

VISION 2030

for

WISCONSIN STATE GOVERNMENT FACILITIES AND WORKFORCE SPACE

> UPDATE JANUARY 2025

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FOREWORD

In May 2021, the Wisconsin Department of Administration embarked upon **Vision 2030** – a bold reimagining of the state workplace and workforce for a post-pandemic world. Vision 2030 (**last updated in March 2023**) set forth a framework to right-size the state's real estate portfolio; shed underutilized properties; support a mobile workforce; and save taxpayers money while enhancing access to government services.

The mission of Vision 2030 is more vital than ever considering the workforce challenges confronting Wisconsin. In declaring 2024 the "Year of the Worker," Governor Tony Evers sounded a clarion



call to retain, attract, and train workers in order to address the state's worker shortages. Wisconsin's low unemployment rate and strong labor force participation present opportunities as well as challenges for employers, the state of Wisconsin included.

Vision 2030 is just one part of a comprehensive effort to attract and retain a new generation of public servants. In concert with Vision 2030, many state agencies have embraced a hire 'Anywhere in Wisconsin' framework to ensure their workforce better reflects our state population. This approach has also allowed recruitment of candidates from outside of the state's tight labor markets, such as Madison and Milwaukee, to continue improving the geographic diversity of the state's workforce.

In tandem with these efforts, the state has made immense progress toward modernizing workspaces and right sizing its real estate portfolio since last year's update.

In fact, since Vision 2030 was first released, state agencies have consolidated over 230,000 square feet, with an additional nearly 400,000 square feet of space reduction in process or planned. As detailed in this update, these consolidation efforts will ultimately result in substantial savings for Wisconsin taxpayers in avoided maintenance and operating costs, as well as the return of valuable properties to the tax rolls and opportunities for new development.

PROGRESS TO DATE: MADISON

Work is underway to vacate the State Human Services Building and General Executive Facility 2 (GEF 2), while GEF 3 has already been vacated. The buildings will be marketed for sale as soon as possible.

Together, the State Human Services Building, GEF 2, and GEF 3 require almost half a billion dollars in upgrades and maintenance. Wisconsin taxpayers will avoid that expense when the existing staff and operations in those buildings move to space vacated by the consolidation of other operations in other Madison facilities. The sale of these properties will fuel redevelopment projects in downtown Madison, return properties to the tax rolls, reduce the State's footprint in Madison by more than a quarter, and result in over \$7.4 million in cost-of-occupancy savings annually. Additionally, the sale of these buildings will help support a flexible and modern workforce, improving the state's ability to recruit and retain talent from across Wisconsin and build a geographically and culturally diverse workforce.





State Natural Resources Building

101 South Webster St.

Valued at \$33M



The closure of GEF 2 will occur when the Department of Natural Resources (DNR) completes its move to the Hill Farms State Office Building by summer 2026. To facilitate this move and others, agencies with existing space in Hill Farms are in the process of consolidating. The DNR move to Hill Farms will reduce that agency's footprint by over 50,000 square feet.

To date, at Hill Farms, the Department of Employee Trust Funds (ETF) has reduced its space by 19,083 square feet and the Department of Financial Institutions (DFI) has reduced its footprint by 4,911 square feet. This consolidation allowed the Wisconsin Technical College System to move to Hill Farms from another building, reducing their footprint by 14,921 square feet.

The Department of Administration (DOA), the Higher Educational Aids Board, the Department of Transportation (DOT), and the Department of Safety and Public Services (DSPS) are in the process of additional consolidations that will result in a space reduction of over 90,000 square feet. It is estimated that these consolidations will be completed by fall 2025.

In total, the closure of GEF 2 and associated consolidations at the Hill Farms State Office Building will result in a space reduction of over 150,000 square feet. GEF 2 will be marketed for sale with GEF 3.



State Education Building

125 South Webster St.

Valued at \$26M



GEF 3 has been vacated and closed as the Department of Public Instruction (DPI) and the Child Abuse and Neglect Prevention Board (CANP Board) have completed their moves to the Tommy G. Thompson Center, while the Office of the Commissioner of Insurance (OCI) completed its move to the State Administration Building.

DPI and the CANP Board moved to the Tommy G. Thompson Center as of August 2024. To facilitate these moves, two floors were vacated by the Wisconsin Housing and Economic Development Authority (WHEDA) when they moved into their own building. In comparison to the space it occupied at GEF 3, DPI reduced its footprint by nearly 43,000 square feet.

OCI moved to the State Administration Building in November 2024. To facilitate the move for OCI, the Department of Administration (DOA) reduced its footprint at the State Administration Building by 35,391 square feet. In comparison to the space they occupied at GEF 3, OCI has reduced its footprint by nearly 16,000 square feet.

In total, the closure of GEF 3 and associated consolidations at the Tommy G. Thompson Center and the State Administration Building have resulted in a space reduction of nearly 95,000 square feet.

GEF 3 will remain empty until GEF 2 is ready for sale so both parcels can be marketed for sale together.

State Human Services Building

1 West Wilson St.

Valued at \$26M



The closure of the State Human Services Building will occur when the Department of Health Services (DHS) completes its move to GEF 1. To facilitate this move, the Department of Workforce Development (DWD) is in the process of planning a space consolidation of over 100,000 square feet that is expected to be completed by fall 2025. When DHS completes its move to GEF 1, it will have reduced its space by over 114,000 square feet in comparison to its current footprint.

In total, the closure of the State Human Services Building and the associated space consolidation at GEF 1 will result in a space reduction of over 200,000 square feet.

