



METRO COUNCIL PRESIDENT TOM HUGHES

March 3, 2015

Senator Mark Hass, Chair
Senate Finance and Revenue Committee
900 Court St. NE, S-207
Salem, OR 97301

RE: VOTE YES on the REVITALIZE MAIN STREET ACT (SB 565)

Dear Chair Hass and Members of the Committee,

Throughout the Portland metropolitan region, our thriving downtowns and friendly main streets are destinations that draw residents and visitors to shop, dine and do business. With today's growing preference for livable, walkable communities and locally owned and operated businesses, **historic main streets and districts are re-emerging as the heart of the community** that draw people together and help rebuild local economies.

But we still have work to do. Many of Oregon's traditional downtowns are at a tipping point as businesses close or move and shoppers dwindle. With historic facades in urgent need of repair and rehabilitation, property values and tax revenues drop. Too often the costs of restoration, code upgrades, and seismic reinforcement remain financially out of reach for many property owners and communities.

Passing the Revitalize Main Street Act (SB 565) is critical to help breathe new life into Oregon's treasured downtowns and historic places. This bill would create a state Historic Rehabilitation Fund to provide a 25 percent rebate on the costs of restoring and revitalizing historic commercial buildings – stores, hotels, theaters, apartments, factories, paper mills, etc. It would be funded by the public auction of state income tax credits at a capped amount of \$12M per year.

The money stays here in Oregon and we end up with long term, tangible assets.

As we plan for future growth, we know our region is stronger when we focus investment and development in existing downtowns, main streets and other urban areas. This protects our farm and forest land while helping emerging commercial districts across the region fulfill their promise as dynamic destinations and economic engines.

The Revitalize Main Street Act (SB 565) is a modest, cost-effective investment that will help revitalize communities across Oregon and pay dividends for decades to come in the form of new jobs, income and property taxes, cultural heritage and tourism, business incubation, seismic safety, and the reuse of existing infrastructure.

For the Portland metropolitan region, voting YES on the Revitalize Main Street Act (SB 565) means making the most of our current public investments.

- Historic preservation tax credits are another tool that can contribute to place making, preserve unique cultural and historical assets in our communities, and enhance an authentic local identity – such as private historic properties that are part of the Willamette Falls Legacy Project in Oregon City.
- Paired with Metro's new Enterprising Places Storefront Improvement program and other local façade improvement programs, the tax credit can be a powerful tool in motivating local property owners to redevelop their buildings.

For the state of Oregon, voting YES on the Revitalize Main Street Act (SB 565) means new jobs, revenues and investment. An economic impact study conducted by ECONorthwest states that in 2018 with a state investment of just \$10.6M we would see:

- 4X more buildings restored than without the state incentive.
- 1,369 jobs per year generating income of \$25.5M.
- \$2.3M net increase in property taxes per year to pay for schools and services.
- \$13.3M new federal Historic Tax Credit dollars invested in Oregon per year.
- \$35.8M net annual increase in direct development spending.

Our healthiest downtowns and main streets are no accident. We thrive as a region when we are intentional about how and where we invest for tomorrow. **It's time for the state to invest in Oregon's Main Streets and pass the Revitalize Main Street Act.**

Thank you very much for your consideration of these comments.

Regards,



Tom Hughes
Metro Council President