



March 18, 2025

Dear members of the Senate Taxes Committee,

The American Institute of Architects (AIA) Minnesota wishes to offer its support for SF 768, which establishes a refundable sales and use tax credit for the conversion of underutilized buildings.

The Catalyzing Underutilized Buildings (CUB) tax credit creates an opportunity for investment in Minnesota buildings that currently risk creating blight and property value reduction. Many communities have seen buildings stand vacant or nearly vacant, some for long periods of time, as community needs have changed; this tax credit will allow communities to revitalize buildings and create needed assets like affordable housing and modern business spaces that reflect the needs of communities for today and tomorrow.

Architects have long advocated for adaptive reuse of existing buildings whenever possible. However, in many cases, adapting a building may require significant changes to its layout and infrastructure to allow it to function well for modern commercial and residential use. Tax credits like these can help overcome financial hurdles that allow for innovative design solutions to revitalize Minnesota main streets, one building at a time.

This bill has been carefully tailored to ensure that it is fiscally responsible and targeted to provide the maximum development and job creation benefits without overburdening Minnesota taxpayers. We support its well-defined criteria and believe that the sunset for the program is appropriate, as this is a problem that should be a short-term one to solve.

We believe this tax credit will help turn vacant spaces into vibrant spaces; will help energize and invigorate main streets and downtowns that have struggled in recent years, one building at a time. We urge you to support passage of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary-Margaret Zindren".

Mary-Margaret Zindren
AIA Minnesota Executive Vice President
zindren@aia-mn.org