



CHAMBER ALLIANCE
Chippewa Falls • Eau Claire • Menomonie

23rd Annual Chippewa Valley Rally

Madison – January 25, 2017

Best Western Premier Park Hotel

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Wisconsin's Chippewa Valley – vibrant regional economic hub

Chippewa Falls ♦ Eau Claire ♦ Menomonie

Located three hours from Madison, but just ninety minutes from the Twin Cities, the Chippewa Valley is West Central Wisconsin's regional economic hub. The vitality of our communities is driven by a desirable quality of life, low cost of living, top quality educational institutions, and strong businesses and non-profit organizations. We are becoming increasingly known for our ability to create collaborative relationships that improve the lives of our citizens and foster a positive economic environment.

The Chippewa Valley boasts a diverse economy that must compete everyday with our Minnesota neighbors to the west... a regional center for medicine, manufacturing, retail, technology, financial services, education, customer service and, increasingly, the arts and culture.

Strengthening partnerships

The Chippewa Valley Rally is organized by the Chippewa Valley Chamber Alliance – Chippewa Falls, Eau Claire and Menomonie – representing over 2,200 members with more than 55,000 employees. We come to Madison to recognize and strengthen our region's mutually-beneficial relationship with state government – including transportation, workforce development, higher education, economic development and more.

2016 Issues and Thanks

Updated 12-21-16

✓ *Thank you for...*

Passage of Act 364:

Revised sales tax exemption limits for occasional sales by non-profits

This bill benefited youth organizations, music festivals, Chambers of Commerce and others by increasing outdated the limits on the sales tax exemption for occasional sales.

Passage of Act 301:

Tourism entity clarification

This bill provided important technical corrections to reverse unintended consequences of earlier amendments to Wisconsin's room tax statute which would have negatively impacted tourism efforts of many convention and visitors bureaus, chambers of commerce and municipalities. This act makes it possible to continue to do the valuable tourism promotion work in which they had already been engaged.

◆ Continue to encourage public-private collaboration

Prudent public investments are driving significant economic vitality in the Chippewa Valley

The Chippewa Valley's three counties – Chippewa, Eau Claire and Dunn – each exhibit prime examples of a successful collaborative spirit among government, education and the private sector to enhance the quality of life and strengthen their economic competitiveness.

These investments have included transportation improvements, economic development initiatives, private construction activity and public-private partnerships. Public involvement has included WisDOT projects, job training, targeted economic assistance from the Wisconsin Economic Development Corporation and the Wisconsin Housing and Economic Development Authority, Main Street programs, the West Central Wisconsin Regional Business Fund, and participation from our public institutions of higher learning, UW-Eau Claire, UW-Stout and Chippewa Valley Technical College.

✓ *Chippewa Falls* has seen continued economic development momentum, building upon recent improvements like improved traffic circulation from the reconstruction of the Bridge Street entrance to downtown and opening of the new Chamber building. It's led to the opening of new businesses, a downtown hotel and the creation of the Chippewa Riverfront multi-use park as the gateway to the city.

✓ *Menomonie* is leveraging its historical assets, prime location and proximity to UW-Stout, and has seen significant new private investments in housing and retail. UW-Stout's \$28 million renovation of historic Harvey Hall was completed, a new hotel is coming to downtown, the new Menomonie Food Coop opened, and other significant developments have been announced.

✓ *Eau Claire* is experiencing the continued renaissance of its downtown, with the opening of two new hotels, expanded housing options, reconstruction of the Water Street Bridge, and this year's opening of an already-busy parking ramp. In *Altoona*, the River Prairie development at the US 53 interchange is seeing significant retail, office, hotel and housing development along with new park facilities along the Eau Claire River. New businesses are opening up throughout the community, and on the horizon are partnerships for a potential new transit center and plans for a major event center.

✓ *The Confluence Project* is moving towards completion, and is already generating significant economic and educational benefits for west central Wisconsin and the state as a whole.

The 2015-16 state budget included \$15 million in matching funds for this innovative public-private partnership involving UW-Eau Claire and the Eau Claire Community. It includes a privately-funded retail and residential development, along with a publicly-funded performing arts center. This \$75+ million project includes nearly \$30 million in private investment, \$15 million in philanthropic contributions from the community, and local public investments from the City of Eau Claire and Eau Claire County.

