



Testimony in Support of SF 1570 (Maye Quade – Apple Valley)

Construction Materials Sales Tax Exemption for the City of Apple Valley

Chair Rest and Senate Tax Committee Members:

Good morning, and greetings on behalf of the City of Apple Valley. I am City Administrator Tom Lawell and it is my pleasure to represent our community on this important bill. As you may know, Apple Valley is a community of 56,000 people located in the south Metro area and the proud home of the Minnesota Zoo.

I am here today to speak in favor of SF 1570, a bill authored by our own State Senator, Erin Maye Quade. I thank Senator Maye Quade for her strong support of this bill and the work she does on behalf of our community.

This bill would grant a state sales tax exemption for construction materials to be used for an upcoming construction project in Apple Valley. The project is a phased renovation of our existing Central Maintenance Facility which is home to various departments including Public Works, Parks Maintenance, Fleet Maintenance and Natural Resources. As you can see from the picture below, the Central Maintenance Facility is comprised of seven different buildings on a 20-acre site. Some of these buildings are over 40 years old and need significant renovation.



The city did not ask for state bonding dollars to assist with the project. The project will be funded by the taxpayers of Apple Valley, but to make the project more affordable, we need your help with a state sales tax exemption for the project's construction materials.

In today's inflationary environment, construction costs continue to climb. Construction materials for the project are estimated to be approximately \$21.7 million. Your support will help leverage our local tax dollars and will help us upgrade these essential public service facilities to serve our citizens and the many visitors that come to Apple Valley from across the region.

I urge your support of SF 1570 and thank you for your consideration of this important bill.