CITY OF STOUGHTON, 207 S FORREST ST, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL		
Payment for Municipal Services Agreement – Housing Authority of the City of Stoughton		
Committee Action:	Finance Committee recommended approval ____ on 10/10/2023	
Fiscal Impact:	Continued Payment In Lieu of Taxes (PILOT)	
File Number:	R-xxx-2023	**Date: 10/24/23**

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

RECITALS:

WHEREAS, there is a pending sale of the Greenspire properties by the Housing Authority of the City of Stoughton to Greenspire LIHTC Apartments, LLC through it managing member, Crown Court Properties, Ltd.; and,

WHEREAS, the City Attorney indicated a Payment in Lieu of Taxes ("PILOT") agreement should be agreed upon by all involved parties to ensure the continuance of the City of Stoughton receiving annual PILOT payments for the Greenspire properties; and,

WHEREAS, the Director of Finance/Comptroller proposed the payment calculations listed on page 2, paragraph 2 on the attached Payment for Municipal Services Agreement ("Agreement"); and,

WHEREAS, the attached Agreement was reviewed and agreed upon in format by the City Attorney (Stafford Rosenbaum), the attorney representing the Housing Authority of the City of Stoughton (Carlson, Black, O'Callaghan & Battenberg) and the attorney representing Crown Court Properties; and,

WHEREAS, Greenspire LIHTC Apartments, LLC has agreed to the attached Agreement as evidenced by the attached signature page;

NOW, THEREFORE, BE IT RESOLVED, that both the Mayor and City Clerk are directed to sign and execute the attached Agreement on behalf of the City of Stoughton.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Mayor Tim Swadley Date

Council Action: _____ ☐ **Override** **Vote** _____

PAYMENT FOR MUNICIPAL SERVICES AGREEMENT

THIS AGREEMENT is entered into as of the _____ day of _____, 2023 (the "Agreement"), by and between the City of Stoughton, a Wisconsin municipal corporation (the "City"), and the Housing Authority of the City of Stoughton (the "Authority").

THIS SPACE RESERVED FOR RECORDING DATA

RETURN TO:
City of Stoughton
c/o Finance Director
207 S. Forrest Street
Stoughton, WI 53589

P.I.N.
See Exhibit A

RECITALS

A. The Authority is the sole owner of the property described on Exhibit A hereto (the "Property") in the City of Stoughton, Wisconsin. The Property has been developed as an affordable, multi-family housing development, and is currently exempt from property taxation.

B. The City provides public health, safety, fire and police protection, streets and street maintenance, snow removal, and other governmental services benefiting the Property ("Municipal Services") that are typically funded by property taxes.

C. The Authority has, for many years, made payments to the City for municipal services (the "Payment for Municipal Services") to contribute to the cost of providing municipal services to the Property. The Payment for Municipal Services amount for 2022, payable in 2023, was $47,172.78. The Authority and the City believe that they entered into an agreement requiring the Authority to make Payments for Municipal Services with respect to the Property, but have been unable to locate a copy of that agreement.

D. On January 27, 2023, the Authority granted an option to purchase the Property (the "Option") to Crown Court Properties, Ltd. and on July 31, 2023, Crown Court Properties, Ltd. assigned the Option to Greenspire LIHTC Apartments, LLC, to facilitate the rehabilitation of the affordable housing on the Property.

E. The City and the Authority enter into this Agreement, with the consent of Greenspire LIHTC Apartments, LLC, to ensure that Payment for Municipal Services will continue to be made to the City, and to document the amount of such payments.

NOW, THEREFORE, in consideration of the Recitals, and the mutual promises, obligations and benefits provided under this Agreement, the receipt and adequacy of which are hereby acknowledged, the Authority and the City agree as follows:

1. **Recitals Incorporated.** The recitals stated above are incorporated in this Agreement by reference.

2. **Payment for Municipal Services.** Expect as provided in Section 3, below, the Authority shall pay to the City each year, as a payment for municipal services provided by the City with respect to the Property, a Payment for Municipal Services. The Payment for Municipal Services amount due for each year shall be the Payment for Municipal Services amount due for the prior year (or if the property was fully or partly taxable in the prior year, the sum of property taxes and Payment for Municipal Services amount due for the prior year), adjusted by the lesser of (i) three percent (3%) or (ii) the increase in the Consumer Price Index for Urban Midwest Consumers (CPI-U, Midwest), between January in the prior year and January in the current year. The Payment for Municipal Services amount for 2022, payable in 2023, is $47,172.78. The change in the CPI-U, Midwest from January 2022 to January 2023 was 5.99 percent. Therefore, the Payment for Municipal Services amount due for 2023, payable in 2024, is increased by three percent (3%) for a total of $48,587.96 ($47,172.78 plus $1,415.18). The Payment for Municipal Services for a given year shall be paid in equal installments on April 1 and November 1 the following year. Each payment shall be deemed made when actually received by the City. Any amount due that is not paid on time shall bear interest in the same manner and at the same rate as provided by law for unpaid property taxes. The Payment for Municipal Services shall constitute payment for municipal services provided with respect to the Property. The City and the Authority acknowledge and agree that this Payment for Municipal Services would constitute a reasonable and appropriate means of carrying out the intent of the parties and fairly and reasonably compensates the City for the municipal services provided to the Property each year.

