

MINUTES

Downtown Advisory Board

Thursday, October 25, 2018–12:00 P.M.
Urban Development Conference Room
350 Commercial St NE

1. CALL TO ORDER

Call to Order and Roll Call: 12:00 PM

Roll Call: Hillary Banks; Brad Compton; Jesse Hayes; Vincenzo Meduri; Laurie Miller; Jill Munger; Maria Palacio; Aaron Terpening; Dana Vugteveen

Excused: Chip Conrad; Ronald Welter

Staff: Anita Sandoval; Sheri Wahrgren; Rebecca Ziegler

Guests: Councilor Andersen, Paul Gehlar; Ross Swartzendruber

Staff awarded Jill Munger, as her 2nd term expires, a Certificate of Appreciation for her dedication and service to the Board.

2. APPROVAL OF AGENDA

Motion: Move to approve the agenda for October 25, 2018, as presented.

Motion by: Board Member Vugteveen

Seconded by: Board Member Miller

Action: Approved the agenda for October 25, 2018, as presented.

Vote: Aye: Unanimous **Motion PASSES**

3. APPROVAL OF MINUTES

Motion: Move to approve the Minutes from September 27, 2018, as presented.

Motion by: Board Member Terpening

Seconded by: Board Member Vugteveen

Action: Approved the Minutes from September 27, 2018, as presented.

Vote: Aye: Unanimous **Motion PASSES**

4. PUBLIC COMMENT on items not on the agenda – None

5. ACTION ITEMS –

a. Riverfront-Downtown Urban Renewal Plan Amendments

The memo explaining the proposed amendments was reviewed by Staff.

Comments/Questions: Wahrgren, Vugteveen, Meduri, Terpening

Motion: Forward proposed amendments as presented to the Agency Board for approval

Motion by: Board Member Vugteveen

Seconded by: Board Member Meduri

Action: Approved to forward the proposed amendments as presented to the Agency Board for approval

Vote: Aye: Unanimous **Motion PASSES**

b. Letter of Support- Riverfront Park Master Plan

Comments/Questions: Meduri

Motion: Move to approval and forward the letter to Parks in support of the Master Plan

Motion by: Board Member Vugteveen

Seconded by: Board Member Banks

Action: Approved to forward the letter to Parks in support of the Master Plan

Vote: Abstain: Terpening **Motion PASSES**

6. INFORMATION REPORTS

a. Grant Agreement Extension – PDQ Investments, LLC – 245 Court Street

Comments/Questions: Gehlar, Palacio, Wahrgren, Munger, Meduri, Vugteveen

b. What's Happening Downtown?

- Theater presentation *Sweeney Todd: The Demon Barber of Fleet Street* is performing at Salem's Historic Grand Theater.

- Downtown has been designated an Opportunity Zone (handout: *Business Oregon / Opportunity Zones*), a financial incentive opportunity for investors
- Streetscape open house will be held on November 14. Staff is working with consultants to revise the plans so that the designs will work within the variety of widths of the sidewalks.
- Celebrating 50 years in banking for Pioneer Bank.

7. ADJOURN for Tour of Gray Building- 12:40 p.m.

Next Meeting: November 8



an Oregon state agency

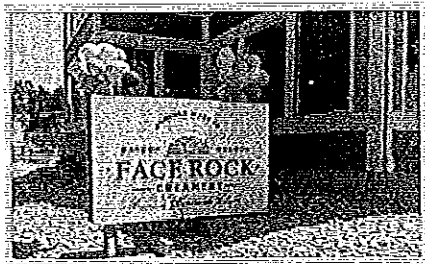
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Oregon Business

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Oregon Success Stories



Artisan Cheese Making Returns to Bandon
 The opening of the Face Rock Creamery in May 2013 means Bandon has revived its 100-plus year history of making high-quality cheeses more than a decade after the closure of the Bandon Cheese Factory.

