



Wisconsin Economic Development Corporation
For informational purposes only
Senate Bill 525 and Assembly Bill 640
Senate Committee on Economic Development, Commerce and Local Government
December 12, 2017

Thank you for the opportunity to provide input on SB525 and AB640.

We would like to extend our appreciation to the authors for the opportunity to work with them during the development of the Innovation Consortium bill, which is designed to spur additional economic activity in Wisconsin's existing and emerging industry clusters as well as our entrepreneurial and startup communities.

The Wisconsin Economic Development Corporation's (WEDC) mission is to advance and maximize opportunities for businesses, communities and people to thrive in a globally competitive environment. We work toward this mission by focusing on five key Catalysts of Growth, which form the basis of our Strategic Pillars, to help activate and accelerate economic opportunity in Wisconsin. The Strategic Pillars include: 1) Strategic Economic Competitiveness, 2) Business Development, 3) Community and Economic Opportunity, 4) Brand Development and Strategy, and 5) Operational and Fiscal Excellence.

Key components of these pillars include the investments WEDC continues to make in Wisconsin's industry clusters and entrepreneurial community through many of the initiatives described in this legislation. We have been able to leverage the flexibility of our block grant funding to implement several of these strategies as a direct result of the input from our stakeholders and clients to meet gaps in services in the marketplace. For example, WEDC has invested \$3.7 million in the SBIR Advance Program since it was launched in Fiscal Year 15 and this investment has leveraged over \$30 million. This program, which has served 38 unique business startups, aims to fill a critical funding gap for activities otherwise restricted under federal grant programs.

As the lead agent to implement the strategic initiatives described in this bill, WEDC appreciates the willingness of the authors to work with us and to understand some of the concerns we raised with earlier versions of the bill. Through these discussions, important changes have been made to ease the burden of implementation and maintains WEDC's Board of Directors' statutory authority to oversee the development and implementation of economic programs (§238.03(1)).

THINK·MAKE·HAPPEN.

However, Senate Bill 525 introduces an innovative funding model that could supplement WEDC's current investments and allow us to explore additional opportunities to grow Wisconsin's economy. It utilizes the State of Wisconsin Investment Board's renowned investment infrastructure to develop a revolving funding mechanism that has the potential to positively impact Wisconsin economic vibrancy for generations to come.

We look forward to continued engagement with the members of the legislature, our partners and the industry experts to fully realize all opportunities to support Wisconsin's key industry clusters and entrepreneurs.

THINK·MAKE·HAPPEN.



Alliance for Regulatory Coordination

Testimony in Support of Amending Senate Bill 534

Before the Senate Committee on Economic Development, Commerce and Local Government

December 12, 2017

Greetings!

I am Bob DuPont, founder of the Alliance for Regulatory Coordination.

The ARC is a consortium of 18 business, professional, trade and advocacy organizations involved in building design, construction and regulatory services. The Alliance generally supports Senate Bill 534. However, we ask that you amend two important aspects of the bill.

We recommend that additional delays in state level plan review be avoided by having the bill reflect current administrative code provisions relative to local review of building alterations of spaces involving less than 100,000 cubic feet of volume. We also recommend that plan review delays be reduced by encouraging more municipal plan review partners through repeal of current law that requires participation fees be paid by municipalities. Our recommendations are fully laid out in the attached two white papers, which were previously sent to you via email. Also attached is information relative to participation fees paid by municipalities as they relate to overall Safety and Buildings Appropriation revenue and expenditures.

Thank you for this opportunity to offer testimony on this Bill. I would be happy to answer any questions you may have.

Please see reverse side for list of Alliance members.

Alliance for Regulatory Coordination

418 Blue Moon Drive, Verona, WI 53593

608-712-2398

www.4arc.org



Alliance for Regulatory Coordination

Classic Members

Associated Builders and Contractors of Wisconsin
International Association of Electrical Inspectors, Wisconsin Chapter
International Brotherhood of Electrical Workers, WI State Conf.
National Electrical Contractors Association, Wisconsin Chapter
Northwest Wisconsin Building Inspectors Association
Plumbers Union Local 75
Plumbing-Heating-Cooling Contractors, Wisconsin Association
Southwestern Wisconsin Building Inspectors Association
Water Quality Association of Wisconsin
Wisconsin Code Officials Alliance
Wisconsin Electrical Trades Council
Wisconsin Fire Protection Coalition
Wisconsin State Fire Chief's Association
Wisconsin State Fire Inspectors Association

Associate Members

Professional Fire Fighters of Wisconsin
Wisconsin Electric Cooperative Association
Wisconsin Propane Gas Association

Supporting Members

International Code Council

Avoid More Delays from Plan Review

Recommendations from the Alliance for Regulatory Coordination to amend 2017 Senate Bill 534, and Assembly Bill 641 relating to plan review delegation

December 1, 2017

The Alliance for Regulatory Coordination recommends that additional delays in state level plan review be avoided by amending 2017 Senate Bill 534 and Assembly Bill 641 so they reflect current Wisconsin Administrative Code relative to local review of building alterations.

