



April 4, 2024

Chair Rest and Members of the Senate Taxes Committee:

Metro Cities, representing the shared interests of cities in the metropolitan area at the Legislature and Executive Branch, appreciates the opportunity to support SF 5194– Klein, a bill that would create a credit and/or grant program through the Department of Employment and Economic Development for the conversion of underutilized buildings.

As more employees are working from home on a full-time or hybrid basis, more and more employers are downsizing their office spaces. As a result, cities are experiencing significant commercial vacancy issues. At the same time, communities are facing a shortage of housing, including affordable housing. This program presents an opportunity to convert vacant, functionally obsolete, and/or underutilized commercial space to new uses.

Redeveloping properties supports community vibrancy and revitalization. Redevelopment increases the local property tax base, increases land values, provides more efficient use of new or existing public infrastructure (including public transit), reduces urban sprawl, and enhances the livability of neighborhoods.

Metro Cities supports state funding, tax credits and policy tools that will assist with the conversion of vacant commercial space to residential or new types of uses that support economic growth of cities.

Thank you for your consideration of this letter.

Sincerely,

A handwritten signature in black ink that reads "Ania McDonnell". The signature is written in a cursive, flowing style.

Ania McDonnell
Government Relations Specialist