



March 6, 2015

Honorable Phil Barnhart, Chair  
House Committee on Revenue  
900 Court St NE  
Salem, Or 97301

RE: House Bill 2126 Vertical Housing Development Zone Program Extension

Dear Chair Barnhart and Members of the Revenue Committee:

As a developer in Washington County and the City of Beaverton for 23 years, we believe the Vertical Housing Development Zone (VHDZ) Program greatly benefits cities in attracting and constructing mixed use development in suburban markets, and the program should be extended. The VHDZ program is a local tax property exemption program that boosts economic development in targeted core areas of the state.

Joint collaboration between a city and developers for new assets that advance community based goals, especially housing and commercial density, is beneficial for everyone. The Vertical Housing Development Zone Program advances the continued success of these goals.

We are reminded of studies that show vacant, abandoned, and tax delinquent properties are major annoyances, which undermine the economic, social, and environmental health of a community. Unattended properties destabilize neighborhoods, attract crime, create fire and safety hazards, drive property values down, and minimize local tax dollars for cities and counties.

It is our contention that extending the VHDZ program will provide:

1. Important financial tools to propose and construct mixed use development in suburban markets.
2. Flexibility for local jurisdictions to incentivize development in certain locations.

3. And, within the existing statute, provide opportunity for special districts to opt-out of the program.

In the case of our project, LaScala (at First and Main in Beaverton), the VHDZ program will allow LaScala to offer in-demand amenities at competitive rents, open the project at a reasonable cost, and forecast net operating income at levels acceptable to banks considering long-term financing.

We urge you to support HB 2126, and thank you in advance for your consideration.

Best regards,



Roy I. Kim  
President and Managing Partner