Currently, over 180 municipalities are delegated by the Department of Safety and Professional Services to review plans for building alterations involving spaces of less than 100,000 cubic feet in volume. Under SB 534 and AB 641 the number of such plan review partners would drop to 15, reflecting only 1st and 2nd class cities.

By removing over 165 municipal plan review partners, state level plan review workload will be shifted to the DSPS, causing further delays for hundreds of Wisconsin construction projects annually. On top of that, more duplication of state / local services will result because plans are typically reviewed locally before municipal building permits are issued. Four weeks was the average wait time for DSPS review of a commercial building plan during the first eleven months of 2017.

We ask that the proposed bills be changed to ensure that Wisconsin economic development is not harmed by the unnecessary delays in the plan review process which would result if most municipalities were removed from the program.

Changing the statutes to apply the 100,000-cubic foot limitation to the altered space of a building, as currently allowed by section SPS 361.60 (5) (c) 3, Wisconsin Administrative Code, maintains a policy in place since 2002 and better serves Wisconsin's building owners, designers and construction contractors. Thousands of buildings throughout Wisconsin are larger in total building volume than 100,000 cubic feet; including churches, factories, offices, restaurants, schools, shopping centers, theaters and warehouses.

The ARC recommended change relative to section 101.12 (3) (b) would look like this:

101.12 (3) (b) Accept the examination of essential drawings, calculations and specifications in accordance with sub. (1) for buildings containing less than 50,000 cubic feet of volume and alterations ~~to buildings containing of~~ spaces involving less than 100,000 cubic feet of volume performed by cities, villages, towns or counties, provided the same are examined in a manner approved by the department. The department shall determine and certify the competency of all such examiners.

The ARC recommended change relative to proposed section 101.12 (3) (br) would be similar to the text above.

The Alliance for Regulatory Coordination is a consortium of 18 organizations involved in building design, construction and regulatory services. Alliance membership consists of business, labor, advocacy, professional and governmental groups; numbering thousands of members, all committed to promoting more coordinated and efficient regulatory services for citizens and businesses of Wisconsin. Learn more about the Alliance at www.4ARC.org.

Reduce Delays with More Partners

Recommendations from the Alliance for Regulatory Coordination to amend 2017 Senate Bill 534, and Assembly Bill 641 relating to plan review delegation

December 1, 2017

The Alliance for Regulatory Coordination recommends that plan review delays be reduced by encouraging more municipal plan review partners. Such encouragement should involve the repeal of current law that requires participation fees be paid by municipalities.

We recommend that 2017 Senate Bill 534 and Assembly Bill 641 be amended to repeal statute section 101.12 (3m) (e), concerning fees collected from 2nd class cities.

That statute section reads as follows:

101.12 (3m) (e) The department shall by rule set fees, to be collected by the 2nd class city and remitted to the department, to meet the department's costs in enforcing and administering its duties under sub. (3) (am) and this subsection.

Furthermore, we recommend deletion of the proposed statutory text concerning fees, on page 4, lines 21 and 22 of the bills.

Alliance members believe that participation fees assessed on 2nd class cities and appointed agents are a significant barrier to more state/local coordination of plan review services.

The required municipal authorization and administration of these pass-through fees is overly burdensome and time consuming. Under state law, municipal code officials must obtain both revenue and spending authority from their local elected officials in order to properly administer this type of pass-through fee program.

DSPS revenue from these fees is inconsequential and unnecessary in light of the state budget forecasting a balance of over ten million dollars in the Safety and Buildings Operations Appropriation at the end of Fiscal Year 2019.

Municipalities are under tremendous pressure relative to funding needed services. Ending these participation fees for 2nd class cities and for appointed agent municipalities would be a small, but significant, action by the state legislature.