3. **Payment If Property Is Taxable**. No Payment for Municipal Services shall be required for any year in which the Property is fully subject to property taxation. For any year in which the Property is partially exempt from property taxation, and partially taxable, the Payment for Municipal Services amount shall be that amount, if any, required such that the sum of the property taxes and the Payment for Municipal Services amount will be equal to the Payment amount for that year calculated pursuant to Section 2 of this Agreement.

4. **Special Assessment If Any Required Payment for Municipal Services Is Not Timely Made.** Any Payment for Municipal Services that is not made when due shall entitle the City to levy a special assessment against the Property for the amount due, plus interest. The Authority hereby consents to the levy of any such special assessment, and pursuant to Wis. Stat. § 66.0703(7)(b), waives any right to notice of or any hearing on any such special assessment.

5. **Indemnification.** The Authority shall indemnify the City for all amounts of attorneys' fees and expenses and expert fees and expenses incurred in enforcing this Agreement.

6. **Remedies.** The City shall have all remedies provided by this Agreement, and provided at law or in equity, necessary to cure any default or remedy any damages under this agreement. Remedies shall include, but are not limited to, special assessments under section 4 of this Agreement, indemnification under section 5 of this Agreement, and all other remedies available at law or in equity.

7. **Term of Agreement.** The term of this Agreement shall begin on the date the Agreement is signed by both parties and shall continue indefinitely unless terminated by mutual written agreement of the parties to this Agreement.

8. **Successors and Assigns.** This Agreement shall run with the land and is binding on the successors and assigns of the parties, including, but not limited to, any subsequent owner of the Property, any part of the Property, or any real property interest in the Property or any part of the Property. If at any time the Property has more than one owner, any Payment for Municipal Services due under this Agreement for any Year shall be allocated among the owners jointly and severally. Notwithstanding the foregoing or anything else set forth herein, if the Authority shall sell or otherwise convey its interest in the Property, the Authority shall be deemed released from all obligations hereunder and the City shall look solely to successors in interest for the performance of all of the obligations imposed on the Authority by this Agreement.

9. **Recording.** This Agreement shall be recorded with the Register of Deeds for Dane County as soon as practicable following execution by the Authority and the City.

10. **Entire Agreement; Amendments.** This Agreement encompasses the entire agreement of the parties regarding its subject matter. Any amendment hereto shall be made in writing, signed by all parties.

11. **Severability.** If any part of this Agreement is determined to be invalid or unenforceable, the rest of the Agreement shall remain in effect.

12. **Waiver.** No waiver of any breach of this Agreement shall be deemed a continuing waiver of that breach or a waiver of any other breach of this Agreement.

13. **Interpretation of Agreement.** The parties acknowledge that this Agreement is the product of joint negotiations. If any dispute arises concerning the interpretation of this Agreement, neither party shall be deemed the drafter of this Agreement for purposes of its interpretation.

14. **Notices.** Any notice required to be given under this Agreement shall be deemed given when deposited in the United States mail, postage prepaid, return receipt requested, to the party at the address stated below or when actually received by the party, whichever is first. The addresses are:

If to City: City Clerk
City of Stoughton
207 S. Forrest Street
Stoughton, WI 53589

If to Authority: Finance Director
City of Stoughton
207 S. Forrest Street
Stoughton, WI 53589

Addresses may be changed by notice given in the manner provided in this section.

15. **Governing Law.** This Agreement has been negotiated and signed in the State of Wisconsin and shall be governed, interpreted, and enforced in accordance with the laws of the United States and the State of Wisconsin.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

CITY:

City of Stoughton

By:_____
Tim Swadley, Mayor

By:_____
Candee Christen, City Clerk

ACKNOWLEDGMENT

STATE OF WISCONSIN

COUNTY OF DANE

Personally came before me this _____ day of _____, 2023, the above-named Tim Swadley and Candee Christen, to me known to be the persons and officers who executed the foregoing instrument and acknowledged the same.

