



La Crosse Area Facts  
 Workforce Development  
 Historic Tax Credits  
 Transportation  
 Craft Beer Legislation  
 Non-Taxed Lodging Impact

## Oktoberfest in the Capitol

OCTOBER 11, 2017

Our 2017 La Crosse Oktoberfest Delegation includes representatives from over **20** different businesses, **5** not for profit organizations, local elected officials and municipal staff, and **4** Oktoberfest Royalty!

We are proud that the Oktoberfest Delegation has **12** Business Sponsors, ranging from La Crosse's largest employers to small businesses.

We look forward to meeting with you and discussing the issues and solutions for the La Crosse Area and State of Wisconsin.



Greater La Crosse Area

# La Crosse Area Facts

## Population

La Crosse County Population: 118,122 (2016)  
Regional | Area Population: 136,749 (2016)

## Communities

Cities: La Crosse, Onalaska, La Crescent, MN  
Villages: Bangor, Holmen, Rockland, West Salem

## Labor Force

Labor Force Participation Rate: 70.2% (2015)  
Labor Force within 50 mile radius: 229,597  
Unemployment Rate: 2.5 (2017)  
Median Household Income: \$50,539  
Median age: 35.4

## Top 6 Major Industries

### Health Care

The health care industry is one of the major industries in the La Crosse area with Gundersen Health System and Mayo Franciscan Health System being 2 of the top 3 employers in the county.

### Education

The School Districts of La Crosse employs 988 people. Additionally, La Crosse County is home to three institutions of higher education: UW—La Crosse, Viterbo University, and Western Technical College.

### Trade, Transportation, Utilities

Roads, rivers, rail, and sky-ways all link together to form a major transportation hub that is easily accessible to growing business market.

### Manufacturing

Manufacturing is a significant player in the development of La Crosse County's economy. Manufacturing creates jobs, spurs growth, produces products for trade, and leads to future innovation.

### Leisure & Hospitality

There is always something fun to do and see—from local ethnic festivals, community theatres, to national historical sites, sporting events and abundant outdoor recreation.

### Government

La Crosse County is made up of two cities, four villages, and twelve towns. The municipalities have developed into business centers due to business-friendly government programs, public and private partnerships, and supporting resources.

Located in Western Wisconsin along the Mississippi River, the La Crosse Area is ideally located for business and industry, serving as the center for the tristate area of Wisconsin, Minnesota and Iowa. The La Crosse area is linked to the Upper Midwest and rest of the country by Interstate 90, the Canadian Pacific and Burlington Northern Railroads, the Mississippi River Navigational system and air service via American and Delta airlines at the La Crosse Municipal Airport. Nearly 4 million people live within 150 miles of La Crosse, including the major urban areas of Minneapolis-St.Paul and Madison, Wisconsin. La Crosse County offers an award-winning quality of life that helps employers attract and retain a high quality workforce. Sometimes the best benefit you can give an employee is the one that affects your bottom line. It's living in a community that's safe. It's having good schools for your children. It's being a part of a community that takes pride in itself. It's having sports and activities year-round that bring your family and employees closer together. It's having world-class health care and three colleges within easy reach.



As reported by the Wisconsin DWD, when examining the county's employment dynamics over the past 15 years, one can see that the county has generally fared better than the state and nation by posting relatively lower unemployment rates.

La Crosse County recovered from the Great Recession of 2008-2010 more quickly than the state or national economy. This was largely due to a more diversified industrial mix and the presence of a strong, diversified health services industry.

# The La Crosse Center



## Thank You

**Dear Governor Scott Walker and the State of Wisconsin,**

Thank you, thank you, and thank you!

We want to sincerely thank the State of Wisconsin for investing in our future as a part of the La Crosse Center renovation and expansion project.

At the 2015 *“Oktoberfest in the Capitol,”* a request for State of Wisconsin assistance in funding for the La Crosse Center was presented. Two years later – with the recently passed state budget – La Crosse was awarded \$5,000,000 through the State Building Commission. This \$5,000,000 grant, combined with \$37,000,000 of local funding by the City of La Crosse, makes this one of the most significant partnership projects launched in Western Wisconsin.

The heart and soul of every community is its downtown. Funding for this project will enhance this facility and help ensure the continued growth and vitality of downtown La Crosse. Visitors from Iowa, Minnesota and beyond will be attracted to the region for meetings, conferences and entertainment, bringing tourist dollars into our state.

