

Document Number	PILOT AGREEMENT Document Title
<b>PAYMENT IN LIEU OF TAXES AGREEMENT</b>  <b>(Aurora Health Care Project)</b>	
Recording Area Name and Return Address Jordan Schettle Assistant City Attorney Office of the City Attorney 200 East Wells Street, Suite 800 Milwaukee, WI 53202	

Parcel Identification Number (PIN): 3881101100 and Part of 3880107114<sup>1</sup>

**PILOT AGREEMENT**

(2708 West Wisconsin Avenue -- Aurora Health Care Project)

**OWNER:** Aurora Health Care, Inc.

**OWNER ADDRESS:** 2708 West Wisconsin Avenue  
Milwaukee, Wisconsin 53208

**PROPERTY PARCEL IDENTIFICATION NO.:** 3881101100; and  
Part of 3880107114

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<sup>1</sup> NTD: This parcel currently pending CSM approval. Can update with applicable PIN when assigned.

This **PILOT AGREEMENT** for payments in lieu of taxes is made by and between Aurora Health Care, Inc., a Wisconsin Non-Stock Corporation, (“OWNER”) and the City of Milwaukee, a Wisconsin municipal corporation (“CITY”), as of the \_\_\_\_ day of \_\_\_\_\_, 2025.

### **RECITALS**

**WHEREAS**, OWNER is the owner of the real property legally described on **Exhibit A** and depicted on Lot 2 of Certified Survey Map No. \_\_\_\_ on **Exhibit B** (collectively, the “PROPERTY”); and

**WHEREAS**, OWNER acquired a portion of the PROPERTY from Ambassador Suites LLC, a Wisconsin limited liability company (“AMBASSADOR SUITES”); and

**WHEREAS**, AMBASSADOR SUITES acquired a portion of the PROPERTY from the CITY via a Special Warranty Deed, recorded in the Milwaukee County Register of Deeds Office on December 22, 2017, as Document No. 10739658, which included thereon a performance restrictive covenant, a tax exemption prohibition restriction covenant, and a competing use restriction (the “DEED RESTRICTIONS”) that run with the land; and

**WHEREAS**, OWNER desires to develop the PROPERTY for uses beneficial to the community which may qualify as tax exempt under the Wisconsin Statutes and which align with the City of Milwaukee Health Department’s objectives related to improving health outcomes for the Milwaukee community;

**WHEREAS**, OWNER has requested a release of the DEED RESTRICTIONS and agrees to enter into this PILOT Agreement with the CITY in exchange for such release; and

**WHEREAS,** The terms and conditions of this PILOT Agreement are material inducements to the CITY releasing the DEED RESTRICTIONS, and but for OWNER's acceptance of the terms and conditions of this PILOT Agreement, the CITY would not release the DEED RESTRICTIONS on the applicable portion of the PROPERTY; and

**WHEREAS,** OWNER recognizes that, notwithstanding the fact that all or a portion of the PROPERTY may in the future qualify for tax exempt status, valuable government services and benefits will be provided to it and the PROPERTY, which services and benefits directly or indirectly relate to the public health, safety, and welfare, and which include, but are not limited to: fire and police protection; paved streets and streetlights; snow removal; benefits associated with living in an organized community; and

**WHEREAS,** The PROPERTY includes all of the land included in the Aurora Health Care Project (the "PROJECT") and

**WHEREAS,** OWNER agrees for itself and its successors and assigns, in the event that the PROPERTY or any part thereof is or becomes exempt from payment of property taxes, to make PILOT Payments (as hereinafter defined) to CITY in recognition of the services and benefits referred to herein and the provision of financial assistance to the PROJECT; and

**WHEREAS,** it is the intent of this PILOT AGREEMENT to have OWNER and all future owners and tenants of the PROPERTY, any parcel or building which is within the PROPERTY or any portion thereof, make payments in lieu of taxes in the event that the PROPERTY or any part thereof is or becomes exempt from payment of property taxes; and

**NOW, THEREFORE,** For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**1. INCORPORATION OF RECITALS.**

The parties hereby acknowledge that the above Recital clauses are part of this PILOT AGREEMENT and incorporated herein.

