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# OPPORTUNITY ZONES IN OREGON

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## **Executive Summary**

In 2017, the Tax Cuts and Jobs Act passed resulting in one of the largest tax code overhauls since the 1980s (Economic Innovation Group, 2018). This piece of legislation lowered all marginal tax rates, as well as attempted to simplify the tax code. While an historic piece of legislation in its own right, a litany of additional provisions and programs were embedded within this 1,000 plus page bill. One of these provisions is the six-page long Opportunity Zones tax incentive. Opportunity Zones are an incentive to encourage *long-term* investment in low-income communities across the United States through varying levels of tax incentives for investors (Economic Innovation Group, 2018).

This report examines Opportunity Zones in Oregon and explores how public and private entities within the state have approached this legislation. The report synthesizes the perceptions and experiences of public and private entities, as well as the federal government and out-of-state jurisdiction approaches to utilizing Opportunity Zones. By implementing a survey and shadowing the creation of a workforce housing development company in Oregon, this report analyzes the use of Opportunity Zones in Oregon. This report finds that for Opportunity Zones to produce positive social impact, significant public planning, public and private partnerships, community engagement, and the mindset of community improvement over maximized financial returns, must be exercised.

## **Key Report Findings**

- While Opportunity Zones offer significant benefits, it takes a combination of private and local-government efforts to make them equitable, financially feasible, and socially beneficial.
- For private entities to do all groundwork on a project is costly and given the sorely needed projects communities need, they can leverage further development subsidies to offset their costs, costing a jurisdiction revenue.
- By pipelining projects for investors, cities can implement projects that they know will benefit the community, as well as shorten the time of project implementation.
- There is no single source for Oregon Opportunity Zone public entity education in Oregon. There are knowledge gaps on Opportunity Zone development incentives between economic development professionals between state-level and local-level public officials. These knowledge gaps prevent inter-jurisdiction collaboration and project preparation.
- A single definitive source of education and training for all things Opportunity Zones, as well as future like-kind legislation, can put all jurisdictions and professionals on the same page quickly and allow for faster utilization; Business Oregon should be the primary source.
- Given the complexity of the Opportunity Zones, as well as the fumbled federal implementation and staggered rollout of regulations, highly trained individuals in tax law would need to be recruited to disseminate changing and new information.
- A dearth of reporting requirements makes it difficult for investors to know what projects are available, as well as preventing local jurisdictions from tracking projects and learning from example.

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## Introduction

Opportunity Zones are part of the 2017 Tax Cut and Jobs Act (Economic Innovation Group, 2018). The premise of this legislation is to allocate investment to communities that have been traditionally underserved (Economic Innovation Group, 2018). Opportunity Zones allow for access to Opportunity Funds, a pool of money that are realized capital gains from any source of capital (stocks, commercial real estate, etc.) from any number of interested parties. In other words, a single Opportunity Fund investment can have unlimited investors and there are no limits on its holdings. At the onset of this legislation, there was an estimated \$6 trillion of unrealized capital gains in the United States that could be placed in Opportunity Funds and allocated to Opportunity Zones (Economic Innovation Group, 2018). This legislation, if appropriately acted upon, could lead to the largest private investment in American communities ever (Economic Innovation Group, 2018).

While many ways exist in Oregon for the use of Opportunity Zones, there are a myriad of barriers, considerations, and preliminary preparations that are required to encourage and facilitate their use. While Opportunity Zones offer substantial benefits, they themselves do not directly create new development. They can, however, provide new developments with additional benefits (Economic Innovation Group, 2018). Opportunity Zones provide a marginal tipping point to make a project more attractive and thus more likely to receive investment dollars. The more projects there are at this tipping level point, the more likely one of them will be able to be implemented with the aid of Opportunity Zone benefits.

## Purpose

Upon initial implementation of Opportunity Zones, there was little push or publicity by public agencies in Oregon to use this legislation (Mission Investors Exchange, 2018). To this day, some municipalities within Opportunity Zones within Oregon are unaware of this legislation's existence, or do not know how it works well enough to use them (Mission Investors Exchange, 2018). Why Oregon's Opportunity Zones have not received more state or local government attention or utilization is not entirely known, however, a lack of a concerted and wide-scale promotion by the State of Oregon, in tandem with chronic bad publicity, has likely made the adoption of the legislation not as beneficial as it could be.

Another compounding factor that could be influencing a lack of a state push is that the implementation of the Opportunity Zone legislation by the federal government was rather poor (Jesse & Lipton, 2019). The original legislation is seen as being poorly written and while implemented in 2017, was not fully deemed complete and written until the end of 2019 (Internal Revenue Service, 2019). Even in April of 2020, after the legislation was deemed "complete", additional addendums to the Opportunity Zone legislation were released by the U.S. Treasury Department (Federal Register, 2020). While very engaged with public entities and businesses, this lagged federal implementation significantly hampered state and local governments from pushing publicity on this legislation across the United States (Simon & Grant, 2019). State and local governments did not know how the legislation works nor have examples to model implementation off of (Simon & Grant, 2019). The reason for the fumbled implementation at the federal level is unknown, however, the mantra of the Trump administration during the implementation of the Opportunity Zone legislation was to minimize oversight and allow for maximum flexibility, as well as eliminate the presence of government in any development matter (Jacoby, 2019).

While the original intention of minimal oversight on the bill was touted by policy makers as being the best way to provide flexibility on the use of Opportunity Zones, that approach had significant drawbacks including a lack of transparency. Because of the implications of the improper use of the legislation for investors, i.e. having to pay capital gains tax on the front and back-end, investors were wary of using the legislation due to too little guidance (Pimentel, 2018). While some investors were comfortable moving ahead on projects and soliciting funding, many refused to act until more guidelines were implemented (Jacoby, 2019). Given that it took two additional years and added 500 more pages to the bill before it was deemed complete, there was significant time loss and subsequent loss of opportunity for investment and capital gains abatement for communities and investors.

In lieu of a cohesive competent federal government approach, or State of Oregon advocacy for the use of Opportunity Zone legislation, this report explores how such a piece of potentially community changing legislation has proliferated throughout the state of Oregon. With much speculation and skepticism to the usefulness of Opportunity Zones, this report obtains unbiased and concrete opinions of Opportunity Zones from public officials and private industry. This report also identifies routes and frameworks for the utilization of Opportunity Zones in Oregon that maximize social benefit and minimize possible negative externalities.

## Methods

To garner a sense of the proliferation of knowledge and use of Opportunity Zones within Oregon, a brief survey was distributed to municipal and county planners, city managers, mayors, and economic development professionals in jurisdictions that have Opportunity Zones. To obtain this list of individuals, a mailing list was obtained from the League of Oregon Cities and then sub-set to contain individuals who have Opportunity Zones within their jurisdiction. An email was also sent through the Oregon Economic Development Council.

This survey was created and administered through Qualtrics and shared through University of Oregon and the Institute of Policy Research and Engagement. The survey was open for responses from mid-March until the end of April. The survey instrument included 36 questions and took about 10 minutes to complete. Before distributing the survey, approval was obtained from the University of Oregon's Institutional Review Board for testing of human subjects. The appendix to this report has a full copy of this survey, as well as full survey results.

In addition to understanding how public entities and officials are approaching Opportunity Zones, a shadowing campaign is taken underway to observe the creation of a private workforce housing company in Portland, Oregon. This company, at its original creation, aimed to implement workforce housing across the state of Oregon using Opportunity Zones tax benefits as an attractant to investors, as well as touting socially responsible investing.

## Opportunity Zones: Legislative Context and How They Work

The premise of Opportunity Zones was discussed several years before its implementation during the Obama Administration. Senators Cory Booker (D-NJ) and Tim Scott (R-SC) and Representatives Pat Tiberi (R-OH) and Ron Kind (D-WI) were exploring ways to induce long-term development in low-income communities across the United States that were not benefitting from the 2008 Great Recession recovery (Barrow, Undated). The key tenant of

this legislation was to induce *long-term* investment in struggling communities, rather than temporary capital injections (Barrow, Undated). By originally proposing strict regulatory and temporal guidelines, this legislation aimed to be difficult to abuse and to keep money and growth within Opportunity Zones rather than spilling in to surrounding communities (Barrow, Undated).

This legislation aims to encourage long-term investment in low-income communities by providing capital gains tax-abatement and tax-deferral for redirecting capital gains into real-estate and business investments within Opportunity Zones. The legislation that created Opportunity Zones was implemented into law with the 2017 Tax Cuts and Jobs Act passed by a Republican Congress during the Trump Administration (Economic Innovation Group, 2018). Opportunity Zones are select low-income census tracts across the United States that have qualified for special tax benefits that seek to encourage long-term investment within their borders (Economic Innovation Group, 2018). Opportunity Zones are in all 50 states and U.S. territories and are home to over 30 million Americans (Economic Innovation Group, 2019).

Opportunity Zones allow for access to Opportunity Funds, a pool of money that are realized capital gains from any source of capital (stocks, commercial real estate, etc.) from any number of interested parties. In other words, a single Opportunity Fund investment can have unlimited investors and there are no limits on its holdings. At the onset of this legislation, there was an estimated \$6 trillion of unrealized capital gains in the United States that could be placed in Opportunity Funds and allocated to Opportunity Zones (Economic Innovation Group, 2018). This legislation, if appropriately acted upon, could lead to the largest ever private investment in American communities ever (Economic Innovation Group, 2018).

The criteria for being an eligible Opportunity Zone are a census tract with a poverty rate of at least 20%, or a median family income of no more than 80% of the statewide median family income; or no more than 80% of the greater statewide median family income; or the overall metropolitan median family income for census tracts within metropolitan areas (Internal Revenue Service, 2017). Up to 25% of a state's census tracts that fall within these parameters are eligible for designation, as well as census tracts that are contiguous with a low-income Opportunity Zone and a median income of no more than 125% of the median family income of the adjacent Opportunity Zone (Internal Revenue Service, 2017).

## **Operational Framework**

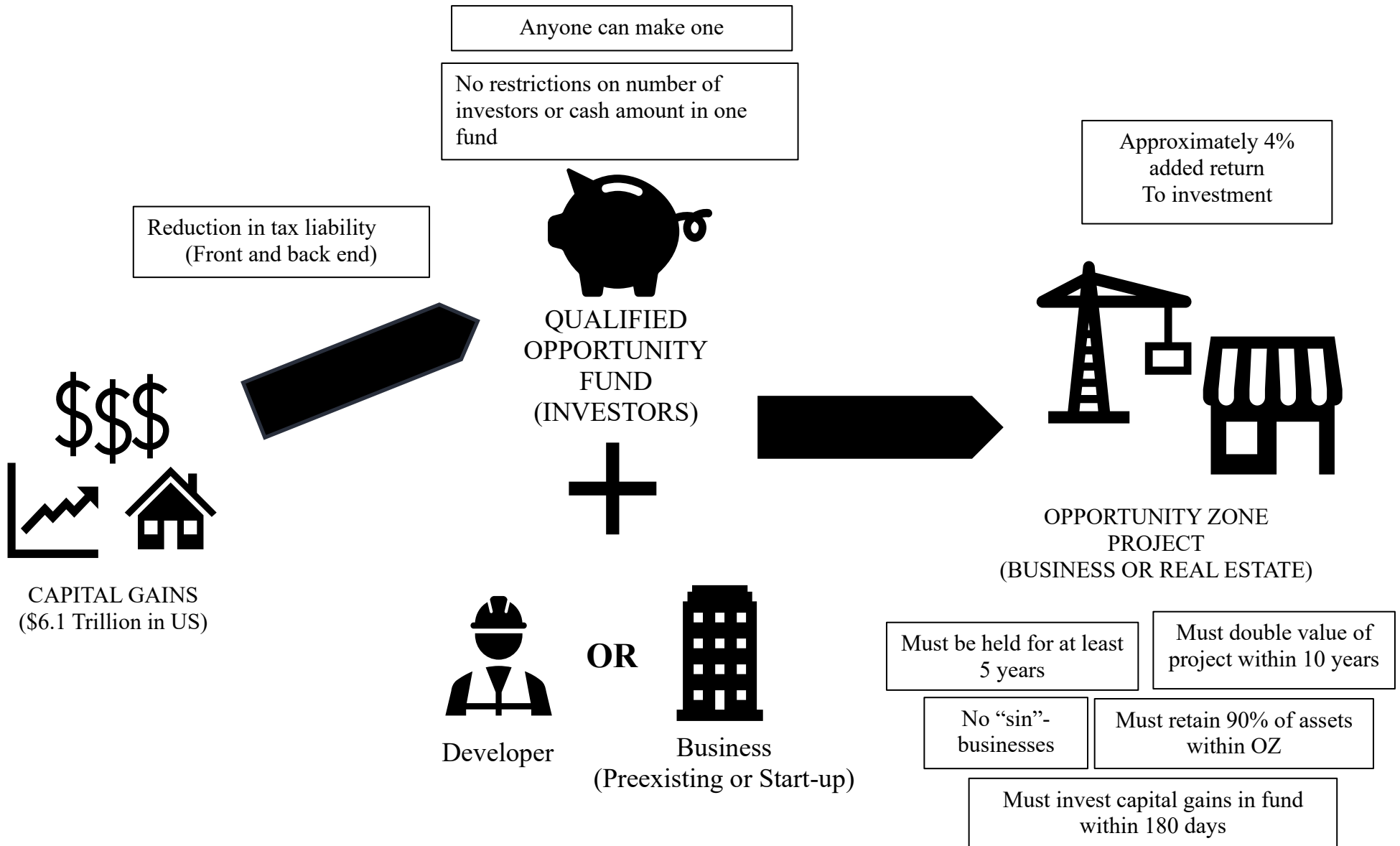
There are many nuances to the Opportunity Zone operational framework, with around 500 pages of guidelines and definitions. Opportunity Zones, generally, work by an individual realizing capital gains from any source of capital, be that a stock or real estate and reinvesting it in a low-income community i.e., an Opportunity Zone. Instead of an investor pocketing the realized capital gains and having to pay a capital gains tax, an investor can instead place their gains into a Qualified Opportunity Fund (QOF) that they have either created or joined. Creating a fund is relatively simple and any individual can make one, even if they themselves do not have capital gains. Once capital gains are realized from their original investment, investors have 180 days to place money in a QOF before they are penalized and are required to pay full capital gains tax (OZFramework.org, Undated). Figure 1 illustrates a very high-level operational model of the Opportunity Zone framework.

To generate a legitimate Qualified Opportunity Fund to place capital gains monies in to, one only needs to fill out the 4-page Form 8996 tax form and submit it to the IRS (OZFramework.org, undated). Upon initial creation, Form 8996 was barely a whole page. While

there were initial reporting requirements written into the bill when proposed to congress, they were removed right before final approval due to senate procedural technicalities, however, there are additional bills in progress to add reporting requirements back in (United States Senate Committee on Finance, 2019).



**Figure 1:** A simple illustration of the Opportunity Zone operational framework



## **Opportunity Zones in Oregon**

Oregon Governor Kate Brown directed local jurisdictions in Oregon to nominate local low-income census tracts that they would like to be considered for Opportunity Zone designation (Business Oregon, Undated). There were no provisions, guidelines, or recommendations from the state on the selection of potential tracts by jurisdictions, nor any stipulation for public engagement. These local selections went to the governor of Oregon for consideration and approval. These nominations were then passed to the United States Treasury Department for final approval and official federal designation (Economic Innovation Group, 2018). The total time allowed for this process by the federal government was 90 days, an arguably too limited amount of time to adequately select appropriate census tracts or facilitate adequate public engagement or long-term visioning (Brookings Institution, 2018). The data used for tract socioeconomic characteristics in Oregon was the 2011-2015 5-Year American Community Survey or the 2012-2016 5-year American Community Survey, depending on the census tract (OpportunityDB, 2020).

