

BUILDING
JOBS
COALITION

May 10, 2019

Dear Chair Chamberlain, Chair Marquart, and Members of the Tax Conference Committee:

On behalf of the Minnesota Building Jobs Coalition and its members, we wish to express our support for the request to eliminate or extend as long as possible, the 5-year rule regarding the Bloomington Central Station (BCS) project. Although our organization rarely makes such a public expression of support, we believe the circumstances involving this project are extraordinary and merit such support.

Tax Increment Financing (TIF) is a method of financing real estate development costs to promote development, redevelopment, and housing in areas where it would not otherwise occur, as established under Minn. Stat. §§ 469.174 to 469.1799. TIF authorities use TIF revenues to encourage developers to invest in new projects.

The 5-year rule for BCS will expire in 2020. The current House version of H.F. 2125 extends the 5-year rule to 2030, while the current Senate version of H.F. 2125 only extends the 5-year rule to 2022. We support the elimination of this 5-year rule in its entirety or, alternatively, the extension of the 5-year rule for as long as possible.

The BCS project is a \$1 Billion community investment, consisting of multiple phases that each require extensive planning and must be coordinated with timely market conditions. Currently the BCS project is partially completed, the remaining phases require approximately 5 years, each, to complete. Extending the start deadline for the BCS project will allow the developer to phase into the market the housing units that are part of the overall development plan. This will help ensure an appropriate pace of occupation and community development.

To date, the project has already drastically improved the surrounding neighborhood, creating an urban destination. Once the BCS project is fully completed it will produce significant economic development, to include increased tax revenues, higher property values in the surrounding area, and thousands of new jobs.

Thank-you for your consideration.

Sincerely,



Tim Worke, CEO
AGC of Minnesota



Harry Melander, President
Minnesota Building & Trades
Council



Mary Margaret Zindren, VP
AIA Minnesota

Cc:

Sen. Paul Gazelka, Majority Leader
Sen. Tom Bakk, Minority Leader
Rep. Melissa Hortman, Speaker of the House
Rep. Kurt Daudt, Minority Leader
Governor Tim Walz