Once vacated, the State Human Services Building will be marketed for sale separately from GEF 2 and GEF 3.



Other Projects

Although the vacating and sale of GEF 2, GEF 3, and the State Human Services Building represent the centerpiece of Vision 2030 in the Madison area, other consolidation projects will collectively reduce the state's Madison footprint by more than 80,000 square feet.

Educational Communications

At the Educational Communications Building, DOA and DHS have reduced their footprint by nearly **8,000** square feet.

Tommy G. Thompson Center

The Department of Children and Families (DCF) and the Elections Commission reduced their footprints by **45,277** square feet when they moved to the Tommy G. Thompson Center.

State Revenue

At the State Revenue Building, the Department of Veterans Affairs (DVA) has reduced its space by over **9,000** square feet.

Risser Justice

At the Risser Justice Building, the Department of Justice (DOJ) has consolidated and reduced its space by almost **5,000** square feet. The DOJ has





planned an additional space reduction of nearly 16,000 square feet.

Agriculture

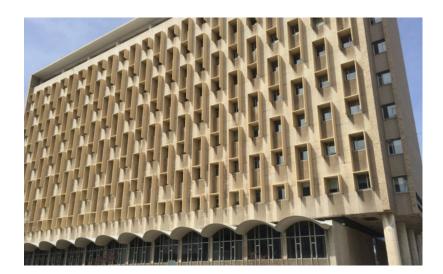
At the Agriculture Building, the Department of Agriculture, Trade, and Consumer Protection (DATCP) has consolidated and reduced its space by over **13,000** square feet. Additionally, the State Hygiene Lab moved to the Agriculture Building.

PROGRESS TO DATE: MILWAUKEE

Milwaukee State Office Building

819 North Sixth St.

Valued at \$6M



When Vision 2030 was first published, it called for construction of a new Milwaukee State Office Building to replace the existing, aging facility that requires \$96 million in renovations.

To that end, under the direction of Governor Evers and with the approval of the Legislature, the Department of Administration (DOA) purchased 2.69 acres of land at the corner of North 27th Street and West Wisconsin Avenue in Milwaukee to construct a new Milwaukee State Office Building.

However, based on consultation with other state agencies and the local community, DOA has since determined that a different approach was needed for the building.

Vision 2030 now imagines the Milwaukee building as a multi-tenant facility, and public-private partnership, to be constructed and owned by a private developer under a "build to suit" framework with the state as the anchor tenant, and also housing other community resources and organizations based on neighborhood input to more effectively utilize available space.

Following a successful Request for Information to prospective developers earlier in 2024, DOA has issued a <u>Request for Proposal</u> for the project, with submissions due in February 2025.

It is anticipated the new facility will substantially reduce the state's building footprint in Milwaukee, although final space estimates remain pending. DOA, DCF, and DWD have already reduced their space at the existing Milwaukee State Office Building by a combined 17,072 square feet.

The current Milwaukee State Office Building will be marketed for sale after the new space has been constructed and all agencies have relocated.



Location of future Milwaukee State Office Building

ASSET SALES

While larger state assets like the GEF 2 and GEF 3 parcel are not yet ready for market, several surplus state assets have already been sold in line with Vision 2030.

- In 2022, the Department of Natural Resources Southeast Regional Headquarters in Milwaukee was sold for **\$1.6 million**.
- In 2023, the Department of Health Services sold 87.8 acres of vacant land in Chippewa Falls, depicted in the image, for **\$2.31 million**.
- In 2023 and 2024, the Department of Military Affairs sold five armories in Neillsville, Platteville, Monroe, Plymouth, and Edgerton for **\$1.66 million**.



• In 2023, the Department of Administration sold one of its Wiscraft buildings in Milwaukee for **\$265,000**. The sale of the other Wiscraft building is pending.





CONCLUSION

In the months since the <u>March 2023 update</u>, Vision 2030 has seen a flurry of activity. Over a dozen agencies have shrunk their overall footprint, with several having either already have relocated or in the midst of planning their office relocations.

GEF 3 has been fully vacated, while the Human Services Building and GEF 2 are on track to vacate by the end of 2025 and 2026, respectively. The "Anywhere in Wisconsin" initiative continues to move forward. The planned Milwaukee State Office Building has stirred interest from community leaders and stakeholders, while developers are already expressing interest at the prospect of redeveloping the state's vacated Madison properties into community assets.

During the same period, Wisconsin has also witnessed <u>record low unemployment</u> and <u>record high employment</u> - milestones that signal labor markets will remain tight for the foreseeable future. These trends only underscore the need for Vision 2030. Where operations allow, the hybrid work environments enabled by Vision 2030 ensure the state remains competitive as an employer. This model also delivers savings to taxpayers through a reduced building footprint. The end result, as noted in previous updates, is a win-win for Wisconsin state workers and taxpayers.



APPENDIX

Space Consolidation by Building

Completed	SQ FT
Administration Building	35,391
Milwaukee State Office Building	17,072
Tommy G Thompson Building	45,227
Educational Communications Building	7,948
Agriculture Building	13,162
Hill Farms	41,295
Revenue Building	9,201
Risser Justice Building	4,911
GEF 3	58,860
Subtotal	233,067

In Process	SQ FT
GEF 1	100,661
Hill Farms	4,287
Subtotal	104,948

Planned	SQ FT
GEF 2	58,600
State Human Services Building	114,633
Hill Farms	101,236
Risser Justice Building	15,992
Subtotal	290,461

Total 628,476