Oregon currently has 86 Opportunity Zones spread throughout the state, a list of them are illustrated in Appendix Table 1, 31% of them being in rural low-income census tracts and 31 being within the greater Portland area (Economic Innovation Group, 2018). The justification for selecting tracts within the state are not entirely transparent, likely due to the limited amount of time given for selection, as well as no requirements for transparency. Some Opportunity Zones within the state were placed with the intention to only help development projects underway whereas others were selected to attract purely out-of-state money (Buhayar & Leatherby, 2019). Other tracts that were eligible opted out of selection out of fear that the designation would exacerbate already rampant gentrification, namely in Portland (Buhayar & Leatherby, 2019).

## **Implications of Opportunity Zone Locations**

Not all Opportunity Zones are equally attractive for investment and competition exists for Opportunity Zones to attract development, both from the 85 other Opportunity Zones in Oregon, as well as the over 8,700 across the United States. One does not need to live in the Opportunity Zone in question, nor live in the same state, to invest in projects within it (Economic Innovation Group, 2018).

Within Oregon, an Opportunity Zone in Portland is more likely to facilitate higher financial return projects than a project in a rural Oregon Zone, or even a Eugene zone (Daniel & Ordonez, 2019). The designation of all of Downtown Portland as an Opportunity Zone has received significant scrutiny for this reason (Buhayar & Leatherby, 2019). However, the justification for the designation of an already economically prosperous tracts like those of Downtown Portland's Pearl district was with the intention of being nationally competitive and attracting out-of-state money rather than generating investment from within (Buhayar & Leatherby, 2019).

In addition to Opportunity Zone location determining the financial return of projects, it also affects the type of projects allowed, especially for a state like Oregon where cities have stringent guidelines and frameworks for new development (O'Toole, 2016). While a community may have an Opportunity Zone within their boundaries, the land it encompasses may not be suitable for the type of development a community wants, needs, or can support. If land is not zoned or made ready for development, i.e., have full site infrastructure in place, the limited time

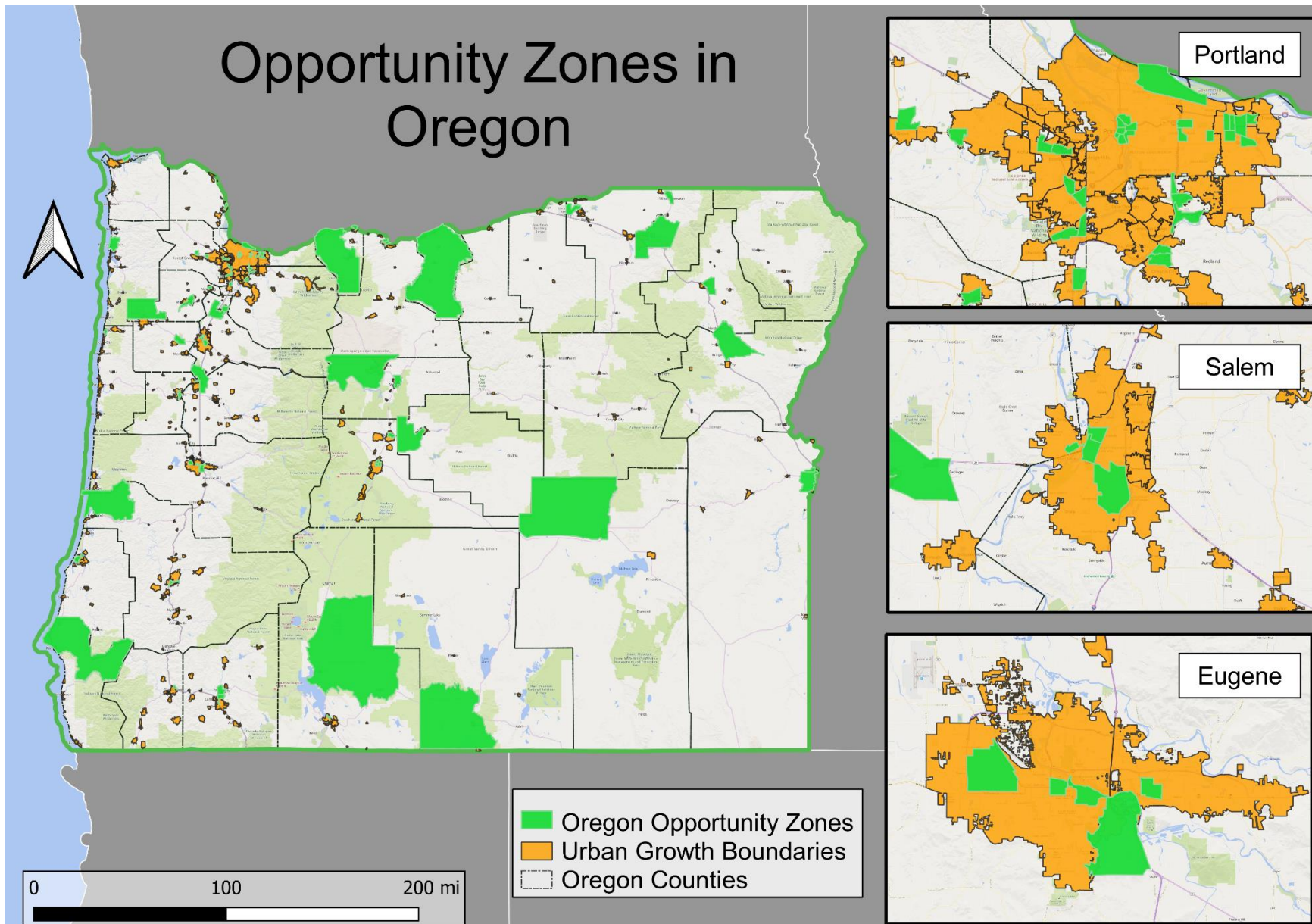
that projects have to move forward to receive Opportunity Zone benefits is consumed with zone changing procedures (if they are even possible) and site improvements. While zone changes and site development are standard procedure with normal developments, given the limited time window that QOF managers have to act, 31 months, any additional time barrier can have major implications and derail an entire Opportunity Zone project (Blank Rome, 2019).

### **Opportunity Zone Locations in Oregon**

Figure 2 illustrates the location of Opportunity Zones in Oregon, in the Portland Metro area, in the Salem area, and in the Eugene area. As previously stated, 31% of Opportunity Zones in Oregon reside in rural areas (OpportunityDB, 2020). Some rural census tracts are so sparsely populated that the majority or all of the county they reside in are Opportunity Zones. Within the Portland Metro area there are a total of 31 Opportunity Zones, including seven directly in Downtown Portland.

As previously stated, the selection of all Downtown Portland has drawn significant criticism from other municipalities and jurisdictions in and out of the state (Finney, 2020). The designation of all Downtown Portland has even called for the non-conformity of Oregon from the Opportunity Zone benefits, as well as the removal of Opportunity Zone status for Downtown Portland (Finney, 2020).

Figure 2: Opportunity Zone locations in Oregon.



## **Opportunity Zones in Rural Oregon**

As previously mentioned, 31% of the 86 Opportunity Zones within Oregon reside in rural census tracts. Rural communities across the United States, including Oregon, have faced minimal recovery since 2008 and face systemic challenges like an aging population, population loss, non-diverse local economies, as well as difficulty attracting industry (Small Business Majority, 2019). Real-estate development projects in rural communities are usually too small to attract big investors and a small project of only a few million dollars in a rural area will have more difficulty attracting funding than a multi-hundred-million-dollar project in an urban area.

This difficulty in attracting projects within a rural Oregon Opportunity Zone stems from the systemic barriers to acquiring labor, materials, and adequate rents (Steckler, 2017). Long distances from materials and long commute times eat away at project returns and also jeopardizes being able to fulfil the Opportunity Zone legislation requirements. Additionally, given the comparatively little demand for housing as compared to a larger municipality, rural communities often aren't able to charge rents that provide an attractive return (Steckler, 2017). Because of these additional barriers, the marginal return on a project in a rural area is usually smaller than that of an urban area and projects are generally riskier.

A possible solution to circumventing the economy of scale problem that rural Opportunity Zones face is aggregating projects from multiple jurisdictions into a singular portfolio (Colorado Office of Economic Development & International Trade, Undated). In rural Colorado, such an approach has been undertaken where jurisdictions have banded together to implement regional high-speed internet in rural mountain communities and to use Opportunity Zones as a catalyst for implementing affordable housing from the subsequent economic boom. Additionally, Opportunity Zones themselves can be used to implement crucial services that many rural communities struggle to accommodate, such as daycares, broadband internet, and medical services (Farmer, 2019).

## **Oregon-Specific Development Tax-Incentives with Opportunity Zones**

Within Oregon, several municipalities have adopted Multi-Unit Property Tax Exemptions that waive property taxes on residential developments of 5-units or more (Eugene.gov, Undated). This type of tax incentive, coupled with Opportunity Zones, can equate to tremendous tax savings for investors. By coupling preexisting tax incentives with Opportunity Zones, investors can push the marginal return on social investment projects to capture more and more interest from purely money-oriented investors (Atkinson, 2019). A state such as Oregon that is in desperate need of all types of housing has ample programs available that can be used in tandem with Opportunity Zones to further increase the returns of developments.

## **Long-term Implications of Opportunity Zones**

While the regulations and tax benefits provided by Opportunity Zones are structured to retain investment in a community for a long duration, to receive the benefits of an Opportunity Zone, one must sell their stake in an Opportunity Zone project by 2046 (Economic Innovation Group, 2019). Some fear that investors selling their stakes in investments across the country simultaneously could ruin real-estate markets in Opportunity Zones by flooding local markets (Jacoby, 2019). This would have significant negative impacts for the low-income communities

that Opportunity Zones contain and some have speculated that it could make them worse off than before (Jacoby, 2019).

Alternatively, Opportunity Zones, if appropriately used, could bring in new jobs, business, and workforce and affordable housing. It is imperative that to support after-Opportunity Zone success, a succession plan is generated that transfers the Opportunity Zone project to a like-minded investor (Mission Investors Exchange, 2018). Additionally, it is a common practice for real-estate developers to build a large development and then pass it on to another company so that it can be run, however, given that Opportunity Zone benefits are only realized with long-term investment of ‘substantially all’ assets *within* the Opportunity Zone, investors have to hold and maintain an investment at a minimum of at least 5-years (Economic Innovation Group, 2018).

## **Opportunity Zone Projects, Plans, and Prospectuses**

There are over 8,700 census tracts across the United States with Opportunity Zone designation. Each state and local jurisdiction has taken their own course of action, or inaction, in regard to utilizing Opportunity Zones. While there are dozens and dozens of projects that have been publicized using Opportunity Zones, the following cases stand out for the proactive approach that local and state governments took to utilize Opportunity Zones within their communities.

### **Erie, Pennsylvania**

Erie presents their Opportunity Zones by first highlighting the local economy improvements over the decades. It points out recent major projects and investments completed by other organizations, and the city, and how these projects correlate to a more diverse and stronger Erie economy. The prospectus then illustrates how there are a litany of offices within public organizations at the local, county, and state level that have been specifically structured to deal with different phases of implementing an Opportunity Zones in Erie. The City of Erie then highlights the unique features of the local economy and how inclusion and diversity have become a key part of Erie’s revitalization plan, as well as how it is important that Opportunity Zone projects mimic these goals. Erie finishes their prospectus with showing a litany of vacant sites within their Opportunity Zones, the zoning of the sites, and what the surrounding community demographics look like. This assists investors by generating a comprehensive public investment portfolio that reassures the success of an Opportunity Zone investment.

### **Louisville, Kentucky**

Similar to Erie, Pennsylvania, Louisville, Kentucky has generated a prospectus that highlights the characteristics of their Opportunity Zones, as well as the city’s economic investments. They provide direct contact information for people to get ahold of city staff for the implementation of an Opportunity Zone project within Louisville. Throughout their prospectus, they highlight the attractiveness of the city and how they see the local economic conditions trending positively. They also present the composition of land use in the city and where it is through maps, as well as leverage unique characteristics of the city that make it stand out from other cities with Opportunity Zones. They also explain how these characteristics will aid in the success of Opportunity Zone projects. There are abundant maps illustrating where major employers reside and how many start-ups have begun in the city, as well as their geographic

proximity to Opportunity Zones. They show the public investment the city intends to place in Opportunity Zones to make them more attractive and how these investments will also aid in Opportunity Zone projects. Lastly, they provide a list of empty and feasible Opportunity Zone project locations, with maps, and provide size of lots and surrounding assets in neighboring communities.

## **Rural Colorado**

With the designation of Opportunity Zones in metropolitan areas that achieve higher returns on investments, rural communities must be creative in how they attract Opportunity Zones. One state that has become a poster child for rural Opportunity Zone investment is Colorado. Through Colorado's Office of Economic Development & International Trade, a privately ran website has been generated, [colorado-invest.com](http://colorado-invest.com), that highlights both Opportunity Zones across the state and investment opportunities within Opportunity Zones. By creating an account with this website, one can even find sources of capital, i.e. Opportunity Funds, to invest in projects already pipelined. This approach eliminates the barriers for entry of private investment and puts rural communities with attractive natural features on par with urban communities (Colorado Office of Economic Development & International Trade, Undated).

