

The South Coast Development Council, Inc.

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The South Coast Development Council's mission is to promote and support businesses that provide quality jobs through responsible development on Oregon's South Coast.

The Honorable Nancy Nathanson
State Representative
900 Court St. NE, H-279, Salem, Oregon 97301



Re: HB 4010 Opposition to Opportunity Zone disconnect

Dear Representative Nathanson,

The federal opportunity zone program is a valuable economic development tool for rural Oregon and the South Coast Development Council, Inc. (SCDC) is opposed to any disconnect of the federal program outlined in the proposed HB 4010 legislation.

The Southern Oregon Coast is a uniquely beautiful, but isolated rural region of Oregon. Unfortunately, unique beauty has not led to living wage jobs and thriving communities. As a whole, our communities have multiple challenges attracting investment for economic development and rehabilitation projects. The Opportunity Zone incentives have given our region, and organization, one more tool to attract new investment and development to the Southern Oregon Coast and our communities, which has spurred tangible new investments and growth in our region.

SCDC was instrumental in securing four separate opportunity zones in Low Income Census Tracts (LICs); Port Orford, Coos Bay Empire, downtown North Bend and Reedsport/Gardiner. Currently, we have seen several investments in these zones from investment groups interested in rehabilitating older downtown buildings or redeveloping commercial or residential properties all together.

For example, in the Reedsport/Gardiner OZ, a Portland development company has purchased several "old town" commercial buildings and have begun the process of updating their facades and interior to attract new residents to the downtown core of the City. In addition, this same development company has purchased acreage in this opportunity zone and plans to construct an approximately 52-unit apartment building and leveraging the OZ benefits. The same has occurred in the Coos Bay Empire OZ, which has also spurred the development of a 12-unit affordable housing complex and the redevelopment of four downtown Coos Bay buildings, one of which is the historic Tioga Hotel, which has been a low-income residential property for over 20 years. Furthermore, there are several projects that are considering properties and sites in these OZ's to make investments and further economic development projects that will provide tangible property tax revenue to local jurisdictions as well as income tax revenue to the State of Oregon.

In conclusion, opportunity zones are working in our rural region and communities. Opportunity zones have attracted new investments and developments that are leading to the revitalization of downtown cores that have been neglected for decades. I recommend to the House Committee on Revenue, to eliminate HB 4010, and leave the current opportunity zone incentives as they are. Or, as a compromise, amend HB 4010 to remove OZs from urban and metro areas, and redistribute these zones to isolated rural LICs, which desperately need the injection of new investment in their communities.

Best,

Shaun Gibbs
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