



To: Chair Barnhart & Members of the House Committee on Revenue

From: Wade Lange, American Assets Trust

Date: April 4, 2017

Re: Support to HB 2939

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My name is Wade Lange and I am Vice President, Regional Manager for American Assets Trust, a vertically integrated Real Estate Investment Trust. I am here today to speak in support of HB 2939, placing a cap of 1% on the construction excise tax for commercial construction.

Developers seek certainty in their developments. Any uncertainty can delay or stop a development project as investor's money is moved to a more stable environment. Since there is no excising cap on the construction excise tax on commercial buildings, developers face uncertainty when determining how much money needed to secure a loan among other important decisions. A cap of 1%, matching the tax on residential construction is fair and equitable.

We understand the need for affordable housing and would urge the legislature to require 100% of the tax go to support affordable housing, rather than 50% going to the general fund.

Therefore, we respectfully request your support of HB 2939 to encourage development and help boost our local economies.

Thank you.