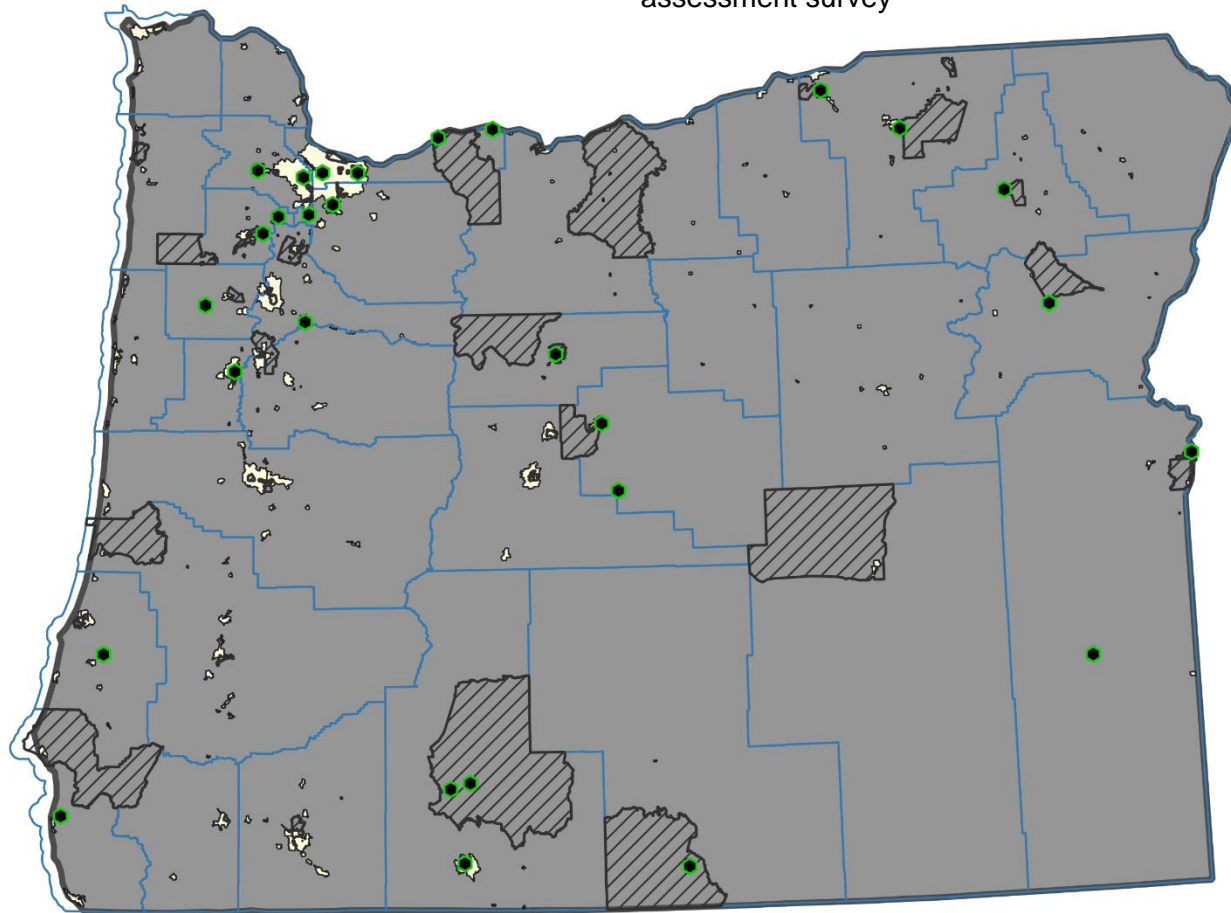
## **Key Takeaways**

- Communities that are touted as being national leaders in the Opportunity Zone investment realm have taken proactive steps in advertising their Opportunity Zones and communities.
- These communities not only highlight the investments that have been made in the community historically but, also future investments, public and private, that will aid Opportunity Zone projects.
- Each prospectus or website has a list of vacant or potential Opportunity Zone projects that investors should look at within their communities, as well as neighborhood characteristics and current land-use surrounding Opportunity Zones.

## **Survey Findings**

In total, 55 individuals responded from all over the state of Oregon, see Figure 5 for a map of the general location of survey respondents. Graph 1 illustrates the profession composition of respondents to the Opportunity Zone Assessment.

**Figure 5** An illustration of respondent jurisdictions to the Opportunity Zone assessment survey



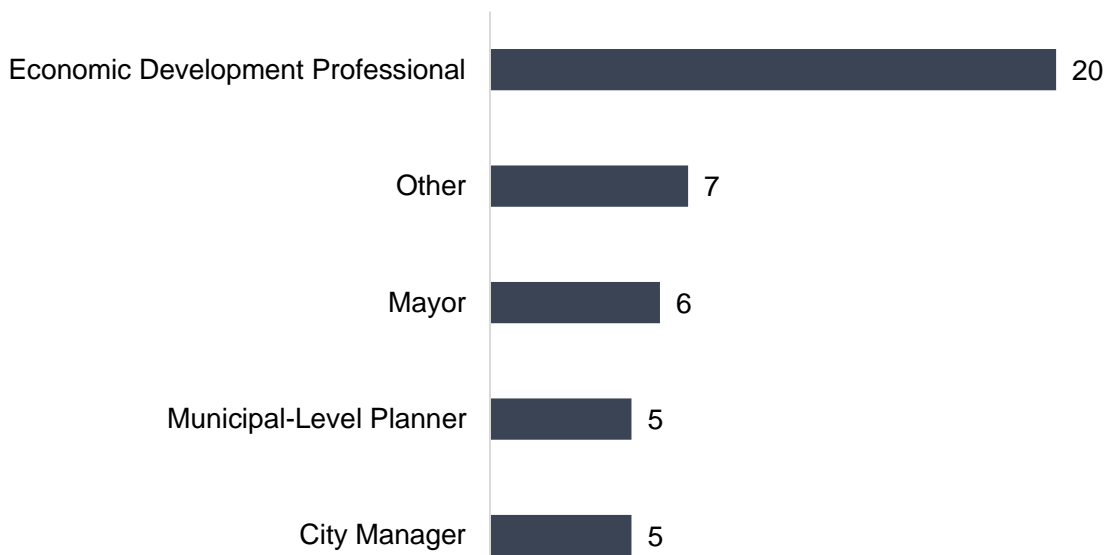
**Jurisdiction**

- Baker City
- Beaverton
- Benton County
- Cascade Locks
- Chiloquin
- Coos County
- Corvallis
- Curry County
- Dayton
- Douglas
- Forest Grove
- Gresham
- Hermiston
- Hood River
- Klamath County
- Klamath Falls
- La Grande
- Lakeview
- Lane
- Madras
- Malheur County
- Newberg
- Ontario
- Oregon city
- Polk County
- Prineville

- Survey Respondent Jurisdictions
- ▨ Oregon Opportunity Zone
- ▭ Oregon Counties
- ▭ Urban Growth Boundary



Graph 1: Which of the following profession groups do you identify with?



Graph1 illustrates responses from the Opportunity Zone Assessment Survey for the question, “Which of the following profession groups do you identify with?”.

To garner a general sense of how prolific the Opportunity Zone legislation was throughout the state, respondents were asked if they had ever heard of Opportunity Zones. Table 2 illustrates the responses to this question. Eighty-percent of respondents stated that they had heard of them and 64% reported that they understood the criteria used to select them.

To garner a sense of transparency of Opportunity Zones selection within communities, respondents were asked if they know who selected the Opportunity Zones in their communities. As stated previously, the governor of Oregon allowed for local jurisdictions to identify their own census tracts that they would like to have considered for Opportunity Zone status. Table 1 illustrates that 58% of respondents knew who selected the Opportunity Zones within their communities.

In an effort to gauge the utilization of Opportunity Zones by public officials, respondents were asked if they identified any real-estate or business opportunities that could match with opportunity funds. Fifty-two percent of respondents stated that they had done with a real-estate project and 51% stated that they had with a business venture. This result is somewhat surprising for on the national and private level, real-estate is the sought after venture for Opportunity Zone projects given that preexisting frameworks for the implementation of real-estate already exist and can be easily adapted to incorporate Opportunity Zone regulations.

**Table 1:** Responses to survey questions from all respondents across all professions

| Question   | Yes | No  | n  |
|--|-----|-----|----|
| Before receiving this survey, did you know if your municipality/county has one or more Opportunity Zones?  | 80% | 20% | 50 |
| Do you understand the criteria used to select Opportunity Zones in Oregon?   | 64% | 36% | 50 |
| Do you know who selected the Opportunity Zones within your jurisdiction?   | 58% | 42% | 50 |
| Has your organization identified specific real estate projects or business opportunities you are trying to match with opportunity zone funds? - Real estate projects   | 52% | 48% | 44 |
| Has your organization identified specific real estate projects or business opportunities you are trying to match with opportunity zone funds? - Business opportunities | 51% | 49% | 41 |

**Note:** Table 2. illustrates the responses from public entities that operate in Opportunity Zones in Oregon. In total, there are 55 respondents, however, the max sample out of the above question is 50 and the minimum response is 41.

The survey also asked respondents to rate the importance of services their community needs from very unimportant to very important. Table 2 illustrates these results. Of the available options for respondents to pick, the service or development that was cited as being the most ‘very important’ was that of retaining current business with 70% of respondents saying so. This was followed by workforce housing and attracting new business at 55% of respondents. The service that had the lowest incidence of ‘very important’ is daycare with 32% of respondents indicating so.

**Table 2:** Please indicate the how important or unimportant the following developments and services in accordance to their need within your jurisdiction.

|   | Retaining Current Business | Workforce Housing | Attracting New Business | Increasing Business Diversity | Affordable Housing | Broadband Internet | Daycare |
|---|----------------------------|-------------------|-------------------------|-------------------------------|--------------------|--------------------|---------|
| <b>Very Important</b>                   | 70%                        | 55%               | 55%                     | 49%                           | 47%                | 34%                | 32%     |
| <b>Important</b>                        | 17%                        | 30%               | 38%                     | 26%                           | 43%                | 40%                | 45%     |
| <b>Neither Important or Unimportant</b> | 4%                         | 9%                | 2%                      | 21%                           | 4%                 | 15%                | 11%     |
| <b>Unimportant</b>                      | 4%                         | 0%                | 0%                      | 2%                            | 2%                 | 0%                 | 4%      |
| <b>Very Unimportant</b>                 | 4%                         | 6%                | 4%                      | 2%                            | 4%                 | 9%                 | 6%      |

**Note:** This table illustrates respondent’s responses to a survey question asking how important certain development and services are within their jurisdiction. This information was gathered from the Opportunity Zone Assessment survey implemented in March of 2020.

Graph 2 illustrates what year respondents had found out about Opportunity Zones. Of the 47 who responded, 29, or over half, had heard of Opportunity Zones on or before 2017. Only eight respondents reported hearing about Opportunity Zones after 2018.

**Graph 2: What year did you find out about Opportunity Zones?**

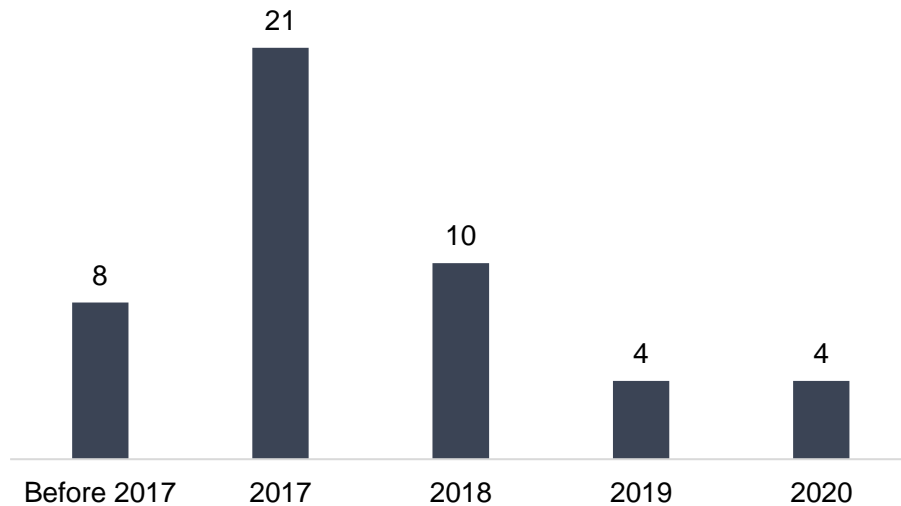


Table 3 illustrates the count of individuals by profession and year they said they had found out about Opportunity Zones. Those who identify as economic development professionals found out about Opportunity Zones before those who did not identify as economic development professionals.

**Table 3: Year respondents found out about Opportunity Zones by self-identified profession**

|  | Before 2017 | 2017 | 2018 | 2019 | 2020 |
|--|-------------|------|------|------|------|
| <b>City Manager</b>                      | -           | 1    | 3    | -    | -    |
| <b>Economic Development Professional</b> | 4           | 9    | 3    | 3    | 1    |
| <b>Mayor</b>                             | 1           | 3    | -    | 1    | -    |
| <b>Municipal-Level Planner</b>           | 1           | 2    | 2    | -    | -    |
| <b>Other</b>                             | 1           | 2    | -    | -    | 3    |
| <b>Total</b>                             | 7           | 17   | 8    | 4    | 4    |

Table 4 shows the perceptions of usefulness of the Opportunity Zone legislation for respondent jurisdictions. When asked if one thinks that Opportunity Zones are a tool that can facilitate desired projects within their community, 61% of respondents said yes, 32% said they were unsure, and only 6% said no. When asked if they had performed any previous research on Opportunity Zones and how they could benefit their communities, 76% indicated that they had.

In addition to understanding Opportunity Zones, the Opportunity Zone Assessment wanted to gauge if there were avenues in place for jurisdictions to point individuals interested in utilizing Opportunity Zones within their communities. When asked if there were formal avenues in place for private entities to use in regards to Opportunity Zones within their communities, 38% of respondents said yes, 13% said no, and 49% said they were unsure. Respondents were also asked if they had a dedicated economic development staff member and 60% of respondents replied no, 38% said yes, and 2% said they were unsure.

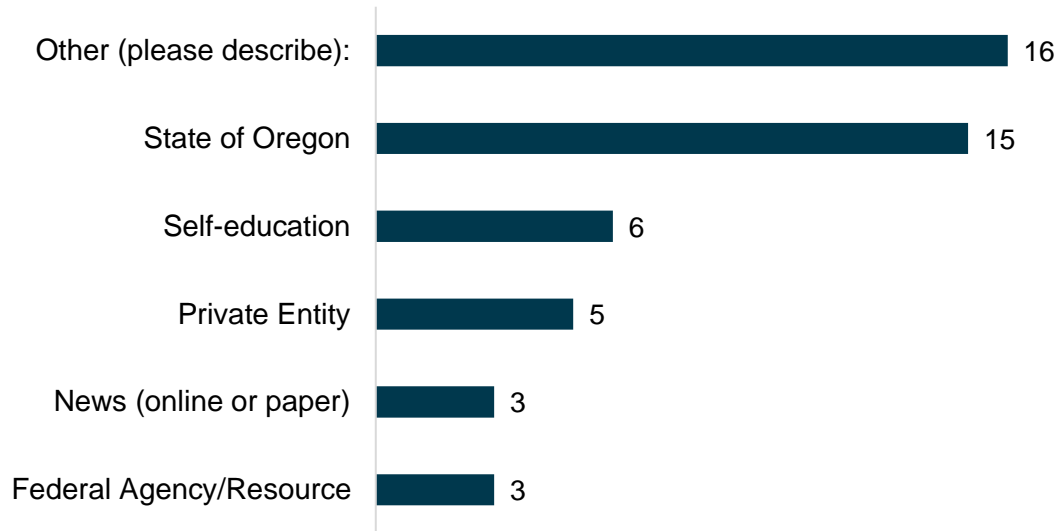
**Table 4:** Responses to survey questions from all respondents across all professions

| Question  | Unsure/I don't |      |     | n  |
|---|----------------|------|-----|----|
|   | Yes            | Know | No  |    |
| Do you think Opportunity Zones are a tool that can facilitate desired projects in your community?   | 61%            | 32%  | 6%  | 49 |
| Have you or someone in your organization researched the Opportunity Zone program with the intent of understanding how your organization could benefit from Opportunity Zones? | 76%            | 6%   | 18% | 50 |
| Does your local government have any formal avenues for private entities to utilize Opportunity Zones?   | 38%            | 49%  | 13% | 47 |
| Does your municipality/county have a dedicated economic development staff/staff member?   | 38%            | 2%   | 60% | 42 |

**Note:** Table 5. illustrates the responses from public entities that operate in Opportunity Zones in Oregon. In total, there are 55 respondents, however, the max sample out of the above question is 50 and the minimum response is 41.

