



## OFFICE OF THE MAYOR

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**To:** Assembly Ways and Means Committee  
**From:** Mayor Shawn Reilly  
**Copy:** Waukesha Common Council  
Representative Scot Allen  
Representative Adam Neylon  
Senator Chris Kapenga

**Date:** June 29, 2017

**RE: Support of AB 386 and AB 387**

Thank You Chairman Macco and members of the Assembly Ways and Means Committee for providing me with the opportunity to testify in support of Assembly Bills 386 and 387. I am here today as a tax payer, a homeowner, a recovering municipal attorney and as the Mayor of the City of Waukesha, Wisconsin's 7<sup>th</sup> largest city.

I support the passage of Assembly Bill 386 and Assembly Bill 387. These Bills are needed to stop the unfair and ongoing property tax shift that is continually increasing the property tax burden on homeowners while providing a windfall to the big box stores and chain pharmacies.

Waukesha is in various stages of tax assessment appeals with at least eight big box or pharmacy establishments, all of whom are using the Dark Store theory or the Walgreen vs. City of Madison theory to contest their assessments. Some examples of the impact of these tax assessment appeals are as follows:

- a) In 2006 Menards paid \$14,000,000 for its property. Menards took out a building permit to build its store, showing the cost to build as being \$7,000,000. Menards' current opinion of value is \$8,264,375.
- b) In 2008, Walmart paid \$8,250,000 for its property. Walmart took out a building permit to build its store showing the cost to build being



\$10,500,000. Walmart's 2017 Board of Review objection form indicates that its opinion of value is \$8,877,850.

- c) In 2008, Target paid \$2,624,000 for its property. Target took out a building permit to build its store showing the cost to build being \$7,000,000. Target's most recent court filing indicates its opinion of value is \$5,000,000.
- d) After the Walgreens Supreme Court ruling, Waukesha settled with Walgreens at approximately \$2,500,000 for each of our four Walgreens stores. The Walgreens store at 230 Madison Street sold in 2012 for \$4,900,000. Because of the court rulings, Waukesha is not able to increase the assessed value on any of the Walgreens based on that sale.
- e) In 2012, Woodmans paid \$11,875,000 for its property. Woodman's took out a building permit to build its store, showing the cost to build as being \$12,000,000. Woodmans' 2017 Board of Review objection form indicates that its opinion of value is \$14,000,000.

Each of the stores mentioned are in prime commercial corridors within the City of Waukesha, with continued new construction and thriving retailers. These stores should not receive an unfair property tax break, especially when the result is a continued unfair tax shift to the constituents each of us represent.

Making the situation even more unfair is the need for city services required for these types of commercial uses is greater than for other uses. During the calendar year of 2016 our Police Department responded to approximately 40 calls for service at Farm and Fleet, 85 calls for service at Menards, 93 calls for service at Target and 71 calls for service at one Walgreens.

I appreciate Representative Brooks, Senator Roth and Senator Stroebel and all the sponsors for leading the way on this legislation. Thank you all for your time and interest in this issue.

Respectfully

Shawn N. Reilly  
Mayor, City of Waukesha