

MCO 307-7 FAIR SHARE PILOT AGREEMENT

GH 7-18-2019, CAO DOC. 260988

OWNER: _____

OWNER ADDRESS: _____ Street
Milwaukee, WI 532__

PROPERTY ADDRESS: _____, Street
Milwaukee, WI 532__

PROPERTY TAX KEY NO: _____

This Agreement (“**AGREEMENT**”) for payments in lieu of taxes (“**PILOT**”) is made by and between _____ (“**OWNER**”) and the City of Milwaukee (“**CITY**”), as of the ___ day of _____, and is for good and valuable consideration, receipt and sufficiency of which are acknowledged.

RECITALS

A. **Ownership.** OWNER owns real property identified by address and key number above and legally described in **Exhibit A** attached hereto (the “**PROPERTY**”).

B. **Exemption.** CITY, by its Assessor, determined that, under the facts and circumstances disclosed or known to CITY (including ownership, occupancy and use), the PROPERTY is (or will be as of January 1, 20__) property-tax exempt under Wis. Stat. _____.

C. **MCO 307-7.** Milwaukee Code of Ordinances (“**MCO**”) 307-7, entitled “Fair Share Payment in Lieu of Taxes Program,” encourages owners of property-tax exempt parcels and the CITY to enter PILOT agreements. OWNER and CITY, recognizing MCO 307-7, enter this AGREEMENT. OWNER recognizes that, notwithstanding the tax-exempt status of the PROPERTY, valuable governmental services and benefits will be provided to OWNER and the PROPERTY, which services and benefits directly or indirectly relate to public health, safety and welfare, and include by example fire and police protection, paved streets and sidewalks, street lights and snow removal. OWNER wishes to make PILOT payments to CITY in recognition of those services and benefits.

AGREEMENT

1. **RECITALS.** The recitals above are agreed to.

2. **CITY SERVICES.**

A. **Services Typically Covered by Property Tax.** The CITY will provide public services to OWNER and the PROPERTY subject to the same terms and conditions as apply to properties owned by citizens generally, including, but not limited to, those typically covered by the property tax, such as fire and police protection, and on public streets, snow removal, street and sidewalk maintenance, and street lighting. MCO 307-7-4-f-1.

B. **Special Assessments, Special Charges and Fees.** OWNER understands that, notwithstanding tax-exempt status of the Property, OWNER and the Property are still subject to special assessments, special charges, special taxes and fees as may be charged by the CITY per its statutory authority. MCO 307-7-4-f-2. See, e.g., Wis. Stat. 74.01 and Wis. Stat. Ch. 66.

3. **PILOT PAYMENTS.**

A. **Calculation for Year [REDACTED] (insert 1st year of payment) and Subsequent Years.** Beginning in tax year _____, OWNER agrees to pay CITY an annual PILOT for the PROPERTY for each tax year (or portion thereof) during which OWNER owns the PROPERTY, calculated as follows: Value¹ of the PROPERTY for tax year determined by the CITY Assessor times the CITY 's Property Tax Rate² for that tax year, divided by 1,000. MCO 307-7-4-f-3. [REMOVED CPI ADJUSTMENT]

If OWNER transfers or conveys the PROPERTY, the PILOT for that year will be prorated based upon the number of full months for which OWNER owned the PROPERTY.

B. **Payment Due Date.** PILOT payments for a tax year shall be due and payable (i) in full on or before January 31 of the year following the tax year for which the PILOT payment was calculated, or (ii) if OWNER elects to pay in installments, according to the following schedule: one-tenth of the PILOT payment by the last day of each month for the first 10 months in the year following the tax year for which the PILOT payment was calculated. OWNER shall be deemed to have elected to pay the PILOT payment in installments by making the first full installment payment on or before January 31 in the respective year in which the PILOT payment is due. MCO 307-7-4-f-4.

¹ "Value" herein means CITY Assessor's determination of the fair market value of the real property constituting the PROPERTY on January 1 of that tax year, subject to any revised determination under paragraph 6 of this AGREEMENT.

² "Property Tax Rate" means the property tax rate for only the CITY as determined for taxable property in CITY from time to time. For example, the 2004 CITY's Property Tax Rate was \$9.73 per \$1,000 in assessed value.

C. **Use of PILOT Payment.** CITY may use and expend PILOT payments in such manner and for such purposes as CITY desires. MCO 307-7-4-f-5.

D. **Voluntary PILOT's; Waiver.** OWNER shall make a good faith effort to satisfy its PILOT obligations hereunder. In the event of non-payment or partial payment, CITY shall not place a tax lien on the PROPERTY and non-payment or partial payment shall not affect the PROPERTY's tax-exempt status. MCO 307-7-4-f-6.