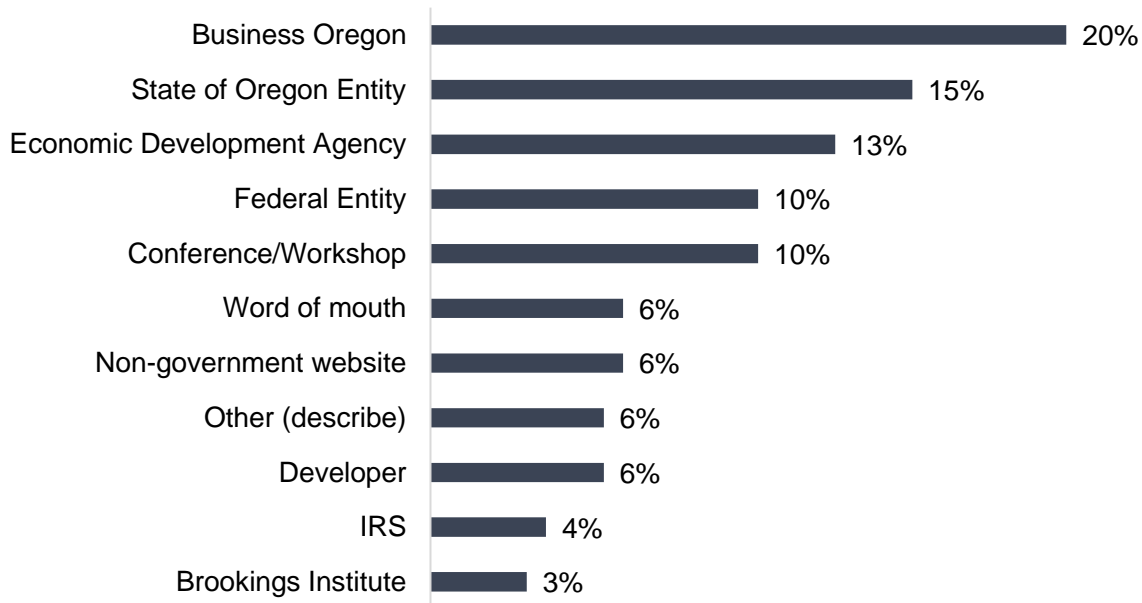
To ascertain the original source of respondent’s Opportunity Zone knowledge, respondents were asked how they initially found out about Opportunity Zones. These responses are illustrated in Graph 3. Of the 48 who replied, 15 choose the State of Oregon. The highest picked source was “Other (please describe):” with 16 respondents choosing so.

Graph 3: How did you initially find out about Opportunity Zones? - Selected Choice



In addition to ascertaining respondent’s original source of Opportunity Zone knowledge, the Opportunity Zone Assessment also strived to understand where continual sources of Opportunity Zone information was gathered by respondents. When asked where respondents get their continual Opportunity Zone information from, 48% stated that they got it from Business Oregon, a State of Oregon entity, or an economic development agency. These responses are illustrated in Graph 4.

Graph 4: Where do you get information on Opportunity Zones? (Check all that apply)



## Key Survey Findings

- Non-economic development professionals found out about Opportunity Zones later than economic development professionals. Non-economic development professionals did not find out about Opportunity Zones through economic development professionals
- There is a wide range of variability of respondents knowing who selected Opportunity Zones or how they work. This is reflected in observed work with the workforce housing group.
- There is not an identifiable single dominant source for the origin of individuals knowledge of Opportunity Zones, however, the State of Oregon and subsequent state entities has the highest cites
- Jurisdictions prioritize business retention over all other possible services or developments within their communities.
- There are varying resources that people use to keep up to date with Opportunity Zones, but there is no single one source; nor are all sources Oregon centric. Business Oregon is most commonly cited source.
- Many individuals do not know of OZ projects, nor the specifics of ones they do know (federal reporting requirements?).
- Jurisdictions want to use OZs but, don't know how in practice.
- Where OZs are being used, they are well received and do not wish for them to be changed.

## Shadowing Findings

While shadowing, two in-person meetings occurred and two conference calls occurred. This workforce housing group is still in operation to this day, however, shadowing stopped in January of 2020. At the first in-person meeting, introductions were made and the business framework was discussed. While the meetings were each around an hour long and filled with abundant information and insights, the main takeaways are as follows:

- Due to the costs of finding properties, interested municipalities, and compatible sites, the only way that the workforce housing group could implement housing and cover their costs is if municipalities waived their site development fees.
- Only very low-cost construction would facilitate returns in the desirable range of 7%.
- While greater returns are available elsewhere, the group found that leveraging the positive social impact of investments to community member investors won over pure financial gain.
- Working with small rural municipalities is easier given the laxer regulatory environment and direct interactions with community leaders to build community trust.
- Some rural communities, no matter what the project, will not be able to reach a return to scale that will attract investment. A group member advocated for the creation of a regional project bank where rural projects could be aggregated and made more profitable.

**Oregon House Bill 4010**

In January of 2020, Oregon state representatives introduced a bill, HB 4010, that would decouple the State of Oregon’s tax compliance with the Opportunity Zone legislation (The Oregonian, 2020). Oregon mimics federal level tax-structures and has a state-level capital gains tax as well that is also following the Opportunity Zone tax abatement incentives (Oregon Secretary of State, Undated). Citing impacts to state tax revenue, inappropriate placement of Opportunity Zones in Portland, supporting development that was already going to occur, as well as providing a double incentive by giving state tax breaks on top of federal tax breaks, state representatives introduced House Bill 4010 to prevent giving the same state-level tax breaks that the federal government is giving.

Given the timing of the introduction of HB 4010 during the creation of the workforce housing group, the work that was being done to move forward with site selection was halted to lobby for its prevention. Workforce and affordable housing have very minimal financial returns and to leverage their projects to investors, the workforce housing group used Opportunity Zone tax benefits to, at times, double the return of investments. The decoupling of the State of Oregon from this federal incentive has the possibility of jeopardizing attracting investors to financially unattractive projects like workforce and affordable housing by limiting the financial returns from projects.

To lobby against this bill, a group of over 40 individuals composed of attorneys, developers, state representatives, and investors was created. This group testified at the public hearing portion of HB 4010 and while the bill was not vetoed completely, it was tabled for amendments and reintroduction at a later session.

To garner a sense of how this decoupling measure is perceived by the economic development community within Oregon, two questions on the survey asked about HB 4010. Table 5 illustrates the number of people who knew about HB 4010 and whether or not individuals supported it, respectively. Of the 41 who responded to the question, 21 said that they had heard of HB 4010. Those that said they were aware then were prompted to answer the next question as to whether or not they supported HB 4010. Of the 23 who responded, 13 said no, nine said they were unsure, and only one person supported it.

**Table 5.** Responses from survey in regards to House Bill 4010

|  | <b>Yes</b> | <b>Unsure – Need more information</b> | <b>No</b> |
|--|------------|---------------------------------------|-----------|
| Before receiving this survey, were you aware of HB 4010? | 49%        | -                                     | 51%       |
| Do you support HB 4010?                                  | 4%         | 39%                                   | 57%       |

Table 6 illustrates the respondent’s answers to questions focused on HB 4010, a measure to decouple the State of Oregon from Opportunity Zone benefits.

## Opportunity Zones for COVID-19 Recovery

In the wake of the COVID-19 outbreak of 2019-2020, attention being given to Opportunity Zones and their corresponding projects has fallen by the wayside. The federal government reacted to the detriments of COVID-19 on Opportunity Zone developments by extending the deadline that capital gains had to be realized to being put in an Opportunity Fund, as well as how long a QOF has to deploy capital (Rascoe, 2020). This deadline being contingent upon when the capital gains were realized and when the QOF was to be deployed. While local and regional economies are coming to a standstill and governments are preparing for subsequent revenue shortfalls, there may be some opportunity for the use of Opportunity Zones to enhance COVID-19 economic recovery efforts.

John Curtis (R) – Utah and Henry Cuellar (D) – Texas, are two members of the House of Representatives that have sought to expand Opportunity Zone legislation in the wake of COVID-19 (). Their proposal is a bill entitled, “COVID-19-Impacted Small Business Opportunity Zone Act”, that aims to expand flexibility of Opportunity Zones for small businesses that has gross receipts less than a million dollars a year (Armour et. al., 2020). Their bill would modify the current Opportunity Zone bill in four ways:

- Small Businesses Affected by COVID-19: This would allow all small businesses, regardless of their location within an Opportunity Zone, Opportunity Zone benefits to investors who invest through a QOF (Armour et. al., 2020).
- Fixing Capital Gains Tax Rate: Given that capital gains taxes are deferred for payment until 2026, there are fears from investors that tax rates in 2026 will be higher than 2020 causing them to pay more. With COVID-19 emergency spending from the federal government in the trillions of dollars, this is increasingly a possibility. This bill would fix the capital gains tax rate to be paid in 2026 to current levels (Armour et. al., 2020).
- Currently, given the temporal guidelines of Opportunity Zones, the 15% point abatement on front-end capital gains is no longer attainable given that investments made in 2020 will not make the 2026 benchmark time for investments. This amendment would defer the investment exclusion to beyond December 31, 2026 so that the 7-year benefits can be obtained.
- The fourth and arguably most powerful amendment would be the opening of Opportunity Funds to non-capital gains dollars so that anyone could invest their money in a QOF and receive the Opportunity Zone benefits *if* that particular investment is held for 10 years. While this is more inclusionary of investors and doesn't require that a person be a higher income or wealth status to have capital gains, the ability to not touch an investment or receive income from an investment for 10 years is only possible for people not in need of a annual return, i.e., the very wealthy.

Ultimately, in light of COVID-19, investors have become increasingly risk adverse, especially with Opportunity Zone type investments (Armour et. al., 2020). However, Opportunity Fund that are most uncertain are those that require debt financing in addition to the Qualified Opportunity Fund dollars (Fioralla, 2020). These projects are typically for large multi-million dollar family office projects (Fioralla, 2020). Opportunity Fund managers are waiting for additional amendments and provisions that address Opportunity Zones regulations in light of COVID-19. However, if a project is still penciled and deemed viable, there is no reason to not invest in it through an Opportunity Fund. It would appear that post-COVID-19, the ability for public entities to pipeline projects and take on as much pre-planning expenses is as viable a route as ever to encourage private investment via Opportunity Zones in their communities (Fioralla, 2020).



## Conclusion

If leveraged appropriately, Opportunity Zones can provide significant incentives for investing in low-income communities across Oregon. While at its core a mechanism to get private investment dollars into low-income communities, public entities at the municipal and county-level can proactively generate projects for investors to utilize Opportunity Zone benefits. Anywhere along the process of project development where a public entity can replace the work of a private entity in regards to Opportunity Zone projects, the cheaper and less risky the project will be for the private investor, the more likely the project will coincide with community needs and values.

Due to the fumbled and slow rollout of the Opportunity Zone legislation by the federal government, as well as a lack of examples and expertise in navigating such legislation, Oregon jurisdictions are still trying to find the appropriate frameworks and mechanisms to make Opportunity Zones work for them. In some communities where the placement of the Opportunity Zone was poor, those communities will not be able to take advantage of this legislation. While the most significant benefits of Opportunity Zones are no longer feasible, it is highly likely that future legislation structured in the same way as Opportunity Zones will occur again.

By looking at communities that are nationally touted as proactive leaders in the Opportunity Zone investment realm, Oregon and its jurisdictions can replicate the work that these communities have done and add in Oregon's unique character. By eliminating the barriers to utilization in addition to highlighting projects that Oregonians want, communities can bring in long-needed projects and investments that benefit all residents, even with more financially tantalizing investment areas in Downtown Portland.

As highlighted in this paper through the analysis of a survey, it is clear that most Oregon community planners, economic development professionals, and leaders are wanting to use Opportunity Zones to enhance their communities. However, while there is enthusiasm to learn how to use Opportunity Zones, there is no clear distinct and touted service in Oregon for doing so. Business Oregon is the state's go-to service for economic development and they have made significant strides in advertising Opportunity Zones in the past six months. However, they could significantly increase educational outreach to communities and teach public officials frameworks and tactics to solicit Opportunity Zone projects from funding *within* their jurisdictions.

Opportunity Zones in Oregon can bring much needed investment in low-income communities, both in urban and rural jurisdictions. However, to increase the likelihood that investors will be attracted to an Opportunity Zone in a community, communities need to lay as much groundwork as possible to ease the implementation of desired projects. However, given the lack of any real interest in Opportunity Zones, or any push to use them, by the State of Oregon, Oregon has missed out on the greatest possible community benefits of Opportunity Zones.

## Recommendations

- State funded organizations like Business Oregon should encourage the participation of more planners, managers, and non-economic development professionals in their operations. Business Oregon should proactively and aggressively disseminate economic development tools, like Opportunity Zones, to Oregon communities. Business Oregon, as the State of

Oregon's economic development outlet, is far better equipped to disseminate development policies as they are implemented, as well as generate frameworks for their utilization, than local jurisdictions and public officials. Additionally, by being the State of Oregon's, and local jurisdiction's, go-to source for economic development information, all public entities will be able to engage with each other to encourage inter-jurisdiction development. This is particularly salient in rural Oregon where jurisdictions face the obstacle of returns-to-scale. Joint jurisdiction ventures can attract investment and development attention if they are both equally educated on development incentives.

- Jurisdictions need to pipeline projects that they wish to be used in Opportunity Zones. By identifying projects and advertising them, jurisdictions can reduce the search time and search costs for investors making deals more attractive for them to invest in. This also prevents jurisdictions from having to give further development incentives and costing them revenue. In other words, the federal and state government can foot the development incentive bill rather than the local jurisdiction. Additionally, by proactively identifying projects, jurisdictions have a higher likelihood of getting projects that the community actually wants implemented and will result in a more beneficial social impact. Lastly, by jurisdictions identifying and pipelining projects, they can increase the speed of development if they have also ensured that all necessary development criteria and city requirements are identified.
- Public officials should reach out to community leaders and high net-worth individuals *within* their communities to encourage fund creation and project investment. By reaching out to community members, jurisdictions can demonstrate transparency, as well as keep investments within their community.
- Jurisdictions should leverage projects as socially beneficial rather than maximizing financial returns. Projects don't need to be make lots of money for investors but, they also shouldn't lose money, or have significant opportunity costs. It is important to make sure projects have a positive return without Opportunity Zone benefits; Opportunity Zone benefits are the marginal tipping point for a project that makes it so it is not as financially risky.
- While pipelining projects, jurisdictions should take advantage of this time to receive community engagement in project development where possible. Private companies will not take on this aspect of project development for it is costly and doesn't improve financial outcomes. However, some projects only pencil because they are implemented or built in a specific way, in which case, there can be little to no public engagement. In these instances, jurisdictions should provide complete transparency on the project and where funding is coming from. This also enables jurisdictions to track projects and actually quantify the impacts of the Opportunity Zone legislation.

