

LACROSSE COUNTY REGISTER OF DEEDS

Robin L Kadrmas  
212 6<sup>th</sup> St. N. Rm 1400  
La Crosse WI 54601

COURTESY LETTER REGARDING ERRORS OR POSSIBLE ERRORS ON DOCUMENT

Document Number: 1809183

Recording Date: 06-26-2023

Grantor/Grantee: City of LaCrosse / A+I McCormick LLC / The Public

Tagged By: HEIDI Phone # 608-785-9652

- \* While we review documents prior to recording, the final responsibility for completeness and accuracy rests with the parties drafting the documents.
- \* The attached document contains the following error(s) that may need to be corrected by recording an affidavit of correction, executing a new document that makes reference to the one being corrected, or such other means that your legal advisor may recommend.
- \* If an affidavit is going to be recorded to correct a previously recorded document -- the affidavit needs to state specifically what is being corrected or amended.

THE DOCUMENT WE RECORDED MAY NOT BE PROPERLY INDEXED BECAUSE:

The LEGAL DESCRIPTION  is incomplete,  is untractable,  has been omitted, and is required on this document. Incomplete legal desc in paragraph 1 on P21, untractable as given.

( ) ORIGINAL RECORDING INFORMATION referred to  is incorrect,  has been omitted.

GRANTOR OR GRANTEE info:  Name(s) differ throughout document. Grantor name differs in spelling on P1 from P7.

( ) OTHER:  PIN given does not exist in tax roll.  incorrect property address information given.

questioning notary info: \_\_\_\_\_



DocId:8434726  
Tx:4129332

**1809183**  
LACROSSE COUNTY  
REGISTER OF DEEDS  
ROBIN L. KADRMAS

RECORDED ON  
06/26/2023 02:28 PM  
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EXEMPT #:

RECORDING FEE 30.00

THIS SPACE RESERVED FOR RECORDING DATA

#112

RETURN TO:

Stephen F. Matty  
City Attorney, City of La Crosse  
400 La Crosse Street  
La Crosse, Wisconsin 54601

P.I.N.

# AGREEMENT CONCERNING PAYMENT FOR MUNICIPAL SERVICES

(455 Park Plaza)

This Agreement is entered into as of the 30<sup>MAY</sup>th day of ~~April~~, 2023, (the "Agreement"), by and between the City of La Crosse, a Wisconsin municipal corporation (the "City") and A & L McCormick, LLC, (the "Owner").  
TF

## RECITALS

A. Owner currently owns real property (the "Property") in the City and pays property taxes to the City on the Property, more particularly described as:

See Attached Exhibit A.

B. Owner intends to repurpose the property from its current use of camper parking and a vacant building to a multi-story mixed use building.

C.

D. Owner is seeking a Conditional Use Permit in order to facilitate the Property's new use.

E. Owner obtained a Conditional Use Permit while representing to the Common Council and agreeing that, *inter alia*, (1) the Owner shall enter into an agreement concerning the payment for municipal services to the City; and (2) the Owner shall perform in accordance with the terms of said agreement.

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, Owner and the City agree as follows:

1. **Representations and Warranties of Owner.** The recitals stated above are incorporated into this Agreement by reference as representations and warranties of Owner to the City. In addition, Owner represents and warrants to the City that Owner: (1) have taken all action necessary to enter into this Agreement and (2) will be the sole Owner of the Property, in fee simple.

2. **Municipal Services.** Based on Owner's use of the Property provided herein, the City shall provide public health, safety, fire and police protection, streets and street maintenance, snow removal, and other governmental services ("Municipal Services") with respect to the Property that are funded by property taxes.

3. **Tax Status of Property.** Except as provided by law, the Property shall be subject to property taxation and shall not be exempt from property taxation, in full or in part. Owner shall timely

provide, at no cost to the City, all information and access to books, records, documents, and other evidence reasonably requested by the City's assessor to determine whether the Property is exempt from property taxes and shall permit the City's assessor to have reasonable access to the Property for that purpose.

