

Reply to Common Council File No. 080682  
From DOA-Budget and Management Division

January 9, 2009

Ref:09007

Common Council File Number 080682 is a resolution approving and authorizing the settlement of judgment for delinquent taxes against Golden Marina Causeway LLC and appropriating \$107,270.83 from the 2009 Common Council Contingent Fund to the Remission of Taxes Fund.

Golden Marina had its property at 311 E. Greenfield Ave. reassessed in 2006 after attempting to sell the property for a high price. The property was eventually purchased by East Greenfield Investors (EGI) at a price well below the 2006 assessment of \$9.3 million. The Department of City Development later confirmed that the property was contaminated, which was not known at the time of the 2006 assessment, and the property was eventually placed on the city's "Do Not Acquire" list. EGI bought the site after the time when the 2006 assessment could be reviewed. The property was assessed at a value \$6.0 million lower for 2007, and the property's 2006 value was eventually reassessed down to the \$3.5 million value given in 2007. EGI paid \$101,936.51 in 2006 taxes in July 2008.

This settlement was agreed to after negotiations between the Kohn Law Firm, City Treasurer's Office, City Attorney's Office, Department of City Development, and EGI in September 2008, and the city would pay \$107,270.83 as part of the cancellation of 2006 taxes for the 311 E. Greenfield Ave. property. The city's payment was allowed to be delayed until 2009 to avoid exposure for the 2008 Common Council Contingent Fund. The Remission of Taxes fund has a budget of \$1,000,000 for 2009, but \$886,897.33 of that amount has been designated for previous remissions in Files 081054 and 081055. This requires the use of the Common Council Contingent Fund to pay for this settlement.

**RECOMMENDATION: ADOPT FILE NUMBER 080682**

  
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