

Dear Pam,

I am writing you in regards to the Opportunity Zone hearings about to take place.

I learned through my friend Jeff Golden, the State was considering doing away with them or watering them down. Jeff said there has been abuse in the Portland area that triggered the action.

I understand very little about the abuse in Portland but heard that the area where the zoning took place was not in an appropriate area of the community for redevelopment or low-income housing, etc. All of Oregon communities should not be penalized for this mistake for what the Opportunity Zoning was designed for.

As a Realtor in Southern Oregon, Medford area specific I am involved in a large project, 210-acres that has the zoning overlay. The property is in North Medford between Medford and White City. I have been approached lately from developers interested in the project specifically because of the Opportunity Zoning.

This location is what the Opportunity Zoning was designed for. Development would target first time home buyers, renters and seniors in a mobile home park.

The typical developers here in the Rogue Valley are looking for better locations to build higher end homes to make a higher profit. This location does not qualify for that.

I just learned about the meeting tonight and I do not have time to elaborate more.

I would strongly urge you to postpone any decision of this until you can learn more about how the Opportunity Zoning can help Oregon communities and how you might solve potential abuse.

Please do not penalize Klamath Falls, Roseburg, Coos Bay and other Oregon communities that could use any economic development to revitalize their communities.

Sincerely,



Mike Malepsy

Mike Malepsy

From: Mike Malepsy
Sent: Tuesday, February 4, 2020 9:30 AM
To: jeffgolden10@gmail.com
Subject: Opportunity Zones

Jeff

In regards to the Opportunity Zones conversation. I would be interested seeing the example or examples of the abuse that has influenced you to take away an economic tool out of the tool box for Klamath Falls, Roseburg, Grants Pass and rural communities around the State. I assume that the abuse was in Portland. I would suggest that Portland has a much different economic landscape than the struggling rural communities who are looking for any chance to attract development. I would ask you to pause your vote while talking to other communities about how the Opportunity Zoning could help their community and what the loss could mean to them. The best conversations would be with the Directors of Planning Departments.

They are the ones who have looked at their City needs and placed the Zoning in areas they think could help the community. There are many reasons that neighborhoods or areas of a community don't develop. The usual reason is the cost of development, be it environmental clean up, be it lack of utilities or an area of blight or an undesirable location. There are times when development land, in fill, sits idle for years and years because it is too costly to develop. If the State and community could offer some tax incentive that might offset the upfront costs of development, bingo you might have a project. And what is the upside of a project that has a developer enticed to invest in a development? Well, it is mostly jobs to construct, then increased property tax revenue, income taxes on revenue generated and usually housing that will aid in the supply of low income housing. There is more but what is the downside? A developer after holding, managing, paying property and income taxes for 10 years might make a tax free profit. And MAYBE is key, not all developments end in profit. I could go on as I am in the business. As I said before I am working on a large property, that the City of Medford has placed in the Opportunity Zone. I am getting interest just because of the zoning. This project if developed would add a lot of apartments and a possible mobile home park that the City needs badly to balance out their affordable housing element. The project sits between Medford and White City an area that has most of the blue collar workers in the valley going to work every day. If developed there would be a bus service to large manufacturing sites in White City. I hope you don't need more conversation from me to look into this some more before penalizing communities that could use any help for economic revival and expansion. Let's discuss those examples and see if there is a way to fix those situations and still keep the Opp. Zone in the tool box. Thanks for listening Mike

Mike Malepsy
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