

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: September 21, 2020

TO: Supervisor Felesia Martin, Chair, Economic & Community Development Committee

FROM: Aaron Hertzberg, Director, Department of Administrative Services, Economic Development Division

SUBJECT: **An action report requesting approval of a resolution submitted by Supervisor Staskunas requesting authorization to enter into an agreement with Dr. Max Meinerz doing business as Ascendent Health for the cancellation of a portion of the delinquent real property taxes for the property located at 7030 West National Avenue, West Allis, Wisconsin, and the adjacent parking lot less a contribution of \$157,161.74, in accordance with Section 75.105(2), Wisconsin State Statutes**

REQUEST

Authorization to execute the resolution presented by Supervisor Staskunas as previously proposed and approved by the Economic and Community Development Committee.

Previous Legislation

File 16-288 – Action Report - A resolution authorizing Milwaukee County (County) to accept the offer from Mr. Ben Marjamaa, doing business as Expert Car Care, Inc., for a \$115,000 contribution towards the property taxes owed on the tax delinquent property known as 7030 West National Avenue, West Allis, Wisconsin, Tax Key Nos. 453-0272-000 and 453-0270-001.

File 20-551 – Action Report - A resolution authorizing the County to accept an offer from Dr. Max Meinerz, doing business as Ascendent Health, for a \$157,161.74 contribution towards the property taxes owed on the tax delinquent property known as 7030 West National Avenue, West Allis, Wisconsin, Tax Key Nos. 453-0272-000, 453-0272-001, and 453-0270-001.

REPORT

In February, 2015 the City of West Allis requested the County commence foreclosure action on the property known as 7030 West National Avenue, West Allis, Wisconsin. During this time the County became aware of the potential of the site containing environmental issues. The City of West Allis completed Phase I and II environmental site assessment reports. These reports along with a site investigation report concluded environmental contaminants.

With the confirmation of contamination by the discharge of a hazardous substance, the City of West Allis requested the County enact Wis. Statute 75.105(2), Cancellation of delinquent real property taxes on property contaminated by hazardous substances. On behalf of the City of West Allis' request, File No. 16-288, a resolution requesting authorization to enter into an agreement with Mr. Ben Marjamaa doing business as Expert Car Care, Inc. was drafted and submitted to the

Committee on Economic and Community Development (ECD). On May 16, 2016, the ECD voted to approve the resolution authorizing the County to cancel the remaining cumulative property tax debt less \$115,000 contribution towards the property taxes owed on the tax delinquent property. The resolution was certified, however the agreement was not executed by the buyer.

File No. 20-551, a resolution submitted by Supervisor Staskunas July 20, 2020, was presented to and approved by the ECD requesting authorization to enter into an agreement with Dr. Max Meinerz doing business as Ascendent Health for the cancellation of a portion of the delinquent real property taxes less a contribution of \$157,161.74, in accordance with Wis. Statute 75.105(2). On July 23, 2020 the resolution was presented to the County board of Supervisors who voted to refer it back to the ECD for additional background investigating the satisfaction of Wisc. Statute §75.105(2)(a)-(e).

The \$157,161.74 payment represents the principal due on the 2008 to 2019 real property taxes, with the balance due as part of the agreement. The resolution would retire the outstanding additional fees and interest amounts due on the property of \$187,523.64. Wisconsin State Statute 75.105 allows property taxes to be canceled at the discretion of County Boards if a property has been contaminated by a hazardous substance and certain other conditions are met to ensure the property will be redeveloped.

ECD has received the statutorily required documentation of the property's environmental condition and redevelopment plans and has attached it to the file.

RECOMMENDATION

The Department of Administrative Services has reviewed all submittals from the City of West Allis and determined the obligations of the statute have been satisfied. Attached are the documents reviewed that support this conclusion, therefore the resolution may be approved for execution as originally proposed.

FISCAL IMPACT

Execution of this resolution includes a payment of \$157,161.74 to the County. While the County will forgo collection of \$187,523.64 in additional penalties and interest, the property value will be significantly increased post development. The estimated development value of the project is \$2 to 2.5 million.

Aaron Hertzberg
Economic Development Director

Cc: David Crowley, County Executive
Mary Jo Meyers, Chief of Staff, Office of the County Executive
Marcilia Nicholson, Chair, County Board

Scott Manske, Comptroller

Julie Landry, Director, Department of Administrative Services

Steve Cady, Director of Research and Policy

Kelly Bablitch, Chief of Staff, County Board

Alyson Smith, Committee Coordinator

Ken Smith, Research & Policy Analyst