



**Urbana School
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**Urbana School District, Urbana Park District reach
property tax settlement agreement with The Carle Foundation**

For Immediate Release
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Urbana, Ill. – The Urbana School District, Urbana Park District and The Carle Foundation have reached an agreement that calls for the dismissal of the two districts from the litigation regarding tax exemptions for properties owned by The Carle Foundation.

The lawsuit originated after property tax exemptions were terminated on Carle's core hospital properties. While seeking to restore exempt status and obtain refunds of its tax payments in court, Carle has paid taxes in excess of \$20 million for its previously exempt properties.

Carle initially named the Illinois Department of Revenue and various local tax officials as defendants in the litigation. In 2010 Carle added as defendants the parties to a 2002 agreement regarding property tax issues, namely, the School District, the Park District, the City of Urbana, and Cunningham Township. The School District and Park District have each held funds in reserve pending the resolution of the lawsuit and did not use their share of taxes paid by Carle for district business.

The settlement agreement requires Carle to seek dismissal of its claims against the Urbana School District and Urbana Park District in the pending lawsuit, while allowing the School District and Park District to keep nearly half of their shares of Carle's property tax payments. Specifically, the School District will retain more than \$5.1 million, and the Park District will retain more than \$900,000, in taxes paid by Carle. The School District and Park District are permitted to immediately use those funds, plus all of the interest earned on them.

Upon being dismissed from the lawsuit, the School District has agreed to pay Carle \$5,737,500, and the Park District has agreed to pay Carle \$1,012,500, over the next five (5) years. Carle has agreed to accept those payments in satisfaction of any claims Carle believes it has against the two districts as to real estate taxes Carle paid for 2004-2011 on any of its properties in Urbana, any claims for interest on the taxes, and any claims for attorney fees, court costs, or any other expenses or damages.

Officials for the settling parties are gratified that the litigation has been resolved:

"The school district is pleased to put this lawsuit behind us so that we can focus our human and fiscal resources on our world-class schools, our students and our families," said John Dimit, President, Urbana School Board.

“Our agency and our budget are small. Our board chose the certainty of a settlement over the continuing drain of a lawsuit in both time and money so that we can focus on providing quality parks and recreation for Urbana,” said Michael W. Walker, President, Urbana Park District Board of Commissioners.

“This is a win for the community and is a reasonable solution between organizations that have been good partners for decades. The agreement provides important funds for schools and parks while also preserving critical community healthcare resources,” said James C. Leonard, MD, President and Chief Executive Officer, The Carle Foundation.

Carle’s lawsuit continues as to the Illinois Department of Revenue, Champaign County Board of Review, certain County officials, Cunningham Township, Cunningham Township Assessor, and the City of Urbana. Those parties had been invited to participate in settlement discussions.

A summary of the monetary components of the settlement agreement is as follows:

SUMMARY OF SETTLEMENT AGREEMENT BETWEEN CARLE FOUNDATION AND URBANA SCHOOL DISTRICT AND URBANA PARK DISTRICT	
Total Property Taxes Paid by Carle for Tax Years 2004 to 2011 Due to the Termination of Its Property Tax Exemptions	\$20,800,000 ¹
Urbana School District Share of Taxes Paid by Carle	\$10,893,000
Amount to Be Returned to Carle	\$5,737,500
Amount Retained by School District	\$5,155,500
Urbana Park District share of Taxes Paid by Carle	\$1,946,000
Amount to Be Returned to Carle	\$1,012,500
Amount Retained by Park District	\$933,500

¹ All figures are rounded.

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