



OPPORTUNITY ZONE LEADERSHIP TASK FORCE

Baltimore City Regional Summit
Hippodrome
May 23, 2019
4:30PM

I. Call To Order:

Lieutenant Governor Rutherford called to order the third regional meeting of the Opportunity Zone Leadership Task Force at 4:30PM on May 23, 2019 in Baltimore City, Maryland.

II. Roll Call/Attendees:

Task Force Members: Lt. Governor Rutherford, Secretary Kelly Schulz (Commerce), Secretary Ken Holt (DHCD), Secretary James Rzepkowski (DLLR), Secretary Rob McCord (MDP), Assistant Secretary Sean Powell (MDOT), Dr. Sylvia Lawson (MSDE), Secretary Lourdes Padilla (DHS), Phil Hutson (MSA), Thomas Sadowski (USM), Honorable Jake Romanell (MML), Robert Brennan (MEDCo), and George Davis (TEDCO)

Designees: President James Ball (MACC),

Presenter: Frank Dickson (DHCD)

Absent: Honorable Dannielle Glaros (MACo)

III. New Business:

1. Brief Welcoming

Thank you for joining us at the beautiful Hippodrome. We have had success with an increase of employment in the City and around the State, but we know there are some areas that are still struggling. I know some of these places are here in the City. During my tour of the Hippodrome today, we discussed one of the benefits that could help this theatre would be more development around the City, and we look forward to this meeting and hearing what the City has planned.

2. Member Introductions – See minutes from first meeting on February 22, 2019

3. Approval of Minutes
4. DHCD Information Exchange Demonstration – *Frank Dickson*

Secretary Holt – We work very closely with Commerce; most of the projects listed are from Commerce; this is a very cooperative tool. This tool is not exclusive to State Agencies, anyone can list on the exchange and we encourage users to do so.

Secretary Schulz – There is not a day that we don't share this link with investors; this is a great, effective tool.

Secretary Padilla – I want to make sure that when we talk about “business”, that we think about small businesses as well. We want to make sure we offer opportunities across the state; we are not only thinking about the large developers, we are thinking about everyone.

Lt. Governor – We have had conversations with the faith based community as well, they are interested in taking advantage of this opportunity. Many of the churches in the City are anchors in their communities and they are looking for development around them to reinvigorate neighborhoods where you can walk to your place of worship. So it's important to keep the faith based communities involved as well.

IV. Elected Officials Comment:

1. Senator Ferguson – *District 46, Baltimore City*
Thank you for being here. This has been a tough time in Baltimore City; there are 2 main issues: lack of access to education and lack of access to competent jobs that will allow someone to raise a family. At the end of the day the understanding of the OZ Bill is attracting the capital and investment that has since been a struggle for the City. This bill makes the opportunity zones program transparent and lets you know how an investment can lead to an opportunity in that zip code. I have a quick story about Cherry Hill. It's a fascinating neighborhood, it was built as a segregated community that benefitted black veterans returning home. Mayor McKeldin was away when the City Council signed a deal that lead to public housing development in Cherry Hill, this neighborhood had lack of access to transportation which led to little opportunity for the community. In 2012, 13, 14 we invited investors here to see the amount of green space for development and everyone was afraid to be the first investor; fast forward to the OZ conversation and with Port Covington, people are banging down the door to consider investments in Cherry Hill which happens to be a prime OZ. So thank you for your work and I look forward to seeing how we can work together and how OZs benefits our community.

2. Mark Hoffman – *City Official*

On behalf of Mayor Young & Ben Seigel. We appreciate the partnership that we have with the State regarding OZ. Baltimore City's Neighborhood Investment Fund is bringing outside investors to Baltimore & my hope is that we are able to employ more flexible capital into these investments. Our fund is listed on the Incentive Lookup Tool and the message we need to get out to investors is that it is safe to come in the water; we are all here to help, this is a partnership and they are not alone.

V. Public Comments:

1. Tom Kurek – *Downtown Partnership, Director Economic Development*

This is still a central business district. This is a once in a lifetime chance to get the downtown connect back. We need the downtown to be thriving and engaged in the City. I am looking forward to working with downtown and taking advantage of the OZ program.

2. Donald Hudson – *Hcon Group*

Are developers able to manage OZ fund their self – If I have an investor with \$5,000 in gain and wants to set up his own fund, is that possible and does it sunset after this year? Will these areas be readdressed?

Response – These OZ areas are in lockdown for the next 10 years; the Census Tracts have been approved and will not change. Yes, single individuals can create a fund. There is simplicity when a private investor can do their own fund and it's smart because they can control the flow of their gains. Finally, you don't have to do it this year, this program is really going to close out on 2046 from the standpoint of when your business can benefit. The clock is ticking right now because you have till 2026 to realize your capital gain. There will probably be an extension because of the delay in issuing regulations but we don't know that for sure. So if that money goes in now, you have the full benefit on the full 7 year period.

3. Steve Walters – *Professor at Loyola College*

We have been working on MD's economy for a long time and I want to stress the importance on multi-generational poverty. This is really the key to unlocking MD potential. My warning is, this is unlocking a national market but also a national competition for investment. We have to be competitive in this nation competition and one of things I worry about is we have a multigenerational disinvestment crisis because Baltimore City's property tax rate has not been competitive for a long time. It's something that everyone needs to think about, especially given the election coming up next year. It's going to be an ongoing issue discussed. Baltimore has to be competitive to tap into, hopefully, into the tidal wave of investments that will create a domino effect that would spill into other areas of the city. If we are not competitive things will not spill over into other neighborhoods,

so this is an opportunity for Baltimore and everyone to get it right to make the city more competitive.

Secretary Felder – Is there an opportunity for foreign investors?

Response – You have to have a federal tax liability.

4. Question – *City Citizen*

Do you have a Baltimore Group to assist with Opportunity Zones?

Response – The City does have an OZ coordinator, Ben Seigel, but all of our agencies on this task force have regional liaisons and they have been briefed on OZ and we are constantly interacting on this issue. This is a community initiative and we are not going to swoop in from Annapolis and choose the projects.

VI. Closing Remarks:

Lt. Governor – Thank you all for coming out.

VII. Next Meeting

Location: Cultural Center at the Opera House, Havre De Grace

Date: June 5, 2019

Time: 4:30PM

VIII. Adjournment

Lt. Governor adjourned the meeting at 5:35PM.