



February 23, 2011

Senator Burdick, Chair
Senate Committee on Finance and Revenue

City of Eugene
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Re: Senate Bill 322 –Extension of the Multi-Unit Property Tax Exemption Program

MEASURE: SB 0322
EXHIBIT: D
Senate Finance and Revenue 76th Session
DATE: 02-23-2011 PAGES: 1
SUBMITTED BY: BRENDA WILSON

Chair Burdick and Members of the Committee:

The City of Eugene **SUPPORTS SB 322** which would provide for an extension of the Multi-Unit Property Tax exemption.

As you know, under state law, the tax exemption program - commonly known by the acronym MUPTE - waives property taxes for 10 years on approved residential construction in downtown areas of cities. However, developers continue to pay property taxes on the land.

The City of Eugene has participated in the MUPTE program since 1978. Since that time, 24 projects have been approved for this program. The aim of the MUPTE program in our City is to encourage new, higher-quality housing in the core of our city, to encourage higher densities and to encourage compact growth instead of urban sprawl. In Eugene, in addition to providing site and financial information, applicants must also respond to public benefit criteria including green building features and quality of building materials, density, mixed income, responsiveness to adjacent historic resources, accessibility, home ownership, location, and parking (in certain areas only). The program guidelines also include specific rules for solicitation of neighborhood association comments and for protection of historic or potentially historic buildings.

To date, the MUPTE has expired on eleven of the approved project developments. Ten are now taxed and one is operated as public-purpose, tax-exempt, low-income housing. Some opponents argue that MUPTE results in a loss of tax revenue. We believe that the projects would not have been built otherwise, or that the MUPTE projects replaced dilapidated or low-density property that would not have generated much tax income anyway. In other words, we believe - in the long run – that having the MUPTE program brings in more tax revenue than we could have without it.

The City of Eugene appreciates the opportunity to present our position and we respectfully request your support for **SB 322**.

Sincerely,

Brenda Wilson
Intergovernmental Relations Manager