4. **Payment for Municipal Services.** If, after obtaining the Conditional Use Permit, the Owner of the Property fails to cause the improvement of the Property through any new or additional structure or improvements equal to or greater than the base year improvement or structure valuation, adjusted for inflation or increases in the annual property tax assessment, for any Valuation Year, the City shall send Owner, by United States mail, postage prepaid, an invoice for the amount due as a payment for municipal services provided by the City with respect to the Property ("Payment for Municipal Services"), calculated according to this section of the Agreement. The amount due shall be calculated by the City for each Valuation Year by the following method.

- a. The City shall determine the assessed value of improvements on the Property (the Base Year Valuation") by referencing the Property's tax bill corresponding to the calendar year during which the Conditional Use Permit was granted (the "Base Year"). If the Property, or portion thereof, is already tax exempt for the Base Year, then the City's assessor, or an appraiser chosen in the sole discretion of the City, shall determine the assessed value of improvements as if the Property, or portion thereof, was not tax exempt, which value shall be used to calculate the Base Year Valuation, or portion thereof.
- b. The City shall calculate the Adjusted Base Year Valuation of the Property by multiplying the Base Year Valuation by any factor of inflation or increase in the annual property tax assessment during and subsequent to the Base Year as determined by the City's assessor.
- c. For each Valuation Year, the City shall determine the Property's current assessed value of improvements (the "Assessed Value Improvements"), but excluding land, by referencing the Property's tax bill corresponding to the Valuation Year. If the Property, or portion thereof, is determined to be tax exempt, then the Assessed Value Improvements related to the Property, or portion thereof, shall be deemed to be zero (0). "Valuation Year" means each year subsequent to the Base Year, excluding the year immediately following the Base Year.
- d. For each Valuation Year, the City shall compare the Assessed Value Improvements to the Adjusted Base Year Valuation. If the Assessed Value Improvements as determined in sub. (c) is greater than or equal to the Adjusted Base Year Valuation, the Owner is not required to make any Payment for Municipal Services for that Valuation Year. If the Assessed Value Improvements determination in sub. (c) is less than the Adjusted Base Year Valuation, the Owner shall make a Payment for Municipal

## Illustration A-2

### Assumptions:

This illustration assumes that the Common Council approved a Conditional Use Permit on May 13, 2015 and the parties have entered into an Agreement Concerning Payment for Municipal Services. It is assumed that the real property has been assessed at \$29,000 for land and \$113,500 for improvements on January 1, 2015 and the same is reflected on the December 4, 2015 tax bill. It is further assumed that the City Assessor has determined that the tax valuation and assessments have increased at a rate of two percent (2%) per year. Additionally, the owner demolished the original improvements in July 2015 and constructed new improvements in October 2021. These improvements were assessed at \$150,000 by the City Assessor on January 1, 2022 and are reflected as the same on the December 4, 2022 tax bill.

### Results:

- The Assessed Value Improvements are less than the Adjusted Base Year Valuation for Valuation Years 2017-2021; accordingly a Payment for Municipal Services is invoiced at the end of each year and due on March 31 of the following year.
- The Assessed Value Improvements are greater than or equal to the Adjusted Base Year Valuation for Valuation Years 2022-2026; accordingly, no Payment for Municipal Services is due.
- Land is still taxed and not used to calculate any Payment for Municipal Services.
- See Exhibit A-2 for further illustration.

#### Illustration A-4

##### Assumptions:

This illustration assumes that the Common Council approved a Conditional Use Permit on May 13, 2015 and the parties have entered into an Agreement Concerning Payment for Municipal Services. It is assumed that the real property has been assessed at \$15,000 for land and \$110,000 for improvements on January 1, 2015 and the same is reflected on the December 4, 2015 tax bill. It is further assumed that the City Assessor has determined that the tax valuation and assessments have increased at a rate of two percent (2%) per year. Additionally, the owner of the property demolished the original improvements in July 2015 and constructed some partial improvements in August 2017. These improvements were assessed at \$70,000 by the City Assessor on January 1, 2018 and are reflected as the same on the December 4, 2018 tax bill. Later the owner completed the partial improvements in October 2019, which were subsequently assessed at an additional \$55,000 on January 1, 2020 beyond the previous partial assessment already provided by the City Assessor and are reflected as the same on the December 4, 2020 tax bill.

