

To: Finance Committee

From: Matthew Tooke

RE: Partial Tax Refund for Dental Associates, Manos Holding North Appleton LLC

Date: 08/03/2023

Manos Holding North Appleton LLC is the owner of parcel 31-1-6510-39, located at 2115 E. Evergreen Dr. In June of 2021, their agent Karla Nettleton of Reinhart Law appeared at the 2021 Board of Review (BOR) contesting the assessment of \$1,754,300, stating their opinion of assessed value to be \$740,770. The assessment was sustained by the BOR. Reinhart Law then filed an excessive assessment claim (74.37) by the statutory deadline. In February of 2022 the Finance Council denied this claim.

The 2022 assessment remained the same at \$1,754,300 and in May of 2022, Reinhart Law filed a Request for Waiver of BOR Hearing. This was granted by the Board of Review due to the ongoing litigation.

Reinhart Law timely filed a lawsuit with the Circuit Court for 2021 and 2022 claiming that the correct assessment is \$700,000. The City Attorney's office hired Ted Waskowski of Stafford Rosenbaum LLP as outside council who timely filed an answer with the court. Mediation has taken place between Stafford Rosenbaum and Reinhart Law, agreeing to a fair market value of \$1,500,000 for the 2021 and 2022 assessment years.

A \$1,500,000 fair market value equates to the following assessments based on the city's level of assessments:

2021 assessment:  $\$1,500,000 \times 0.8831670140$  average assessment level = \$1,324,751

2022 assessment:  $\$1,500,000 \times 0.7936590030$  average assessment level = \$1,190,489

This would result in the city refunding \$21,326.18 upfront, then going through the chargeback process with the DOR to recoup \$12,158.54 from the other taxing entities. **The Cities portion of the refund is \$9,167.64.**

In weighing our options, including litigating in court, it is my opinion that the proposed resolution is in the best interest of the taxpayers and the city. Therefore, I recommend that this resolution regarding Manos Holdings be APPROVED.

## BREAKDOWN OF PARTIAL TAX REFUND

### 2021 Taxes based off actual tax bill

|                           |                    |
|---------------------------|--------------------|
| County                    | \$6,655.22         |
| Local                     | <b>\$15,608.99</b> |
| Appleton School           | \$12,673.20        |
| Fox Valley Tech           | \$1,793.24         |
| <b>Total</b>              | <b>\$36,730.65</b> |
| First Dollar Credit       | -\$57.42           |
| Lottery and Gaming Credit | \$0.00             |
| <b>Nex Property Tax</b>   | <b>\$36,673.23</b> |

### 2022 Taxes based off actual tax bill

|                           |                    |
|---------------------------|--------------------|
| County                    | \$6,755.66         |
| <b>Local</b>              | <b>\$16,633.16</b> |
| Appleton School           | \$13,206.52        |
| Fox Valley Tech           | \$1,777.28         |
| <b>Total</b>              | <b>\$38,372.62</b> |
| First Dollar Credit       | -\$60.35           |
| Lottery and Gaming Credit | \$0.00             |
| <b>Nex Property Tax</b>   | <b>\$38,312.27</b> |

### 2021 Taxes based off \$1,324,751

|                           |                    |
|---------------------------|--------------------|
| County                    | \$5,025.66         |
| Local                     | \$11,787.05        |
| Appleton School           | <b>\$9,570.10</b>  |
| Fox Valley Tech           | \$1,354.16         |
| <b>Total</b>              | <b>\$27,736.97</b> |
| First Dollar Credit       | -\$57.42           |
| Lottery and Gaming Credit | \$0.00             |
| <b>Nex Property Tax</b>   | <b>\$27,679.55</b> |

### 2022 Taxes based off \$1,190,489

|                           |                    |
|---------------------------|--------------------|
| County                    | \$4,584.47         |
| <b>Local</b>              | <b>\$11,287.46</b> |
| Appleton School           | \$8,962.10         |
| Fox Valley Tech           | \$1,206.08         |
| <b>Total</b>              | <b>\$26,040.12</b> |
| First Dollar Credit       | -\$60.35           |
| Lottery and Gaming Credit | \$0.00             |
| <b>Nex Property Tax</b>   | <b>\$25,979.77</b> |

**Total Refund** **\$8,993.68**

**Local Refund** **\$3,821.94**

**Total Refund** **\$12,332.50**

**Local Refund** **\$5,345.70**

### Total for both years

**Total** **\$21,326.18**

**Local** **\$9,167.64**