



Letter of Support – S.F. 0768
Catalyzing Underutilized Buildings Across Minnesota

Tuesday, March 18, 2025

Chair Rest and members of the Senate Taxes Committee,

My name is Jason Hale, Founder of North Shore Development Co. based in Duluth. I have been working on housing and economic development within local government in the Arrowhead region for 12 years and now I assist both local governments and developers with getting projects to the finish line. Over the past 10 years or so, I have witnessed two significant changes in real estate in NE Minnesota:

- 1) The need for housing has only increased while our ability to construct it has steadily decreased.
- 2) The shift from in-person to online, particular since the Pandemic, has exacerbated the trend of our downtown and core business districts become less vibrant hubs of commerce, and more vacant, underutilized remnants of eras passed.

These trends have had significant impacts on how our communities feel, and the lack of continued investment, particularly in greater Minnesota. Any fire department will tell you that a vacant building is a less safe building, and such properties inevitably decrease in value and reduce the tax bases our cities and counties rely on. Additionally, new residential construction is costing roughly \$260 per square foot, rendering both single family and multi-family that is not “luxury” nearly impossible to build. These factors, coupled with our statewide housing shortage, begs the question: Is there a way to repurpose our existing, underutilized buildings to address the housing need?

For these reasons and more, I support SF 0768, the “CUB Credit”, to catalyze adaptive reuse for existing building stock that, frankly, could use the investment regardless.

Sincerely,

Jason Hale
Founder
North Shore Development Co.