



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

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Governor Scott Walker, Chair
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Representative Dean Kaufert
15 North, State Capitol

Senator Scott Fitzgerald
211 South, State Capitol

Representative Joan Ballweg
210 North, State Capitol

Senator Terry Moulton
306 South, State Capitol

Representative Gordon Hintz
109 North, State Capitol

Senator Fred Risser
130 South, State Capitol

Mr. Bob Brandherm
Citizen Member

Dear Members of the State of Wisconsin Building Commission:

As you are aware, 2013 Wisconsin Act 20 contained provisions relating to the potential sale or lease of certain state assets. Specifically, s. 13.48(14)(d) requires the Department of Administration (DOA) to submit an inventory of State assets that may potentially be sold or leased in the next biennium to the State Building Commission by July 1. This letter serves as notice in accordance with that statutory requirement.

Under a related provision, s. 16.848(1)(a), DOA is authorized to offer for sale or lease any state-owned real property (unless otherwise prohibited by state or federal law), if the department determines the sale or lease is in the best interest of the State. While DOA is not proposing to sell or lease any assets at this time, DOA is undertaking a thoughtful and careful analysis to determine the value of certain state assets, as well as obtaining cost-benefit analyses and other data to ensure any transaction meets statutory requirements while providing value and reducing risk for customers and stakeholders.

Below is an inventory of assets that *may* be considered for sale or lease at this time. It is important to note that inclusion on this list does not mean an asset will be sold or leased. In fact, no decisions have been made in this regard. Any possible transactions must be prudent, logical, and in full compliance with the relevant provisions of 2013 Wisconsin Act 20.

- Underutilized acreage at the Hill Farms State Transportation Building, Madison
- T-Hanger at Dane County Regional Airport, Madison
- Telecommunications towers and related infrastructure, various locations statewide
- Northern Wisconsin Center, Chippewa Falls
- Underutilized acreage at the Southern Wisconsin Center, Union Grove
- Ethan Allen School, Wales
- Badger Road State Office Building, Madison
- Knapp House, Madison
- Wiscraft Workshop & Administration Buildings, Milwaukee

- Heating & Cooling Plant fleet, various locations statewide

Fair market value is not provided in this correspondence due to the complexity of such a determination as well as the negative impact premature disclosure of such information could have on any future negotiating process.

In addition to sharing information about assets that may be considered for lease or sale, I would like to take this opportunity to provide you with an update on this process as it relates specifically to the hiring of key industry experts to assist in evaluating the feasibility and impacts of selling or leasing these assets. These experts will provide highly specialized, detailed and precise services as we work to determine what asset sales or leases - if any - may make the most sense for Wisconsin and its taxpayers.

Below is a list of independent expert consultants currently engaged by the State:

- Public Financial Management, Inc.; independent financial advisor; heating & cooling plant, utility, and related assets
- Robert W. Baird & Co.; independent financial advisor; real estate development services
- William Blair & Company; independent financial advisor; public private partnerships services
- Loop Capital Markets; independent financial advisor; general services
- J.P. Morgan Securities LLC; asset broker; heating & cooling plant, utility, and related assets
- Latham & Watkins LLP in partnership with Godfrey & Kahn, S.C.; legal services; heating & cooling plant, utility, and related assets

These experts will utilize industry accepted evaluation methodologies and analyze recent similar transactions to properly determine the risks, benefits, costs, value, and impact of such transactions to ensure we have the information and analytical capabilities necessary to make informed decisions regarding the future of these assets.

The broader process of reviewing assets for potential sale or lease will take place in the coming months. Should any of the assets referenced in this correspondence be deemed appropriate for potential sale or lease, DOA will follow the statutory processes as they relate to seeking State Building Commission and Joint Finance Committee approvals to complete such a transaction.

Sincerely,



Michael Huebsch
Secretary