



## Legislation Text

File #: 000726, Version: 1

### SUBSTITUTE 1

#### CHAIR

Substitute resolution authorizing agreement among City of Milwaukee, its assessor, RACM, and the YMCA of Metropolitan Milwaukee, Inc. (the "Y"), concerning property tax exempt status of the Y's Grand Avenue site and other parcels in the City of Milwaukee and payments in lieu of taxes.

Resolution authorizing agreement among City of Milwaukee, its assessor, RACM, and the Y that recognizes, for 1999-2001, exempt status of Y and its properties in Milwaukee, calculates PILOT payment Y will pay City for those years and beyond, and resolves 1999-2001 assessment issues and exempt-acreage calculation issues. Whereas, Y (by its then lawyers, Davis & Kuelthau) filed a "1999 Real Estate Exemption Application" with Assessor on or about 9/21/98 seeking property-tax exemption, beginning with tax year 1999, pursuant to Wis. Stat. § 70.11(10), for Y's downtown Milwaukee site (the "Grand Ave. Site," 161 West Wisconsin Avenue, Units 4 and 5(c)) (Unit 4 being 397-0207-000-0, and Unit 5(c) being 397-0212-000-8); and

Whereas, On or about 2/25/99, Assessor notified Y that its 9/21/98 filing had to be denied in that § 70.11(10) does not apply to any parcel within the limit of any incorporated city; and, Assessor invited Y to submit a new application for reconsideration; and

Whereas, On 3/1/99, Y submitted to Assessor a new application for the Grand Ave. Site for 1999 - this time claiming exemption pursuant to Wis. Stat. § 70.11(4); and

Whereas, Assessor: received the Y's filings; toured each of Y's locations in the City; met and spoke with Y personnel; and requested, received and reviewed supplemental information and documentation concerning the Y, all the Y's properties in the City, and the Y's operations; and

Whereas, Assessor reached a tentative decision regarding exempt status of Y property in the City for 1999 and 2000, concluding, among other things, that 60% of the Y's real property on the 4<sup>th</sup> floor of its Grand Ave. Site should be taxed for years 1999 and 2000 (the "60% Decision"); and

Whereas, Subsequent to Assessor's 60% Decision, Y and City met on various occasions to further discuss the Y, its parcels, and the 60% Decision; and

Whereas, Assessor rescinded her 60% Decision; and

Whereas, In light of RACM having assisted the Y in obtaining financing on favorable terms regarding the Grand Ave. Site, RACM and the Y entered an "Agreement Regarding Payments in Lieu of Taxes" dated 12/1/98 (the "RACM Agreement") pursuant to which RACM and Y agreed, *inter alia*, that if the Grand Ave. Site were determined to be exempt from real estate tax, Y would enter a PILOT Agreement with City providing for an annual payment in lieu of taxes ("PILOT") to City for as long as RACM bonds issued in conjunction with the Grand Ave. Site remained outstanding, with annual PILOT payments being determined by applying City's tax rate for each year to \$467,300, which was the assessed value of the Grand Ave. Site prior to Y acquisition; and

Whereas, Despite the RACM Agreement, Y has not yet entered into any PILOT Agreement with City; and

Whereas, The Assessor and the Y negotiated the agreement attached to this file as Exhibit One (the "Agreement") to resolve issues amicably and without litigation; and

Whereas, RACM, at its 9/14/00 meeting, approved the Agreement subject to approval by the Common Council; now, therefore, be it

Resolved, That the City hereby approves the Agreement and directs and authorizes its execution by the appropriate City employees.

Assessor  
City Attorney  
Gregg Hagopian  
911/00  
33099