



**TUESDAY,  
OCTOBER 4,  
2016**

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# OUR TRI-STATE ECONOMY



## A WELL POSITIONED COUNTY

### MADISON

143 miles - 2 hours 18 minutes

### MINNEAPOLIS

160 miles - 2 hours 31 minutes

### MILWAUKEE

210 miles - 3 hours 30 minutes

### DES MOINES

272 miles - 3 hours and 53 minutes

### CHICAGO

283 miles - 4 hours and 43 minutes

## THINKING BEYOND BORDERS

With La Crosse's location along the Wisconsin border, our labor shed comes from a tri-state area to fuel our businesses. Our workers travel as far as 60 miles to their positions in the La Crosse area. Combining our workforce opportunities with our retail options, La Crosse is an economic destination, pulling in individuals who come to earn and spend their income. Our economy does not recognize borders.



**136,749**

LA CROSSE METRO POPULATION

**51,320**

LA CROSSE CITY POPULATION

**29**

MEDIAN AGE

**3**

HIGHER EDUCATION INSTITUTIONS

**2**

MEDICAL INSTITUTIONS

LA CROSSE AT GLANCE

# ABOUT LA CROSSE COUNTY



## RETAINING OUR TOP TALENT

### TOP 10

Ranked number for small cities in the US where business is thriving

### AMERICA'S BEST 50

Gundersen Health System received *Healthgrades* "America's Best 50 Hospitals" in 2014 & 2015

### FORBES #50

Forbes ranks La Crosse #50 in the nation in "Best places for business and careers."

### FOURTH BEST SMALL CITY

*Inc. Magazine* named La Crosse the nation's Fourth Best Small City for Doing Business

### 15TH BEST CITY

Named the 15th Best City in America to Do Business by *Inc Magazine*



## EASY TO RETAIN, WORKING TO ATTRACT - EMPLOYMENT

From those who grew up in the area to those who came here for school, La Crosse is a place where people want to raise their children. They value our scenic beauty, our outdoor recreational opportunities, our high-quality education system and our close proximity to larger metropolitan areas. Once people come to La Crosse to work, go to school or play, they have a hard time leaving.

With the tight labor market, La Crosse Area Chamber of Commerce is working to remove our region's "hidden gem" pride. We cannot afford to be one of the state's best kept secrets. With a thriving young professional climate and businesses prepared to work together, watch for La Crosse to set the tone for how we attract talent who is choosing to live in Wisconsin and its four-seasons of splendor.

## TOP EMPLOYERS - HEALTHCARE

Healthcare is a major industry in the La Crosse area with Gundersen Health System and Mayo Clinic Health System being two of the top three employers in the county. Our manufacturing base remains strong.

### TOP 5 EMPLOYERS IN LA CROSSE

Organization	Employees	Business Type
Gundersen Health System	6000	Healthcare
Ashley Furniture Industries, Inc.	3000	Manufacturer
Mayo Clinic Health System	3000	Healthcare
Trane	2350	Manufacturer
Fort McCoy	2215	Government



**3,011**

NUMBER OF BUSINESSES

**59,715**

NUMBER OF EMPLOYEES

**3.4%**

UNEMPLOYMENT RATE

**\$39,835**

AVERAGE WAGE

**\$20,592**

PER CAPITA INCOME

LA CROSSE - A WORKING COMMUNITY

# Investing in Transportation

**E**fficient transportation is an essential and basic component of life in Western Wisconsin.

Roads, rail and rivers connect us to the world and the world to us. A comprehensive transportation plan strengthens the business climate, assures 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.

La Crosse County has \$90 million in identified road projects (outside of routine maintenance).

## SPECIFIC POSITIONS:

1. Support and advocate for strengthened funding mechanisms to support state and local road improvements.
2. Support the coordination of regional land use planning and transportation planning. Encourage area governments to consider consumer and business needs in making cooperative decisions that enhance transportation alternatives throughout the entire area.
3. Improve passenger rail service to enhance economic development in Western Wisconsin. Encourage the state's involvement in the expansion and frequency of Amtrak service.
4. Support addressing the critical capacity for safe transportation needs throughout the La Crosse area.
5. Support a balanced use approach to maintaining and improving the Mississippi River and its potential for commercial and recreational uses.
6. Support the state's involvement in funding infrastructure improvements at the airport. 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.

