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Subject: HB 2144 Testimony
Date: Monday, March 11, 2019 11:52:10 AM

Below is my testimony from this morning's hearing.

Good morning. I am Kristin Retherford and I am here representing the Oregon Economic Development Association as a past-president and as co-chair of the Governmental Affairs Committee. I am also the Urban Development Director for the City of Salem.

OEDA opposes HB 2144. The League of Oregon Cities has also submitted a letter opposing this bill and Wendy Johnson of the League is an OEDA member and has been working with us to understand this bill and its impact to our communities.

Most of Oregon's Opportunity Zones are in rural areas and incentivize local people to invest capital in these small, rural communities. Oregon's 86 opportunity zones are already generating positive interest in towns across our state.

Here in Salem we have four Opportunity Zones. We currently have four separate groups looking at investing in our community because of these benefits. These are Oregon citizens and business choosing to invest locally. These projects are at various stages of exploration and development, with some likely under construction in the next 9 months. None of these projects were in the works prior to last summer. The locations being considered are properties that have been vacant ranging from a year up to well over a decade and some are what would be considered blighted and derelict properties.

The types of project range from projects that would be job creators to housing, and all would benefit the community and increase property tax revenue. State surplus property at Hillcrest is in one of our opportunity zones and this benefit makes this property far more attractive for investment than it would be otherwise given its infrastructure challenges.

One of the pending investments here, should it come to fruition, would result in approximately 150 new workforce housing units. Given the housing shortage in the state, OEDA sees a need for new housing at all levels, and while affordable and low-income housing is certainly needed, so are work-force and market rate housing units, and Opportunity Zones incentivize investment in work force and market rate multi-family housing.

My colleagues around the state are seeing similar interest in their cities, and around the state, we are seeing the potential for properties to come back to life and be assets to our communities because of the opportunity zone incentive.

OEDA is concerned that disconnecting from the federal code will penalize Oregon investors by treating Oregon investors differently.

HB 2144 will not give Oregonians investing in their own communities the same benefits as those who invest elsewhere, or out-of-state investors spending the same money in our communities. We believe this would deter investment in our neediest areas.

Oregon has very few tools to incentivize economic development and investment in our communities. Those of us who work around the state in this field ask you to not approve this bill or decouple Oregon from the Federal program. We believe this would harm our communities and our prospects for new job growth, new housing, and new capital.

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