



March 26, 2015

Representative Phil Barnhart, Chair
House Committee on Revenue
900 Court St. NE, H-279
Salem, Oregon 97301

RE: HB 2126 / Vertical Housing Development Zone Program – Defines “nonresidential use” and extends sunset date for certification to 2026

Dear Representative Barnhart and Members of the House Committee on Revenue:

The Holland Partner Group wishes to express our support for continuation of the State’s Vertical Housing Development Zone Program. The program has been instrumental in enabling the economic feasibility of more intensive development on a construction site than would otherwise be possible. In Holland’s case we have been able to construct in Hillsboro’s Orenco neighborhood, adjacent to or in close proximity to the Westside MAX Light Rail Line, four new mixed use apartment buildings constructed at an intensity that would not have been possible without the availability of this program. The project is the result of a public /private partnership involving the City of Hillsboro, TriMet, Metro, Clean Water Services, and Holland. One of the buildings has been completed and is a mixed-use four story apartment building surrounding a five story parking structure. The three remaining buildings are under construction and all are six story apartment buildings that include integrated structured parking with retail uses on the first floor. The project also includes a new public plaza adjacent to the Orenco Light Rail Station, surrounded on the north, east and west sides by the aforementioned six story buildings.

The Vertical Housing program is particularly important because it provides a financial tool that can be used to encourage more intensive development today and avoid lost opportunities later. This tool is particularly important to the Region’s light rail investment where lost development opportunities along the light rail line would not optimize the light rail system’s investment and advantages. Also the program provides additional long term property tax revenue to communities that would not be available if lower intensity development were to occur on a development site. In our case the projected 30-year real estate tax revenue is over 2.5 times the amount that would have been generated by conventional lower density development.

With respect to HB 2126’s “nonresidential use” definition, Holland supports this clarification as the term is integral to the definition of “Vertical housing development project”.

We very much appreciate the opportunity to testify regarding HB 2126. We strongly support the continuation of this important program. Thank you for your consideration.

Sincerely,

Gary Vance, Senior Development Director
Holland Partner Group

Clyde Holland, Chairman & CEO
Holland Partner Group