



Ken Cruse
SCP Redmond Hotel
521 SW 6th Street, Redmond, OR

February, 5, 2020

Chair Nathanson and Members
Oregon House Committee on Revenue
900 Court St. NE,
Salem Oregon 97301
lro.exhibits@oregonlegislature.gov

Dear

Chair Nathanson and Members:

Thank you for taking the time to read this letter, which I hope will provide some real-world context as the Oregon Legislature reviews alternatives related to the federal tax code with respect to Opportunity Zones (OZ). Specifically, as a small Oregon employer and business owner who relied on the OZ provisions in order to make the reopening of the historic Redmond Hotel feasible, I encourage you to consider the potential benefits of the OZ incentives for Oregon's residents before making any changes to the way Oregon recognizes the law.

I am proud to say that our project in Redmond - which would not have been feasible absent the OZ incentives - resulted in the investment of nearly \$12 million into reimagining, renovating and reopening a vintage 49-room hotel that had been closed for nearly two decades.

The reopened hotel - known as the SCP Redmond Hotel - provides services and amenities for local businesses and residents, ranging from restaurants to retail and social meeting spaces. The hotel abides by the values of our Soul Community Planet (SCP) Holistic Hospitality concept. Our mission at Soul Community Planet is to provide holistic hospitality for people desiring to make positive choices for themselves, for humankind and for our planet. While SCP welcomes all, typical SCP guests and members identify strongly with one or more of the values of personal wellness, social responsibility and environmental stewardship.

The SCP Redmond Hotel includes a new rooftop garden bar boasting unobstructed views of the surrounding Cascades Mountains and Smith Rock State Park. And as part of the project we converted a vacant 3,500 square foot space on the hotel's first floor into creative coworking space for up to 40 entrepreneurs and remote workers looking to start up in the Redmond market. The hotel also now includes a large studio space for yoga, group meetings and social functions.

The reopened hotel has already served as a catalyst to the downtown Redmond opportunity zone, bringing in new businesses and additional retail spending. As the hotel ramps up, we anticipate the SCP Hotel Redmond will serve as a defining feature of the downtown Redmond market for decades to come, inspiring additional business, retail activity and real estate investment in the Redmond opportunity zone.

The City of Redmond has independently estimated the economic benefit of this project to the citizens of Redmond to be well in excess of \$3 million per annum. This benefit will come through job creation, incremental traveler spending in the market, transient occupancy taxes, sales taxes, etc.

In short, it has been gratifying to see the SCP Hotel Redmond project come to fruition. The project is working in a way that is highly consistent with our vision as developer, the objectives of the City of Redmond and the spirit of the federal OZ regulations.

Now that the final regulations contain a broad anti-abuse provision that will disqualify any investment that doesn't serve to improve the lives of those living in the opportunity zone, on behalf of all of the would-be investors in Oregon Opportunity Zones whose intentions are truly consistent with spirit of the OZ law, we sincerely hope that the state of Oregon will continue to support the federal OZ legislation.

Sincerely,



Ken Cruse
SCP Redmond Hotel

