



February 19, 2025

Garrick Spennewyn
MN House Housing Committee
Committee Administrator
garrick.spennewyn@house.mn.gov
St. Paul, MN

Re: CUB Tax Credit Bill HF 457 Letter of Support

Dear Mr. Spennewyn

I am writing in support of the proposed CUB Tax Credit Bill, HF 457. Hempel Real Estate is a local Minnesota real estate developer that has been investing in the state of Minnesota for over 20 years. One of the largest areas of our business is repositioning undervalued and underutilized office buildings. We have been able to acquire under utilized office buildings and reposition them into better quality offices for most of our time in business. Unfortunately, due to the impact of the COVID 19 pandemic, the amount of available office space far exceeds the demand, and this business model is now only viable to very few properties. We are in the process of underwriting three projects that would take existing office buildings and convert them into housing. Two of these projects are in downtown Minneapolis and the other in Bloomington. Hempel currently owns two of these buildings and we manage the other (this building is owned by the lender). I would be delighted to share more specifics of these projects with the Committee upon request. If all three projects move forward, we would bring approximately 375 units of housing to the state, including both market rate and affordable housing.

As we work through the financials of these projects, using the proposed 30% CUB Tax Credit provides significant financial assistance, filling the gaps we are currently facing due to the cost of converting these buildings. We appreciate your review and consideration of the proposed CUB Tax Credit Bill and hope to gain your support.

Sincerely,

Kristen Anderson
Vice President of Design and Construction
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