Work together to find a long-term, sustainable solution to Wisconsin's transportation challenge



# Tackling Workforce Shortages

Within the Coulee Region, the availability of a skilled workforce has emerged as a major challenge as businesses struggle to find talent to sustain and grow their operations.

**Many jobs to fill:** Currently, there are over 246,000 jobs in the 14 county 7 Rivers Region labor shed. Over the next 10 years, the region will have the same number of job openings and a consistent annual decline in talent available to fill those positions. Population growth will not keep up with employment demand.

**Tight local labor market:** The workforce challenge is also impacted by a 3.5% unemployment rate throughout the region. La Crosse County has the second-lowest unemployment rate to Dane County – whose economy is largely government. In many counties, there is less than one job seeker for each job opening. There are not enough workers now nor an adequate number of workers entering the workforce over the next 10 years.

## WHAT WE NEED

- Everyone capable of working needs to be able to find a position.
  - Invest in programs that add people to the workforce
  - Revamp the unemployment system to discourage abuse
  - Address chronic issues with workers not passing drug testing who then continue to need government assistance.
- Remove silos between available pools of workers and make it easier to connect businesses to workers. The silos of funding make it difficult for businesses to connect with the workforce and have one system of support upon hiring – veterans, those coming out of incarceration, etc.
- Access to data. The State knows who is receiving assistance. Providing access to aggregate-level information allows our region to know how many individuals can viably be brought into employment as a way to measure progress.

**Seven of our top ten employers reported nearly 2,500 people retiring in the next three to five years.**

**Nearly 50% of Trane's employees (1,175) will be retiring in three to five years.**

**In Vernon County, ten new companies with 250 job openings had one (1) applicant.**

# Thank You for WISE Funding

## Workforce Innovation for a Strong Economy (WISE) Plan

The 7 Rivers Alliance will work with key stakeholders to develop workforce attraction and retention strategies for entry level to the C-Suite positions. The regional talent plan will provide a blueprint for developing and strengthening internal and external employee pipelines to support current and future employers in the 7 Rivers Region. The creation and implementation of a regional talent plan will help employers to fill jobs over the next

10 years. The 7 Rivers Alliance received funding to pay for the plan through a \$100,000 grant from the Economic Development Agency (EDA) and a \$50,000 grant from the Wisconsin Economic Development Corporation (WEDC).

Please continue to support WEDC programming that will allow our region to tackle our regional skilled workforce shortage.

# Workforce Unemployment Work Search Requirements

In June 2015, the Department of Workforce Development enacted rules (pursuant to the 2013-15 state budget) that require employees who receive unemployment benefits to register with Wisconsin Job Service, conduct four work searches each week and accept suitable work that is offered to them.

The new rules allow for an eight (8) week exemption, but only if the employee is expected to be recalled within that time frame of eight weeks. If after eight (8) weeks the employee is not recalled, but expected to be recalled within four weeks, they may qualify for an additional 4 week exemption for a total of 12 weeks.

The eight week (and additional four week) exemption is not valid for seasonal construction workers who are typically laid off for 20 weeks because they are not reasonably expected to return to work within the eight week time frame.

Prior to enactment of the rules, employees that were laid off but reasonably anticipated to be called back to work (such as seasonal construction workers) were exempt from the work search requirements. Before 2004, waivers were granted for up to 12 weeks. In 2008, the rule changed and allowed a work search waiver for up to 52 weeks (current law until June 2015).

