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Members of the Wisconsin Legislature,

As you likely know, the state Veterans Museum is located on the Capitol Square. What you might not know is that the state does not own the Veterans Museum.

Simply put, the State of Wisconsin is at risk of losing the current location for the Wisconsin Veterans Museum. The state does not control the facility after 2025 when our last extension expires. Perhaps the landlord continues renting to the state, but we have no guarantees.

I would like to recommend an attractive option to address this concern regarding the Veterans Museum. I ask that you support the state exercising its purchase option to buy the building that currently houses the Veterans Museum.

The purchase of this building would also allow the state to save money by building a new facility at the location for the four legislative support agencies listed below:

<u>Agency</u>	<u>Address</u>	<u>Sq. Feet</u>	<u>Lease Cost</u>	<u>Private Lease ends</u>	<u>Lease Start</u>
Leg Audit Bureau	22 E Mifflin	18,693	\$528,504	2/28/2020	8/27/1999
Leg Council	1 E Main St	12,670	\$309,060	11/1/2019	5/2/1989
Leg Fiscal Bureau	1 E Main St	13,689	\$330,024	11/1/2019	5/2/1989
Leg Reference Bureau	1 E Main St	25,678	\$639,382	8/31/2028	11/10/1999

The legislative office space rentals on the square are coming up for renewal. These four leases are expensive due to the proximity to the state capitol. Building a state-owned space could save \$100 million over the life of the new building versus renting. Three leases coming up soon for renewal are the Legislative Fiscal Bureau, Legislative Council and Legislative Audit Bureau.

Here are some of the statistics regarding the Veterans Museum lease:

- The state has leased the space since November 8, 1989.
- Lease Expiration Date – November 30, 2020
- Current Annual Rent - \$792,061
- Renewal options are stated in the lease (including one (5 year) which would renew the lease out through 11/30/25).
- Option to Purchase – this lease contains an option to purchase at essentially fair market value, using appraisals.

I propose the state, exercise the purchase option and buy the Veterans Museum, as soon as possible.

The state buying this building would:

1. Provide a permanent home for the Veterans Museum
2. Provide state owned space for Legislative agencies, saving millions in taxpayer money

I sincerely believe the state is at risk of losing the Veterans Museum on the capitol square. However, by the state exercising its purchase option, there are multiple benefits:

1. The state won't pay \$792,000 annually to rent the Veterans Museum for the next 7.5 years for a total cost of about \$6 million
2. The City of Madison assesses the building at \$5.66 million. If the building is worth that amount, it would be cheaper to buy rather than renting for the next 7.5 years.
3. The state could demolish the current building and build a new office building to house all the legislative agencies
4. By owning and not renting these spaces, the state could save well over \$100 million over the course of the 50-year life expectancy

Please see attached my savings comparison over 50 years.

To be fair, there would be new costs associated with a new building, such as janitorial, utilities and maintenance. I personally cannot quantify those new costs, but DOA could do an analysis. Regardless, my belief is that over a 50 year span the taxpayers will save a fortune. **The direct comparison between rent and bonding is a savings of about \$216 million over 50 years.** Even if we assume a high estimate of \$100 million in new costs, that is still about \$100 million in savings.

I specifically ask that you consider supporting the purchase of the Veterans Museum in the upcoming budget and that Legislative leases are not renewed longer than necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matt Adamczyk', written in a cursive style.

Matt Adamczyk
State Treasurer

Agency	Address	Sq. Feet	Lease Cost	Status
Leg Audit Bureau	22 E Mifflin St	18,693	\$528,504	Privately Rented
Leg Council	1 E Main St	12,670	\$311,274	Privately Rented
Leg Fiscal Bureau	1 E Main St	13,689	\$332,366	Privately Rented
Leg Reference Bureau	1 E Main St	25,834	\$639,382	Privately Rented
Assembly Chief Clerk	Risser	4,347	\$108,674	State Owned
Legis. HR	Risser	2,634	\$65,850	State Owned
Veterans Museum	30 W Mifflin	28,300	\$748,956	Privately Rented
	Estimated space currently	106,167	\$2,735,006	
		1.3x		
	1.3 times for shared space also	138,017		
Total Sq. Feet Needed		138,017		
Cost per Ft using Hill Farms		\$250		
Cost to Build		\$34,504,275		
Annual Bonding cost over 20 years		\$2,487,758.23		
Year	Rent w/ 2.5% annual increase	Bonding		
1	\$2,735,006	\$2,487,758		
2	\$2,803,381	\$2,487,758		
3	\$2,873,466	\$2,487,758		
4	\$2,945,302	\$2,487,758		
5	\$3,018,935	\$2,487,758		
6	\$3,094,408	\$2,487,758		
7	\$3,171,768	\$2,487,758		
8	\$3,251,063	\$2,487,758		
9	\$3,332,339	\$2,487,758		
10	\$3,415,648	\$2,487,758		
11	\$3,501,039	\$2,487,758		
12	\$3,588,565	\$2,487,758		
13	\$3,678,279	\$2,487,758		
14	\$3,770,236	\$2,487,758		
15	\$3,864,492	\$2,487,758		
16	\$3,961,104	\$2,487,758		
17	\$4,060,132	\$2,487,758		
18	\$4,161,635	\$2,487,758		
19	\$4,265,676	\$2,487,758		

20	\$4,372,318	\$2,487,758	
	\$69,864,792	\$49,755,160	
21	\$4,481,626	\$0	
22	\$4,593,666	\$0	
23	\$4,708,508	\$0	
24	\$4,826,221	\$0	
25	\$4,946,876	\$0	
26	\$5,070,548	\$0	
27	\$5,197,312	\$0	
28	\$5,327,245	\$0	
29	\$5,460,426	\$0	
30	\$5,596,937	\$0	
31	\$5,736,860	\$0	
32	\$5,880,281	\$0	
33	\$6,027,288	\$0	
34	\$6,177,971	\$0	
35	\$6,332,420	\$0	
36	\$6,490,730	\$0	
37	\$6,652,999	\$0	
38	\$6,819,324	\$0	
39	\$6,989,807	\$0	
40	\$7,164,552	\$0	
41	\$7,343,666	\$0	
42	\$7,527,257	\$0	
43	\$7,715,439	\$0	
44	\$7,908,325	\$0	
45	\$8,106,033	\$0	
46	\$8,308,684	\$0	
47	\$8,516,401	\$0	
48	\$8,729,311	\$0	
49	\$8,947,544	\$0	
50	\$9,171,232	\$0	
	\$196,755,487	\$0	
50 Year Cost Comparison	\$266,620,279	\$49,755,160	
Estimated savings over 50 years	\$216,865,119		