On behalf of the City of La Crosse, the La Crosse Center Board of Directors and staff and all of Western Wisconsin – thank you for your dedication and assistance!

Sincerely,  
Tim Kabat, Mayor  
La Crosse, Wisconsin

## The WISE Plan

Attracting, keeping and growing the 7 Rivers Region workforce is a top issue. By 2040, more than 40 percent of the region’s population will be retirement age or older, and there are already 246,000 jobs in the 14-county 7 Rivers Region that are unfilled due to a tight labor market and growing skills gap.

With funding assistance from Wisconsin Economic Development Corp., the Workforce Innovation for a Strong Economy (WISE) plan was recently completed and will provide a road map for the 7 Rivers Alliance Region on how to attract the necessary workforce to allow our region to continue to experience economic growth.

The \$200,000 project, which had also received funding from the 7 Rivers Alliance and its partners, as well as the U.S. Economic Development Administration, hired consultants to help identify needs and formulate goals and proposals to address them.

The development of the plan included 28 small group interviews, three talent working group sessions, six subject matter forums, four Steering Committee sessions and significant economic research which informed and inspired the resulting plan to bring forth impactful change to the region's current and future workforce needs.

### **The completed plan includes three areas:**

Talent preparation focusing on educators, talent recruiters such as chambers of commerce and talent retention resources and capacity available in the region to implement workforce development strategies; and public policy recommendations needed to attract and retain needed talent.

The ultimate success of the WISE Plan depends upon sound implementation of the strategies and actions to be put forth in this plan. We will do this with a diverse set of local partners across the public and private sectors who will work around a shared vision and clear goals.

## Summary

Please continue to fund regionally customized and innovative workforce programs. The WISE Plan will be released within the next few weeks and the 7 Rivers Alliance hopes WEDC will continue to be partner while implementing the plan.

# Workforce Development

## Wisconsin Workforce Attraction, Training, and Retention Initiative

### Background

Wisconsin's economy is healthy and growing, but economic progress brings with it certain challenges. For example, Wisconsin employers are struggling to find workers with the desired skills needed to fill vacant positions or help expand operations. Wisconsin's workforce is aging and recent data shows the state has a negative net migration rate. The state's aging population coupled with a slowing birth rate and the co-called "brain drain" is making it increasingly difficult to sustain an adequate supply of skilled workers to support Wisconsin's growing industries. Moving forward, Wisconsin must continue to implement effective policies to attract, train, and retain enough skilled workers to fuel the state's economy.

### Position

There is no silver bullet that will adequately address Wisconsin's workforce challenges. Rather, a comprehensive approach is needed to adequately strengthen the workforce and secure talent to meet the needs of employers. WEDA and organizations like LADCO have a key role to play in this effort and are proposing a package of legislation to help address and strengthen the state's efforts to encourage skilled professionals to live and work in Wisconsin, to provide effective worker training programs, and to retain recent Wisconsin college graduates.

**The legislative package is comprised of the following three individual proposals:**

#### 1. Employment TIF:

Create a new state economic development and workforce training program (likely run through DWD) using the Employment Tax Incremental Financing (ETIF) model as the funding source. Under the program, a business moving to or expanding in Wisconsin would receive a 75% refund of the state withholding taxes paid by the business for new employees for up to 5 years. The reimbursement must be used for workforce training – ranging from specialized/customized training to basic skills instruction. To be eligible for the reimbursement, a business must submit to and receive approval from DWD on a workforce training plan. Other eligibility requirements include:

- a. The business must hire at least ten new employees.
- b. Jobs must be new, meaning they did not exist at the company within one-year period preceding the application date.
- c. The new jobs created by the business must result in a net increase in employment in Wisconsin for the business.
- d. The newly created jobs must pay 200% of the state minimum wage (\$14.50).
- e. Retail, non-profit, and healthcare services businesses are not eligible.

#### 2. Homegrown Talent Tax Credit :

Create a \$2,000 refundable tax credit for new graduates who have completed a bachelor's degree or higher from a Wisconsin public or private institution of higher learning and are employed in the state in one of the following fields:

- a. Information technology
- b. Advanced mathematics
- c. Finance
- d. Engineering
- e. Custom manufacturing
- f. Advanced healthcare

The credit could be claimed for three consecutive years.

#### 3. Talent Relocation Tax Credit:

Create a refundable tax credit of 20% of mortgage interest paid for new home owners. The credit would be available to new graduates or professionals who recently relocated to Wisconsin and are employed in the state in one of the following fields

- a. Information technology
- b. Advanced mathematics
- c. Finance
- d. Engineering
- e. Custom manufacturing
- f. Advanced healthcare

The credit could be claimed for three consecutive years.

