

Reply to Common Council File No. 021361
From DOA-Budget and Management Division

January 13, 2003

Ref: 03010(1)

Common Council file 021361 contains a resolution authorizing the issuance and sale of general obligation promissory notes for paying an expense associated with the remission of taxes.

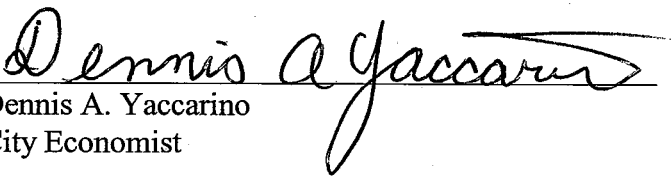
The Assessor's Office has made an effort to reduce its backlog of appealed assessments. Unfortunately, through the appeals process, several property owners were awarded substantial settlements. The city is required to repay the over paid taxes plus interest at 9.6% annually. Payment to these owners is due before January 31, 2003 by State law. The amount owed is approximately \$1.65 million.

Payments will be made to the following property owners:

Joseph Zlber Trustee	\$61,730.75
Marshall Block\$	2,411.64
FB Properties Joint Venture	\$125,763.32
Universal Securities	\$157,373.02
Pfister LLC	\$42,006.21
Pace Development Corp.	\$34,239.31
Northwestern Mutual	\$875,203.93
Jacobs Reality LTD	\$26,231.60
Lloyd W. Waters Jr.	\$8,242.38
105/111 LLC	\$62,888.82
Mitchell Assoc.	\$31,772.22
Javic Reality Partnership	\$11,247.82
Bay Development Co. LLC	\$3,405.71
Seventy Sixth Street	\$17,780.28
Marshall East Side Dev.	\$8,902.97
Iron Butterfly	\$7,227.11
Honeywell Inc.	\$5,602.39
Park Club Partnership	\$7,938.83
North Ave. Commerce Cen. II	\$4,277.75
Leo R. Licther	\$8,015.02
County Claire LTD	<u>\$10,321.71</u>
Total	\$1,642,024.35

This borrowing will be done as a one-year investment by the Public Debt Amortization Fund (PDAF). The city will repay the PDAF in 2004. Because the amount owed is less than the up to \$2 million in borrowing provided in the resolution, the resolution could be amended to borrow no more than \$1.65 million.

**RECOMMENDATION: APPROVE COMMON COUNCIL RESOLUTION
021361 THAT AUTHORIZES THE ISSUANCE AND SALE OF GENERAL
OBLIGATION PROMISSORY NOTES FOR PAYING EXPENSES ASSOCIATED
WITH THE REMISSION OF TAXES.**


Dennis A. Yaccarino
City Economist

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