##### Results:

- The Assessed Value Improvements are less than the Adjusted Base Year Valuations for Valuation Years 2017-2019; a Payment for Municipal Services is owed.
- No Payment for Municipal Services would occur after final construction has been completed commencing in Valuation Year 2020 since the Assessed Value Improvements are greater than the Adjusted Base Year Valuations.
- Land is still taxed and not used to calculate any Payment for Municipal Services.
- See Exhibit A-4 for further illustration.

## Illustration A-5

### Assumptions:

This illustration assumes that the Common Council approved a Conditional Use Permit on May 13, 2015 and the parties have entered into an Agreement Concerning Payment for Municipal Services. It is assumed that the real property has been assessed at \$20,000 for land and \$65,000 for improvements on January 1, 2015 and the same is reflected on the December 4, 2015 tax bill. It is further assumed that the City Assessor has determined that the tax valuation and assessments have increased at a rate of two percent (2%) per year. Additionally, the owner of the property demolished the original improvements in October 2016 and constructed improvements in June 2017. These improvements were assessed at \$75,000 by the City Assessor on January 1, 2018 and are reflected as the same on the December 4, 2018 tax bill. Later, the owner files a tax exemption request for the property, which is granted by the City Assessor effective January 1, 2021.

### Results:

- The Assessed Value Improvements are less than the Adjusted Base Year Valuations for Valuation Year 2017; a Payment for Municipal Services is owed.
- The Assessed Value Improvements are greater than the Adjusted Base Year Valuations for Valuation Years 2018-20; no Payment for Municipal Services is owed.
- Since the tax exemption is granted commencing in 2021, the Assessed Value Improvements are deemed to be zero and therefore they are less than the Adjusted Base Year Valuations; a Payment for Municipal Services is due for Valuation Years 2021-2026.
- Land is still taxed and not used to calculate any Payment for Municipal Services. Here, however land is not taxed after obtaining a tax exemption in 2021.
- See Exhibit A-5 for further illustration.

## Illustration A-6

### Assumptions:

This illustration assumes that the Common Council approved a Conditional Use Permit on May 13, 2015 and the parties have entered into an Agreement Concerning Payment for Municipal Services. It is assumed that the real property and improvements thereon have not been assessed because the City Assessor had previously determined the property to be used for a tax exempt purpose commencing January 1, 2005. After the Council approved the Conditional Use Permit, the City Assessor determined that the real property would have been assessed at \$15,000 and \$35,000 for improvements on January 1, 2015. It is further assumed that the City Assessor has determined that the tax valuation and assessments have increased at a rate of two percent (2%) per year. Additionally, the owner of the property demolished the original improvements in August 2015 and never constructed any new improvements.

### Results:

- The Base Year Valuation and Adjusted Base Year Valuations are determined by the City's assessor since the Property was previously tax exempt.
- Since a tax exemption was previously granted commencing in 2005, the Assessed Value Improvements are deemed to be zero; and therefore, they are less than the Adjusted Base Year Valuations. A Payment for Municipal Services is due for Valuation Years 2017 - 2026.
- Generally, land is still taxed and not used to calculate any Payment for Municipal Services. Here, however, the land is not taxed since it was previously determined to be tax exempt commencing in 2005.
- See Exhibit A-6 for further illustration.

## Illustration A-7

### Assumptions:

This illustration assumes that the Common Council approved a Conditional Use Permit on May 13, 2015 and the parties have entered into an Agreement Concerning Payment for Municipal Services. It is assumed that the real property has been assessed \$25,000 for land and \$45,000 for improvements on January 1, 2015 and the same is reflected on the December 4, 2015 tax bill. It is further assumed that the City Assessor has determined the tax valuation and assessments have increased at a rate of two percent (2%) per year. Additionally, the owner of the property never demolished the improvements, yet allowed them to remain on the property and deteriorate such that the City Assessor had to revalue the improvements on January 1, 2019 and again on January 1, 2023 at \$35,000 and \$28,500 respectively.

