

A grayscale photograph of the Wisconsin State Capitol building, featuring a large central dome and classical architectural details like columns and arches. The building is centered in the frame, with the sky visible above.

YOUR VOICE MATTERS

COMMERCIAL REAL ESTATE & GOVERNMENT DAY

WEDNESDAY, APRIL 24 | MADISON, WI

2019 Commercial Real Estate & Government Day Speakers

Wednesday, April 24, 2019



Dianne Hesselbein, Wisconsin State Representative

Rep. Dianne Hesselbein possesses a rich background of public service beginning with her 2005 election to the Middleton Cross Plains Area School District Board of Education. In 2008 she was elected to the Dane County Board of Supervisors and served 3 terms. During her three terms on the Dane County Board, she served on many important committees and organizations: Chairperson of the Budget Committee, Sergeant-at-arms, Public Protection and Judiciary Committee, Economic Development Committee, University Extension Committee, Youth in Governance Study Committee; member of the Cultural Affairs Commission, the Immigration Task Force, and the Greater Madison Visitor and Convention Bureau Board of Directors. Dianne also enjoys her community participation in the VFW Women's Auxiliary, and the Girl Scouts of America where she serves as a local troop leader. An avid supporter of conservation and environmental efforts, she is a Friend of the Pheasant Branch Conservancy.



Jim Steineke, Wisconsin State Representative

Representative Jim Steineke was born and raised in Wisconsin, living in Wauwatosa for 20 years. He attended both University of Wisconsin at Oshkosh and Milwaukee. In 1991, he relocated to the Fox Valley area where he was a member of the Wisconsin Realtors Association and the Realtors Association of Northeast Wisconsin. He served as Vandebroek Town Supervisor from 2005-2007 and town chairman from 2007-2011, while also serving as Outagamie County Supervisor from 2006-2011. Rep. Steineke was elected as State Assemblyman to the 5th District in 2010 and reelected in 2012. In November of 2012, he was chosen by his fellow Assembly colleagues to serve as Assistant Majority Leader. In 2014, he was elected as Assembly Majority Leader. In this capacity, he helps mentor new representatives and staff, runs the floor debate on session days, and works with the Republican leadership team to execute decisions and maintain an organized and productive caucus. He and his wife, Heather have been married since 2001 and they have three children.



Joel Brennan, Secretary of the Department of Administration

Joel Brennan was selected as the Secretary of the Department of Administration by Governor Tony Evers and began his role on January 7th, 2019. Secretary Brennan brings 25 years of experience in and around public policy in Wisconsin to this role. Joel Brennan served as President & CEO of Discovery World from October 2007 through January 2019. Under Brennan's leadership, Discovery World turned multi-million dollar operating deficits into surpluses and eliminated millions in capital debt. In 2018, Discovery World completed a \$13 million update that added more than 20,000 sq. ft. of new interactive space to the facility. During this time, Discovery World forged many strategic community partnerships and expanded its innovative educational programs to neighborhoods of need, including a Summer Camp program that brings more than 1,700 students to the lakefront for week-long camps in engineering, robotics, design, freshwater science and other disciplines.

Commercial Real Estate & Government Day

April 24 | State Capitol | Madison, WI



CARW – Commercial Association of REALTORS® Wisconsin

The Commercial Association of REALTORS® is the voice for commercial real estate brokerage in Wisconsin. Founded in 1993, CARW is the go-to organization for commercial real-estate related policy leadership, information, education and networking. CARW partners with Catylist to offer state-wide data and research resources.

Tracy Johnson, President & CEO | 414.271.2021 | tracy@carw.com



CCIM – Certified Commercial Investment Member

CCIM Wisconsin is a membership trade association comprised of CCIM Designees, candidates of the CCIM Designation and related commercial real estate professionals. A CCIM is an individual, who, by education, experience and knowledge of the marketplace, is an expert in commercial investment real estate.

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NAIOP – National Association of Industrial and Office Properties

NAIOP, the Commercial Real Estate Development Association, is the leading organization for developers, owners and related professionals in office, industrial, retail and mixed-use real estate. NAIOP provides unparalleled industry networking and education, and advocates for effective legislation on behalf of its members. NAIOP advances sustainable development that creates jobs and benefits the communities in which its members work and live.

Jim Villa, NAIOP Wisconsin CEO | 414.622.0006 | jjm@naiop-wi.org



SIOR – Society of Industrial and Office REALTORS®

SIOR represents the leading commercial estate professionals specializing in industrial and office properties. A SIOR designation is obtained through qualified experience, education and achievements, as well as a strict adherence to professional standards and ethical practices. The SIOR Wisconsin Chapter advocates on behalf of state members committed to leading Wisconsin forward through economic development and growth.

