

**A CONVERSATION WITH DOUG FULTON  
2010 PRESIDENT, NAIOP MINNESOTA**

**The Commercial Real Estate Development Association**

*Doug Fulton is the Senior Director at Cushman & Wakefield of Minnesota, Inc.*

**As the leader of the one of the largest organizations of commercial real estate professionals in Minnesota, what are your goals for the chapter in 2010?**

NAIOP has always been a strong and leading voice for our industry and for our business tenants, the users of our space who are also Minnesota's employers and job creators. We will continue to be the first line of defense for them and all business property taxpayers across the state at the Capitol.

Our focus will be to make certain that we advocate for policies, in particular business property tax policies, that will make Minnesota a great place in which to do business, resulting in real job creation.

**What are your members hearing from their business tenants about the current economic situation?**

Our members own or manage millions of square feet of commercial space, housing more than 10,000 tenant businesses--both large and small--so we have a good sense of the difficulties business owners are facing in today's economy. Day in and day out, NAIOP professionals work with the tenants in their portfolios to reduce overhead costs and solve their short- and long-term financial issues, providing creative solutions to help them weather these issues and survive until our economy begins to grow again. NAIOP members take confidence in the fact that our business community has always been resilient and entrepreneurial. I personally believe that we in the Twin Cities may well lead the nation in growth in the near future.

**How do conditions in the Twin Cities commercial real estate market compare with other major metro areas?**

The good news is that, compared to many other markets, we did not enter this downturn with an excess of new construction. Minneapolis and St. Paul are not overbuilt. As a result, we are likely to recover faster than many of the markets with which we compete. However, as in other markets, when the economy does begin to recover, it will take time to fill the shadow space in our vacant buildings and storefronts before we begin to see real new absorption.

**What major challenges is your industry facing today?**

The creation of new jobs is critical to us. Also, the investment market must regain its confidence in our industry so that the capital we need begins to flow again. In

Washington, the decision-making process remains very unclear, creating major uncertainty for business owners and managers. As an industry, we need to continue to be focused on reducing commercial-industrial property taxes. We also need to address other costs of doing business in our region, so that companies can locate or expand in Minnesota, knowing that they can operate profitably, thus creating the jobs we all so desperately need.

**What is NAIOP's message to policymakers as they work through the 2010 legislative session?**

Our legislators need to understand that Minnesota's struggling economy cannot bear the weight of even greater fixed costs on doing business here. We're asking them to first, hold the line on the statewide business property tax. Secondly we're asking them to exercise great caution in how they invest scarce taxpayer dollars and to cut spending whenever possible. And finally policymakers must always consider the potential for damaging private sector job growth of any legislation they vote on or are proposing. NAIOP will continue to work with our business coalition partners in reminding policymakers that increases in taxes on Minnesota's businesses will ultimately be paid by their employees and their families through lost job opportunities, reduced wages and higher consumer costs.

**What can or should be done to make our state more competitive on the world stage?**

This is a very livable state--great natural resources, great values, and a great place to live and work. We have one of the best educational systems in the country. Our business sector is diverse and Minnesotans have a strong work ethic.

But in the final analysis, we need to stay focused on providing a positive environment for job creators by doing whatever it takes to keep our homegrown companies here, and to encourage others to locate here. This can be done through competitive business taxes, a trained and motivated workforce, and making certain our permitting and expansion policies are efficient and easy to navigate.

In the end, NAIOP members recognize Minnesota's quality of life depends on jobs and employers that are willing to risk and invest in our economy. These are tough times, but if we stay focused on keeping our business taxes low, spending in check and investing our resources wisely, we will get our state growing again.