### Results:

- The Assessed Value Improvements are equal to the Adjusted Base Year Valuations for Valuation Years 2017-2018. No Payment for Municipal Services is due.
- Commencing on January 1, 2019, the Assessed Value Improvements are less than the Adjusted Base Year Valuations; a Payment for Municipal Services is due.
- Land is still taxed and not used to calculate any Payment for Municipal Services.
- The owner is still responsible for the Payment for Municipal Services even though the demolition of the improvements did not occur. The owner would need to reapply to the Common Council to remove or change the Conditional Use Permit.
- See Exhibit A-7 for further illustration.



## Illustration A-8

### Assumptions:

This illustration assumes that the Common Council approved a Conditional Use Permit on May 13, 2015 and the parties have entered into an Agreement Concerning Payment for Municipal Services. It is assumed that the real property has been assessed at \$10,000 for land and \$44,600 for improvements on January 1, 2015 and the same is reflected in tax bills issued on December 4, 2015. It is further assumed that the City Assessor has determined that the tax valuation and assessments have increased at a rate of two percent (2%) per year. Additionally, the owner demolished the original improvements in July 2016 and constructed new improvements in October 2016. These improvements were assessed at \$58,000 by the City Assessor on January 1, 2017 and are reflected as the same on the December 4, 2017 tax bills. In April 2020, a tornado passes through the City demolishing the improvements on the property. The owner is unable to replace the improvements until October 2021. On January 1, 2022, the improvements were assessed at \$65,000 by the City Assessor and are reflected as the same on the December 4, 2022 tax bill.

### Results:

- The Assessed Value Improvements are greater than or equal to the Adjusted Base Year Valuation for Valuation Years 2017-2020; accordingly, no Payment for Municipal Services is due.
- Since the tornado demolished the improvements in 2020 and the improvements were not replaced until 2021, the Assessed Value Improvements are less than the Adjusted Base Year Valuation in Valuation Year 2015. Normally, a Payment for Municipal Services would be due. Given the demolition was a result of an "act of God", the requirement for the Payment for Municipal Services would be tolled for one (1) Valuation Year. Likewise, the Agreement Concerning the Payment for Municipal Services would be extended for an additional Valuation Year. If the owner seeks a further change or removal of the Conditional Use Permit, the owner must reapply to the Common Council.
- The Assessed Value Improvements are greater than the Adjusted Base Year Valuations for Valuation Years 2022-2025. No Payment for Municipal Services is due.
- Land is still taxed and not used to calculate any Payment for Municipal Services. The payment of taxes for land is not tolled under this Agreement.
- See Exhibit A-8 for further illustration.

## Illustration A-9

### Assumptions:

This illustration assumes that the Common Council approved a Conditional Use Permit on May 13, 2015 and the parties have entered into an Agreement Concerning Payment for Municipal Services. It is assumed that the real property has been assessed at \$8,000 for land and \$45,000 for improvements on January 1, 2015 and the same is reflected in tax bills issued on December 4, 2015. It is further assumed that the City Assessor has determined that the tax valuation and assessments have increased at a rate of two percent (2%) per year. The owner demolished the improvements in August 2016 and did not create any new improvements. Subsequently in July 2019, owner sells the land to a neighbor who combines the lot with the neighbor's property. Prior to combining the lots, the neighbor's real estate was valued at \$10,000 for land and \$50,000 for improvements. The new owner (i.e. neighbor) builds an addition to his improvements on the newly combined lot in August 2022. On January 1, 2023, the improvements from the addition are assessed at an additional \$18,000 by the City Assessor and are reflected as the same on the December 4, 2023 tax bill.

### Results:

- The Assessed Value Improvements are less than the Adjusted Base Year Valuations for Valuation Years 2017-2019; accordingly, a Payment for Municipal Services is due.
- Commencing in Valuation Year 2020, the lots are combined requiring the Adjusted Base Year Valuation to be updated to reflect the values from the adjoining lot.
- For Valuation Years 2020-26, a Payment for Municipal Services is due because previously existing improvements from the adjoining lot cannot be used to comply with the requirements of this Agreement.
- Land is still taxed and not used to calculate any Payment for Municipal Services.
- See Exhibit A-9 for further illustration.

