



Legislation Text

File #: 53737, **Version:** 1

Fiscal Note

The proposed resolution authorizes a \$56,306.25 tax refund pursuant to a settlement agreement. The subject properties consist of property at 1212 Deming Way in the City of Madison. The refund will be paid through a reduction in property tax revenue budgeted in the 2018 Adopted Operating Budget. The City's share of the refund is \$22,312.37. The entire refund will be paid by the City and the non-city portion will be recovered from the other affected taxing jurisdictions (school district, county and technical college district).

Title

Authorizing the settlement and payment of a tax refund for tax year 2017 for *AX Madison Greenway, L.P. v. City of Madison*, Dane County Circuit Court Case Number 2018CV1715. Authorizing entry into settlement agreement and approving payment of approximately \$56,306.59 from City resources to effectuate the settlement. \$22,312.37 represents the City's approximate portion of the settlement.

Body

The subject property, parcel number 0708-153-0402-0, is an office building located at 1212 Deming Way in the City of Madison. For tax year 2017, the City assessed the subject property at \$11,590,000. AX Madison Greenway, L.P. filed an objection which was ultimately sustained by the Board of Review and subsequently this suit was brought.

AX Madison Greenway, L.P. produced the actual lease document which provided for significant tenant improvement allowances and the City used additional sales comparables and subsequently reduced the assessed value of subject property to \$9,020,000 for tax year 2018.

Settlement

Based on the additional and accurate information supplied to the City for the 2018 assessment, it is appropriate therefore, to reduce the 2017 assessed value to the 2018 value of \$9,020,000. This reduction would result in a refund of approximately \$56,306.59. The parties have reached this tentative settlement based on the recalculated assessment for tax year 2017. This resolution seeks approval of the settlement agreement with AX Madison Greenway, L.P., along with all other approvals necessary to carry out the settlement including adjusting the City's revenues.

Under the proposed settlement, AX Madison Greenway L.P. would be paid a total of approximately \$56,306.59 as a refund for the 2017 tax year and in turn the parties would stipulate to the dismissal of the lawsuit. AX Madison Greenway, L.P., 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 \$22,312.37.

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 \$56,309.59 to settle tax year 2017.
4. The City's share of the settlement is approximately \$22,312.37.

WHEREAS, AX Madison Greenway, L.P. pursued an action against the City of Madison for excessive assessment for its property located at 1212 Deming Way for tax year 2017; and

WHEREAS, AX Madison Greenway, L.P. and City of Madison have reached a proposed settlement regarding the 2017 assessment, which settlement the Common Council finds is in 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 approximately \$56,306.59 with no additional interest or costs.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council authorizes the payment of approximately \$56,306.59 from City resources to AX Madison Greenway, L.P., in full settlement for tax year 2017;

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 \$22,312.37.