**2. CITY SERVICES.**

**A. Services Typically Covered by Property Tax.**

CITY agrees to continue to furnish governmental services and benefits to the PROJECT and the PROPERTY of the same type, and to the extent, as are furnished from time to time, without cost or charge (except by means of property tax, if applicable, authorized fees and charges), to other similarly situated commercial buildings and projects in CITY. Nothing in this PILOT AGREEMENT shall be construed to give OWNER or its successors and assigns a contractual right to specific governmental services, or to impose upon CITY any additional duties, it being the parties' intent that CITY provide public services to the PROJECT and the PROPERTY subject to the same terms and conditions as apply to properties owned by citizens or the public generally. Such services and benefits include, but are not limited by specific enumeration herein, 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. CITY shall not have breached its obligations hereunder if it is prevented from providing benefits and/or services to the PROJECT or the PROPERTY because of typical *force majeure* reasons (e.g. war, flood, fire, labor dispute, supply shortage, act of God, natural disaster, etc.), because of budgetary constraints, or because any person or entity shall assert a right which prevents delivery of such benefits and/or services.

**B. BID Assessments, Special Assessments, Special Charges and Fees.**

Notwithstanding paragraph 2.A., or any future property tax exempt status of the PROPERTY, OWNER understands that the PROJECT and the PROPERTY will be subject to

applicable business and/or neighborhood improvement district assessments, special assessments, special charges, and special taxes as defined in §74.01, Wis. Stats. (and as also referred to in Ch. 66, Wis. Stats.) and fees charged by CITY in the same manner that such special assessments, special charges, special taxes, and fees are charged for similar services and/or undertakings to commercial buildings within CITY. This provision shall not affect CITY's powers, consistent with the law, to determine the services and benefits (other than those typically covered by the property tax) that shall be provided to the PROJECT and the PROPERTY and/or similarly situated property pursuant to this paragraph 2.B. Nothing contained herein shall preclude OWNER or its successors and assigns from appealing, as provided by law, the imposition of such special assessments, special charges, special taxes, or fees by CITY.

**3. PILOT PAYMENTS.**

**A. Calculations.**

In recognition of those services and benefits covered by paragraph 2.A. of this PILOT AGREEMENT, beginning in the year the PROPERTY or any portion thereof becomes exempt from property tax, and so long as the PROPERTY or any portion thereof continues to be exempt, in whole or in part, under § 70.11, Wis. Stats., OWNER or its successors and assigns shall pay CITY an annual payment (each a "PILOT Payment") for the PROPERTY or the portion thereof which is exempt for each calendar year. The method to be used in determining the PILOT Payment shall be the Value (as hereinafter defined) for that tax year determined by CITY's Assessor times the City Property Tax Rate (as hereinafter defined) for the tax year. As used herein, the term "Value" shall mean the CITY assessor's determination of the assessed value of the tax exempt portion(s) of the PROPERTY on January 1 of each tax year. The term "City Property Tax Rate" means the tax rate for all taxes levied by the CITY portion of the City of

Milwaukee tax bills from time to time. By way of illustration with respect to the foregoing, in 2024, the applicable City Property Tax Rate was \$8.29 per \$1,000 of assessed value. OWNER shall provide the CITY's Assessor with any documentation reasonably requested by the CITY's Assessor as is typically required of the Assessor to determine the Value of the PROPERTY consistent with the Wisconsin Department of Revenue's annual Wisconsin Property Assessment Manual.

**B. Payment Due Date.**

PILOT Payments for the year in which the PROPERTY or a portion thereof becomes exempt and subsequent years shall be due and payable (i) in full on or before January 31 of the year following the calendar year for which the PILOT Payment was calculated, or (ii) if OWNER or its successor or assign 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 calendar year for which the particular PILOT Payment was calculated. OWNER or its successor or assign 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.

**C. Use.**

CITY may use and expend PILOT Payments hereunder in such manner and for such purposes as CITY desires.