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**Appendix**

Appendix Table 1: Location of All Opportunity Zones in Oregon by community name, county, and census tract number

| Community/Basic Location         | County     | Tract # |
|----------------------------------|------------|---------|
| Baker City                       | Baker      | 9505    |
| South Corvallis                  | Benton     | 1       |
| Corvallis (downtown)             | Benton     | 106     |
| Clackamas                        | Clackamas  | 221.07  |
| Clackamas (South of Hwy 212)     | Clackamas  | 221.08  |
| Clackamas (Town Center)          | Clackamas  | 222.01  |
| Wilsonville                      | Clackamas  | 244     |
| Oregon City                      | Clackamas  | 225     |
| Willamette Falls                 | Clackamas  | 224     |
| Astoria—Tongue Point             | Clatsop    | 9503    |
| St. Helens                       | Columbia   | 9707    |
| North Bend (along Hwy 101)       | Coos       | 3       |
| Coos Bay (Empire)                | Coos       | 5.04    |
| Prineville and Powell Butte      | Crook      | 9503    |
| Port Orford                      | Curry      | 9501    |
| Redmond                          | Deschutes  | 9       |
| Bend (Old Mill area)             | Deschutes  | 15      |
| Bend (Central Business District) | Deschutes  | 16      |
| Bend (East Bend)                 | Deschutes  | 18      |
| Roseburg                         | Douglas    | 1300    |
| Reedsport (including Gardiner)   | Douglas    | 100     |
| Burns and Hines                  | Harney     | 9601    |
| Hood River                       | Hood River | 9503    |
| Cascade Locks                    | Hood River | 9501    |
| Medford (downtown)               | Jackson    | 1       |
| Medford                          | Jackson    | 12      |
| White City (North of Medford)    | Jackson    | 13.01   |
| Warm Springs                     | Jefferson  | 9400    |

**Appendix Table 1:** Continued: Location of All Opportunity Zones in Oregon by community name, county, and census tract number

|                                    |           |         |
|------------------------------------|-----------|---------|
| Madras (East side)                 | Jefferson | 9602.02 |
| Grants Pass (downtown)             | Josephine | 3605    |
| Chiloquin                          | Klamath   | 9702    |
| Klamath Falls (downtown)           | Klamath   | 9718    |
| Lakeview                           | Lake      | 9602    |
| Eugene (downtown, 5th St area)     | Lane      | 39      |
| Eugene (Bethel)                    | Lane      | 43      |
| Springfield (downtown)             | Lane      | 33.02   |
| Eugene (UofO and EWEB property)    | Lane      | 37      |
| Springfield (Glenwood)             | Lane      | 36      |
| Lincoln City                       | Lincoln   | 9503.04 |
| Millersburg                        | Linn      | 201     |
| Albany (downtown)                  | Linn      | 204     |
| Ontario                            | Malheur   | 9703    |
| Nyssa                              | Malheur   | 9705    |
| Salem (downtown)                   | Marion    | 2       |
| Salem (airport)                    | Marion    | 10      |
| Salem (downtown, North waterfront) | Marion    | 3       |
| Woodburn (East side)               | Marion    | 103.05  |
| Woodburn (West of I-5)             | Marion    | 103.03  |
| Portland (Innovation Quadrant)     | Multnomah | 11.01   |
| Portland (Inner East Side)         | Multnomah | 21      |
| Portland (Lower Albina)            | Multnomah | 23.03   |
| Portland (Pearl Dist)              | Multnomah | 51      |
| Portland (PSU)                     | Multnomah | 56      |
| Port of Portland area              | Multnomah | 73      |
| Gateway                            | Multnomah | 81      |
| Gateway                            | Multnomah | 82.01   |
| Gresham                            | Multnomah | 100.01  |
| Portland (downtown)                | Multnomah | 106     |



Table 1 Continued: Location of All Opportunity Zones in Oregon by community name, county, and census tract number

|  |            |        |
|--|------------|--------|
| Rockwood   | Multnomah  | 96.03  |
| Rockwood   | Multnomah  | 96.04  |
| Rockwood   | Multnomah  | 98.01  |
| Rosewood   | Multnomah  | 97.01  |
| Fairview   | Multnomah  | 101    |
| Fairview/Wood Village                                  | Multnomah  | 103.04 |
| South Waterfront                                       | Multnomah  | 57     |
| West Salem   | Polk       | 51     |
| Dallas   | Polk       | 202.02 |
| Sherman County   | Sherman    | 9501   |
| Garibaldi  | Tillamook  | 9602   |
| Confederated Tribes of the Umatilla Indian Reservation | Umatilla   | 9400   |
| Milton-Freewater                                       | Umatilla   | 9502   |
| Hermiston  | Umatilla   | 9510   |
| La Grande (East side)                                  | Union      | 9708   |
| The Dalles   | Wasco      | 9704   |
| The Dalles   | Wasco      | 9705   |
| Tigard   | Washington | 307    |
| Tigard (Washington Sq)                                 | Washington | 309    |
| Beaverton  | Washington | 313    |
| Beaverton  | Washington | 314.02 |
| Tualatin   | Washington | 320.03 |
| Tualatin   | Washington | 320.05 |
| Hillsboro  | Washington | 325.01 |
| Forest Grove   | Washington | 332    |
| McMinnville  | Yamhill    | 306.01 |
| Grand Ronde  | Yamhill    | 305.02 |
| Newberg  | Yamhill    | 302.02 |

Source: Business Oregon

## **Complete Survey**

### **Oregon Opportunity Zone Assessment**

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#### **Start of Block: Default Question Block**

#### **Background on Opportunity Zones Legislation**

Opportunity Zones are part of the 2017 Tax Cut and Jobs Act. The premise of the legislation is to allocate investment to communities that have been traditionally under-served. Opportunity Zones allow for access to Opportunity Funds, a pool of money that are unrealized capital gains from any source of capital (stocks, commercial real estate, etc.,) from any number interested parties. The benefit/incentive of placing capital gains in to Opportunity Funds is discounted capital gains tax on the front-end, and total tax abatement on all realized investment gain from the Opportunity Zone project on the back-end. There is an estimated \$6 trillion of unrealized capital gains that could be placed in Opportunity Funds and allocated to Opportunity Zones. This legislation, if appropriately acted upon, could lead to the largest private investment in American communities ever.

At the onset of the legislation, states identified 25% of their low-income census tracts to be nominated as Opportunity Zones by the U.S. Treasury Department. As of 2019, there are over 8,700 tracts that have been designated as Opportunity Zones with an estimated 35 million Americans living within them, 60% of which being people of color. Within the state of Oregon, there are 86. These tracts are scattered throughout the state, both rural and urban, and are in places like downtown Portland, downtown Eugene, Reedsport, and Coos Bay.

This survey aims to gauge the utilization, knowledge, and proliferation of this legislation within the State of Oregon.

#### **Instructions**

Please complete the following survey by providing your honest opinion and assessment of your experiences and knowledge of Opportunity Zones. Please:  Read each question carefully

The survey should be completed by the individual to which it is addressed  No identifiable information shared with us will be published or associated with you in any way

Your honest opinion and assessment is important  Please complete by (DATE)

#### **Confidentiality Statement and Release**

Any personally identifying information will not be tied to any product this research produces. We will not share or sell your personally identifying information. By completing and returning this survey you provide consent in allowing the IPRE to use these findings for research. You may choose not to participate in this survey without penalty. If you have any questions, please

contact Robert Parker, IPRE Director (541.346.3801 or [rgp@uoregon.edu](mailto:rgp@uoregon.edu)).

---

Do you consent to complete this survey?

Yes (1)

No (2)

*Skip To: Q18 If Do you consent to complete this survey? = No*

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Page Break 

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**First, we want to learn about your knowledge of Opportunity Zones.**

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Before receiving this survey, had you heard of Opportunity Zones?

- Yes (1)
  - No (2)
- 

What year did you find out about Opportunity Zones?

- Before 2017 (1)
  - 2017 (2)
  - 2018 (3)
  - 2019 (4)
  - 2020 (5)
- 

Before receiving this survey, did you know if your municipality/county has one or more Opportunity Zones?

- Yes (1)
  - No (2)
- 

Do you know who selected the Opportunity Zones within your jurisdiction?

- Yes (1)
  - No (2)
-

Do you understand the criteria used to select Opportunity Zones in Oregon?

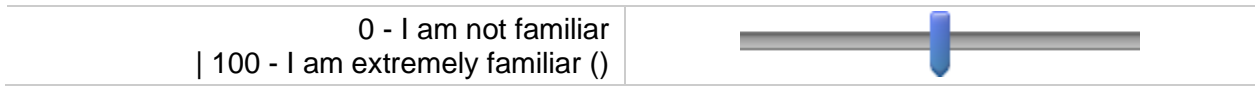
Yes (1)

No (2)

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Page Break \_\_\_\_\_

How familiar are you with the Opportunity Zones operational framework?

0 10 20 30 40 50 60 70 80 90 100



How did you initially find out about Opportunity Zones?

- Self-education (1)
- State of Oregon (2)
- Private Entity (3)
- Federal Agency/Resource (4)
- News (online or paper) (5)
- Other (please describe): (6)

Do you think Opportunity Zones are a tool that can facilitate desired projects in your community?

- Yes (1)
- No (2)
- Unsure (3)

Please explain your response to the previous question.

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Page Break

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**Next, we want to understand where you receive information about Opportunity Zones.**

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Have you or someone in your organization researched the Opportunity Zone program with the intent of understanding how your organization could benefit from Opportunity Zones?

- Yes (1)
  - No (2)
  - Unsure (3)
- 

Please describe why or why not:

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Where do you get information on Opportunity Zones? (Check all that apply)

- State of Oregon Entity (1)
- Federal Entity (6)
- Non-government website (2)
- Word of mouth (3)
- Conference/Workshop (4)
- Business Oregon (7)
- Economic Development Agency (8)
- Economic Innovation Group (11)
- IRS (9)
- Brookings Institute (12)
- Developer (10)
- Other (describe) (5) \_\_\_\_\_

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Page Break \_\_\_\_\_

**Next, we're interested in whether your organization has taken any proactive steps to capitalize on Opportunity Zones.**

---

Has your organization identified specific real estate projects or business opportunities you are trying to match with opportunity zone funds?

|                            | Yes (1)               | No (2)                | Don't know (3)        |
|----------------------------|-----------------------|-----------------------|-----------------------|
| Real estate projects (1)   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Business opportunities (2) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

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Does your local government have any formal avenues for private entities to utilize Opportunity Zones?

- Yes (1)
  - No (2)
  - I do not know (3)
- 

Please explain what avenues your local government has.

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Does your local government have a staff person identified to respond to inquires about Opportunity Zones?

- Yes (1)
- No (2)
- Don't know (3)

---

Page Break

Do you know of any projects in your municipality utilizing the Opportunity Zone tax benefits? If yes, please list them below.

- Yes (4)
- No (5)
- Don't know (6)

---

*Display This Question:*  
*If Do you know of any projects in your municipality utilizing the Opportunity Zone tax benefits? If... = Yes*

Please describe the project(s)

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*Display This Question:*  
*If Do you know of any projects in your municipality utilizing the Opportunity Zone tax benefits? If... = Yes*

If you have contact information for someone who you think would know, provide their name and contact information.

- Name (1) \_\_\_\_\_
- Email or Phone (2) \_\_\_\_\_

**Next, we're interested in your perspectives on how Opportunity Zones align with your community and economic development objectives.**

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Has your organization done any work exploring how Opportunity Zones support your community and/or economic development objectives?

- Yes (1)
- No (2)
- Unsure (3)

---

*Display This Question:*  
*If Has your organization done any work exploring how Opportunity Zones support your community and/or... = Yes*

Please explain your efforts.

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Please indicate the how important or unimportant the following developments and services in accordance to their need within your jurisdiction.

|                                   | Very unimportant (1)  | Unimportant (2)       | Neither important nor unimportant (3) | Important (4)         | Very important (5)    |
|-----------------------------------|-----------------------|-----------------------|---------------------------------------|-----------------------|-----------------------|
| Workforce Housing (1)             | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>                 | <input type="radio"/> | <input type="radio"/> |
| Affordable Housing (2)            | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>                 | <input type="radio"/> | <input type="radio"/> |
| Day Care (3)                      | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>                 | <input type="radio"/> | <input type="radio"/> |
| Broadband Internet (4)            | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>                 | <input type="radio"/> | <input type="radio"/> |
| Attracting New Business (5)       | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>                 | <input type="radio"/> | <input type="radio"/> |
| Retaining Current Businesses (6)  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>                 | <input type="radio"/> | <input type="radio"/> |
| Increasing Business Diversity (7) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>                 | <input type="radio"/> | <input type="radio"/> |

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Page Break

**Next, we want to understand your knowledge of, and opinions about, Oregon HB 4010.**

HB 4010 is a proposed State of Oregon bill to make Oregon non-compliant with Opportunity Zones tax incentives. Oregon has its own state-level capital gains tax that is currently following the benefit structure of the federal benefits of Opportunity Zones. With the passing of HB 4010, projects utilizing the Opportunity Zones legislation will receive federal tax abatement and deferment but, will still be liable for Oregon capital gains tax obligations.

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Before receiving this survey, were you aware of HB 4010?

- Yes (1)
  - No (2)
- 

*Display This Question:*

*If Before receiving this survey, were you aware of HB 4010? = Yes*

Do you support HB 4010?

- Yes (1)
  - No (2)
  - Unsure - need more information (3)
- 

Page Break

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Which of the following profession groups do you identify with?

- City Manager (1)
  - Economic Development Professional (2)
  - Municipal-Level Planner (3)
  - County-Level Planner (4)
  - Mayor (5)
  - Other (6)
- 

Does your municipality/county have a dedicated economic development staff/staff member?

- Yes (1)
  - No (2)
  - Unsure (3)
- 

Do you have any additional comments to make about Opportunity Zones either within your community or generally?

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Do you wish to find out more about Opportunity Zones?

- Yes (1)
  - No (2)
- 

Would you be interested in an interview/being contacted further about Opportunity Zones?

- Yes (1)
  - No (2)
- 

Finally, please tell us about yourself and your organization:

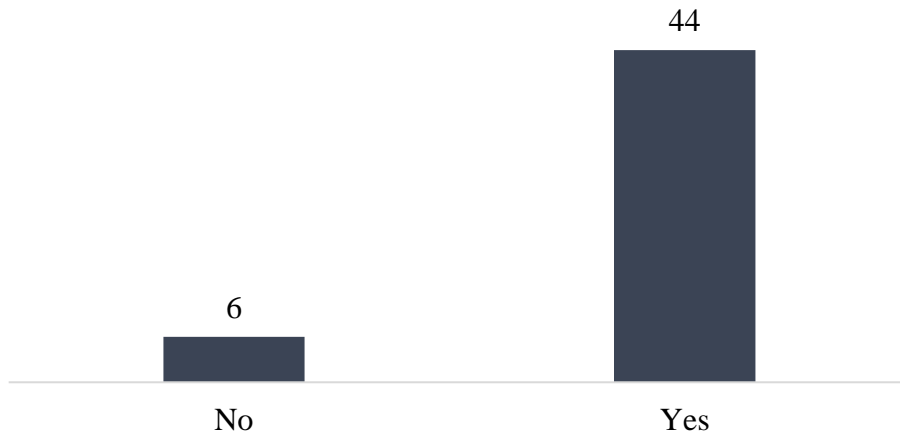
- Name (1) \_\_\_\_\_
  - Title (2) \_\_\_\_\_
  - Organization (3) \_\_\_\_\_
  - Email (4) \_\_\_\_\_
  - Phone (5) \_\_\_\_\_
  - Jurisdiction Name (6) \_\_\_\_\_
- 

**Thank you for your response! Click next>> to submit your survey.**

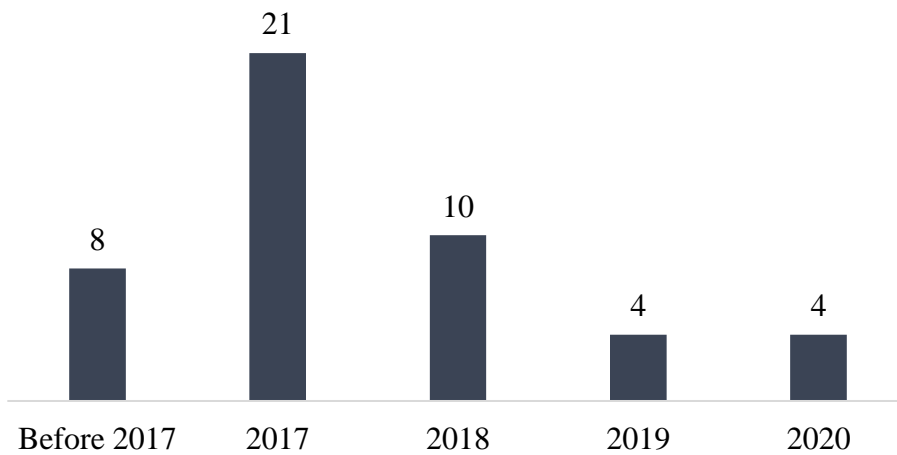
**End of Block: Default Question Block**

### Survey Results

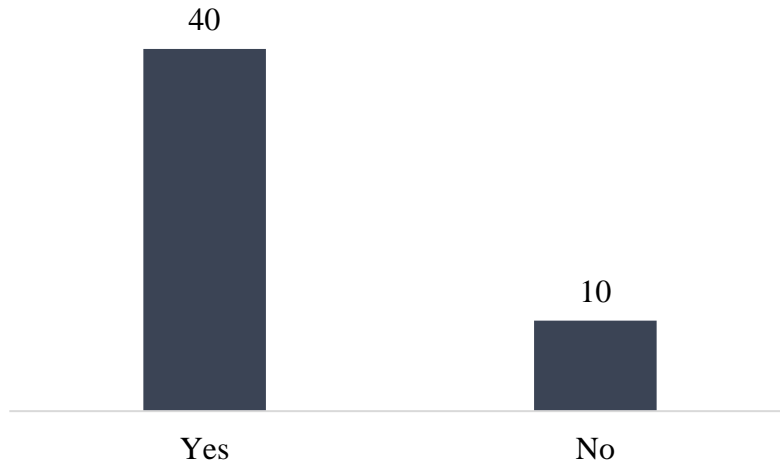
Before receiving this survey, had you heard of Opportunity Zones?



