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November 6, 2020

To the Honorable Common Council  
Of the City of Milwaukee  
Room 205 – City Hall

RE: Resolution authorizing settlement of claims in the lawsuits entitled  
*Wisconsin & Milwaukee Hotel LLC v. City of Milwaukee* and  
*JSWD Commerce LLC v. City of Milwaukee*

Dear Council Members:

Enclosed please find a resolution recommending settlement of the above-referenced cases, which we ask be introduced and referred to the Committee on Judiciary and Legislation with the below recommendation.

In the above-referenced lawsuits, Wisconsin & Milwaukee Hotel LLC and JSWD Commerce LLC (collectively, WMH) claimed the City excessively assessed its properties (the downtown Marriott and SpringHill Suites hotels) and violated Article VIII, section I of the Wisconsin Constitution (“Uniformity Clause”) for tax years 2017-2019. In the pending lawsuits, WMH seeks a tax refund of approximately \$2,410,000 plus interest and costs. WMH also objected to its 2020 assessments on the same basis. Cumulatively, the City’s total potential liability for these tax years would be estimated at approximately \$3,200,000.

After reviewing new information submitted by WMH during the pendency of litigation as well as information submitted by WMH’s competitor hotels, WMH and the City Assessor have agreed to settle WMH claims relative to its 2017-2020 assessments for \$558,044.35. Although the City must initially pay the \$558,044.35 in full, following chargebacks from other taxation districts, the City’s final outstanding liability will be approximately \$186,000.



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In consultation with the City Assessor, the City Attorney now recommends settlement of these matters for the proposed refund, inclusive of all interest and costs. In exchange for this settlement and payment, WMH will stipulate to dismiss the cases.

Very truly yours,



TEARMAN SPENCER  
City Attorney



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Enclosure

1056-2018-1768:272045