



March 26, 2025

Chair Rest and Members of the Senate Taxes Committee,

Metro Cities, representing the shared interests of cities across the metropolitan area, appreciates the opportunity to support SF 768 - Mohamed. This bill would provide for a refundable tax credit or a grant to support the adaptive reuse of underutilized buildings for up to thirty percent of the total cost of adaptive reuse expenses through the Department of Employment and Economic Development.

Cities are experiencing significant commercial vacancy issues, such as functionally obsolete and underutilized commercial space, both in downtown districts as well as commercial areas throughout the metropolitan region. These challenges present an opportunity to create incentives to adapt these buildings to new uses, such as housing or other higher uses that then support the economic growth of surrounding property, as well as the growth of the city tax base. A tax credit would support the significant costs associated with the adaptive reuse of these buildings.

Metro Cities policies support state funding, tax credits, and policy tools that will assist with the conversion of vacant commercial space to residential or new types of uses. This bill will provide much needed resources to support economic development and redevelopment across the metropolitan region.

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