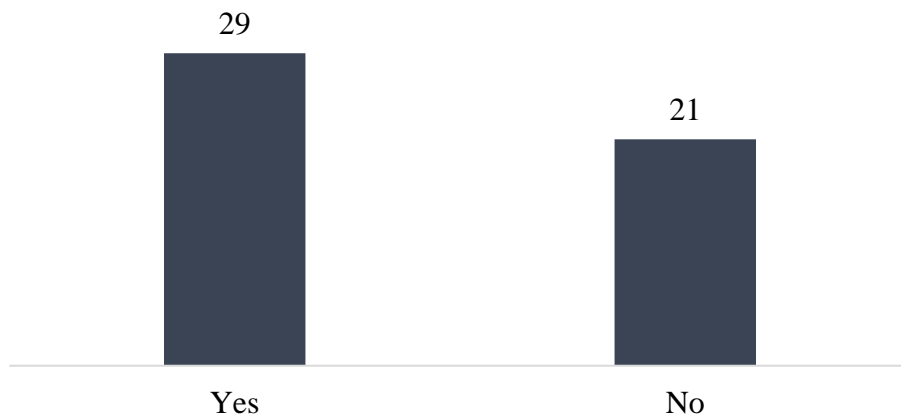
What year did you find out about Opportunity Zones?



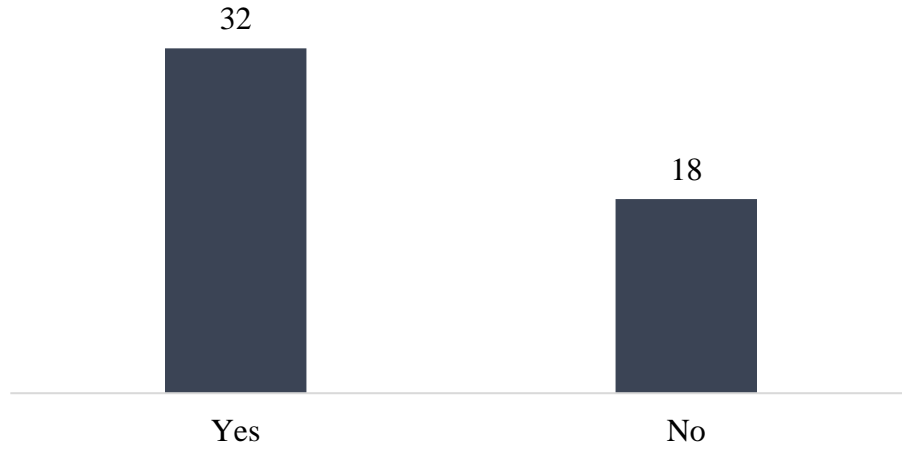
Before receiving this survey, did you know if your municipality/county has one or more Opportunity Zones?



Do you know who selected the Opportunity Zones within your jurisdiction?



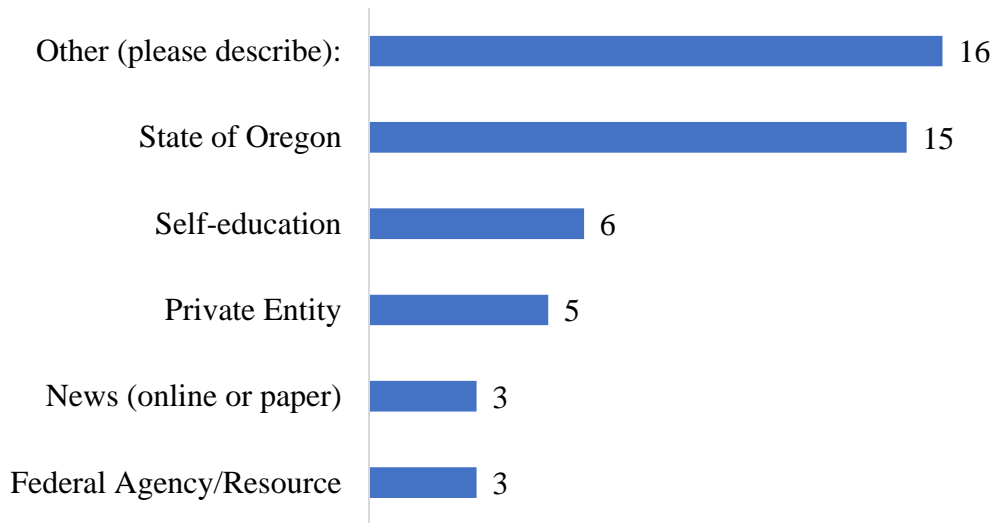
Do you understand the criteria used to select Opportunity Zones in Oregon?



How familiar are you with the Opportunity Zones operational framework? (1 to 100) n=43

|                |    |
|----------------|----|
| <b>Mean:</b>   | 56 |
| <b>Median:</b> | 60 |
| <b>Mode:</b>   | 50 |
| <b>Range:</b>  | 99 |

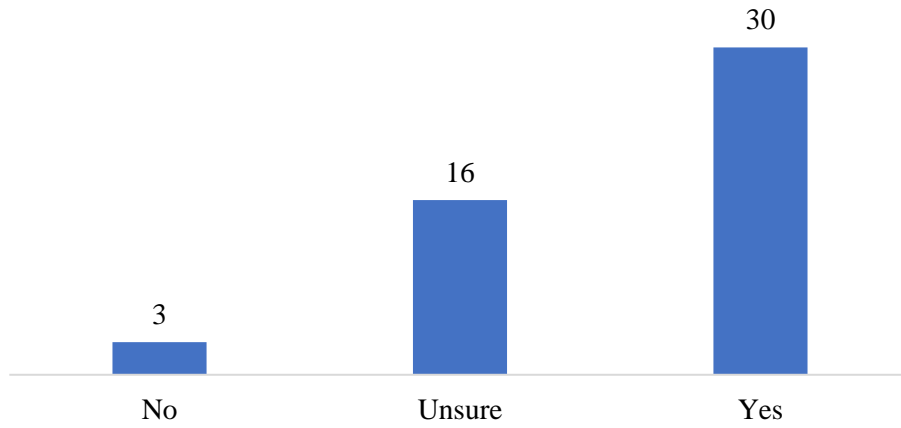
How did you initially find out about Opportunity Zones? - Selected Choice



How did you initially find out about Opportunity Zones? Other, please describe:

- Business Oregon
- Business Oregon & OEDA
- City staff
- Eco Devo nonprofits spreading the word
- Economic Dev. Org.
- Economic development director and state legislator
- Economic Development for Central Oregon (EDCO)
- Economic development staff brought the project forward for consideration
- Oregon Mayors Association
- Oregon Small Business Development Center Director
- O-Zone training & Seminar
- the email to take this survey
- This email.
- this survey
- this survey

Do you think Opportunity Zones are a tool that can facilitate desired projects in your community?



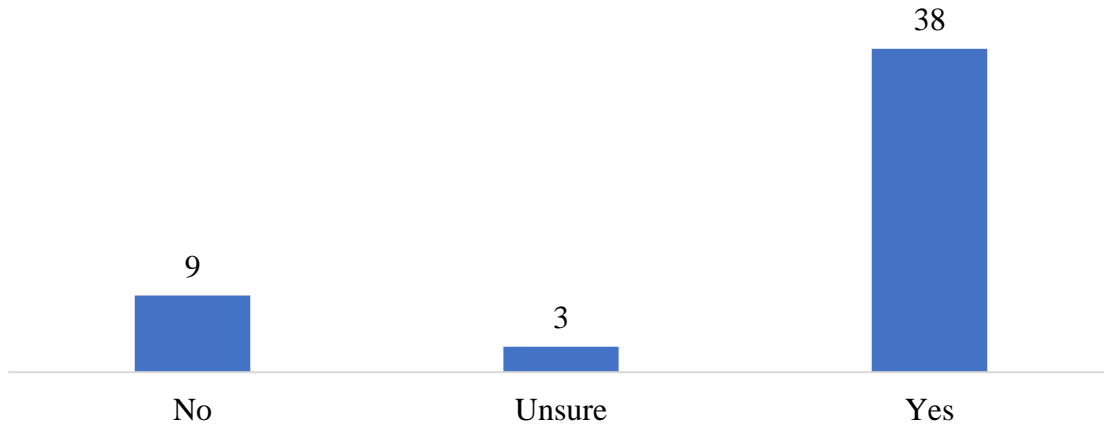
|   |
|---|
| Please explain your response to the previous question.  |
| We face a challenge with access to capital. The geographic area of our Opportunity Zone is such that there are only a handful of viable properties where an OZ could benefit a project. Most of these investments have proven too small to interest larger investors from the Willamette Valley. Meanwhile, there are very few independent investors in our region. |
| We need every tool we can get in our kitbag to encourage industry and commerce to set up in our community.  |
| Still don't understand who is eligible or what the funding mechanism is   |
| Opportunity Zones have attracted investment in our community that would not have happened otherwise.  |
| A viable source of funding. They also bring attention to the community as a place to invest. Federal grant and funding sources are also favoring opportunity zones.   |
| Need to get more information to decide.   |
| If we get the right company it could be attractive.   |
| If we can make it more profitable (less tax) for an investor to transfer gains to other projects, they may be more willing to reinvest in OZs. These zones are often underdeveloped and could use significant investment and need the stimulus to increase investors interest.  |
| Opp zones can assist in the long term financing model for a given project.  |
| Yes, Madras needs housing and O Zone funding can be used to construct needed housing.   |
| No Opportunity Zones were designated in my community.   |
| The program seems to have been created for a few people or corporations with the means to take advantage of the tax scheme. I don't believe it was created in good faith to truly make a difference in Communities across the U.S.  |
| The ability to attract funds for redevelopment purposes and provide a tax benefit for investors is philosophically a targeted economic development incentive.   |
| Tax benefits potentially will drive private investment into the areas.  |
| We have a project working on the opportunity zone benefit in process right now.   |
| Seems like an incentive but local jurisdictions don't track it's utilization so don't always understand if and how it's getting used.   |
| There are so few tools in the economic development (ED) toolbox,I think O-zones can help bring projects to bear.  |
| Not sure the City has Opportunity Zones   |
| My community doesn't have a OZ in it.   |
| Economically speaking, the timing is very good for investors to take advantage of this risk/reward opportunity.   |

|  |
|--|
| I'm completely new.  |
| Yes - but only if we have better, complete understanding of the process and rules. Currently, we simply redirect to the Business Oregon Website. We do not have enough staff capacity to be the expert on this and we do not have a clear understanding of our role.   |
| We have seen several projects take advantage of OZs on the Southern Oregon Coast.  |
| Opportunity Zones make a good deal better, but they won't facilitate a desired project without additional public investment from other sources or mission-driven developer interest.   |
| I represent a municipality that has an Opportunity Zone. We are working on developing a prospectus to market the Opportunity Zone to investors within the community and outside of Oregon. We view this as a mechanism that can be used to attract investors into for a project that will increase economic activity within the community.   |
| The companies I encounter, rarely have relocation or new facilities under consideration. Although, it may be, that they happen to be located in an opportunity zone and need to understand what that may mean.   |
| They seem to be enhancing projects that would happen anyway, and not really encouraging development in more marginal locations.  |
| I do not know if it is working in rural areas. There has been nothing in the newspaper or at forums.   |
| Opportunity zones provide a framework for linking investment with projects addressing community needs such as affordable housing, business development, and infrastructure improvements. The opportunity zone in my community includes a large tract of vacant land lacking basic infrastructure. This lack of infrastructure and associated cost to serve development is a barrier preventing needed development benefiting the opportunity zone and broader community. The opportunity zone is a tool that could facilitate development in this area through community engagement and public private partnerships focused on project implementation.                                 |
| If coordinated with other capital stack options  |
| Attract investors for funding.   |
| I work for an Economic Development District in Oregon, serving 3 counties, which all have Fed Op Zones. EDD's were asked by the State of Oregon to be the first stop, help promote, etc., but the biggest problem is that we don't have contact with these businesses as they first are looking at these areas, so it is very hard to promote. However, we have been at the table with several partners in our 3 counties that would possibly see these businesses/investors first, so that we are all involved. It seems like the EDD's are not included in updates anymore, or at least in the loop. Art Fish, Business Oregon, does share all that he can, which we all appreciate. |
| We have numerous investors that have contacted our office looking for project specifically in the opportunity zone areas!  |
| We have had no expressions of interest and are not sure how to market this opportunity.  |



|   |
|---|
| <p>We need outside investment in rural! This is a tool to help us attract it.</p>   |
| <p>I work with a number of low income rural communities who would benefit greatly from outside investors that would help revitalize downtowns and other areas.</p>  |
| <p>There is always an opportunity for projects. The opportunity zones entice the investors however there are very few investors willing to invest in rural communities and especially if it's in a poverty stricken neighborhood.</p>   |
| <p>Learned from city staff</p>  |
| <p>The City of Tualatin utilized the presence of the Opportunity Zone designation to secure one development that is investing over \$10 million dollars and creating 66 jobs.</p>   |
| <p>Unfortunately, the city of Klamath Falls submitted several taxing tract, but only a very small tract was granted. Even though we have very little OZ area within our UGB there are several projects moving forward in that area due to the OZ status. If we would of received the proper number of taxing tract, we would be amazed at the number of projects starting in Klamath Falls.</p>   |
| <p>On the Southern Oregon Coast we have seen specific investments within OZs that have made major impacts.</p>  |
| <p>Opportunity Zones will not make a bad project good. OZ's create markets for funding, and like any market, those with the least barriers will attract investment. It will not attract investment to the areas that need it most because: 1) those areas (primarily rural) were not selected for OZ's despite the greater need, and 2) OZ's do not actually address any of the barriers preventing capital from reaching areas of need.</p> <p>OZ's do not have the substance people tout.</p> |
| <p>Because zones benefit both community (social) and economic development goals</p>   |
| <p>The location of the tract chosen is already (mostly) built out. There is one subdivision that is vacant so it is limited. Some of the area is in the lake.</p>   |

Have you or someone in your organization researched the Opportunity Zone program with the intent of understanding how your organization could benefit from Opportunity Zones?



|  |
|--|
| Please describe why or why not:  |
| I am in charge of Economic Development for my city. I need to learn if this is a viable tool for our toolbox.  |
| Our City Director of Economic Development is the center pivot in our community for the program. He has done the research and the outreach.   |
| Yes. We have attended seminars on the program and been involved with a few projects.   |
| We have examined them as a way to attract investment.  |
| I need to check with city administrator.   |
| Part of our economic development package and we need to be familiar.   |
| We have a neighboring OZ that needs development  |
| The City needs housing and also would like to advance traded-sector economic development plans and policies.   |
| When candidate zones were first announce, we looked into the criteria to see if we could benefit. there were no Opportunity zones designated in our community.   |
| To understand how the scheme works and who may be able to take advantage.  |
| Bandwidth  |
| Time allocation  |
| There are two opportunity zones in Oregon city which the economic department are responsible for providing information about to the community, businesses and investors.   |
| Worked with state and other public partners on ways to leverage the program. For Wilsonville, it is overlayed in our Town Center Plan district which is priority for the City to see redeveloped into a more commercially vibrant, mixed-use, walkable district. |
| We work with developers and wanted to be up to speed on the tool.  |
| One component of our small nonprofit's mission is economic development, and the Opportunity Zone overlaps our geographic service boundary.   |
| Just looking on the biz Oregon website and sending links to those who inquire. We have attended a few workshops, but the rules for how ec dev agencies participate is unclear or seems to only be a education role.  |

The OZs are a viable federal incentive to attract new investment to LIC, especially in isolated rural communities.