We believe the repeal of participation fees charged to 2nd class cities and to DSPS appointed agents will result in a significant number of additional municipal plan review partners. Those additional partners will help reduce the heavy DSPS plan review and inspection workload; improving service times to Wisconsin building owners, businesses and industries; and helping to boost Wisconsin's economy.

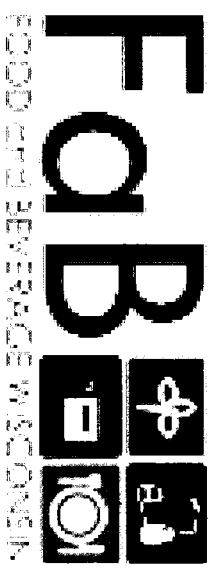
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Alliance for Regulatory Coordination

Testimony in Support of Amending 2017 Senate Bill 534

Tuesday, December 12, 2017

State Fiscal Year	Participation fees paid to DSPS by Municipalities	S&B Revenue	S&B Spending	Rev / Spend Difference
2014	\$ 69,218	\$ 15,983,248	\$ (12,897,379)	\$ 3,085,869
2015	\$ 104,796	\$ 17,293,262	\$ (12,734,366)	\$ 4,558,896
2016	\$ 80,915	\$ 16,824,809	\$ (13,146,289)	\$ 3,678,520
3 Year Totals	\$ 254,929	\$ 50,101,319	\$ (38,778,034)	\$ 11,323,285
% of Revenue	0.51%	100%	77%	23%



WINS Act

Senate Hearing - December 12th, 2017



F&B Stakeholder WINS Act Testimony

- Brad Rostowfske - Director of Industry Growth at Fab Wisconsin
- **F&B Wisconsin**
 - Formed in 2011 to support one of the largest economics engines for WI – Agriculture, Food & Beverage
 - Mission - To raise industry awareness and business capacity for growth, innovation, and attraction
 - Vision - To feed and quench our own, and the world, with better food and beverage, TOGETHER
 - Focus – Is to organize around Wisconsin’s economic cluster strength of food and beverage makers from farm to factory to fork that drives 30-40% of our States GDP
 - **Strategic Initiatives**
 - Developing and Attracting Industry Talent
 - Growing our Industry Leading Eco-system
 - Supporting Food Safety Industry Compliance
 - Building a Strong Industry Driven Organization and Strategies
 - *With the Ultimate Goal to “Connect All and Fill Voids” where needed*
 - **Results**
 - Talent
 - Four FFF – Career path exploration programs – linking our High Schools-Tech Schools-Universities and industry
 - MakerSafe – FSMA Compliant entry level food manufacturing certification
 - **Food Safety**
 - Food Safety Advisory Committee
 - Regulatory Updates
 - MakerSafe Program – in coordination with our Talent Committee
 - **Opportunities for Fab WI and Industry growth**
 - Collaborating with stakeholders to identify Industry Trends / Gaps and Technology and Knowledge Transfer opportunities
 - To strategically support and grow our International Business – Export and DFI
 - Food Safety – MakerSafe launch
 - Building off the TWC model – to open the Fab COE to create a space based asset were the F&B Industry Grows, Interacts and Innovates for the Future



FAB Stakeholders Supporting WINS Act

- **Palermo's Pizza**, Giacomo Fallucca
- **Klement's**, Ray Booth
- **Johnsonville Foods**, Kevin Ladwig
- **Maglio Companies**, Sam Maglio
- **Wixon**, Peter Gottsacker
- **Lakefront Brewery**, Russ Klisch
- **O&H Danish Bakery**, Eric Olesen
- **ReallyGoods** - dba Gorilly Goods, Stephen McDiarmid
- **Sargento Foods**, Louie Gentine
- **MobCraft Beer** - Henry Schwartz
- **Cedar Grove Cheese and Clock Shadow Creamery** - Bob Wills
- **East Shore Specialty Foods**, Jeri Mesching
- **Lesaffre Red Star Yeast**, Tom Benner
- **Usinger's**, Fritz Usinger
- **SoulBoxer**, Doug McKenzie and Jason Neu
- **La Pavia Beverage** - dba Top Note Tonic, Mary Pellettieri and Noah Swanson
- **Krones**, Susan Paprcka
- **Good Foods Group**, Brad Nicholson
- **Quigistics**, Swati and Vivek Sharma
- **Valentine Coffee Roasters** – Robb Kashevarof
- **UW-Extension FFI**, Tera Johnson
- **PAK Technologies**, Kevin Schule
- **City Lights Brewing Co.**, Robin Gohsman
- **Create-A-Pack Foods**, Dan Kipp
- **FillMyRecipe** – dba Flavor Temptations, Sara Parthasarathy and Partha Sabniviss
- **Clean Beam**, Mark Cottone
- **Kettle Range Meats**, Mark Bearce
- **Funky Fresh Spring Rolls**, Trueman McGee
- **Milwaukee Pretzel**, Matt Wessel
- **Nikki's Cookies**, Nikki Taylor