**D. Mandatory Payment for Services to Offset PILOT Payment.**

Notwithstanding anything herein to the contrary, if the State of Wisconsin enacts a mandatory payment for municipal services to be paid by owners of property exempt from general property tax or similarly situated owners of exempt property, PILOT Payments shall be reduced

dollar for dollar by any such mandatory payment paid by OWNER or its successors or assigns to CITY.

**4. EXEMPT STATUS.**

NOTHING IN THIS PILOT AGREEMENT SHALL BE CONSTRUED AS GRANTING TAX-EXEMPT STATUS ON THE OWNER OR THE PROPERTY. IF OWNER QUALIFIES FOR TAX EXEMPT STATUS UNDER WISCONSIN LAW, IT IS THE OWNER'S OBLIGATION TO APPLY FOR TAX EXEMPT STATUS. At such time that OWNER is granted tax exempt status pursuant to §70.11, Wis. Stats., OWNER shall then make PILOT Payments pursuant to this PILOT AGREEMENT. No PILOT Payment under this PILOT AGREEMENT is due from OWNER until such time that the PROPERTY or any part thereof is deemed to be exempt from payment of property taxes pursuant to §70.11, Wis. Stats.

CITY Assessor's Office may review the PROPERTY's exempt status under §70.11, Wis. Stats. from time to time with the respective January 1 dates being the reference dates for those exemption reviews. If CITY, as a result of those reviews or otherwise, determines that all or any portion of the PROPERTY no longer qualifies (or does not qualify) for exemption from property tax, (i) CITY will provide notice of such determination to OWNER or its successor or assign, (ii) this PILOT AGREEMENT shall be suspended with respect to any years and, if applicable, with respect to any portions of the PROPERTY for which exemption no longer applies, (iii) if PILOT Payments have been erroneously made for such tax years, CITY shall promptly refund such PILOT Payments, or, at the option of CITY, offset such PILOT Payments against any property taxes due, or to become due, from OWNER or its successors or assigns, in which case CITY will treat such offset as having been made under protest, and (iv) the PROPERTY, or any portion thereof which does not qualify for exemption, shall be placed on the property tax rolls for all

years for which whole or partial exemption has been determined not to apply. If OWNER or its successors or assigns disagree with CITY's determination that the PROPERTY or any part thereof no longer qualifies for tax exemption, OWNER or its successors or assigns may challenge such determination by following the procedure set forth in §74.35, Wis. Stats. or as otherwise provided by law.

Notwithstanding anything to the contrary contained herein, OWNER acknowledges that it is or may be bound by the reporting requirement, in §70.11, Wis. Stats., preamble, and that under §70.109, Wis. Stats.: exemptions are strictly construed; it is presumed that property is taxable; and the burden is on the person claiming exemption.

OWNER, on its behalf and that of its successors and assigns, also acknowledges that if it leases, or otherwise allows another person to use and/or occupy for a purpose not entitled to property tax exemption under Wis. Stat. §70.11, all or a portion of the PROPERTY, such use may affect the PROPERTY's exempt status. See, e.g. the preamble of §70.11, Wis. Stats., §70.1105, and Deutsches Land v. City of Glendale, (WI S.Ct. April 16, 1999). For example, if OWNER is exempt but only uses and occupies 90% of the PROPERTY for exempt purposes and leases the other 10% of the PROPERTY to a for-profit, nonexempt entity, and if the assessor applies a square footage, taxed in part analysis, the PROPERTY is to be taxed on a 10% basis and exempt on a 90% basis and the PILOT Payment would have to be paid on the Value attributable to the 90% portion of the PROPERTY which is determined to be exempt.

OWNER, on its behalf and that of its successors and assigns, also acknowledges its requirement to file a Tax-Exempt Property Report in even-numbered years and pay the filing fee(s) associated therewith pursuant to MCO § 307-2 et seq. If applicable, OWNER must also



file a Partially-Taxed Property Report pursuant to MCO § 307-2.5 and pay any penalties imposed for a failure to file.