[READ FULL STORY](#)

Opportunity Zones

In 2018, the U.S. Treasury made opportunity zone designations as a federal tax incentive to encourage long-term investments. In Oregon, Governor Brown's nomination resulted in 86 qualified opportunity zones.

What Are Opportunity Zones?

Opportunity Zones can deliver significant tax savings on medium- to long-term investments in economically disadvantaged communities. This new tax incentive pertains to both the capital gains invested initially through a qualified opportunity fund, as well as capital gains earned for the investor by businesses and projects in the zone.

Each zone consists of an entire census tract, as established for the decennial U.S. Census. Tracts vary in size but generally align with population density. Oregon has more than 800 census tracts, 366 of which were eligible for designation, primarily by meeting the definition of a "low income community" consistent with the federal New Market Tax Credit (NMTC) program. Oregon could nominate up to 86 zones, as each state was allowed up to 25% of its low income communities for designation.

The designations are in effect until December 31, 2028, and offer a predictable basis for private investment decisions over several years. Current federal law provides no means to change or add zones. As such, Oregon's nomination process entailed thorough analysis of all relevant census tracts for their potential and usefulness, as well as extensive outreach to the general public, federally recognized Indian Tribes, local governments, and other parties. Aside from the opportunity zone nomination process, state government does not have an ongoing, official role under federal law. Nevertheless, Business Oregon is exploring ways to partner with others in furthering the use of zones for the benefit of Oregon communities.

[See Oregon's Opportunity Zones](#)

What are the Tax Advantages?

The private capital for projects or businesses in a qualified opportunity zone will arise primarily from the unrealized gains of U.S. taxpayers—that is, the increased value of assets (stocks, land, etc.)

Resources

Oregon Information

- [Opportunity Funds](#)
- [Opportunity Zone Map](#)
- [Analysis Map for Low Income Communities \(LICs\)](#)

Federal & National Resources

- [US Code Title 26 Subchapter Z \(law\)](#)
- [IRS Opportunity Zone FAQs](#)
- [U.S. Treasury's CDFI Fund](#)
- [Economic Innovation Group \(EIG\) Fact Sheet](#)
- [Council of Development Finance Agencies \(CDFA\)](#)
- [The U.S. Impact Investing Alliance](#)

since they were originally purchased by the individual or corporation currently holding the asset. When an asset is sold and the gains realized, an income tax liability is normally generated.

With the opportunity zone incentive, those gains transferred into a qualified opportunity fund within 180 days of being realized will have their tax liability delayed or deferred until December 31, 2026, at the latest. The taxpayer decides how much of his/her newly realized gains to invest, when to sell or exit that investment, or even whether to invest other moneys alongside.

In addition to deferring income taxes, by the time the investment of tax deferred gains in the opportunity zone is sold or the end of 2026, whichever is earlier:

- The amount subject to taxes shrinks by 10%—in that the basis in the investment increases—if the investment has been held for at least five years.
- If held for at least seven years in total, the basis increases by an additional 5% pts (15% in total).
- The amount tax-deferred gains subject to taxes is effectively the fair market value of the investment, if it has declined in value.

If the investment of tax deferred gains appreciates after having been held for at least 10 years, then those new capital gains earned in the zone become themselves completely tax free. Otherwise, the net income or proceeds generated by a zone investment are taxable.

Investors seeking to maximize the after tax return on their tax deferred gains could put money into qualified opportunity zones anywhere in the country, or they might be able to choose qualified opportunity funds that have a regional or other type of emphasis. Despite sharing some common geography, these tax benefits work quite differently from New Market Tax Credits, or for that matter, from any other federal program or incentive. Certain critical details, however, will depend on near term guidelines from the Internal Revenue Service (IRS).

What Are Opportunity Funds?

A qualified Opportunity Fund is the required vehicle to invest into Opportunity Zones. More information on opportunity funds.

Business Oregon
 Sites & Land
 Export Assistance
 Business Financing
 COBID Certifications
 Event Calendar
 Measure 91

Infrastructure Programs
 Community Links
 Event Calendar
 Regional Contacts

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