Because it affects downtown development in my city.

A colleague mentioned opportunity zones as a positive experience for companies that may qualify. However, our office is generally not one that clients look to for this kind of information, and, a cursory review revealed no client to whom the information would be relevant.

In hopes of increasing rural development.

I like to know how things work through being a public decision-maker - elected official, and also a planner.

To gain a better understanding how the opportunity zone program could work given for our local context.

As part of our CDC services we want to be able to inform the communities we serve

As the EDD, we have worked with Business Oregon and the Regional Solutions Team on Fed Op Zones, to learn about them, gis, etc. Business Oregon has presented information at a couple of the OEDD's quarterly meetings.

To increase interest in utilizing this opportunity in our county.

I've researched it to be able to try and explain it to the community and understand how I can help connect investment and entrepreneurs. No self-interest involved other than I want my region to thrive.

I am new to the agency where I am employed so there is likely someone on staff with expertise on Opportunity Zones. I personally have very limited knowledge of how it works.

We have 6 opportunity zones in our district. It's my job in economic development to help our communities.

City of Newberg has researched

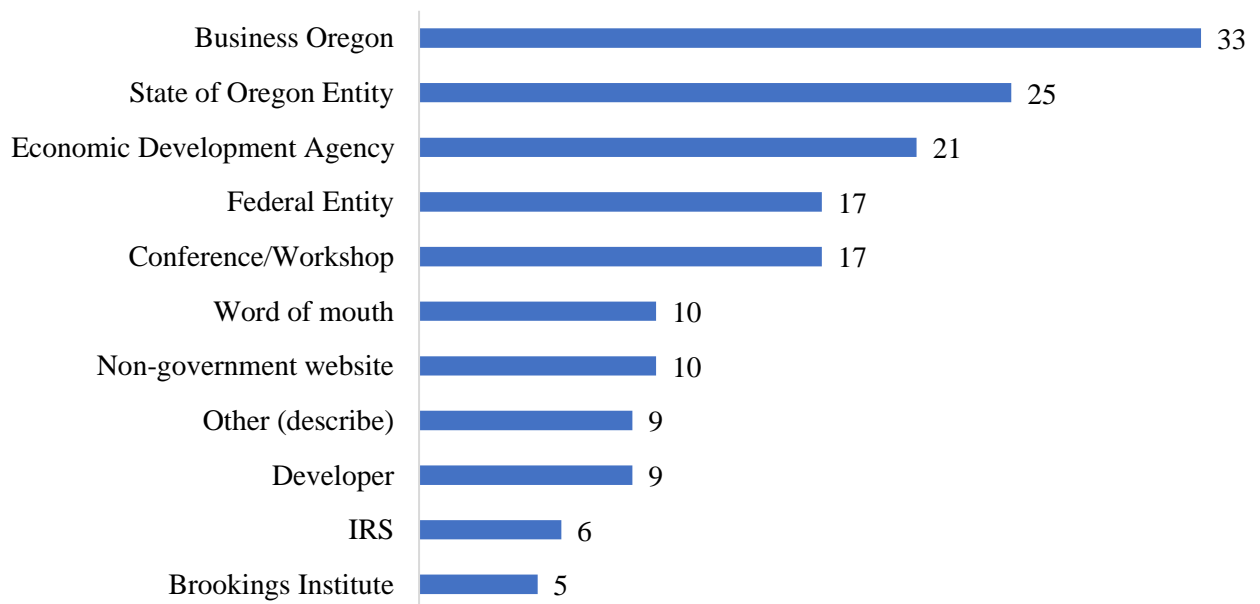
We have the tools to explain the tax benefit to those investors with capital gains which can be put to work in the OZ area.

As an EDO we are knowledgeable in how to leverage these OZs for projects and attraction of investment to our region.

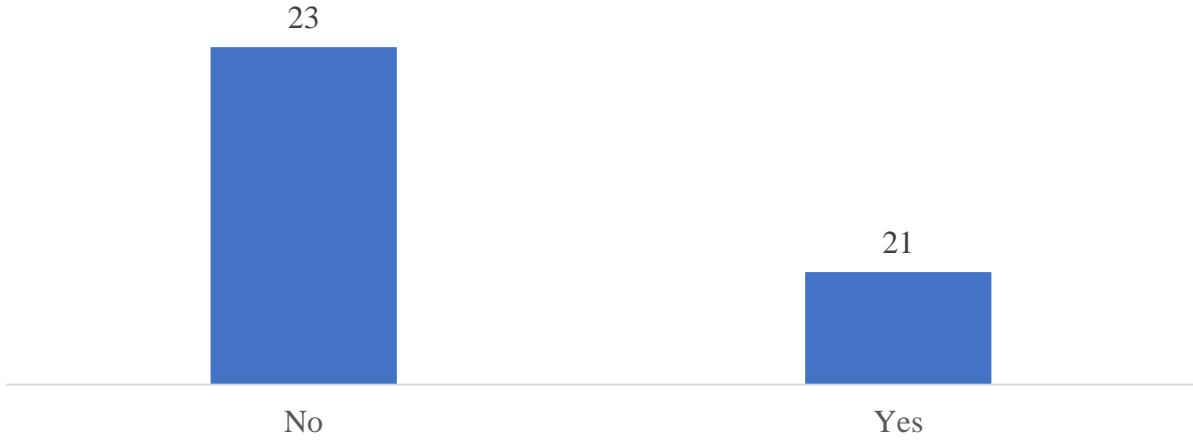
To see if OZ's could be impactful, and if so, how to attract investment.

I am a sole proprietor and am not quite the intended audience/investor for zones.

Where do you get information on Opportunity Zones? (Check all that apply)



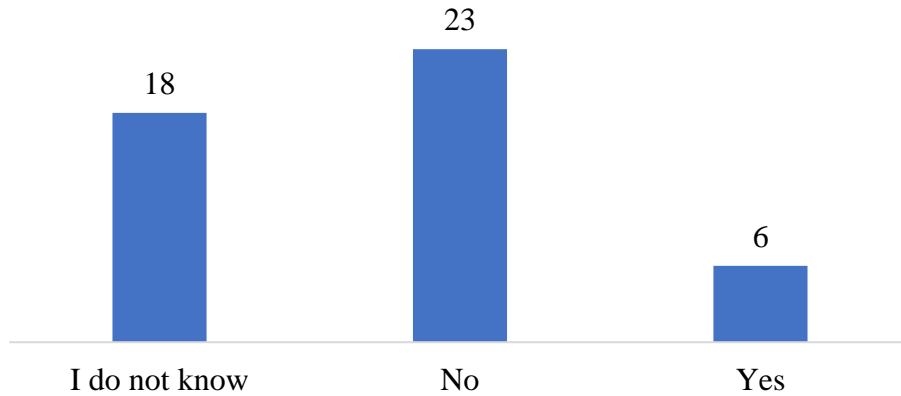
Has your organization identified specific real estate projects or business opportunities you are trying to match with opportunity zone funds? - Real estate projects



Has your organization identified specific real estate projects or business opportunities you are trying to match with opportunity zone funds? - Business opportunities



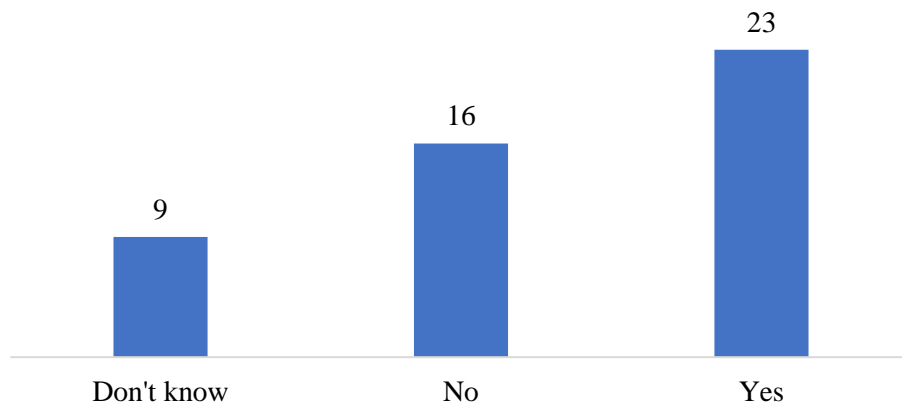
Does your local government have any formal avenues for private entities to utilize Opportunity Zones?



| Please explain what avenues your local government has.   |
|--|
| Working through our Department of Economic Development at the City.  |
| Case by case   |
| They are promoted. Not completely sure of the meaning of 'formal avenues'  |
| Application process I believe.   |
| Opportunity zones have never been discussed at any council meeting.  |
| To my understanding the OZ is separate from the City, but it can be used as a tool alongside state or local incentives. So we mostly inform potential developers about the possibilities.      |
| The areas that we recommended for the opportunity zones were not included.   |
| Oregon City has been holding meetings with potential investors, financial institutions and developers to identify project opportunities.   |
| Local government is aware of OZs, and refers interested parties to local economic development agencies for information/guidance.   |
| they work through regional economic development organizations.   |
| I represent the local government and we are developing an avenue for formal investment into the Opportunity Zone. Marketing the Opportunity Zone is part of our economic development strategy. |

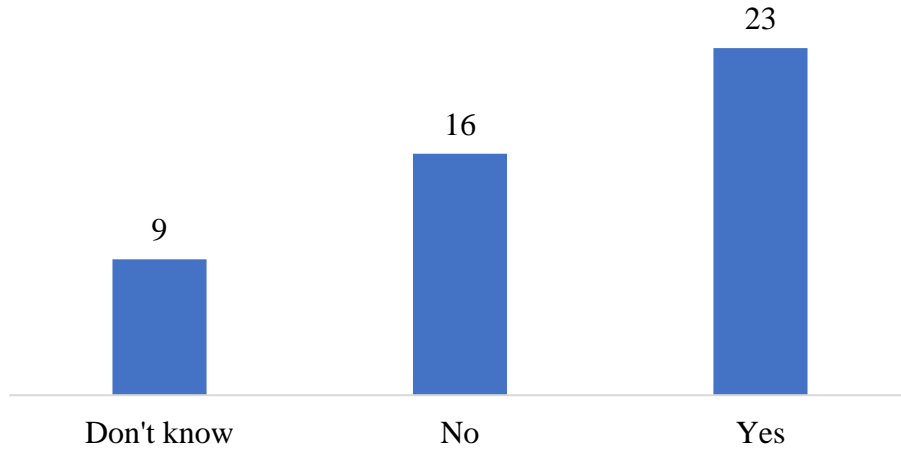
|  |
|--|
| <p>We are a private non-profit working under a cooperative agreement for a federal program serving a multi-state region. We therefore have no specific local government.</p>   |
| <p>Some local governments seem to be knowledgeable of Fed Op Zones, some are not. We are in talks with some of our economic development partners to have some meetings in our 3 counties, but we all have very limited resources, so this will take us all some time and some partnering with other entities, cities, counties, etc., to make it possible. Seems like all federal agencies have asked us if there is anything being planned.</p> |
| <p>They have private properties listed on Oregon Prospector that show that they are in the opportunity zone areas. Also the city has a planner that works with businesses showing them those areas.</p>  |
| <p>I don't think any county qualification is needed.</p>   |
| <p>I know they are also aware, but I don't think anything has been formalized yet. It takes time for these giant programs to trickle down, be known, and get utilized.</p>   |
| <p>I work with a number of local governments and I'm not sure how and whether they utilize the program. I would like information to share with the small communities.</p>  |
| <p>Contact with the Community Development department</p>   |

Does your local government have a staff person identified to respond to inquires about Opportunity Zones?

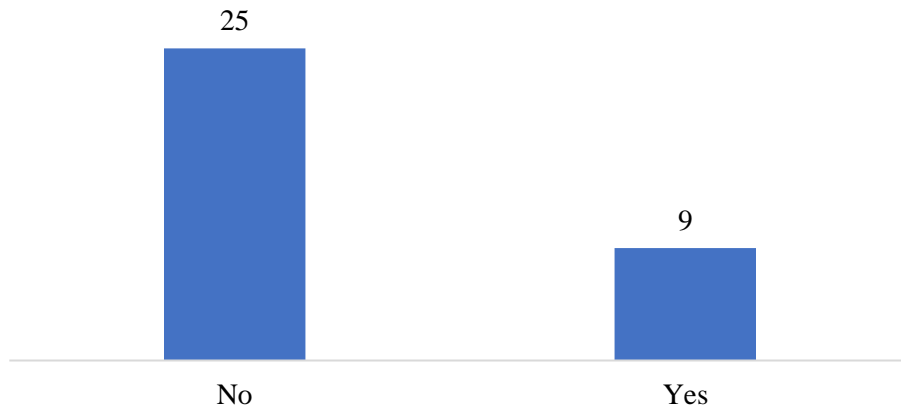




Does your local government have a staff person identified to respond to inquires about Opportunity Zones?