**5. TERM.**

This PILOT AGREEMENT shall be permanent and shall run with the land. Any amendment that reduces or eliminates PILOT payments (except as already provided for herein), or that terminates PILOT payments, must be approved by the City of Milwaukee by Common Council resolution.

**6. APPEAL OF ASSESSED VALUE.**

OWNER and its successors and assigns **agree and acknowledge that they** shall have the same rights to contest the assessed valuation of the PROPERTY as a taxpaying owner under Wisconsin law. CITY acknowledges OWNER's right to contest the assessed valuation of the PROPERTY under the procedures provided in §§70.07 and 70.47, Wis. Stats., and CITY expressly agrees not to dispute OWNER's right to contest the assessed valuation of the PROPERTY under said statutes.

**7. DOCUMENTS, INSPECTION, COOPERATION.**

OWNER and its successors and assigns shall cooperate with CITY (including, but not limited to, the City Assessor's Office, the City Attorney's Office, and the City Comptroller's Office) with respect to this PILOT AGREEMENT by allowing interior and exterior inspections of the PROPERTY upon reasonable written request of CITY and by allowing inspection of any leases applicable to the PROPERTY and such other documents that CITY may, from time to time, request concerning exemption and assessment determinations. Notwithstanding the foregoing, CITY expressly reserves all its rights in law and equity to inspect and to obtain disclosure, documents, inspection, and information.

**8. AMENDMENT.**

This PILOT AGREEMENT may be modified and amended from time to time as CITY and OWNER shall mutually agree in writing. However, if an amendment or modification applies to only a portion of the PROPERTY, it is only the CITY and the current owner(s) of that portion of the PROPERTY that must agree in writing to the amendment or modification rather than all parties defined as OWNER in this PILOT AGREEMENT.

**9. SEVERABILITY; GOVERNING LAW.**

If any provision hereof is duly held by a court of competent jurisdiction to be invalid with respect to any circumstance or otherwise, the remainder of this PILOT AGREEMENT and/or the application of the PILOT AGREEMENT to any other circumstance, shall not be affected thereby. The parties intend that 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 PILOT AGREEMENT.

**10. BINDING EFFECT/NOTICE.**

This PILOT AGREEMENT shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. Successors and assigns referred to in this PILOT AGREEMENT include any owner or tenant of any portion of the PROPERTY or improvements thereon. OWNER and its successors and assigns shall include a reference to this PILOT AGREEMENT in each future conveyance of all or any portion of the PROPERTY in order to give express notice of this PILOT AGREEMENT. Neither OWNER nor its successors or assigns shall have any liability for obligations accruing under this PILOT AGREEMENT with respect to any portions of the PROPERTY for any period of time other than during their ownership and/or occupancy. OWNER AND ITS SUCCESSORS AND ASSIGNS MAY WISH

TO GIVE NOTICE OF THE TERMS OF THIS PILOT AGREEMENT TO FUTURE TENANTS UNDER LEASES FOR PORTIONS OF THE PROPERTY AND ALLOCATE RESPONSIBILITY FOR PAYMENTS UNDER THIS PILOT AGREEMENT IN ANY LEASES FOR PORTIONS OF THE PROPERTY.

**11. AUTHORITY.**

OWNER represents and warrants to CITY that its agents executing this PILOT AGREEMENT have been duly authorized to so execute and to cause OWNER to enter this PILOT AGREEMENT, and that OWNER has obtained all requisite consents and approvals concerning the same.

**12. RECORDING**

CITY shall cause this PILOT AGREEMENT or a memorandum of this PILOT AGREEMENT to be recorded with the Milwaukee County Register of Deeds and deliver a copy of the recorded PILOT AGREEMENT to OWNER.

*[Remainder of Page Intentionally Left Blank]*

**IN WITNESS WHEREOF**, the parties hereto have caused this PILOT AGREEMENT to be executed by duly authorized representatives as of the date and year first written above.