### Summary

The La Crosse Area Development Corporation believes these three workforce development initiatives work together to help attract, train, and retain the skilled workers needed to fuel the state's economy and solve the workforce gaps developing within today's workforce. Please support these proposals for a stronger future

# Historic Tax Credits

## Historic Rehabilitation Tax Credits

Wisconsin's Historic Rehabilitation Tax Credits are an invaluable tool to encourage private sector reinvestment in historic building redevelopment projects in areas that will produce the greatest return on investment. The historic tax credit has proven to be a catalyst for job creation, property tax revenue, and sales tax revenue. In a study completed by the State of Minnesota, it was shown that for every \$1 the state invested in the historic tax credit, it leveraged \$9 in other tax revenue.

The La Crosse National Registered Historic Commercial District contains 96 historic buildings, the largest in the State of Wisconsin. Many are small 20-25 feet wide by 100 feet deep, and are owned by individuals that generally do not have the investment capital to rehabilitate their buildings.

### Background

When the Wisconsin tax credit was increased to 20%, there was a sudden surge of interest by building owners and developers in moving projects forward of all sizes. Such projects range from \$150,000 to \$1,000,000. They are primarily taking either vacant or extremely old underutilized spaces and turning them into new residential, office, and adaptive re-use spaces. These options are attracting young professionals who want to live, work and play within our dynamic downtown district.

In the past five years private investment into downtown La Crosse is over 400 million, with over 50 property improvements. Our vacant storefronts are being filled by new entrepreneurs, with over 115 new businesses opening in downtown, La Crosse. Several projects in our downtown have taken advantage of historic tax credits, and these projects have made a dramatic impact in our community. Revitalization attracts tourists to spend the day exploring our history and spending their dollars in our community. This impact has created confidence for even more project improvements. If historic tax credits are capped, these projects may not be able to move forward. The impact that historic tax credits have made in La Crosse is unprecedented.

Caps on the program can limit the effectiveness. Small cities and towns have few real incentives and resources to encourage redevelopment of old and historic buildings in need of repair and redevelopment. The average cap for Midwestern states is \$52 million, and the national average is \$28 million. Please keep Wisconsin a competitive state to do business in.

Despite a proven track record of stimulating economic growth and preserving our architectural heritage, federal historic tax credits currently face an uncertain future. As pressure builds to reform the nation's tax code, several tax reform proposals recommend a repeal of this essential credit. Demonstrating the value of the federal HTC program is not difficult to do. It has been used to attract new private capital to the historic cores of cities and Main Streets across the nation. This investment has, in turn, enhanced property values, created jobs, generated local, state and federal tax revenues, and revitalized communities. Your voice is needed, however, to make sure the historic tax credit story is told and retold to decision makers in Washington and across the country if we are to ensure historic tax credit is enhanced in tax reform and not weakened or eliminated.

*While we respect the need for tax reform, it must not come at the expense of a proven program that generates more money for the Treasury than it costs, while also creating local jobs and promoting strong communities.*

*- National Trust for Historic Preservation*

### Summary

As our communities across the State look for innovative ways to stimulate growth and attract new investment, this initiative leads the way. We ask for your strong continued support of this very important reinvestment program.



# Tourism in the Greater La Crosse Area



*“They see us as a threat because our parking lots are full and theirs aren’t,” said William Glass, president of the Wisconsin Brewers Guild and Eau Claire Brewery The Brewing Project. “Our industry is manufacturing, it’s tourism, it’s hospitality. They’re fearful.”*

The changes would mean the end of brewery tap rooms, rooms where brewery visitors can purchase beer. Wineries would no longer be able to sell to on-site visitors. Instead, they’d have to work through distributors to get their product to market. Even though no bill has been introduced, Glass fears the budget committee could tack the changes onto the budget just before it’s passed using what’s known as a 999 motion. The motion contains the committee’s final revisions to the spending plan before it goes to the full Legislature. It’s traditionally introduced and approved with little debate, often late at night, and has served as a repository for contentious policy moves.

## Wisconsin Craft Brewers

Wisconsin’s craft breweries and wineries have positive impact on the tourism industry throughout the state, yet they have become concerned that their livelihood is at risk as they have been made aware of a memo outlining the potential for a bill demanding all craft products be sold via alcohol distributors rather than at the source of production. The craft producers would also be blocked from having any ownership in distribution or retail operations.

