

January 27, 2025

Hon. Nathanson, Chair
Hon. Reschke and Walters, Vice-Chairs
House Committee on Revenue
Oregon Legislature
Salem, OR 97301

RE: SUPPORT HB 3190

Dear Chair Nathanson, Vice Chairs Reschke and Walters, and Committee Members,

I am writing in support of HB 3190 which reauthorizes a version of Oregon's longtime Special Assessment for Historic Properties program. An earlier version of this program expired last June and this bill will re-enact this financial tool/incentive specifically for commercial property owners.

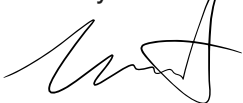
I have utilized the program 3 times in Historic Downtown Salem and I can confidently say that without it, none of my redevelopment projects would have been feasible. The property tax savings afforded by the Special Assessment Program was a key element that allowed me to convince the bank that my somewhat-risky plan to substantially remodel and repurpose 100+ year-old structures was a good decision. Caring for old buildings is expensive and breathing new life into them by means of redevelopment is even more costly, but with incentives like this program, it starts to pencil.

My projects include revitalizing a 4-year-vacant Chinese restaurant into a mixed-use building with 9 businesses (employing over 30 people) and 5 dwellings, changing a stodgy only vacuum store into two trendy boutiques and 8 apartments, and soon-to-start on reworking a vacated florist to become room for 3 businesses and 16 units of affordable housing. None of these jobs, small business opportunities or much-needed infill dwellings would have happened without the support that the Special Assessment Program provides to the capital stack.

When I heard that the program had sunset, I put the brakes on analyzing new projects, as it was a crucial element of downtown development. Without the property tax benefits, justifying investing in the revitalization of historic properties is very difficult – the newly assessed values after remodel make for tax bills that constrain cash flow, shrink debt coverage ratios (resulting in reduced borrowing capacity), and jeopardize the sustainability of projects and their triple-net tenants who already face significant economic headwinds.

As a life-long Oregonian, I have appreciated the rich history that my city, Salem, has to offer. Preserving the architectural and cultural resources that historic downtowns provide is often times a labor of love with very thin margins for investors. I've been fortunate to be able to be the steward of a piece of that history and I look forward to continuing this work with the support of programs like the proposed HB 3190.

Thank you for the opportunity to speak on this matter,



Charles Weathers, owner of 440 State St, 455 Court St, and 236 Commercial St in Salem.
orreoproperties@gmail.com