**CITY OF MILWAUKEE**  
a Wisconsin municipal corporation

\_\_\_\_\_  
Cavalier Johnson, Mayor

\_\_\_\_\_  
James R. Owczarski, City Clerk

COUNTERSIGNED:

\_\_\_\_\_  
William Christianson, Comptroller

Signatures of Cavalier Johnson, Mayor; and James R. Owczarski, City Clerk; and William Christianson, Comptroller authenticated this \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Jordan M. Schettle, Assistant City Attorney  
State Bar No. 1104571

**AURORA HEALTH CARE, INC.**

a Wisconsin Non-Stock corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF WISCONSIN )  
 ) ss:  
MILWAUKEE COUNTY )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, \_\_\_\_\_, the \_\_\_\_\_ of the above-named \_\_\_\_\_, to me known to be the person who executed the foregoing instrument and to me known to be such \_\_\_\_\_ of such \_\_\_\_\_, and acknowledged that he/she executed the foregoing instrument as such officer.

\_\_\_\_\_  
Notary Public, State of Wisconsin  
My Commission \_\_\_\_\_

Prepared by:  
Jordan M. Schettle, Assistant City Attorney  
Milwaukee, Wisconsin

## EXHIBIT A

### **Legal Description of Real Property**

PROPERTY ADDRESS: 2708 West Wisconsin Avenue  
Milwaukee, Wisconsin 53208

PROPERTY PARCEL 3881101100; and  
IDENTIFICATION NO: Part of 3880107114<sup>2</sup>

Lot 2 of Certified Survey Map No. \_\_\_\_\_ recorded in the Office of the Register of Deeds for Milwaukee County, Wisconsin, on \_\_\_\_\_ as Document No. \_\_\_\_\_, being a redivision of all of Lots 1 through 5 and part of vacated North 28th Street in Block 2 in Lafayette Square, all of Lots 8 and 9 in Block 2 in Assessment Subdivision No. 2, all of Lots 1 through 6 and 9 through 14 and part of vacated North 28th Place in Belair Place and part of Lots 2 and 3 in Part of Lots 3 & 4 Dousman's Subdivision being all in the Southeast 1/4 of the Northeast 1/4 of Section 25, Township 7 North, Range 21 East, in the City of Milwaukee, County of Milwaukee, State of Wisconsin.<sup>3</sup>

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<sup>2</sup> NTD: These parcels currently pending CSM approval. Can update with applicable PIN when assigned.

<sup>3</sup> NTD: To be completed upon approval and filing of the pending CSM.