### Background

*(The following concerns contain excerpts from the Milwaukee Journal Sentinel Article: “Wisconsin craft brewers fear last-minute regulations in state budget” dated June 25, 2017.)*

Wisconsin’s craft brewers and wineries are banding together to head off a plan they fear could force them out of business by prohibiting them from selling their beer and wine where it is made.

No bill has yet been introduced, but a proposal in a memo obtained by a conservative group could force brewers and wineries to work with distributors to sell their products instead of selling directly with customers. Opponents say the Wisconsin Tavern League and alcohol distributors are pushing the plan and fear it could be slipped into the state budget at the last minute.

According to the memo, alcohol producers would be prohibited from having any ownership in a distribution or retail operation. A new Office of Alcohol Beverages Enforcement would take over alcohol regulation from the state Department of Revenue. The office’s duties would include ensuring producers don’t distribute or sell on their own.

### Summary

The State of Wisconsin has long been known for the charm and outstanding flavors of its wineries and craft breweries. This segment of the economy has been growing steadily and currently is a large draw for bringing visitors over the state border and into many counties in the state, including La Crosse county. Any bill that limited the ability of craft producers to sell their own goods on-site would have a negative impact on our economy through visitor spending, and is simply something that is not needed.

## Non-Taxed Lodging

The Airbnb/VRBO type housing operations continue to be a challenge for our hotels and lodging facilities. While our hotels pay an 8% room tax, many of the Airbnb/VRBO style operations do not. These operations are also not licensed, unlike hotels and lodging facilities. We are thrilled to see the Joint Commission and the Governor addressing this issue by getting behind the enforcement of paying taxes for these types of facilities.

As we move forward with this issue, the next, and possibly biggest, challenge will be how to monitor these operations to make sure what they collect in taxes is indeed being paid to the municipalities and forwarded on to the proper agencies to ensure the dollars are being used to promote tourism locally and state wide. Again, thank you for recognizing the need to address this issue and taking action.

# Transportation

## Efficient Transportation

Efficient transportation is an essential and basic component of life in Western Wisconsin.

Roads, rail, rivers, and sky connect us to the world and the world to us. A comprehensive transportation plan strengthens the business climate, ensures safe travel of people and goods, and supports a strong quality of life for all.

Transportation planning should have a comprehensive vision to improve and enhance the greater La Crosse area.

### Positions

- Support and advocate for long-term funding mechanisms to support state and local roads.
- Support the coordination of regional land use planning and transportation planning. The public sector should consider resident, consumer and business needs to make cooperative decisions over multiple transportation options.
- Improve passenger rail service to enhance economic development in the Coulee Region and across Wisconsin. We encourage the state's involvement in the expansion of Amtrak service.
- Address the critical capacity for safe transportation Needs throughout the La Crosse area.
- Support a balanced use approach to maintaining and improving the Mississippi River and its potential for commercial and recreational uses.
- Support the state's involvement in funding infrastructure improvements at the airport. We encourage additional transportation funding for the purpose of airport development. Support the pursuit of additional air service options to enhance the economic impact the airport provides to the region. Encourage the state's involvement in providing air service marketing support.



## Oppose Premier Resort Area Tax (PRAT) Legislation

*(not yet introduced)*

In 1997, the legislature created the PRAT to aid Wisconsin Dells- a small community with enormous transportation impacts from the tourism industry. Through this very targeted sales tax, in areas where at least 40-percent of the assessed property taxes are generated through tourism-related properties, voters can choose to capture an extra 0.5% sales tax targeted for transportation.

In 2003, the Madison legislature began allowing exemptions for communities with lower tourism tax collections; La Crosse County is becoming the first county to make this request of Madison through legislation we expect to be introduced this fall.

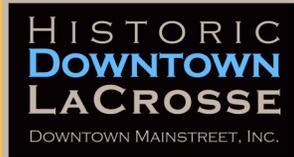
**The business community of Western Wisconsin overwhelmingly opposes the implementation of a county-wide PRAT in La Crosse.**

*La Crosse Area Chamber membership survey*

The tax casts too wide a net, puts our border community at a competitive disadvantage to Minnesota, and is not an appropriate fix for transportation funding. A state-wide solution is needed.

**When PRAT legislation is introduced, we request you oppose it on behalf of Western Wisconsin businesses.**

COMMUNITY PARTNERS



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