## Illustration A-10

### Assumptions:

This illustration assumes that the Common Council approved a Conditional Use Permit on May 13, 2015 and the parties have entered into an Agreement Concerning Payment for Municipal Services. It is assumed that the real property has been assessed at \$12,000 for land and \$22,600 for improvements on January 1, 2015 and the same is reflected in tax bills issued on December 4, 2015. It is further assumed that the City Assessor has determined that the tax valuation and assessments have increased at a rate of two percent (2%) per year. Additionally, the owner demolished the original improvements in July 2015 and never constructed any new improvements. The owner requested a rezoning of the property, which the Council did in April 2022. The rezoning caused the assessed value of the land to increase to \$32,000 as assessed by the City Assessor on January 1, 2023 and such change is reflected on the December 4, 2023 tax bills.

### Results:

- The Assessed Value Improvements are less than the Adjusted Base Year Valuations for Valuation Years 2017-2026; accordingly, a Payment for Municipal Services is due.
- Land is still taxed and not used to calculate any Payment for Municipal Services notwithstanding the fact that the value of land increased commencing in Valuation Year 2017.
- The owner may reapply to the Common Council to seek removal or modification of the Conditional Use Permit.
- See Exhibit A-10 for further illustration.

## Illustration A-11

### Assumptions:

This illustration assumes that the Common Council approved a Conditional Use Permit on May 13, 2015 and the parties have entered into an Agreement Concerning Payment for Municipal Services. It is assumed that the real property has been assessed at \$12,000 for land and \$94,600 for improvements on January 1, 2015 and the same is reflected in tax bills issued on December 4, 2015. These assessments reflect the use of the property as a lawful nonconforming use. It is further assumed that the City Assessor has determined that the tax valuation and assessments have increased at a rate of two percent (2%) per year. Additionally, the owner demolished the original improvements in July 2016 and constructed new improvements in October 2020. These improvements were assessed at \$50,000 by the City Assessor on January 1, 2021 and are reflected as the same on the December 4, 2021 tax bill. It is further assumed that the owner discontinued the lawful nonconforming use status, which limits the value of new improvements.

### Results:

- The Assessed Value Improvements is less than the Adjusted Base Year Valuations for Valuation Years 2017 - 2026; accordingly a Payment for Municipal Services is due.
- Even though the owner is unable to timely restore the nonconforming use which may have contributed to an inability to construct improvements on the property equal to or greater than the Adjusted Base Year Valuation, a Payment for Municipal Services is still due. The owner may reapply to the Common Council to seek removal or modification of the Conditional Use Permit.
- Land is still taxed and not used to calculate any Payment for Municipal Services.
- See Exhibit A-11 for further illustration.

## Illustration A-12

### Assumptions:

This illustration assumes that the Common Council approved a Conditional Use Permit on May 13, 2015 and the parties have entered into an Agreement Concerning Payment for Municipal Services. It is assumed that the real property has been assessed at \$20,000 for land and \$86,800 for improvements on January 1, 2015 and the same is reflected in tax bills issued on December 4, 2015. It is further assumed that the City Assessor has determined that the tax valuation and assessments have increased at a rate of two percent (2%) per year. Additionally, the owner removed the improvements from the real property in September 2015 and relocated them to a vacant lot elsewhere within the city limits. The owner did not place any new improvements on the real property.

### Results:

- The Assessed Value Improvements is less than the Adjusted Base Year Valuations for Valuation Years 2017-2026; accordingly a Payment for Municipal Services is due.
- Even though the owner moved the improvements to a vacant lot elsewhere within the city limits, no improvements have been undertaken on the real property with the Conditional Use Permit. As such, a Payment for Municipal Services is due. The owner may reapply to the Common Council to seek removal or modification of the Conditional Use Permit.
- Land is still taxed and not used to calculate any Payment for Municipal Services.
- See Exhibit A-12 for further illustration.

