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### **FoxConn neighbor questions why his property taxes should go up**

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WMC is using one of its members to oppose Senate Bill 291, which plugs the Walgreens property tax loophole. Senator Duey Stroebel's bill reverses a Supreme Court decision and allows municipalities to consider the impact that a lease has on the value of a rented property. Considering the value of leases is a standard, longstanding part of the appraisal process. This case illustrates why that is an important element in an appraisal.

The property in question was recently sold for 37% more than it had been assessed for tax purposes. The property had been assessed at \$9.66 million; it sold for \$13.3 million. The unrelated seller and buyer of this property are both knowledgeable and sophisticated real estate investors with a keen understanding of property value. The property is in the Village of Mount Pleasant, future home of FoxConn. The property is located in a TIF district, which means the city paid for the installation of much of the infrastructure serving the property. It is a valuable property.

The renter of the property is complaining that if SB 291 passes, the new sale price of the building will cause the property taxes to go up. Under the terms of the lease, the renter agreed to pay the property taxes. The higher sale price was driven at least in part by the terms of the lease that the renter signed with the building's owner, a real estate investment company.

A high-value property in Wisconsin's highest-demand location with a high-dollar tenant was sold by one real estate investor and purchased by another real estate investor for a 37% profit. Yes, the taxes on that property probably should go up, just as they would for any locally owned main street store, a sixteen-unit apartment building or a lakefront cottage if *their* sales prices demonstrated a 37% value increase. That's called uniformity. It's also called property tax fairness.