4. **EXEMPT STATUS.** While CITY has determined that the PROPERTY is tax-exempt, CITY reserves all rights under applicable law, including under Wis. Stat. 70.11, including the right to remove or rescind tax-exempt status if the PROPERTY no longer qualifies for exemption. MCO 307-7-4-f-7.

If all or a part of the PROPERTY is determined to be taxable and not exempt, then the CITY shall provide notice of such to OWNER and bill property taxes accordingly. MCO 307-7-4-f-7.

If CITY determines that the PROPERTY does not qualify for *full* exemption from property tax: (i) CITY shall provide written notice of such to OWNER; (ii) no PILOT payment shall be due under this AGREEMENT with respect to any year for which exemption, in full, does not apply; (iii) if a PILOT payment has been paid for such tax year, CITY shall promptly refund such PILOT payment or, at the option of CITY, apply such PILOT payment against any property taxes due on the PROPERTY; (iv) the PROPERTY shall be placed on the property tax rolls for that and any subsequent years for which an exemption has been determined not to apply; and (v) this Agreement shall terminate (MCO 307-7-4-f-8).

If CITY determines that a *portion* of the PROPERTY does not qualify for exemption from property tax: (i) CITY shall provide written notice of such to OWNER; (ii) PILOT payments under this AGREEMENT for any year for which a partial exemption applies shall be reduced proportionately to the same extent that the 100% exemption is reduced; (iii) if a PILOT payment has been paid for such tax year, CITY shall promptly refund the appropriate portion of such PILOT payment or, at the option of CITY, apply such portion paid against any property taxes due on the PROPERTY; and (iv) the value of the part of the PROPERTY that is not exempt shall be placed on the property tax rolls for that and any subsequent years for which exemption has been determined not to apply.

If OWNER disagrees with CITY's determination that the PROPERTY, or any part thereof, no longer qualifies for tax exemption, OWNER may challenge such determination by following any procedure provided under Wisconsin law.

5. **TERM & TERMINATION OF AGREEMENT.** This AGREEMENT shall terminate as follows:

A. As specified in Section 4 above.

B. Upon 30 days prior written notice of termination by one party to the other.

Upon termination, OWNER shall remain liable for any outstanding PILOT payment due hereunder. MCO 307-7-4-f-8. This Section 5 recognizes that a 5-year term (MCO 307-7-4-f-8) that is automatically renewed for successive 5 year periods (MCO 307-7-4-f-11), unless sooner terminated, makes the Agreement one subject to the termination provisions above.

6. **DOCUMENTS, INSPECTION, COOPERATION.** OWNER agrees to allow CITY (including the City Assessor) to inspect the PROPERTY and to inspect documents relevant to exemption and valuation determinations upon reasonable written request. MCO 307-7-4-f-9. Notwithstanding the foregoing, CITY reserves all its rights at law and equity to inspect and to obtain disclosure.

7. **AMENDMENT.** This AGREEMENT may be amended from time to time as CITY and OWNER mutually agree in writing, executed by both parties.

8. **GOVERNING LAW.** The laws of the State of Wisconsin and ordinances and regulations of the City of Milwaukee shall be the governing law with respect to this AGREEMENT.

9. **NOTICES.** Notices hereunder shall be personally delivered, mailed in the U.S. mail, sent by commercial courier, or sent by email, as follows. Contact persons, addresses, and/or email addresses may be changed by providing written notice as required hereunder.

<p>CITY:</p> <p>City of Milwaukee Commissioner of Assessments 200 E. Wells Street, 5th Floor Milwaukee, WI 53202</p> <p>Email: sminer@milwaukee.gov</p>	<p>OWNER:</p> <p>[List name, address, contact person, email]</p> <p>Email: _____</p>
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10. **COUNTERPARTS.** This AGREEMENT may be executed in counterparts, and email and/or PDF signatures shall be accepted as originals.

IN WITNESS WHEREOF, the parties hereto caused this AGREEMENT to be executed as of the date first written above.

<p>CITY: THE CITY OF MILWAUKEE</p> <p>By: _____ Mayor Tom Barrett</p>	<p>OWNER: _____</p> <p>By: _____</p> <p>Name Printed: _____</p> <p>Title: _____</p>
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CITY CLERK

James R. Owczarski, City Clerk

COUNTERSIGNED

Martin Matson, City Comptroller

CITY ATTORNEY APPROVAL (MCO 304-21)

Gregg Hagopian, Asst. City Attorney

City Common Council Resolution File # _____

MCO 307-7