FAB Stakeholder WINS Act Testimony

- **Dan Kipp, CFO**
- **Create-A-Pack Foods, Inc**
 - SQF Level 3 Certified Food Contract Packaging & Manufacturing
 - Specializes in the manufacturing and packaging of both liquid and dry food products. We are a full service cooking, food processing, blending, and food contract packaging company. We are integral to many food processors, food service and resale businesses who need private label and branded consumer packaged foods.
- **Role, value and future opportunities FAB has/could play for my business and the overall industry growth**
 - We believe in and support FAB in its efforts to build a community to support our member organizations and the Wisconsin food industry. It provides a platform to share expertise and to provide a networking group with fellow food companies.
 - FAB's activities will benefit our marketing and recruitment efforts by bringing more visibility to the food industry in Wisconsin. Ours is an industry that is growing and bringing technology to bear in our processes, but which also provides growth opportunities to people at all levels of education.
 - We are actively participating in training activities as students and teachers. We have associates attend FAB sponsored seminars on Food Safety regulations and compliance. As a participant in FAB's industry growth counsel, I've seen first hand the quality of mentoring for participants of the FAB Cappers business accelerator. I've also been a presenter to a diverse group of entrepreneurs and small business people looking to start or grow their food businesses.
 - We also hope to benefit through increased business activity and potentially as an investor in other businesses that are grown through FAB's industry growth initiatives.



FAB Stakeholder WINS Act Testimony

- Henry Schwartz
- Owner / Founder MobCraft Beer
- MobCraft Beer
 - At MobCraft we turn ideas into beer. Submit your idea, vote on what's next. In 2011, MobCraft founders Henry Schwartz and Andrew Gierczak dreamt up an idea for a crowdsourced brewery where the people decide what's brewed. We quickly outgrew our space in Madison and made our move to Milwaukee, WI in 2016! We love being a part of the Walker's Point Community!
- **Role, value and future opportunities FAB has/could play for my business and the overall industry growth**
 - We participated in the first Fabcap program which helped us grow our business in terms of strategy and focus. We were able to learn how to best grow our business by interacting with similar stage businesses, and a curriculum built by experienced business professionals
 - Fab will help us grow in the future through a few key areas:
 - Continue to help us grow our formal programs and fine tune strategies.
 - Connect us with other like minded companies facing similar issues.
 - Be our partner in supporting initiatives to help Wisconsin manufacturers be more innovative.



Be The Difference.

Office of Research and Innovation
Zilber Hall, 435
P.O. Box 1881
Milwaukee, Wisconsin 53201-1881

P 414.288.1532

**Testimony of Dr. Jeanne Hossenlopp, Vice President for Research and Innovation,
Marquette University,
To the Senate Committee on Economic Development, Commerce and Local Government
Regarding Senate Bill 525, the Wisconsin Workforce and Innovation Network for Success
(WINS) Act
December 12, 2017**

Good Morning Chairman Feyen and Members of the Senate Committee on Economic Development, Commerce and Local Government. My name is Jeanne Hossenlopp and I serve as the Vice President for Research and Innovation at Marquette University. I am pleased to be here to testify in favor of Senate Bill 525 and respectfully request your support for this legislation to advance innovative, economic development for the State of Wisconsin.

Wisconsin is being looked at in an exciting way these days – as one of the best places in America to locate a business. Making an investment in creating this Innovation Fund will greatly assist higher education, in partnership with existing and emerging ventures, to continue playing an important role in supporting economic growth.

Higher education collaborates with industry to solve complex questions through research and technology. The needs of industry drive the research and engages students in helping them train for great careers and making them attractive to employers.

At Marquette, corporate sponsorships are a major part of our strategy. We often talk about preparing our students for jobs that may not even exist yet. We already underscore the values of innovation and entrepreneurship on our campus. People want to be entrepreneurial, they want to work at innovative companies and they want to be the difference.

We see it at Marquette every day, where we are on the path to doubling our research. We've seen first-hand what an innovation fund can accomplish on our campus, and believe it can have a similar impact statewide.

