



June 19, 2009

This message is coming to you as a Wisconsin Legislator from the Board of NAIOP-Wisconsin. NAIOP is the largest organization in the country representing commercial property developers and owners. The Wisconsin Chapter represents 200 members, including the vast majority of Wisconsin's major developers and owners of office, retail, industrial or mixed-use developments. In short, we create and sustain Wisconsin's economic development.

We are writing to share our strong concerns over provisions currently under consideration for inclusion in the budget. It is obvious to any experienced observer that the best solution for our state's current challenges of unemployment and revenue shortfalls is to grow our way out. It is and always has been economic development that produces the jobs, payrolls and tax base.

Our members are the people and enterprises that put their capital, experience, skills, creativity and reputations at risk to create that economic development. We believe it is absolutely essential that you understand the challenges we currently face, so you can structure an environment that helps us meet those challenges and create those jobs and tax base.

Here is an outline of our world in mid-2009:

- The worst recession in commercial real estate since the depression
- An extremely difficult lending environment
 - Loans and lines of credit being called, but there are no alternative lenders to turn to
 - Land, upon which nearly all development occurs, is nearly impossible to finance
 - Loans are maturing and need re-financing, but no receptive lenders
- High levels of office, retail and industrial vacancies and more coming
- Layoffs of essential, talented people
- Nearly nonexistent sales and leasing activity
- Sharply declining property values
- Bad debts climbing from failing tenants' businesses

Considering the stark reality of the severe challenges our industry is already

facing, it is bewildering to us that instead of helping us surmount these challenges, a majority of our elected officials appear to be on the verge of passing some of the most anti-economy, anti-development legislation seen in decades.

It would be one thing if the Legislature simply decided not to care about one industry's troubles. In our case, however, we are the *very* industry needed to turn things around and yet it looks like the counter-productive policies in the attachment are close to being passed. If a mental picture helps, consider our industry as limping on a broken leg and these policies kick out our crutches.

Our executive and legislative branches of state government carry the fiduciary responsibility for maintaining a healthy economy for our citizens. We respectfully and strongly suggest that the attached policies, if passed, are the *exact opposite* of what is needed to turn our state's economy around. We urgently implore you to vote against and that you encourage your colleagues to vote against passing *any* of these policies.

We are dedicated to participating in an open discussion about turning our economic development engine back on. Give us a call. We will be available.

Sincerely,

The NAIOP – WI Board -

Brett West – Kahler Slater Architects

David Domres – Irgens Development

Greg Walz – Northwestern Investment Mgmt Company

Tom Bernacchi – Towne Realty

Neal Driscoll – Liberty Property Trust

Paul Votto – Votto Investments

Scott Langlois – Quarles & Brady, LLP

Jerry Franke – Wispark LLC

Mike Mooney – MLG

Jim Sedgwick – VJS Development Group

David Jorgensen – VJS Development Group

Deborah Tomczyk – Reinhart Boerner Van Deuren

Mike Arneson – TOLD Development Co.

Jim Parks – Berghammer Corp.

Peter Ginn – Hendricks Group

Shawn Cavin – Bank Mutual

Todd Rizzo – Wispark LLC

Mark Irgens – Irgens Development