**EXHIBIT B**

**Certified Survey Map**

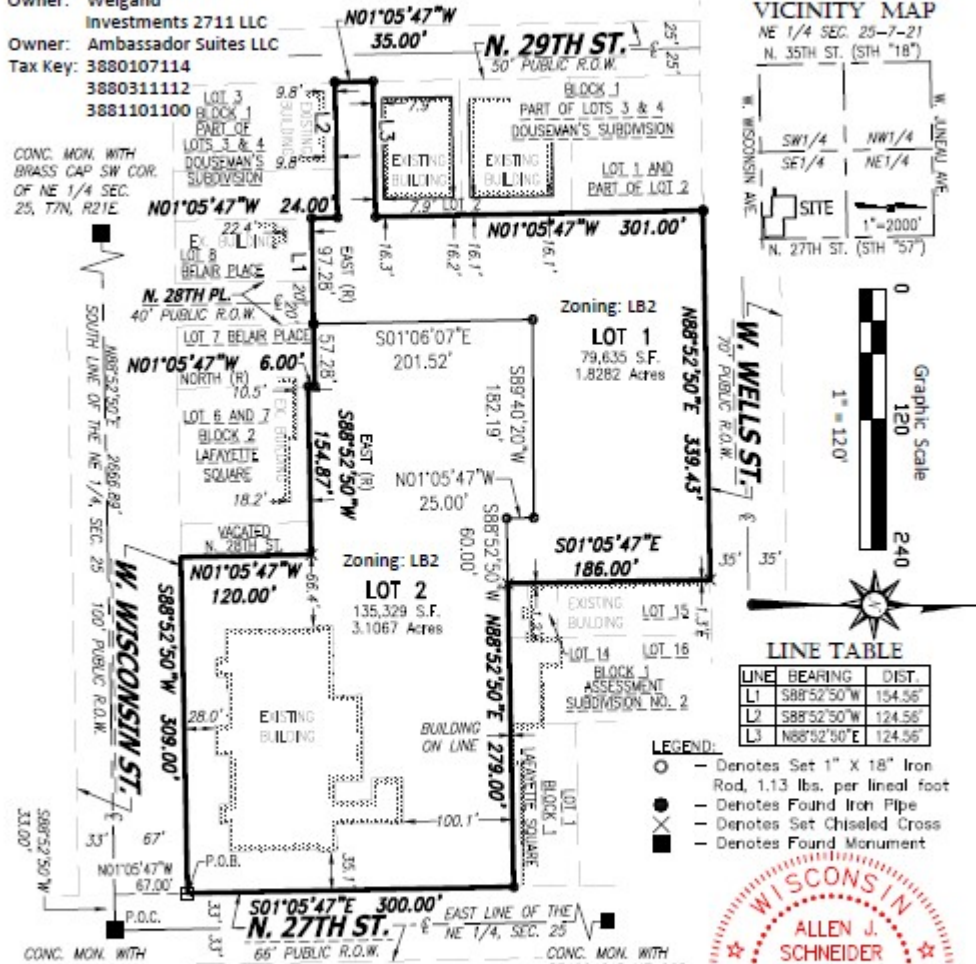
**CERTIFIED SURVEY MAP NO. \_\_\_\_\_**

All of Lots 2 through 13 in Block 1 and all of Lots 1 through 5 in Block 2 in Lafayette Square and part of vacated North 28th Street, all of Lots 8 and 9 in Block 2 in Assessment Subdivision No. 2, all of Lots 1 through 6 and 9 through 14 and part of vacated North 28th Place in Belair Place and part of Lots 2 and 3 in Part of Lots 3 & 4 Dousman's Subdivision being all in the Southeast 1/4 of the Northeast 1/4 of Section 25, Township 7 North, Range 21 East, in the City of Milwaukee, Milwaukee County, Wisconsin.

Owner: Weigand  
 Investments 2711 LLC  
 Owner: Ambassador Suites LLC  
 Tax Key: 3880107114

3880311112  
 3881101100

CONC. MON. WITH BRASS CAP SW COR. OF NE 1/4 SEC. 25, T7N, R21E



CONC. MON. WITH BRASS CAP SE COR. OF NE 1/4 SEC. 25, T7N, R21E

CONC. MON. WITH BRASS CAP NE COR. OF NE 1/4 SEC. 25, T7N, R21E

**CHAPUT LAND SURVEYS**

All bearings are referenced to the Wisconsin State Plane Coordinate System, South-zone NAD83(2011) in which the South line of the Northeast 1/4, Sec. 25 bears N88°52'50"E.

234 W. Florida Street Milwaukee, WI 53204 414-224-8088 www.chaputlandsurveys.com

This instrument was drafted by Allen J. Schneider Professional Land Surveyor S-2194

**WISCONSIN**  
 ALLEN J. SCHNEIDER  
 S-2194  
 GREENFIELD WI  
 LAND SURVEYOR  
 Received February 7, 2025  
 Date: November 26, 2024  
 Survey No. 5993.00-1pm  
 Sheet 1 of 6 Sheets

# CERTIFIED SURVEY MAP NO. \_\_\_\_\_

All of Lots 2 through 13 in Block 1 and all of Lots 1 through 5 in Block 2 in Lafayette Square and part of vacated North 28th Street, all of Lots 8 and 9 in Block 2 in Assessment Subdivision No. 2, all of Lots 1 through 6 and 9 through 14 and part of vacated North 28th Place in Belair Place and part of Lots 2 and 3 in Part of Lots 3 & 4 Dousman's Subdivision being all in the Southeast 1/4 of the Northeast 1/4 of Section 25, Township 7 North, Range 21 East, in the City of Milwaukee, Milwaukee County, Wisconsin.

## EASEMENTS FOR REFERENCE ONLY