I'd like to point out four specific examples.

Our 707 Hub is the place on campus where ideas are shared, stretched, challenged and realized. As part of our Office of Research and Innovation, the 707 Hub has built a culture of innovation on campus and is designed to foster collaboration.

Our university president, Michael Lovell, was instrumental in the creation of The Commons, a collaboration between two dozen southeast Wisconsin colleges and universities, the local

business community and the region's entrepreneurs. It blends startups with corporate innovation and gives students great experiences in product development, business models and sales.

Marquette is a key partner in research consortia such as the Mid-West Energy Research Consortium, one of America's leading energy, power and control industry clusters, and the Clinical and Translational Science Institute of Southeast Wisconsin (CTSI). CTSI is a regional biomedical designed to translate biomedical research into better health of our community by supporting collaborations between Marquette University, the Medical College of Wisconsin, UW-Milwaukee, the Milwaukee School of Engineering, the Blood Center of Wisconsin, Children's Hospital, and Froedtert Hospital. Recently, CTSI hosted the national Health and Human Services SBIR/STTR Conference, highlighting Wisconsin's leadership in the heartland of BioHealth Innovation.

And, finally one of the key areas of focus on our campus is water-related research. We partner with the University of Wisconsin-Milwaukee on a National Science Foundation Cooperative Research Center to focus on developing freshwater technologies. We are a member of The Water Council, with a Water Quality Center, and a Water Law and Policy Initiative located on campus.

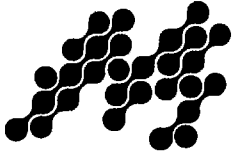
The passage of this legislation will bring more coordinated collaboration between higher education, industry and government. Marquette is ready to play its role.

Again, thank you for allowing me to testify today in support of this legislation. I would be happy to answer any questions you may have at this time.

Jeanne M. Hosselopp



WISCONSIN WATER TECH CLUSTER

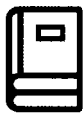


THE WATER COUNCIL

Over the last four decades, Milwaukee and southeastern Wisconsin have quietly, and organically, emerged as a global water technology leader. The Water Council has worked to harness the historic water industry assets of Milwaukee and southeastern Wisconsin and complement this expertise with new initiatives and programming.

ACCOMPLISHMENTS SINCE 2009

- Opened the **Global Water Center, a \$22 million, state-of-the-art 98,000 sq. ft./9,100 sq. m. facility that offers business accelerator space** to water entrepreneurs and research space for established water companies and universities, with the common goal of accelerating commercialization of new water technologies.
- Established a **\$1.7 million BREW accelerator**, the world's first place-based seed accelerator focused on innovation-driven startups solving global freshwater challenges.
- Completed an Economic Investment Analysis of the Milwaukee Water Technology District, which found that **\$211.6 million worth of development** has occurred since 2012 and property values increased by 16.6 percent, or \$56.6 million.
- Established and opened a **\$53 million, 100,000 sq. ft./9,290 sq. m. expansion to house the School of Freshwater Sciences** at the University of Wisconsin-Milwaukee, the only operation of its kind in the U.S. and one of three globally.
- Launched the **\$5.7 million Water Equipment and Policy Research Center**, a collaboration between area universities, businesses, and the National Science Foundation (NSF).



NATIONAL & INTERNATIONAL HONORS

2016 Economic Development Leader Award
CoreNet Global

2015 Improving Competitiveness of Existing Industries Award
State Science & Technology Institute

2013 Public-Private Partnership Award
International Economic Development Council

2012 Inaugural Growing Blue Award
Global Water Intelligence

2011 U.S. Water Prize
U.S. Water Alliance

2009 United Nations Global Compact City
1 of only 17 worldwide and the only one to work on the full cycle of water

WISCONSIN WINS ACT SUPPORTERS
from the water tech cluster

A. O. SMITH

AQUARIUS SYSTEMS

ASA ANALYTICS

BADGER METER

BRADLEY CORP.

CADENS LLC

CORNCOB

EVOQUA

MARQUETTE UNIVERSITY

MATTHEWS STRATEGIC SERVICES

MICHAEL BEST & FRIEDRICH LLP

MICROBE DETECTIVES

MILWAUKEE METROPOLITAN SEWERAGE DISTRICT

PAVEDRAIN

REXNORD

ROCKWELL AUTOMATION

RUEKERT & MIELKE

UW-MILWAUKEE

WATERTECH OF AMERICA