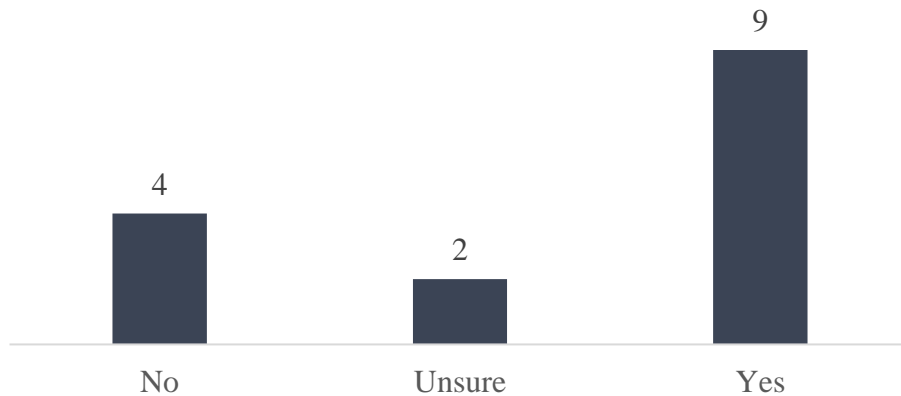


Do you know of any projects in your municipality utilizing the Opportunity Zone tax benefits?



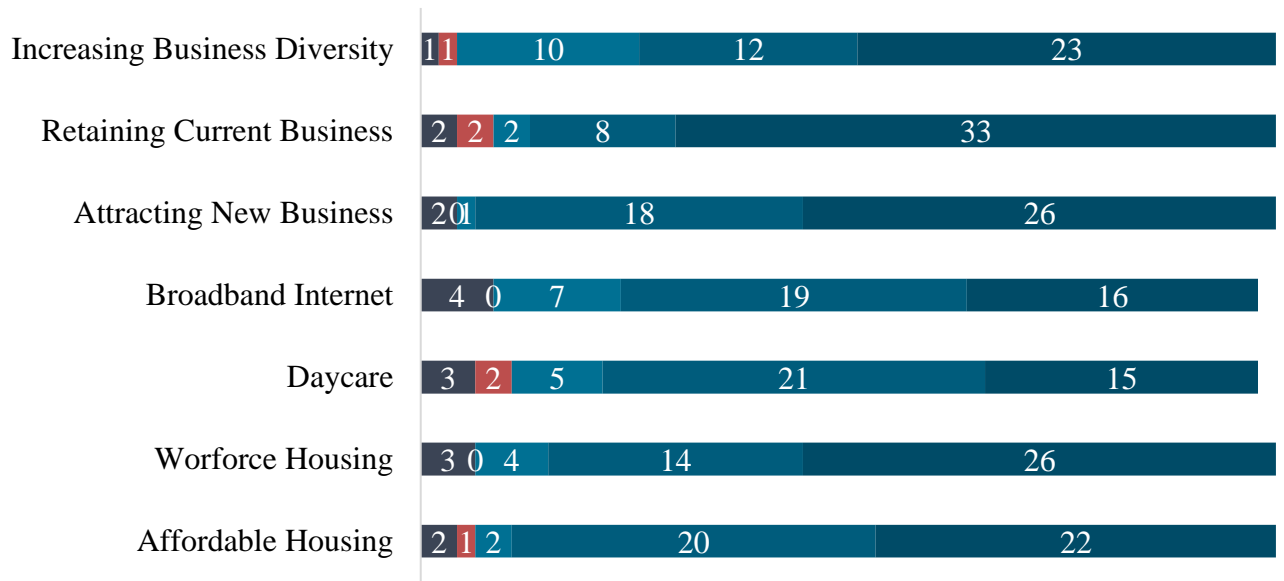
|   |
|---|
| Please describe the project(s)  |
| Historic Redmond Hotel, 21 Canal  |
| Not for me to divulge at this point of the project. It does exist and is actively raising a fund and entitling a project.                                     |
| Downtown building renovation.<br>Possible housing project.  |
| Opportas Investments - Reedsport and Empire<br>Pacific Gales Golf Resort - Port Orford<br>Tahoe Capital Investments - Empire<br>and others                    |
| Multi-use downtown development with office and commercial space.  |
| There is a tentative project of a hotel development is waiting on a Phase I Report before final decision.   |
| Two new construction hotels and a bank project. Additionally, we have a State Office Building which is pending in the OZ area.                                |
| Pacific Gales Golf Resort<br>Opportas Capital - multiple downtown revitalization projects<br>City of Hermiston is working on a project but I am not familiar. |

Has your organization done any work exploring how Opportunity Zones support your community and/or economic development objectives?



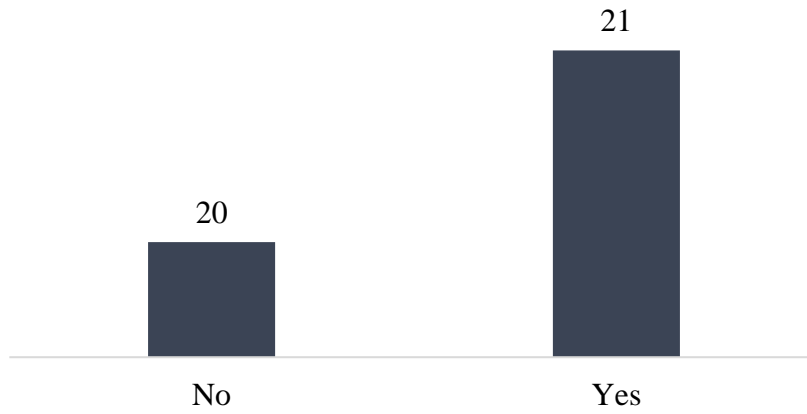
|  |
|--|
| Please explain your efforts.   |
| We attended several workshops which tried to convene investors with opportunities.   |
| We are trying to recruit developers interested in projects in the Opportunity Zones.   |
| We have worked to attract investment in the Ozone area and coupled the incentives with local incentives to make property even more attractive for investment.  |
| The opportunity zone is not in the right place in our community. But we are ready if we have a business that would fit.  |
| I've attended a workshop to learn about the permitted uses of O Zone funding and understand the City's economic development related plans and policies and thereby determined that O Zone funding could be used to advance the City's economic development plans and policies.   |
| Providing child care and missing middle housing projects.  |
| Our community development director primarily handles this.   |
| Opportunity Zone supports City's Town Center Plan.   |
| <a href="https://www.wilsonvilletowncenter.com/">https://www.wilsonvilletowncenter.com/</a>  |
| We consider it to be one of our ED tools and refer to it in our ED Strategic Plan.   |
| As a Main Street organization, our mission is largely focused on economic vitality in the Downtown commercial district. This district happens to be overlaid (approximately 90%) by an OZ. This is another incentive that we are using when appropriate to pitch to investors considering revitalization projects.   |
| Just attending workshops. Its included in our CEDS to take advantage bit investors do not need to keep us informed if they are proceeding with projects. Our role is not clear.  |
| Research includes marketing OZs to other investors in the State and US to attract new investments into the area.   |
| Staff from the local government has met attended three workshops on the opportunity zone. The City Manager and staff have met with consultants regarding identification of a specific project and preparation of a prospectus. The Opportunity Zone has been discussed in economic development work sessions with the City Council and is part of the current economic development strategy. |
| Cursory review and observation of potential benefits for extant clients.   |
| Working on ways to stack incentives in rural areas.  |
| Learning from the beginning and discussing at economic development district meetings   |
| Attempting to learn all that we can, and know our partners, since we are not involved in housing.  |
| Those opportunity zones are in rural, under-served areas and they fit with our economic and community development goals and plans!   |
| Researching how other rural communities are utilizing their opportunity zones.   |
| Research through Commmunity Development  |
| We have worked with both investors and developers on OZ projects.  |
| Using OZs to attract new investment to the area  |
| Research, feasibility analysis, legislative and policy efforts, connecting capital and businesses with potential projects, marketing and recruitment, etc.   |

Please indicate the how important or unimportant the following developments and services in accordance to their need within your jurisdiction?

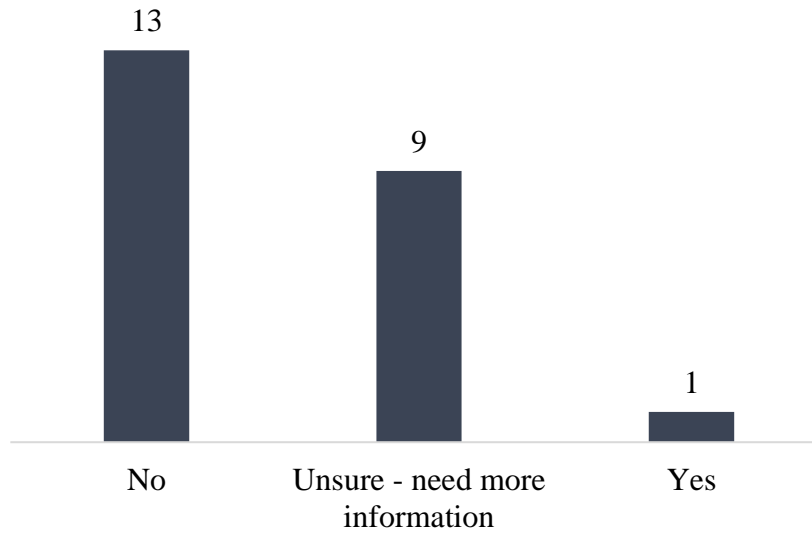


Very unimportant
  Unimportant
  Neither important nor unimportant
  Important
  Very important

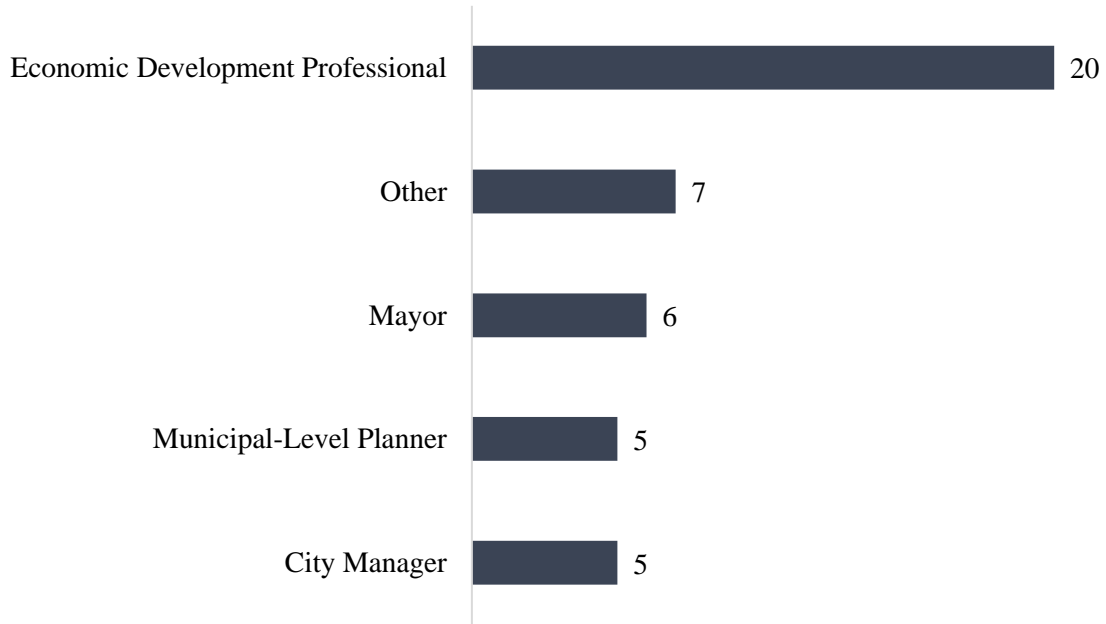
Before receiving this survey, were you aware of HB 4010?



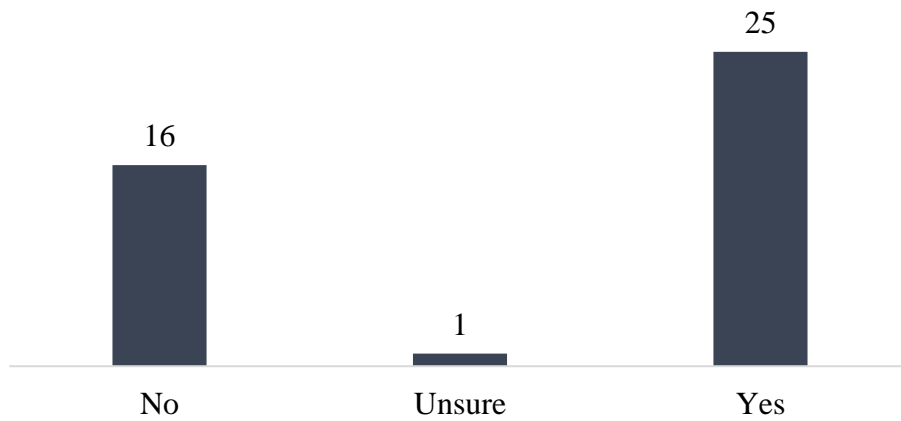
Do you support HB 4010?



Which of the following profession groups do you identify with?



Does your municipality/county have a dedicated economic development staff/staff member?



|  |
|--|
| <p>Do you have any additional comments to make about Opportunity Zones either within your community or generally?</p>  |
| <p>We haven't benefitted from Opportunity Zones directly yet; but I would be very concerned about any changes to state law which makes administration of them more convoluted and challenging for investors (whether that challenge is actual, or just perceived).</p>   |
| <p>Don't yet know if it will work well here in rural Oregon.</p>   |
| <p>I will have our city manager check into opportunity zones.</p>  |
| <p>The boundaries of the Madras O Zone are terrible. Apparently the State (agency?) sets the boundaries. There needs to be more coordination with cities and counties on O Zone boundaries to ensure O Zone funding utilization is maximized at the local level. Otherwise, opportunities will be missed--excuse the pun!</p>  |
| <p>no</p>  |
| <p>Would be helpful for local jurisdiction to have more practical / tangible understanding of how to utilize and track.</p>  |
| <p>It would be nice if we could expand the use to the rural communities. I know there was an effort underway to create a portfolio of possible rural/smaller projects, but I haven't heard anything about that as of late.</p>   |
| <p>The OZ program has worked on the Southern Oregon Coast and should be left as is in order for communities that are isolated and rural to benefit. Furthermore, if the State wants to eliminate OZs in metro/urban areas, they should re-designate zones in truly rural communities that need the reinvestment dollars in their downtown and communities... there is a big difference between Old Town Reedsport and the Pearl District in Portland.</p>  |
| <p>Be careful how we refer to Opportunity Zones- it is not a 'program,' but a tax incentive targeting inactive investors.</p>  |
| <p>Among the community of companies that might be characterized as family owned / closely held, under \$50M in sales, and traded sector, the challenges of business operations are usually fully engaging. One expects that outside accountants and local economic development services would inform them of tax related matters. However, it is usually once in generation or so that such companies even consider site expansion or relocation. The factors that contribute to a decision about site location are many and profound. It seems unlikely that such a company would form a decision based on matters such as an opportunity zone. However, in a circumstance of a choice between one site or another, a factor such as an opportunity zone might contribute to the decision. More often, I would expect, companies would make their decisions based on such factors as proximity to labor and supply, general taxation, utility of a site, etc, and would view an opportunity zone as an unexpected benefit or as a lost opportunity but one not to be regretted.</p> |
| <p>No</p>  |

The 10 year investment opportunity for investors to take advantage of in an Opportunity Zone gone. I haven't heard of any talk about extending it. I think that Legislature expected things to happen right away when it took a year to get the Federal Regulations written.

I've had several entrepreneurs wanting to start up businesses/build houses in opportunity zones early in the game, to my knowledge their projects haven't been looked at by any investors.

The Opportunity Zone should be managed local within the County Commissioner's office. We should be able to select the correct taxing tract for an opportunity zone and manage that tract for the best benefit for our community.

We know our area and the best targeted industries for our area. This tool should be managed locally.