

Senator Ann H. Rest  
Chair, Senate Taxes Committee  
328 Capitol Building  
Saint Paul, Minnesota 55155-1606

Senator Matt D. Klein  
Vice Chair, Senate Taxes Committee  
2105 Minnesota Senate Building  
Saint Paul, Minnesota 55155

March 14, 2025

Re: Support for SF 768, Underutilized buildings conversion refundable tax credit proposal, sunset for the credit provision, and appropriation

Dear Chair Rest and Vice Chair Klein:

Ramsey County supports SF 768, which would create a tax credit for the conversion of underutilized buildings. This credit will bring a multitude of benefits to the residents of Ramsey County, including economic development, job creation, and increased housing supply.

This bill has broad implications for Ramsey County's unique economic development needs. A thriving downtown Saint Paul is an important contributor to Ramsey County's property tax base. However, the downtown area is facing high vacancy rates. In recent months, 40% of downtown Saint Paul's competitive office market has been listed for sale, according to a recent report by the Greater St. Paul Building Owners and Managers Association. This report also found a 32% vacancy rate for competitive, non-owner-occupied office space. Vacant properties create hardships for local governments, reducing property values and increasing public health and safety issues that are costly to address.

A recent study commissioned by the St. Paul Downtown Alliance identifies 10 buildings in the downtown area that could be converted from office space to residential units. The redevelopment of underutilized buildings would help increase the property tax base, which is essential for minimizing property tax increases for home and business owners. The scale of redevelopment needed to address these issues often makes the initial upfront investment daunting. Securing financing is one of the primary limiting factors, and the tax credit proposed in SF 768 will provide additional incentive for developers looking to tackle these projects.

Beyond downtown Saint Paul, this revitalization bill could also positively benefit older commercial districts across the county. This bill would enhance opportunities for widespread redevelopment.

Finally, this bill would help address the dire housing shortage in Ramsey County. The Minnesota Housing Partnership's 2023 county profile estimated that Ramsey County is short 18,490 affordable housing units for extremely low-income populations. The solution to this problem is simple — build more units — yet requires additional funding and policy levers that the Legislature and other local governments can support. SF 768 is one of those levers, helping developers to convert older buildings and adapt them for new purposes such as

housing, often at a lower cost than demolishing and rebuilding. Studies have shown that the more new housing that is built, at any level of affordability, the more options there are for all renters, including those seeking more affordable and deeply affordable housing.

We strongly encourage the committee to support SF 768 and dedicate resources to support new opportunities for businesses, create more housing, and support vital jobs in Ramsey County and across Minnesota.

Sincerely,

A handwritten signature in cursive script that reads "Ling Becker". The ink is dark and the signature is fluid, with the first and last names clearly distinguishable.

Ling Becker  
Ramsey County Manager