## PROBLEM

- There is no getting around a seasonal layoff for construction workers. Unfortunately, we live in the frozen tundra which prohibits companies from building roads and completing some construction projects year round.
- The state of Wisconsin, as well as the entire nation, is faced with a serious skilled labor shortage.
- Retaining good employees is a major priority, which is why many seasonal firms continue to offer benefits to employees through the duration of their layoff.
- Requiring seasonal employees that are temporarily laid off during the winter to search for and accept other employment poses a great risk of losing those employees from construction and other seasonal trades forever.

**Employers of businesses whose work is seasonal but intend to call back their key, trained employees are facing retention issues because of work search requirements that require employees to apply for and accept suitable work after eight weeks on unemployment.**

- In the end, these labor shortage issues cause delays and ultimately drive up the cost of the project.
- In 2011 and 2012, the Legislature enacted a special assessment that hit construction employers at a higher rate to help make the unemployment trust fund solvent.

## SOLUTIONS

We strongly support two solutions:

Option 1: Exempt seasonal employees from work search requirements for up to 20 weeks. Savings to the state will still be realized as this is 32 weeks less of an exemption than was allowed prior to June 2015 (seasonal exemptions were granted for up to 52 weeks prior to June 2015).

Option 2: Exempt seasonal employees from work search requirements for those who continue to receive benefits from their employers through the duration of their layoff for up to 20 weeks. Companies that continue to offer benefits to employees through their layoff show a strong commitment to recall the employee when work is available. It also shows a shared responsibility of the employee while they are laid off. In other words, the burden of the employee does not completely rest on the state (i.e. Medical Assistance) while they are laid off.

# Marketplace Fairness

The blending of the traditional and online marketplaces has become the new reality of 21st Century commerce. But one thing has not changed – when payment is rendered in exchange for goods, a sale has occurred. For those states with a sales tax, all of these purchases are currently subject to tax.

## CONCERNS

Out-of-state sellers are not currently required to collect the sales tax, which means that the responsibility falls to consumers to report it to their state department of revenue. The playing field isn't level for all sellers and states are unable to collect more than a fraction of the revenue that's owed.

We need a commerce structure that is vibrant, viable and equitable for everyone. The reality is that what was adequate 20 years ago is no longer effective in today's marketplace and today's technology and services make collection possible for sellers of all sizes.

## RECOMMENDATION

It is time to pass federal legislation that empowers states to update their sales and use tax laws to level the playing field for all sellers, protect states' rights, and make life simpler for consumers.

As a state, please reach out to our Wisconsin delegation and ask them to get an eFairness bill passed. The the State of Wisconsin needs to be on board and support it.

Your influence and voice would greatly benefit this cause.



# La Crosse Airport Funding

The La Crosse Regional Airport is a vital connection between our businesses and growing global markets. Airports serve an important economic function for the State of Wisconsin and its respective counties and municipalities by providing transportation of people and goods through the national airspace system. Airport facilities require a significant capital investment to simply maintain the status quo let alone grow to meet new needs and economic opportunities.

## PROBLEM 1

Continuing reductions in Federal airport aid, a lack of increases in the Passenger Facility Charge program, stagnant State investment, and increasing national competition is resulting in airport facilities continuing to fall behind in economic development and important infrastructure rehabilitation and expansion projects.

The State currently provides for a Federal match in addition to limited State aid to Wisconsin airports through the Bureau of Aeronautics. This funding is critical to development at all of the Wisconsin airports. However, the funding provided does not meet all of the current infrastructure needs, especially at the six smaller commercial service airport's (La Crosse, Eau Claire, Central Wisconsin, Green Bay, Appleton, and Rhinelander) which provide a significant economic benefit to the State.

The State of Wisconsin and its economy stand to benefit from additional State investment in commercial airports throughout the State. Without additional funding infrastructure will continue to decline and airport's will struggle to simply maintain existing infrastructure critical to the economic activities airport's perform.

## SOLUTION 1

Our first ask is that additional funding be provided to the Wisconsin Bureau of Aeronautics for investment in the State's commercial air service airports. Most particularly, the smaller six commercial airports that do not have the resources to generate significant local revenues should take priority for this additional funding.

