



February 25, 2025

Senate Committee on Jobs Economic Development
3401 Minnesota Senate Building
Saint Paul, MN 55155

RE: Support for S.F. 1666

Dear Senators,

On behalf of the Minnesota Regional Railroads Association (MRRA), thank you for your consideration of S.F. 1666, the Strategic Industrial Development Enhancement (SIDE) Tax Credit. Minnesota has 14 regional and short line (also known as Class II and Class III) railroads that provide “first mile/last mile” freight service to hundreds of Minnesota rail customers by moving more than 206,000 carloads annually – the equivalent of more than 561,000 trucks.

For industries like agriculture, biofuels, forestry, and construction that rely on freight rail to get their products to market safely and efficiently, the SIDE credit will attract and retain businesses in these sectors in Minnesota. Currently, the state has a shortage of industrial sites with direct rail access, limiting opportunities for these businesses. However, developing new rail infrastructure is expensive, averaging \$3 million per mile, which creates a financial barrier for businesses and economic development groups. The incentives in S.F. 1666 will support short line railroads, ports, and rural industrial parks in offsetting the costs of developing rail infrastructure, ensuring they can meet the demands of businesses and strengthen Minnesota’s supply chain.

If approved, this bill will provide Minnesota, especially rural communities, with a strategic tool to drive economic growth, enhance business competitiveness, and attract companies that can strengthen supply chain resilience while creating high-quality, well-paying jobs in communities that need them most. Thanks in advance for your support of this initiative.

Sincerely,

A handwritten signature in blue ink that reads "Amber L. Backhaus".

Amber L. Backhaus
Executive Director
MN Regional Railroads Association

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