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January 11, 2018

Honorable Common Council
City Hall, Room 205

**Re: Resolution authorizing settlement of claims in the lawsuit
entitled *BlueLine Rental, LLC v. City of Milwaukee***

Dear Honorable Council Members:

Enclosed please find a proposed resolution. We ask that it be introduced and referred to the Committee on Judiciary & Legislation for the committee to take appropriate action, with the following recommendation.

The above-referenced lawsuit was commenced by BlueLine Rental, LLC ("Plaintiff"). The Plaintiff claimed that for the 2016 tax year, the City assessed approximately \$6 million worth of rental equipment that was actually exempt from taxation. The Plaintiff sought a refund of personal property taxes previously paid in the amount of \$174,298. The Plaintiff provided the City with its 2016 rental equipment list, and the parties have agreed that approximately \$2 million worth of rental equipment on the list would qualify for exemption, but the other approximate \$4 million worth of equipment remains taxable. Exempting approximately \$2 million worth of equipment results in a refund of taxes to the Plaintiff in the amount of \$64,961.82. Although the City would initially have to pay this amount, after the Wisconsin Department of Revenue charges back the reduction in assessment to the other taxation districts, the City's portion of the refund will only be approximately \$21,650.

In consultation with the City Assessor, the City Attorney now recommends settlement of the matter. In exchange for the settlement and payment, the Plaintiff will stipulate to dismiss the case and release all claims against the City arising out of this matter.

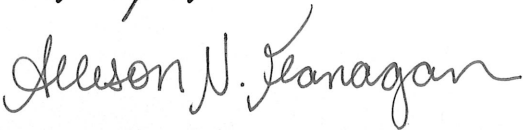


Honorable Common Council
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Very truly yours,



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Enclosure

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