



**It's Better
in Becker**

Phone: 763.200.4239 12060 Sherburne Ave.
Fax: 763.261.4411 P.O. Box 250
www.ci.becker.mn.us Becker, MN 55308

March 22, 2024

RE: Support for SF 4983 – Sales tax exemption for large-scale data center developments

Senator Ann Rest, Chair
Senate Taxes Committee
St. Paul, MN 55155


Dear Chair Rest,

The city of Becker supports the passage of SF 4983 to extend sales tax exemption to data center projects. Becker is home to the Sherco Power plant, where the generating units are being retired between 2023 and 2030. The loss of this tax base represents approximately 65% of the city's total tax base. Transition aid was approved during the 2023 legislative session, and it provides declining aid for that loss revenue over a 20-year period. The city, however, would prefer that we develop and attract business to replace that loss tax revenue, and this bill is critical to attracting data centers to our city.

The city is engaged with Xcel Energy in working to develop approximately 1200 acres of vacant land, and there is some interest in developing these parcels as data centers. These projects represent significant capital investment, and the city supports the one-time incentive of a sales tax exemption for these projects. If these proposed projects are constructed, they will result in an ongoing stream of new taxes and revenue being paid, such as corporate taxes, income taxes, sales taxes paid on ancillary construction, and local property taxes.

SF 4983 will put Minnesota on par with incentives offered by competing states, and the city fully supports passage of SF 4983.

Regards,


Greg Lerud
Becker City Administrator

Administration

Community
Center

Community
Development

Finance

Parks and
Recreation

Pebble Creek
Golf Club

Police
Department

Public Works



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Department



Public Works

March 22, 2024

RE: Support for HF 4929 – Sales tax exemption for large-scale data center developments

Representative Aisha Gomez, Chair
House Taxes Committee
St. Paul, MN 55155

Dear Chair Gomez,

The city of Becker supports the passage of SF 4983 to extend sales tax exemption to data center projects. Becker is home to the Sherco Power plant, where the generating units are being retired between 2023 and 2030. The loss of this tax base represents approximately 65% of the city's total tax base. Transition aid was approved during the 2023 legislative session, and it provides declining aid for that loss revenue over a 20-year period. The city, however, would prefer that we develop and attract business to replace that loss tax revenue, and this bill is critical to attracting data centers to our city.

The city is engaged with Xcel Energy in working to develop approximately 1200 acres of vacant land, and there is some interest in developing these parcels as data centers. These projects represent significant capital investment, and the city supports the one-time incentive of a sales tax exemption for these projects. If these proposed projects are constructed, they will result in an ongoing stream of new taxes and revenue being paid, such as corporate taxes, income taxes, sales taxes paid on ancillary construction, and local property taxes.

HF 4929 will put Minnesota on par with incentives offered by competing states, and the city fully supports passage of HF 4929.

Regards,

Greg Lerud
Becker City Administrator