



March 3, 2020

Members of the House of Representatives,

On behalf of NAIOP Minnesota, I write this letter to express our opposition to HF 2296 – Street Utility Fees. NAIOP is the Commercial Real Estate Development Association, Minnesota’s leading organization for developers, owners and investors of office, industrial, retail and mixed-use real estate.

The bill would create new authority for municipalities to impose new development fees exclusively on new development projects for to-be-determined municipality projects that may or may not get built. Our members understand the importance of development fees for services that benefit their employees, customers, and fellow citizens. However, this bill goes beyond the normal practice and allows new authority above and beyond what local governments already have, namely the general property tax revenues, special assessments, state transportation aid, special servicing districts, tax increment financing, property tax abatement to name a few.

Because the bill only applies to new development, the proposal picks winners and losers in the market and punishes entrepreneurs for meeting new development goals set out by the very same municipality. This provides a disincentive for development and growth and sends the wrong message to our state in a time of tremendous economic growth. For these reasons we respectfully oppose this legislation.

Sincerely,

Shawn Smith  
Public Policy Chair  
NAIOP Minnesota, the Commercial Real Estate Development Association

Vice President - Acquisitions & Development  
Wildamere Capital Management  
6800 France Ave South, Suite 555, Edina, MN 55435  
(952) 746-3404, [ssmith@wildamere.com](mailto:ssmith@wildamere.com)