**Exhibit A-1 – Illustrative Calculations**

**Payment for Municipal Services**

Date of CUP approval		5/13/2015												
Date CUP became effective		5/19/2015												
Base Year Valuation Date		1/1/2015												
Inflation Factor		2%												
			Base Year	Grace Year	Valuation Years									
					Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026
<b>Tax Parcel ID No.</b>														
<i>Base Year Valuations and Adjusted Base Year Valuations</i>														
	Land	10,000.00	10,200.00	10,404.00	10,612.08	10,824.32	11,040.81	11,261.62	11,486.86	11,716.59	11,950.93	12,189.94	12,433.74	
	Improvements	44,600.00	45,492.00	46,401.84	47,329.88	48,276.47	49,242.00	50,226.84	51,231.38	52,256.01	53,301.13	54,367.15	55,454.49	
	Total	54,600.00	55,692.00	56,805.84	57,941.96	59,100.80	60,282.81	61,488.47	62,718.24	63,972.60	65,252.05	66,557.10	67,888.24	
<i>Assessed Value Improvements</i>														
	Land	10,000.00	10,200.00	10,404.00	10,612.08	10,824.32	11,040.81	11,261.62	11,486.86	11,716.59	11,950.93	12,189.94	12,433.74	
	New Improvements	44,600.00	50,000.00	51,000.00	52,020.00	53,060.40	54,121.61	55,204.04	56,308.12	57,434.28	58,582.97	59,754.63	60,949.72	
	Total	54,600.00	60,200.00	61,404.00	62,632.08	63,884.72	65,162.42	66,465.66	67,794.98	69,150.88	70,533.89	71,944.57	73,383.46	
<b>Improvement Differential (if any)</b>														
		0.00	0.00	(4,598.16)	(4,690.12)	(4,783.93)	(4,879.60)	(4,977.20)	(5,076.74)	(5,178.27)	(5,281.84)	(5,387.48)	(5,495.23)	
<b>Tax Rate</b>														
		0.028	0.028	0.028	0.028	0.028	0.028	0.028	0.028	0.028	0.028	0.028	0.028	0.028
<b>Payment for Municipal Services</b>														
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Tax bill</b>														
		12/4/2015	12/4/2016	12/4/2017	12/4/2018	12/4/2019	12/4/2020	12/4/2021	12/4/2022	12/4/2023	12/4/2024	12/4/2025	12/4/2026	
<b>Invoice Date</b>														
			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Due Date</b>														
			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>NOTES:</b>														
1. Inflation factors in 2015 and subsequent years are used to determine the Adjusted Base Year Valuations.														
2. Payment for Municipal Services extends for not less than 20 valuation years.														

**Attachment B- Legal Description**

Tax Parcels

- 17-20246-010
- 17-20273-020
- 17-20273-050
- 17-20273-010
- 17-20273-011

All of Lot 1, Hoeschler's Park Addition; Also part of Lot 2, Certified Survey Map, Volume 17, Page 14, Document Number 1683829: Also being part of Government Lot 5, Section 13, T104N—R4W, City of La Crosse, La Crosse County, Wisconsin described as follows:

Commencing at the northwest corner of Section 13, T104N—R4W, thence S 56'57'39" E 2300.13 feet to the northeast corner of Lot 1, Hoeschler's Park Plaza Addition, the southwesterly right—of—way line of Park Plaza Drive, and the point of beginning of this description:

thence, along the easterly line of said Lot 1 and its southerly extension, also being said southwesterly right—of—way line, S 1728'40" E 555.23 feet; thence S 72'31'20" W 399.50 feet to the meander line of the West Channel of the Mississippi River; thence, along said meander line, N 0072'20" E 149.04 feet; thence, continuing along said meander line, N 0012'10" W 64.85 feet; thence, continuing along said meander line, N 26'28'11" W 63.49 feet; thence N 83'41'20" E 39.65 feet; thence N 8033'40" W 56.65 feet to said meander line; thence, along said meander line, N 59'33'10" W 216.81 feet to the West line of said Lot 1, Hoeschler's Park Plaza Addition and the South line of Lot 2, Certified Survey Map, Volume 17, Page 14, Document Number 1683829; thence, along said South line, S 8515'06" W 12.42 feet to the southwest corner of

Tim A - providing correction info.

and Lot 2, N 1240'56" W 107.34 feet to the  
ne of said Lot 1;  
its westerly extension, N 72'31'20" E  
ing of this description.  
the meander line and the waters edge  
ts and restrictions of record.