



January 15, 2014

Members of the Economic Development Committee  
City of Madison

Re: In opposition of a mandatory reporting for energy consumption  
In favor of the implementation of the Better Buildings Challenge in the City of Madison

Dear Members of the Committee:

The Building Owners and Managers Association of Wisconsin (BOMA-WI) urges you to reject the proposal to implement a mandatory energy consumption reporting requirement as it places an undue burden on commercial property owners and has no chance of actually reducing energy consumption. Furthermore, in the spirit of encouraging and supporting commercial property owners to reduce energy consumption, we are recommending the implementation of a voluntary Better Buildings Challenge at the City of Madison and are willing to engage in and help in the effort to see it be successful.

BOMA-WI currently represents over 35 million square feet of commercial space in Wisconsin and has more than 100 private companies as members.

Most importantly to this conversation is that we represent the property owners who have invested heavily in Wisconsin buildings. This includes those commercial buildings in Madison who would be subject to the proposed legislation.

We support the creation of programs including the Better Buildings Challenge which motivate commercial property owners to save energy and invest the dollars from those energy savings into improving their buildings. The basis of our position is as follows:

- Existing buildings are the home to thousands of employers in the City of Madison. The costs of operating the building are often passed directly to the tenants. Any costs involved with reporting and auditing energy data will directly increase the cost of occupying real estate in the City of Madison and further incentivize tenants to find space outside of the City limits where these costs do not exist.
- Furthermore, increasing the cost of owning a property by adding mandatory reporting and auditing requirements only decreases the amount of money available to a property owner to spend on energy saving measures.



- Many existing buildings pass the cost of the energy usage directly to the Tenant, as such, mandatory reporting may be impossible for building owners because the tenant is not the building owner and will not be subject to reporting. Furthermore, asking tenants to be responsible for mandatory reporting will increase the cost of being a tenant in the City of Madison and incentivize employers to locate outside of the City limits where they do not have to comport with such a requirement.
- Commercial property owners are investors and as such are motivated by financial returns on their investment. The true incentive to a commercial property owner is indeed to reduce their energy consumption so they can save money to reinvest in their properties. Adding a mandatory reporting requirement does nothing additional to motivate a property owner. It does however increase the cost of owning the property without any additional savings or income.
- Commercial property owners will pursue cost saving measures. Energy use reduction is a cost saving measure. Commercial property owners will also participate in programs that help to set them apart from other commercial properties, such as the Better Buildings Challenge and the Energy Star program. As such, the participants in programs such as the Better Buildings Challenge are active, interested, and committed to improving their building's performance. Property owners who are merely forced to report data are not any more likely to pursue energy saving measures and are more likely to detract from the efforts that can be made with participants that are already committed.

We have witnessed success in the City of Milwaukee with the implementation of voluntary programs and initiatives that are designed to get both public and private properties to reduce their energy consumption. Nearly 2 million square feet of privately owned commercial real estate is already signed up in just the first year. In that short year we have already seen the efforts by these private properties produce an energy use savings.

In the future, should Madison decide that our voluntary efforts are not enough; it is always possible to revisit the issue. There does not seem to be any reason to rush into a decision with negative economic impacts to the City of Madison. Further, this would be an excellent point to start the conversation with commercial property owners about how to facilitate this mutual goal of energy savings. One such example is the Property Assessed Clean Energy (PACE) financing program that Milwaukee has recently implemented. This sort of program, when coupled with the Better Building's Challenge will help existing property owners in the City of Madison find the capital they need to improve their buildings and reduce energy consumption and while not costing the City of Madison taxpayers.



Thank you for your service and for your consideration on the matter, BOMA-WI will be happy to talk with you further about our concern and will be glad to speak publicly in this regard when the situation warrants. Please contact me at 414-403-6742/[peggy.attwood@colliers.com](mailto:peggy.attwood@colliers.com) or our Legislative Affairs Committee Chair Sheldon Oppermann at 414-765-0305/[sheldon@compassproperties.com](mailto:sheldon@compassproperties.com) whenever further information is needed.

Sincerely,

A handwritten signature in blue ink that reads "Peggy Attwood". The signature is written in a cursive style.

Peggy Attwood  
BOMA-WI President