



Good afternoon. I'm Tracy Johnson with the Commercial Association of REALTORS® Wisconsin. Our association represents nearly 650 commercial real estate brokers and practitioners throughout the State of Wisconsin.

We applaud the efforts by lawmakers to keep our taxes, fees and overall spending low, but believe that Wisconsin must make an adequate and permanent change to our transportation funding to maintain existing infrastructure and provide new roads and highways for our State.

The commercial real estate industry has been booming as a result of a favorable business climate in Wisconsin. We have our governor and legislature to thank for that. In addition, the high-functioning business sector supported by the MMAC and other business groups has made economic exchange and vitality not only a priority, but a mandate.

The growing business and increase of jobs must be wholly-supported not only by favorable business incentives, but by sustainable infrastructure to ensure that our short-term financial priorities do not jeopardize our future economic gain. Companies do not choose to locate or relocate because of incentives alone, but also look at the business basics such as access to labor and transportation.

According to an *Area Development Magazine* 2015 survey asking corporate real estate executives from a broad array of industries, respondents cited that access to highways is the second-most important item that manufacturers look for - second only to access to labor. In another survey done by *Site Selector Magazine*, transportation and infrastructure was the top priority for manufacturers looking to relocate – especially given the expense of raw materials relative to the output.

When you visit almost anywhere in the State, you will see cranes in the air and dirt being moved. Companies are building new; moving in; and moving up. CARW broker members work with the decision makers of these companies looking at Wisconsin as an economic opportunity. They are counting on transportation leadership to do the right thing in considering the responsible and sustainable funding solutions for Wisconsin.

Recognizing that so much of the real estate growth is driven by proximity to highways and other infrastructure, we look to companies like IKEA, Uline and Amazon – and developments like the Mayfair Collection and Park East Corridor – and consider how we will support their businesses going forward. These are catalytic projects that can only realize their economic potential with support of good access to roads and highways that grow and improve *with* the business.

Consider the following numbers in terms of commercial real estate growth:

- In 2016, there were 5.3 Million sq ft of Industrial space completed or under construction and 3.7 Million sq ft absorbed;
- In 2016 there were 2.5 Million sq ft of Office space completed or under construction;
- In 2016 there were 2.4 Million sq ft of Retail space completed or under construction

This is more than 10 Million square feet of new commercial real estate in our State in addition to millions of square feet in absorption throughout the various sectors. The job totals are in the thousands and the economic benefit in the tens of millions of dollars.

The decisions you are making today are investments for Wisconsin's economic well-being. We do not have decades to let the problems with our roads and highways to become worse; the development and job opportunities are here now. Thank you on behalf of the Commercial Association of REALTORS® for hearing from stakeholders and consideration of sustainable solutions that will pay dividends now and in the future for businesses in the State of Wisconsin.

**Top TEN factors companies consider when determining a new site location (2015 Area Development Survey):**

1. Availability of skilled labor
2. Highway accessibility
3. Quality of life
4. Occupancy or construction costs
5. Available buildings
6. Labor costs
7. Corporate tax rate
8. Proximity to major markets
9. State and local incentives
10. Energy availability and costs