

June 6, 2014

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USCM to Consider WOTUS Resolution

Delegates at the annual meeting of the U.S. Conference of Mayors (USCM) will have the opportunity to vote on a resolution to challenge the proposed rule from the Environmental Protection Agency (EPA) and Army Corps of Engineers (Corps) to change the definition of Waters of the United States under the Clean Water Act (CWA). The resolution asks for the full consultation and satisfaction of local government and affected stakeholders before finalizing the proposed rule. ICSC is concerned that the definitional changes contained in the proposed rule would significantly expand federal control of land and water resources on commercial properties traditionally handled at the state and local level. If the rule is enacted in its current form, communities undergoing new construction or renovation of commercial properties can expect major project permitting delays, costly resource outlays for new permit applications, and an unprecedented level of regulatory uncertainty and inconsistency in the administration of Corps permitting programs.

The USCM Meeting will take place in Dallas, TX on June 20-23. ICSC encourages all voting members of USCM to **support** the resolution to be introduced by USCM Environmental Committee Mayor Greg Stanton of Phoenix, AZ to suspend consideration of EPA's proposed rule until meaningful consultation with local governments has occurred and local concerns are addressed.

[Click here to read the USCM WOTUS resolution.](#)

[Click here to view a recent webinar on the issue.](#)

TRIA Reauthorization Update

On June 3 the Senate Banking, Housing, and Urban Affairs Committee unanimously approved S.2244, The Terrorism Risk Insurance Program Reauthorization Act of 2014, with all 12 Democrats and 10 Republicans voting in favor of approval. This legislation would reauthorize the current TRIA program for an additional seven years, while implementing further taxpayer safeguards and program enhancements. With strong bipartisan support for reauthorization from the committee the legislation will now move to the full Senate for a vote on final passage.

In the House of Representatives Financial Services Committee, Republicans and Democrats are working together to craft legislative language for their own version of a TRIA Reauthorization. As of press time, no specific legislative language has been published. ICSC anticipates the work product to contain additional changes to the current program. The exact timing of any House bill is unclear and the TRIA federal backstop expires at the end of 2014. For more information, please contact Mike Anderson mranderson@icsc.org.

ICSC Hosts Four Members of Congress at RECon

Four members of Congress attended ICSC's annual RECon event in Las Vegas to learn more about the retail real estate industry and share their insight on the tax reform debate currently underway on Capitol Hill. House Majority Leader Eric Cantor (R-VA), Congressmen Richard Neal (D-MA), Jim Renacci (R-OH) and Steve Womack (R-AR) each took a tour of the show floor and met with ICSC members to hear about issues impacting their businesses. All were impressed with the size of the show and level of business activity taking place.

On May 18, Reps. Neal, Renacci and Womack participated in a panel discussion on tax reform. They explained that while ideas are still being discussed within each party, now is a critical time for ICSC members to talk to members of Congress about provisions that are central to the retail real estate industry, such as capital gains treatment, the ability to deduct the interest on commercial debt or the like-kind exchange rules. During the Q&A session, ICSC members expressed their concern about having a repeat of the 1986 Tax Reform Act that devastated the retail real estate industry. The congressmen encouraged ICSC members to meet with both their legislators and staff to share examples of how different components of the tax code are used in actual projects and how the elimination of certain incentives would have impacted those projects. Such efforts will make those tax provisions more tangible to legislative offices.

FASB/IASB Lease Accounting Proposal

ICSC and a number of other real estate and business groups continue to monitor discussions between the Financial Accounting Standards Board and its international counterpart, the International Accounting Standards Board as they hash out differences on the treatment of lease accounting. This process has been underway for a number of years. As recently as late May the Boards were re-deliberating their May 2013 exposure draft on leases. ICSC has learned the following were discussed: (1) the definition of a lease; (2) separating lease and nonlease components; and (3) initial direct costs. The real estate community, U.S. Chamber and a number of other stakeholders have kept key Members of Congress apprised of the Boards activities as well.

