

Reply to Common Council File No. 081161
From DOA Budget and Management Division

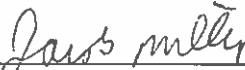
January 9, 2009

Ref: 09007

Common Council File Number 081161 is a resolution allowing for the transfer of up to \$850,000 from the 2009 Common Council Contingent Fund to the Remission of Taxes Fund. This is the result of a settlement reached by the City Attorney's Office relating to properties owned by Walgreen Corporation. The settlement was prompted by a Wisconsin Supreme Court decision on July 8, 2008 (*Walgreen Co. vs. City of Madison*) that stated properties owned by Walgreen's needed to be assessed in a different manner, resulting in lower assessments and refunded payments for Walgreen's properties in several Wisconsin cities, including Milwaukee.

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. The amount due to Walgreen's is \$807,376.33 if paid by January 31, 2009, with additional interest due if paid after that date. This payment reflects reductions and refunds in the 2006, 2007, and 2008 assessments, and future assessments of Walgreen's properties will be done in accordance to the standard established by the Supreme Court case. This settlement was reached in December 2008, after the 2009 City of Milwaukee budget was adopted. The city is expected to recoup some funds from other Milwaukee area jurisdictions in connection to this settlement.

RECOMMENDATION: ADOPT FILE NUMBER 081161



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JM:dmr

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