The privately funded mixed use building opened in August, providing a boost to downtown Eau Claire's growing tax base and providing housing for nearly 400 upper class UWEC students.

State and community leaders broke ground on the Confluence Arts Center in October. When completed in 2018, it will enhance UW-Eau Claire's education programs in music, theatre and the arts; provide an updated venue for local arts groups; and achieve significant cost savings by creating a single joint university-community venue.

As a result of the momentum created by the project, downtown Eau Claire has already seen upwards of \$100 million in new private development including office, residential and hotel projects. Perhaps most importantly, the project will enhance the competitiveness of western Wisconsin as a regional cultural destination, a quality of life asset that will aid area employers in the recruitment and retention of talent in high-paying fields like information technology, health care and others.

Action requested

- Continue to encourage collaborative efforts among government, education and the private sector when they can enhance local economies and demonstrate shared cost savings.

💧 Provide robust state leadership to address workforce challenges

Experts forecast that continuing demographic changes, including baby boomer retirements, are driving a flattening of the workforce that also creates the need to retain and attract talent to the area. Although the current low unemployment rate is a mostly positive sign, employers are experiencing increasing difficulties in filling positions in many key occupations, dampening opportunities for business growth.

Action requested

A critical state priority must be to assert a strong leadership role in ensuring an adequately-sized skilled workforce critical to continued economic growth.

- Strengthen talent attraction and retention efforts, including keeping Wisconsin graduates in the state, encouraging former residents to return, increasing the labor participation rate, and marketing the positive attributes of the state and region to attract new talent.
- Support regional efforts to meet workforce challenges in ways that address the specific issues related to regional variations in demographics and industries. Collaborate with Chippewa Valley communities and the Momentum West Regional Talent Initiative when state support is needed.
- Guide and support efforts in public education to meet the needs of our 21st century workforce.

💧 Maintain strong public education institutions as vital economic assets

Higher education

Public higher education campuses in our region, including UW-Eau Claire, UW-Stout and Chippewa Valley Technical College, are critical to its economic success. They provide matchless value in educating a skilled workforce, research efforts that create businesses and jobs, and related community benefits that enhance the quality of life and serve to attract and retain world-class talent. They have also developed key partnerships that leverage both public and private assets to the benefit of the citizens and the economic health of the region.

In the last budget cycle, UW System campuses absorbed reductions in state funding that have challenged their ability to maintain the quality of education they provide to students, with specific impacts like fewer class offerings, staff cuts, and other challenges to maintaining high education standards. Unfortunately, capital outlay and procurement reforms that could have provided flexibility to enable them to adapt to reduced support were not enacted.

In an era of scarce and competing public resources, as well as changing models for education, our institutions must be able to change and adjust to ensure they fulfill their mission and prepare the educated workforce needed in the Chippewa Valley. Along with sufficient state assistance, reforms are needed to create management structures to address resource limitations, foster innovation to respond to changing needs, and maintain and enhance their economic impact.

Action requested

- Give local campuses the flexibility and autonomy they need to deploy and manage resources, create effective regional consortiums, make curriculum decisions to address region-specific needs, and maintain excellence in their recognized areas of specialization.
- Specifically provide campuses with management flexibility in operations and procurement, as well as financing and managing building projects that are not taxpayer funded.
- Support the 2017-18 budget requests of the Wisconsin Technical College System and the UW Board of Regents to provide a sufficient level of state investment to ensure that Wisconsin students can count on an affordable, world class education to prepare them for the challenges of today's workplace. This includes the capacity and ability to complete requirements in a timely manner, such as attaining a bachelor's degree in four years.

K-12 schools

Local schools fulfill a crucial role in providing a high quality of life in Wisconsin and preparing our young people to live productive adult lives. Providing high quality public schools is one of the top priorities in every community.

With changing demographics and workforce needs, schools have faced increased challenges, demands and expectations. At the same time, school districts must work within revenue limits that were established many years ago, with per pupil levels often varying widely between similar districts. Districts throughout the state have increasingly turned to referendums to increase revenues, which also puts more of the funding burden on local property taxes.

Action requested

- Review and reform school district revenue limits to reflect objective standards instead of the arbitrary numbers based upon district-specific spending levels of two decades ago.

