CALIFORNIA BUSINESS PROPERTIES ASSOCIATION

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August 5, 2020

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The Honorable Gavin Newsom
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RE: ***Proposition 15 – $11.5 BILLION TAX INCREASE - PLEASE OPPOSE***

On behalf of the commercial real estate industry and our major members at California Business Properties Association, ***I urge you to oppose Proposition 15*** on the November ballot. As you know this measure represents the largest property tax increase in this state's history and will hit our industry after almost a year of depressed revenue and business activity due to COVID-19.

CBPA represents all aspects of the commercial retail industrial real estate industry in California — creating the largest commercial real estate consortium with over 10,000 industry members.

Even in a good year, Prop. 15 would be devastating to our industry and the state's economy, but there could be no worse time than in 2020 after all we have been through with this pandemic. As you know our industry has worked closely with you and public health experts to get through this crisis.

You know better than most what we have done to assist, how hard our industry has been hit, and that this $11.5 Billion tax would be a final blow to many companies in California. The higher property taxes will result in higher lease costs and will be profoundly damaging to the state's employers and their employees. There is no more significant threat to our economic recovery on the ballot than Prop 15. That's why your attention to this issue is so vital.

Our members work closely with their small business tenants, and they have never seen things so bleak. Small businesses have seen their income dry up overnight, and many are on the verge of bankruptcy.

Prop 15 is not the answer to California's current challenges. In fact, it will do much more damage than good. The best path towards recovery is ensuring that small businesses survive this crisis and creating opportunities to restore jobs to Californians.

For these reasons, I am asking, on behalf of our industry, our businesses, our employees, and their families, that you oppose Proposition 15. Thank you for your attention to this critical issue.

Please feel free to contact me at 916-947-8880 if you would like to discuss further.

Sincerely,

Rex Hime
President and CEO
California Business Properties Association