

SWERVO DEVELOPMENT CORPORATION

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March 18, 2025

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

Chair Rest and members of the Senate Taxes Committee,

My name is Ned Abdul, and I am the owner of Swervo Development. I currently own 7 historic buildings within a 3 block radius in the Warehouse District in Minneapolis. Prior to 2020, my buildings were 95% occupied with vibrant restaurants and nightclubs on the 1st floor and office tenants above. Since the pandemic and unrest, any tenant with a lease that came due, chose to vacate, leaving my properties with 75% vacancies. In the past 2 years, we have leased 4 small office spaces to primarily start-ups on short term, reduced rate leases and downsized one long term tenant.

It became apparent during the past 5 years that the communities that had a better mix of housing, retail and office fared much better. Restaurants and retail remained, the housing thrived, and the communities had lower crime rates making it safer for all uses.

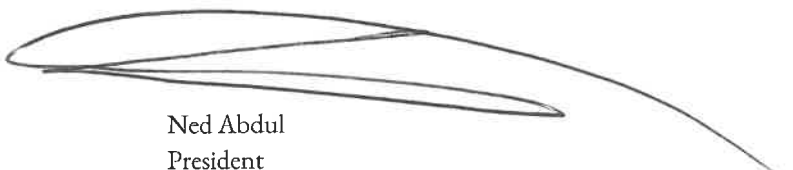
I currently have two properties that are largely vacant and suitable for housing conversion. The CUB Credit creates a significant opportunity for owners and developers like me to tackle the challenges and added expense of converting historic structures. These changes will be vital in returning vibrancy to the Warehouse District and downtown while at the same time assist in creating some needed affordable housing in our city. However, current interest rates and development constraints pose a problem in making the conversions viable and will require new approaches and financial incentives to bring these projects to life.

An additional benefit to housing conversion will be the stabilization and increase of commercial property values which were significantly reduced post pandemic. That resulted in lower taxes paid and economic instability in the city.

I am respectfully requesting your support of SF 0768.

Sincerely,

SWERVO DEVELOPMENT CORPORATION



Ned Abdul
President