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WRA – Wisconsin REALTORS® Association

The Wisconsin REALTORS® Association (WRA) is one of the largest trade associations in the state, headquartered in Madison, Wis. The WRA represents and provides services to more than 16,500 members statewide, made up of practicing real estate sales agents, brokers, appraisers, inspectors, bankers and other professionals who touch real estate. The WRA is under the direction of a statewide board of directors, comprised of members from the top real estate firms around the state.

Tom Larson, Senior VP of Legal & Public Affairs | 608.241.2047 | tlarson@wra.org

Dear Legislators and Staff:

On behalf of over 2,000 commercial real estate professionals and 5 associations, we thank you for your interest and attention to this vital component of the Wisconsin economy, the commercial real estate industry.

On this handout, you will find information about our organizations. We encourage you to use us and the vast knowledge and experience of our members as a resource as you make policy decisions.

Thank you again, we look forward to working with you.

Our coalition advocates for pro-growth initiatives that foster business development and job growth, which fuel the commercial real estate and development industry. The items outlined in this memorandum represent our key Administrative and Legislative priorities for 2019. Our individual organizations, and members, will continue to analyze individual policy proposals, and may choose to support or oppose specific proposals.

While the markets are strong, public policy decisions continue to have a major impact on the continued improvement. A few key metrics to consider related to Commercial Real Estate's impact on the Wisconsin Economy:

- Commercial real estate creates \$2.7 Billion in Direct Spending
- Commercial real estate creates \$1.9 Billion in Personal Earnings
- Commercial real estate creates supports 40,000 Jobs in Wisconsin

We continue to urge legislators to engage commercial real estate practitioners in discussions related to the industry and are aligned in our desire to contribute to the economic success of our State.

Tax reform – We applaud and support any efforts to reduce property taxes and the continued commitment to pass legislation that encourages property tax reduction. This will ensure that Wisconsin is a leader in retaining and attracting highly-paid, skilled jobs for our residents. In addition, we support proposals to further reduce property tax burden for commercial properties, modify new growth exception to the levy limits to encourage greater economic development at the local level, and expand the list of services that cannot be shifted from the property tax to a separate fee. We also advocate for measures that put less reliance on the property tax, as cited by the Wisconsin Policy Forum, Wisconsin is overly-reliant on the Property Tax as compared to other surrounding States.

Regulatory reform – We applaud and support efforts around the continued examination of the state's regulatory policies to ensure that Wisconsin is fostering an economic climate conducive to business growth and job creation.

Transportation and Infrastructure Funding – Reliable transportation and infrastructure funding is a critical issue for economic development and the future success of our members and the commercial real estate industry. Collectively, we are open to and supportive of creative ways for tackling the funding models to ensure that proper infrastructure is maintained and available for community growth.



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Relating specifically to the 2019-21 State of Wisconsin Budget, there are a number of items we are prepared to discuss:

1. **Tax Increment Financing** – The proposed budget limits the percentage of tax incremental district project costs that may be allocated for developer grants to 20 percent of total project costs to focus tax incremental finance policy on public infrastructure development. Our coalition Opposes this proposal on the basis that many projects would not occur under this scenario. We are amenable to continuing our work with leadership to examine best practices in TIF and other economic development tools that support community growth and development. The budget also includes language that requires that project plans include sensitivity analyses (“stress tests”) for alternative projections of a district’s finances under various economic situations, including a slower pace of development and a lower rate of property value growth than expected in the district. Our coalition is Neutral on this issue as solutions for greater confidence in TIF can always be examined as some communities reach capacity for TIF.
2. **Manufacturing and agriculture tax credit**—The proposed budget limits the manufacturing portion of the credit to only apply to the first \$300,000 in qualified production activities income for each firm qualifying for the credit. The agricultural portion of the credit will remain as it is under current law. This change is expected to raise \$279.5 million in fiscal year 2019-20 and \$237.1 million in fiscal year 2020-21, paying for approximately half of the proposed middle-class tax cut. Our coalition Opposes this proposal as it will have a chilling effect on the manufacturing economy which drives Wisconsin. Members suggest that the Manufacturing and agricultural credit is a premier tool for recruiting efforts as companies engage in site selection activities.
3. **Milwaukee Transportation Projects** – Within the State Budget, transportation funding and infrastructure solutions are proposed throughout. While there are a number of very good ideas being worked through, one important component included is the expansion of key Southeastern Wisconsin Transportation projects. Our coalition Supports the expansion of I-43 in Milwaukee and Ozaukee counties from 2 to 3 lanes in each direction and Supports the continued emphasis on completing the Zoo Interchange within the next 2 years.
4. **Dark Store Legislation** – The budget includes provisions from the “dark store” bills of previous sessions that would require property to be assessed at its “highest and best use” and would remove vacant properties, or “dark stores,” as comparable sales for the purposes of property tax assessment, thus allowing assessors to value occupied property solely because of its occupancy. Our coalition is neutral on the budget proposal and has been closely involved with owners and investors who have concerns about unintended consequences of changes to the current law.



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