_____
Notary Public, State of Wisconsin
My Commission:_____

AUTHORITY:

HOUSING AUTHORITY OF THE CITY OF STOUGHTON

By:_____

Cindy McGlynn, Chair

ACKNOWLEDGMENT

STATE OF WISCONSIN

COUNTY OF DANE

Personally came before me this _____ day of _____, 2023, the above-named Cindy McGlynn, to me known to be the person who executed the foregoing instrument and acknowledged the same.

_____
Notary Public, State of Wisconsin
My Commission:_____

ACKNOWLEDGMENT AND CONSENT

Greenspire LIHTC Apartments, LLC, as the holder of an option to purchase the Property, hereby acknowledges and consents to the foregoing Payment for Municipal Services Agreement.

By: Greenspire LIHTC Manager, LLC,
It's Manager

By:_____
Menachem Rapoport, Vice President

Exhibit:
A – Legal Description of the Property

This document prepared by:
Matthew P. Dregne
Stafford Rosenbaum LLP
P.O. Box 1784
Madison, WI 53701-1784

Exhibit A
Legal Description of Property

TRACT A:

PARCEL 1:

PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 6, TOWNSHIP 5 NORTH, RANGE 11 EAST, IN THE CITY OF STOUGHTON, MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID QUARTER QUARTER; THENCE SOUTH 33 FEET; THENCE WEST 165 FEET; THENCE SOUTH 462 FEET; THENCE WEST 165 FEET; THENCE NORTH 495 FEET; THENCE EAST 330 FEET TO THE POINT OF BEGINNING.

FOR INFORMATIONAL PURPOSES ONLY:
PROPERTY ADDRESS: 1046 JACKSON STREET, STOUGHTON WI 53589
TAX PARCEL NO.: 281/0511-064-9500-8

PARCEL 2:

ALSO PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 6, TOWNSHIP 5 NORTH, RANGE 11 EAST, IN THE CITY OF STOUGHTON, MORE FULLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID QUARTER QUARTER THENCE SOUTH 660 FEET; THENCE WEST 165 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE WEST 165 FEET; THENCE NORTH 165 FEET; THENCE EAST 165 FEET; THENCE SOUTH 165 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

FOR INFORMATIONAL PURPOSES ONLY:
PROPERTY ADDRESS: 924 JACKSON STREET, STOUGHTON WI 53589
TAX PARCEL NO.: 281/0511-064-9890-7

TRACT B:

PARCEL 1:

LOT 1 OF CERTIFIED SURVEY MAP NO. 2359, RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS FOR DANE COUNTY, WISCONSIN ON APRIL 27, 1977, IN VOLUME 9 OF CERTIFIED SURVEY MAPS, PAGE 236, AS DOCUMENT NO. 1514554, SAID CERTIFIED SURVEY MAP BEING A REDIVISION OF LOT 2, CERTIFIED SURVEY MAP NO. 1217, VOLUME 5, PAGE 124, BEING PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4, SECTION 6, TOWNSHIP 5 NORTH, RANGE 11 EAST, IN THE CITY OF STOUGHTON, DANE COUNTY.

FOR INFORMATIONAL PURPOSES ONLY:
PROPERTY ADDRESS: 1050, 1060 JACKSON STREET, STOUGHTON WI
53589 TAX PARCEL NO.: 281/0511-064-9530-2

PARCEL 2:

LOT 2 OF CERTIFIED SURVEY MAP NO. 2359, RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS FOR DANE COUNTY, WISCONSIN ON APRIL 27, 1977, IN VOLUME 9 OF CERTIFIED SURVEY MAPS, PAGE 236, AS DOCUMENT NO. 1514554, SAID CERTIFIED SURVEY MAP BEING A REDIVISION OF LOT 2, CERTIFIED SURVEY MAP NO. 1217, VOLUME 5, PAGE 124, BEING PART OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4, SECTION 6, TOWNSHIP 5 NORTH, RANGE 11 EAST, IN THE CITY OF STOUGHTON, DANE COUNTY.

FOR INFORMATIONAL PURPOSES ONLY:
PROPERTY ADDRESS: 1040, 1070 JACKSON STREET, STOUGHTON WI
53589 TAX PARCEL NO.: 281/0511-064-9545-5

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ACKNOWLEDGMENT AND CONSENT

Greenspire LIHTC Apartments, LLC, as the holder of an option to purchase the Property, hereby acknowledges and consents to the foregoing Payment for Municipal Services Agreement.

GREENSPIRE LIHTC APARTMENTS, LLC,
a Wisconsin limited liability company

By: Greenspire LIHTC Manager, LLC, Manager

By: Crown Court Properties, Ltd.,
its Managing Member

By: _____
Menachem Rapoport, Vice President

Exhibit: A – Legal Description of the Property

This document prepared by:
Matthew P. Dregne
Stafford Rosenbaum LLP
P.O. Box 1784
Madison, WI 53701-1784