



March 24, 2015

House Committee on Revenue
900 Court St., NE
Salem, OR 97301

Dear Chair Barnhart and Members of the Committee,

I am writing to strongly urge extension of the VHDZ program to 2026.

The VHDZ program offers a potent tool for incenting the development of new mixed-use vertical housing and in those districts where higher density housing is needed, but where local market conditions do not yet fully support its economic feasibility. It is a program that also offers a win-win scenario for both the public and private sector by providing property tax reduction at a level and duration sufficient to help incent new development, but without fully abating property taxes or permanently removing property from the tax role. In fact, in many cases it incents the return of under- utilized public property to the tax role.

I can report first hand the importance of the VHDZ program as an effective tool in incenting mixed-use vertical housing development as evidenced by our two most recent transit oriented, mixed use developments, 4th Main in Historic Downtown Hillsboro and 3rd Central in Historic Downtown Gresham. In both examples, the VHDZ program was crucial to supporting the financial viability of the developments and simply stated, without the VHDZ program, these important and catalytic developments would not have been brought to fruition.

4th Main, Historic Downtown Hillsboro



3rd Central, Historic Downtown Gresham



Please consider also the significant and positive impacts which result when projects supported by the VHDZ program are brought to reality. In the case of 4th Main and 3rd Central, the developments were critical to the continued downtown revitalization efforts in both districts and produced significant economic benefit for the respective downtowns. For example, in both cases, a strategically important, but long dormant parcel was reactivated, the number of new residents living in the downtown core was expanded significantly, the choice and quality of retail services was enhanced, activity and vibrancy on the streets and sidewalks was increased, and local merchants received a much needed economic boost from new residents using their buying power to purchase local goods and services. Other important benefits included an increase in transit ridership, creation of new jobs related to the construction and on-going operation of the projects and in the case of the Hillsboro transaction, a formerly publicly owned parcel of land was returned to the tax role.

Your support of an extension of the VHDZ program is critical to the downtown revitalization efforts of local jurisdictions across the state and to the continued effort to increase transit oriented, mixed use living opportunities for citizens in and near key transit corridors. I again urge your vote to extend this vitally important and highly effective program.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Unti".

Dwight D. Unti
President

Cc Paul Warner, Committee Administrator