduced to \$80,280,500

### East Towne

2019 assessment of \$63,720,000 reduced to \$63,200,000

2020 assessment of \$63,720,000 reduced to \$62,400,000

The parties have reached a tentative settlement based on recalculated assessments to both malls for both the 2019 and 2020 tax years, which would result in a total refund of approximately \$317,825.43. This resolution seeks approval of the settlement agreement with Madison Joint Venture LLC #500 along with all other approvals necessary to carry out the settlement including adjusting the City's revenues.

Under the proposed settlement, Madison Joint Venture LLC #500 would be paid a total of approximately \$317,825.43 as a refund for both properties for both 2019 and 2020 tax years and in turn the parties would stipulate to the dismissal of the lawsuit. Madison Joint Venture LLC #500, 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 approximately \$129,025.52.

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 approximately \$317,825.43 to settle tax years 2019 and 2020.
4. The City's share of the settlement is approximately \$129,025.52.

WHEREAS, Madison Joint Venture LLC #500 pursued an action against the City of Madison for excessive assessment for its properties East Towne and West Towne Malls for tax years 2019 and 2020; and

WHEREAS, Madison Joint Venture LLC #500 and City of Madison have reached a proposed settlement regarding the 2019 and 2020 assessments, which settlement the Common Council finds is in the best interest of the City; and

WHEREAS, the City Attorney, City Assessor, and 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 approximately \$317,825.43 with no additional interest or costs.

NOW, THEREFORE BE IT RESOLVED, that the Common Council authorizes the payment of approximately \$317,825.43 from City resources to Madison Joint Venture LLC #500, in full settlement for tax years 2019 and

2020;

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 FURTHER RESOLVED, that the City Attorney is authorized to sign the settlement agreement on behalf of the City of Madison; and

BE IT FINALLY RESOLVED, that the City's share of the settlement is approximately \$129,025.52.