✓ *Thank you for progress made* (Workforce and Education issues)

Thanks to funding from the legislature, the efforts of the Department of Workforce Development and the Governor's Council on Workforce Investment, and the responsiveness of our area universities and technical colleges, progress has been made towards equipping individuals to fill needed positions in high demand occupations. Some of these efforts include:

- Regional higher education campuses have participated in strategic initiatives to ensure the continued alignment of higher education programs to meet the talent development needs of our economy.
- Wisconsin Fast Forward and Blueprint for Prosperity grants provide critical employer-focused skills training through the Offices of Skills Development in cooperation with local employers, educational institutions and resource providers. In the past year, programs has benefited employers and workers in areas including health care, manufacturing, technology, customer service, and others
- Efforts of the DWD, including the Department of Vocational Rehabilitation partnering with local organizations, to help workers overcome barriers to employment with programs like Project Search and others.
- Chippewa Valley Technical College's ability to grow in-demand programs, including a expansion of the Energy Education Center and the addition of new programs like entrepreneurship and culinary arts.
- Continued support of the initiatives of the Northwest Wisconsin Engineering Consortium to collaboratively create additional engineering programs at UW-Eau Claire, UW-River Falls and UW-Stout to fill specifically-identified regional needs.
- Passage of Act 334, the Unemployment Insurance Advisory Council's bill, which included tightening rules regarding workers receiving benefits if they turn down an acceptable job.
- Schools in the K12 system moving forward to provide students with more comprehensive academic and career planning, including exposure to real world work-related experiences.
- Implementation of the Momentum West Regional Talent Initiative, thanks to a WEDC grant, leveraged with other grant and private sector funds. Involving stakeholders throughout West Central Wisconsin, an action plan has been created to focus on eight key initiatives related to the talent pool and improving labor market efficiency.

◆ Enact a long-term transportation funding solution

As the Chippewa Valley's population and economic activity continue to grow, a robust, balanced transportation system is critical to the smooth flow of people and freight. State transportation policy must address the needs of our area to ensure that our transportation assets provide economic competitiveness and freedom of travel including all key modes - highway, transit, rail and air.

It's widely recognized that current sources of transportation funding are inadequate to meet future needs, particularly with more fuel efficient vehicles and changing travel demands. In 2014, Wisconsin voters overwhelmingly approved a Constitutional Amendment to ensure revenues going into the Transportation Fund are used solely for transportation purposes.

It's now time for lawmakers fulfill their responsibility to address long term transportation funding without increasing the debt burden and or delaying needed decisions. Transportation is too important to the state's business climate to go through another budget cycle without addressing this critical issue.

Action requested

- Resolve the transportation funding issue as part of the 2017-18 budget. Revenue increases are acceptable if necessary to reduce reliance on borrowing and meet clearly identified needs, but also must ensure that all measures have been taken to ensure funds are spent in the most efficient and cost-effective manner possible. Legislators should consider the recommendations of the Wisconsin Commission on Transportation Finance & Policy, the results of the forthcoming DOT audit, realistic cost-saving efficiencies, forecasted changes in travel and freight transportation demands, and innovative approaches such as public-private partnerships.
- Ensure the specific infrastructure needs of the Chippewa Valley are addressed through state planning activities and resource allocation including:
 - Adequate funding of local roads
 - Good repair and adequate capacity on I-94 and its feeder highways
 - Maintaining essential rail freight services
 - Planning for future passenger rail service
 - Strengthening essential local transit services
 - Maintaining air travel choices from the Chippewa Valley Regional Airport.

◆ Support continued rural broadband expansion

In today's ever-changing economy, access to high speed internet is critical for local economies to be competitive in jobs, education and quality of life. There are still many rural and small communities in Wisconsin which do not have reliable, high-speed broadband.

Action requested

- Support the Governor's proposed \$35.5 million increase in state investment in rural broadband expansion by allocating surpluses from the Universal Service Fund for broadband and technology grants.

◆ Complete Income Tax Reciprocity negotiations with Minnesota

Wisconsin has reciprocity agreements with many of its neighboring states, but, reciprocity for individual income tax with Minnesota ended January 1, 2010. Over 80,000 people must now wrestle with tax laws and documentation for two states while living in one. Government needs to simplify residents' access to their earned money, not increase the challenge to retrieve overpaid taxes. Negotiations between the states have continued but have not been resolved.

Action requested

- Thank you for efforts to move agreements forward. Please renew any efforts to expedite the process to help relieve Chippewa Valley and West Wisconsin residents from having to file two separate state tax returns; reducing the time and financial resources needed to reconcile taxes.