GA: New Braves Stadium to Seek Mixed-Use Development; City Council OKs Sale of Civic Center

With the Atlanta Braves possibly moving to a new location in 2017, the site of the current stadium is under consideration from Georgia State University, one of the state's public institutions in the heart of downtown Atlanta. The university wants to create a new southern campus and invest \$300 million into a mixed-use development. Plans include constructing private student housing, a mixed-use campus of shops, restaurants, retail and single family and market-rate apartment homes, which could total up to 80 acres. Mayor Kasim Reed is awaiting word from the Braves if the team is planning on exercising its lease option to stay longer at the current site

Earlier this week the Atlanta City Council voted with Mayor Reed to sell the Atlanta Civic Center. The Civic Center was built in 1967 and seats 4,600 people but has been in need of expensive repairs in recent years. The center, along with 16 acres, will be transferred to Invest Atlanta, the city's economic development agency. Invest Atlanta will seek bids to develop the property located in downtown Atlanta on Piedmont Avenue. The intent is to remove the property from the City's inventory and return it to the tax rolls.

MA: State Budget Negotiations Underway

The State Senate and House have sent their respective versions of the FY2015 budget to a six-member conference committee, which will reconcile the differences in the two bills in order to have a budget in place when the new fiscal year begins on July 1. Representative Paul Brodeur successfully included an amendment to the House budget that would require all buildings with a furnace to have carbon monoxide detectors. Previously, the law only imposed this requirement on residential buildings. There was no such amendment in the Senate budget, which means it is now up to the conference committee whether to include the amendment in the final budget or throw it out. Also of interest to ICSC is an amendment included in the Senate budget that expands the "Bottle Bill" to include water and sports drinks. A proposed amendment by Senator Tarr to establish a sales tax holiday in late August 2014 was rejected. As has been tradition, the sales tax holiday will likely be taken up again later in the summer.

MA: BERDO Reporting Deadline Pushed Four Months

Last month, ICSC testified at a City of Boston hearing on the Building Energy Reporting and Disclosure Ordinance (BERDO) asking for a one-year delay to the reporting deadline, which was originally scheduled for May 15, 2014. On May 14, Mayor Marty Walsh signed an amendment to the Ordinance extending the reporting deadline to September 15, 2014. BERDO requires non-residential buildings over 50,000 square feet to report their water and energy use through a web-based portfolio manager developed by the Environmental Protection Agency.

MN: Legislator Ends 2014 Session

The Minnesota legislature concluded its 2014 session on May 16. The year included two tax bills - with over \$500 million in cuts - that lowered business taxes and provided property tax relief for homeowners, renters and farmers. The bills were successfully lobbied by Minnesota ICSC members.

NY: ICSC Holds Annual Lobby Day in Albany

On May 28 ICSC held its annual Lobby Day in Albany to much success. The day began with an organizational breakfast, followed by a full day of meetings with key legislators including the chair of the Senate Environmental

Conservation Committee, the Republican Conference Leader, the Independent Democratic Conference Leader, and the senior staff of the Assembly Ways & Means Committee and Senate Finance Committee. Members also met with Governor Cuomo's senior policy team for economic development and the environment. The main focus of the day was to advocate for an extension of the brownfield tax credit program and to educate legislators and policy makers on ICSC and industry issues.

TX: Committee Meets on Lien Issues

The House Business and Industry Committee met on May 27 to take up its interim charge to examine laws concerning the enforcement of contract liens affecting real property and identify improvements that will enhance certainty of title following sale, enhance ability to ensure that sales are conducted by qualified trustees, prevent unnecessary litigation, facilitate loss mitigation between borrowers and sellers, and protect the interests of homeowners, lenders and trustees.

Are You Involved in the Political Process? Let Us Know!

ICSC recently launched a survey to gauge the level of political engagement and relationships with elected officials that ICSC member have. If you have not done so yet, please take a moment to fill out our brief survey. It only takes about 5 minutes to complete and will make a tremendous difference in ICSC's ability to advocate at the state and federal levels on issues that are vital to the retail real estate industry. [Click here to begin the survey.](#)

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