



Legislation Text

File #: 210335, **Version:** 1

210335

Substitute 1

THE CHAIR

Substitute resolution authorizing settlement of claims in the adversary proceeding entitled *City Wide Investments, LLC v. City of Milwaukee*, U.S. Bankruptcy Court Eastern District of Wisconsin, Case No. 17-22900, Adv. No. 17-02115.

This resolution authorizes settlement of claims raised by Debtor, City Wide Investments, LLC, in the adversary proceeding entitled *City Wide Investments, LLC v. City of Milwaukee*, U.S. Bankruptcy Court Eastern District of Wisconsin, Case No. 17-22900, Adv. No. 17-02115 (“Adversary Proceeding”), for the total amount of \$191,235.18, inclusive of interest.

Whereas, the Debtor filed an Adversary Proceeding against the City on April 26, 2017. Trial of the Adversary Proceeding took place on September 19, 2017. The bankruptcy court issued a decision and order in favor of the Debtor and against the City on October 3, 2017, and judgment was entered in the amount of \$280,894.56 for the Debtor and against the City the same day;
and

Whereas, on appeal, the bankruptcy court judgment was affirmed by the United States District Court for the Eastern District of Wisconsin, and

Whereas, the City has already paid the Debtor the amount of \$100,808.30, and

Whereas, the City currently owes the Debtor judgment principal of \$180,106.26 plus \$11,128.92 in interest through August 31, 2021, for a total owed of \$191,235.18, and

Whereas, the City possesses claims against the Debtor for delinquent real estate taxes for the following properties (“Debtor Properties”):

<u>Tax Key</u>	<u>Address</u>	<u>Amount Owed as of 8/31/21</u>
4670707000	2258 S Chase Ave	\$59,182.94
5070899000	3039 S 7 th St	\$29,420.12
4971120000	2335 S 7 th St	\$31,186.27
4690628000	2214 S 15 th St	\$26,177.82
4692711000	2146 S 16 th St	\$ 545.98
4590734000	1725 S 24 th St	\$22,253.82
4600142000	1313-1315 W Rogers St	\$30,789.85

Including interest (and not taking into account any future payments by the Debtor between now and August 31, 2021), the Debtor will owe the City \$199,556.80 in delinquent taxes for the Debtor Properties as of August 31, 2021; and

Whereas, parties have agreed to set off their respective claims such that the City would satisfy Debtor's delinquent taxes on the properties shown above, up to a total amount of \$191,235.18 inclusive of interest, with the oldest tax debt to be satisfied first and with any remaining tax delinquency or interest over and above the \$191,235.18 to remain due and owing; and

Whereas, this resolution does not affect the rights of the City of Milwaukee to collect on any municipal court judgments, Water Works debt, or any other City charges, fees, or citations, subject to any applicable bankruptcy law; and

Whereas, the City Attorney recommends and the Common Council of the City of Milwaukee and its deems it expeditious and just to pay the judgment against it in this manner; now, therefore, be it

Resolved, by the Common Council of the City of Milwaukee that the proper City officials be and are hereby authorized and directed to issue City checks in the amount of **\$191,235.18** total, payable to the Treasurer's Office, to be applied to the Debtor Properties up to the amounts listed above, in full and final payment of the judgment against the City in this lawsuit, including applicable interest, said amount to be charged to the Damages and Claims Fund (006300-0001-1490-0001-S118-2021); and be it

Further Resolved, That the funding of the settlement amount will be authorized by a resolution contemporaneously approved by the Common Council, and that the proper City officers are authorized to make the necessary transfers to the appropriate accounts or funds to disburse the settlement amount.

City Attorney

Hannah R. Jahn
June 25, 2021