



**LEGAL DEPARTMENT**

City of La Crosse, Sixth Floor City Hall  
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**Stephen F. Matty**  
City Attorney

**Krista A. Gallager**  
Deputy City Attorney

**Peter B. Kisker**  
Assistant City Attorney

February 26, 2013

Atty. Dan Lilly  
Gundersen Lutheran  
1900 South Avenue  
La Crosse, WI 54601

RE: Tax exemption litigation

Dear Atty. Lilly:

Enclosed please find a signed settlement agreement and check in accordance with the same. If there are any concerns, please let me know.

Very truly yours,

  
Stephen F. Matty  
City Attorney

cc. Mayor  
Finance Director  
Stafford Rosenbaum

## STIPULATION

This Stipulation is between **Gundersen Clinic, Ltd.**, a non-profit corporation organized and existing under the laws of the State of Wisconsin, for itself and for its affiliates (collectively "Gundersen"), and the **City of LaCrosse, Wisconsin** (the "City"), a municipal corporation organized and existing under the laws of the State of Wisconsin.

WHEREAS, Gundersen and the City entered into a Property Tax Agreement in April 2012 ("Agreement") regarding personal property tax objections and litigation relating to the tax exemption of medical devices and multi-functional devices ("MFDs"); and

WHEREAS, pursuant to the Agreement, Gundersen withdrew its objections to the taxation of MFDs to permit the City to appeal the determination of the Wisconsin Tax Appeals Commission ("Commission") in Dockets 03-M-134, 04-M-134 and 04-M-139 (the "2002 and 2003 Dockets") that certain categories of Gundersen's medical devices are exempt from property tax; and

WHEREAS, pursuant to the Agreement, upon the parties' request the Commission held in abeyance Dockets 10-M-141, 10-M-142, 10-M-143, 11-M-128, 11-M-129, and 11-M-130 (the "2009 and 2010 Dockets") pending the final resolution of the 2002 and 2003 Dockets; and

WHEREAS, the Dane County Circuit Court issued a Decision and Order on December 7, 2012 in Case No. 12-V-2511 upholding the Commission's determination in the 2002 and 2003 Dockets; and

WHEREAS, the City has appealed the circuit court's Order to the Court of Appeals (the "Appeal"); and

WHEREAS, the parties acknowledge the risks and costs of further litigation and desire to resolve the issue of the taxation of Gundersen's medical devices without further litigation;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereby stipulate and agree that:

1. This Stipulation is subject to approval by the City's Common Council and shall be placed on the Common Council's agenda for consideration of approval at its meeting scheduled for February 14, 2013.
2. Upon approval of this Stipulation by the City's Common Council, the City shall withdraw the Appeal.
3. Provided the Common Council approves this Stipulation and the City timely pays the refunds as set forth in paragraph 5 below, Gundersen waives interest on its 2011 and 2012 refunds.
- 4 Pursuant to the determinations of the State Board of Assessors, the City's 2011 and 2012 assessments of the following parcels are hereby reduced as indicated below, resulting in Gundersen's entitlement to refunds as follows:

Parcel	Tax Year	BOA Assmt Reduction	Mil Rate	Refund
17-60203-307	2011	\$1,162,300	.028787469	\$ 33,459.68
17-60041-10	2011	\$9,646,400	.028787469	\$ 277,695.44
17-60207-500	2011	\$3,680,400	.028787469	\$ 105,949.40
<b>Total 2011</b>				<b>\$ 417,104.52</b>
17-60203-307	2012	\$1,499,900	.028784072	\$ 43,173.23
17-60041-10	2012	\$8,742,400	.028784072	\$ 251,641.87
17-60207-500	2012	\$3,248,000	.028784072	\$ 93,490.67
<b>Total 2012</b>				<b>\$ 388,305.77</b>
<b>Total 2011 &amp; 2012</b>				<b>\$ 805,410.29</b>

5. Provided the Common Council approves this Stipulation, then within five (5) business days following the expiration of the veto period for such approval, the City shall pay Gundersen the following refund amounts, payable to the entities identified below:

Parcel	Refunds	Payable To
17-60203-307	\$ 76,632.91	Gundersen Lutheran Administrative Services Inc.
17-60041-10	\$ 529,337.31	Gundersen Clinic Ltd.
17-60207-500	\$ 199,440.07	Gundersen Clinic Ltd.
<b>Total</b>	<b>\$ 805,410.29</b>	

6. Within five (5) business days from Gundersen's receipt of the payments set forth in paragraph 5 above, the parties shall cause their respective counsel to execute and file with the Commission stipulations for the dismissal of the 2009 and 2010 Dockets on the merits, with prejudice, and without costs to either party.

7. The Agreement remains in full force and effect, including, without limitation, the provision in paragraph 2(b) of the Agreement that:

The parties agree that when the tax exemption of medical devices has been finally determined in the 2002-03 Litigation, . . . (ii) such determination also shall apply to similar medical devices owned or leased by Gundersen or its affiliates for the tax years 2012 forward unless there is a material change in the property tax law directly applicable to such devices.

8. This Stipulation may be amended or modified only by a writing that has been executed by each of the parties hereto.

9. This Stipulation may be executed in counterparts. Fascimile or electronic signatures are acceptable.

10. The undersigned represent that they are authorized to execute this agreement on behalf of the parties they represent.

GUNDERSEN CLINIC, LTD.

By: Gerald A. Arndt

Date: 2/8/2013

CITY OF LACROSSE

By: [Signature]  
Stephen F. Matty, City Attorney  
(Subject to Common Council approval)

Date: 2-12-13



**City of La Crosse**  
 400 La Crosse Street  
 La Crosse, WI 54601-3396

State Bank  
 La Crosse, WI  
 79-31/918

**VOID AFTER ONE YEAR**

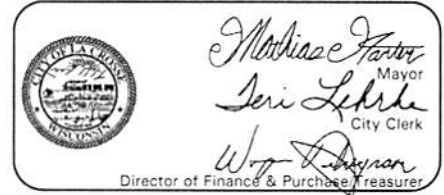
Check Number **228726**

Vendor No.	Check Date	Check Amount
1905	02/25/2013	\$805,410.29

\*\*\*805,410 DOLLARS AND 29 CENTS

Pay To The Order Of Name

GUNDERSEN CLINIC LTD  
 1900 SOUTH AVE  
 LA CROSSE WI 54601



⑈ 2 2 8 7 2 6 ⑈ ⑆ 0 9 1 8 0 0 3 1 6 ⑆ ⑆ 1 0 ⑈ 1 7 0 ⑈

**City of La Crosse**

Invoice Date	Invoice Number	P.O. No.	Voucher	Invoice Description	Net Invoice Amount
02/14/13	TAXEXEMPTST	42313003	314121	STIPULATION RE: TAX EXEMP	805,410.29

Vendor No.	Vendor Name	Check No.	Check Date	Check Amount
1905	GUNDERSEN CLINIC LTD	228726	02/25/2013	\$805,410.29

DETACH HERE

CITY OF LA CROSSE

CITY OF LA CROSSE

