



March 24, 2025

Senate Taxes Committee
75 Rev. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

RE: Rochester Area Chamber support for Senate File 768, Catalyzing Underutilized Buildings (CUB) Credit

Chair Rest and Members of the Senate Taxes Committee,

The Rochester Area Chamber of Commerce, and our over 1,200 members, express our strong support for SF 765, the Catalyzing Underutilized Buildings (CUB) Credit. This legislation is a strategic investment in Minnesota's economic future, providing a critical tool to stabilize property values, stimulate business activity, and enhance the commercial real estate market.

Rising office vacancy rates pose a significant challenge for businesses, property owners, and local economies. Many cities across Minnesota are seeing increased vacancies, leading to declining property values and shifting tax burdens. If left unaddressed, this will result in higher costs for businesses, fewer jobs, and weakened economic vitality. SF 768 presents an opportunity to turn these underutilized assets into productive, revenue-generating properties that benefit businesses and taxpayers alike.

Key business benefits of SF 768 include:

- **Stronger Commercial Districts:** Converting vacant offices into active spaces drives foot traffic, supporting retail, restaurants, and service businesses.
- **Stabilized Property Values & Tax Base:** Prevents devaluation of commercial real estate, ensuring a healthy tax base that funds essential services without shifting the burden to homeowners and small businesses.
- **Job Creation & Economic Growth:** Adaptive reuse projects create jobs in construction, development, and professional services, generating long-term economic activity.
- **Competitive Business Environment:** Thriving downtowns and business districts attract talent and investment, positioning Minnesota as a leader in economic development.
- **Low-Risk, High-Impact Investment:** The tax credit is only realized upon project completion, ensuring accountability and measurable returns for the state.

SF 768 is a pro-business solution that strengthens Minnesota's economy by incentivizing reinvestment in underutilized properties. The Rochester Area Chamber of Commerce urges your support to ensure our business communities remain strong, competitive, and positioned for future success.

Respectfully,

A handwritten signature in black ink, appearing to read "Ryan Parsons". The signature is fluid and cursive, with a long, sweeping underline.

Ryan Parsons, President
Rochester Area Chamber of Commerce