

Testimony on Dark Store and Walgreen's Property Valuations

Paul Esser

June 29, 2017

Thank you for the opportunity to testify in support of bills AB 386 and AB 387. I am Paul Esser and I am the mayor of the City of Sun Prairie. I wish to speak to the impact that the Dark Store and Walgreen's property valuations are having on families in Sun Prairie.

The impact on our families is the result of the reduced valuations being allowed for large retailers which enables them to pay less than their share of our real estate tax levy. Sun Prairie is currently experiencing this situation with Target and Walgreen's and likely there will be additional retailers in the future wanting to apply the same valuation strategy. Each of these two retailers have had their property taxes valuations reduced by \$1,000,000 resulting in a loss of real estate tax revenue since 2009 of more than \$108,000.

These lost real estate tax revenues are needed to operate our city so we are forced to make up the deficit by assigning it to all of the other City tax payers and since 70% of our property tax revenue comes from residential properties the short fall is being put on the backs of our home owners.

Sun Prairie is a rapidly growing community that is attracting many young families. These young families are being asked to pay more than their share of the real estate tax in order to make up for the taxes being avoided by the large retailers. These are the families that need to invest in establishing their lives and supporting their children but instead are being asked to underwrite the tax reductions being received by the large retailers.

And it isn't as if these large retailers require less in city services. If that were the case, it might justify them paying less but that is simply not the situation. Because of the high level of activity in their stores they are large consumers of our emergency services of police, fire and EMS. There is no basis for the tax break they are getting.

Finally, it is important to note that we in Sun Prairie are not opposed to these businesses and we are grateful they have chosen to be part of our community. We are only opposed to the valuation methods being used to establish the assessed value of their property.

I am here today speaking on behalf of the residents of Sun Prairie to request your support to make the application of real estate taxes equitable to all tax payers in our community.

Thank you for the opportunity to share Sun Prairie's concerns with you.