## PROBLEM 2

Air service in regional markets continues to suffer from industry issues including a reduction of smaller regional jets and a shortage of qualified pilots. As a result Wisconsin airports continue to leak more passengers to surrounding state airports such as Minneapolis and Chicago. This results in less economic activity at Wisconsin airports and endangers the ability of Wisconsin to attract businesses that need air service for their operations.

In order to enhance air service at smaller airports in Wisconsin it is critical to provide incentive programs to either attract air carriers or to reduce operating costs to those carriers. Local governments are prohibited from providing funds for that purpose. A State program to provide funding toward air service initiatives would allow

Wisconsin airports to have a competitive advantage and ensure continued economic growth for Wisconsin communities.

An example of air service initiatives includes revenue guarantees, marketing programs, and ground support equipment acquisition.

## SOLUTION 2

Therefore our second ask is for a State funding assistance program for the six smaller commercial air service airports for the purpose of air service development initiatives.

## PROBLEM 3

Finally, Wisconsin airports are at a competitive disadvantage in attracting aeronautical businesses due to our cost structure and tax structure. The State could benefit by providing development grants for the purpose of expanding and attracting aeronautical businesses to Wisconsin airports. Additional development would result in higher economic output and job creation.

## SOLUTION 3

Our third ask is for a State grant program for the purpose of capital infrastructure and tax incentives to attract aeronautical businesses to Wisconsin airports.

# La Crosse Center Remodeling & Expansion

Tourism to the beautiful La Crosse area is a key economic driver to our thriving retail, restaurants and hotel businesses. These businesses in the heart of La Crosse add to the charm that young professionals state is what they love about our city and county. The La Crosse Center plays a central role in creating a destination that anchors our downtown, but it needs an uplift that matches the growth in the La Crosse area.

The La Crosse Center is located in the heart of downtown La Crosse, Wisconsin with the majestic Mississippi River just out our back door within 100 feet. This venue is a multipurpose facility that hosts international conventions, trades shows, wedding receptions and national touring acts. The future plans for the Center are to remodel the 36 year old venue, provide a grand new lobby and entrance and to expand the complex with a spectacular ballroom overlooking the Mississippi River.

La Crosse County estimated the economic impact of the La Crosse Center is \$40 million annually. This impact is not just locally, but regionally for western Wisconsin. The City of La Crosse is a gateway into Wisconsin for tourism and guests from Minnesota and Iowa.

It is time now for a significant remodel and renovation. The application that has been submitted to the Wisconsin State Building Commission is for \$12 million.

The City of La Crosse has shown overwhelming support with a commitment of \$35 million towards this project. In fact the City Council voted unanimously 17-0 in favor of the investment into La Crosse's future.

La Crosse has seen a dynamic increase in growth with

downtown hotels all in the last year adding 450 rooms within 4 different properties.

Downtown Mainstreet Inc. has reported that in the last 5 years over 110 new businesses have opened in the downtown with 90 still thriving today. In addition, DMI also informs us that nearly 7,000 people working the downtown proper. These are all significant numbers in relationship to the vibrant local economy.

This journey began with a marketing study conducted by Convention Sports and Leisure who has offices in Minneapolis. This provided the background of the position of the La Crosse Center in the Midwest. The next step was a scoping study done by Convergence Design. Those renderings and associated costs provided the City with the ability to create a priority list for expansion and remodeling.

After much discussion and meetings with elected officials, stakeholders, Center staff, end users, community leaders and community input a priority list was established for how the Center should proceed. That list has led us to a \$47 million project.

This is an investment in the future for Western Wisconsin's largest regional municipality. It is an investment for at

In the past two years 450 new hotel rooms have been developed in downtown La Crosse.

least the next 30 years. We cannot emphasize enough the importance of what the La Crosse Center provides as an economic stimulus and to the quality of life for its citizens and western Wisconsin.

## SOLUTION

The request for \$12 million has been submitted to the Wisconsin State Building Commission. Through that office the application goes through the process for non-state agency building requests that have a state wide impact.