

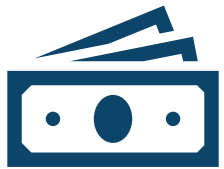


# Opportunity Zones: Driving New Investment to NC Communities

NC Department of Commerce



# Authorizing Legislation



Opportunity Zones Program  
(Sec. 13823) in Federal Tax  
Cuts and Jobs Act (H.R.1),  
passed December 2017

Tax incentives for qualified  
investors to re-invest  
unrealized capital gains into  
low-income communities

**\$2.5 trillion** estimated unrealized capital gains

**\$15 billion** estimated realized capital gains in NC



# Opportunity Funds Incentives

Federal tax incentives for investments made by qualified entities (Opportunity Funds)



Temporary tax deferral for capital gains reinvested in an Opportunity Fund



Step-up in basis for capital gains reinvested in an Opportunity Fund

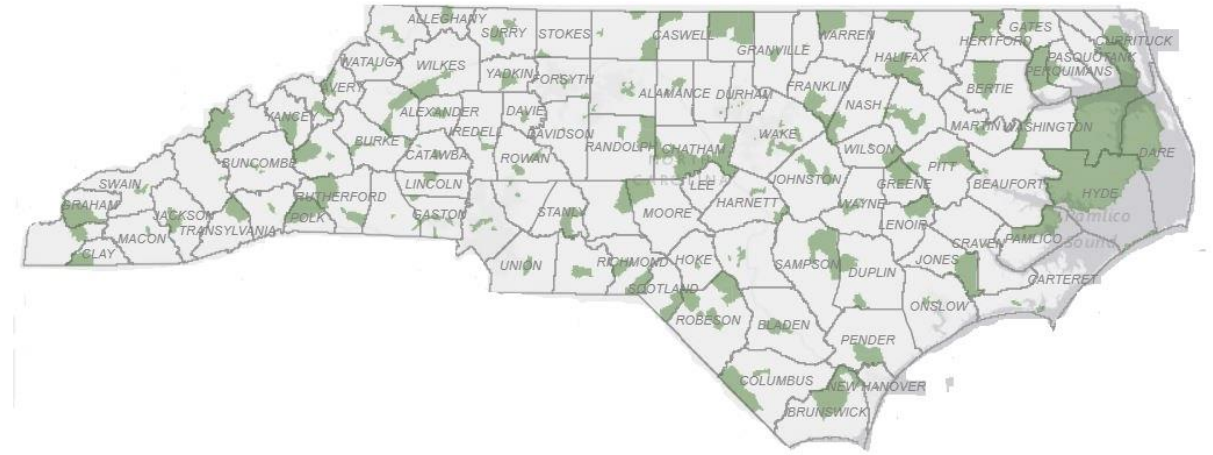


Permanent exclusion from taxable income of long-term capital gains



# Low-Income Tracts

**46%** of NC Census tracts are low income (1,007)



**98 counties** have at least one low-income tract

**39 counties** have <5 tracts; **6 counties** only one



# Selecting Opportunity Zones

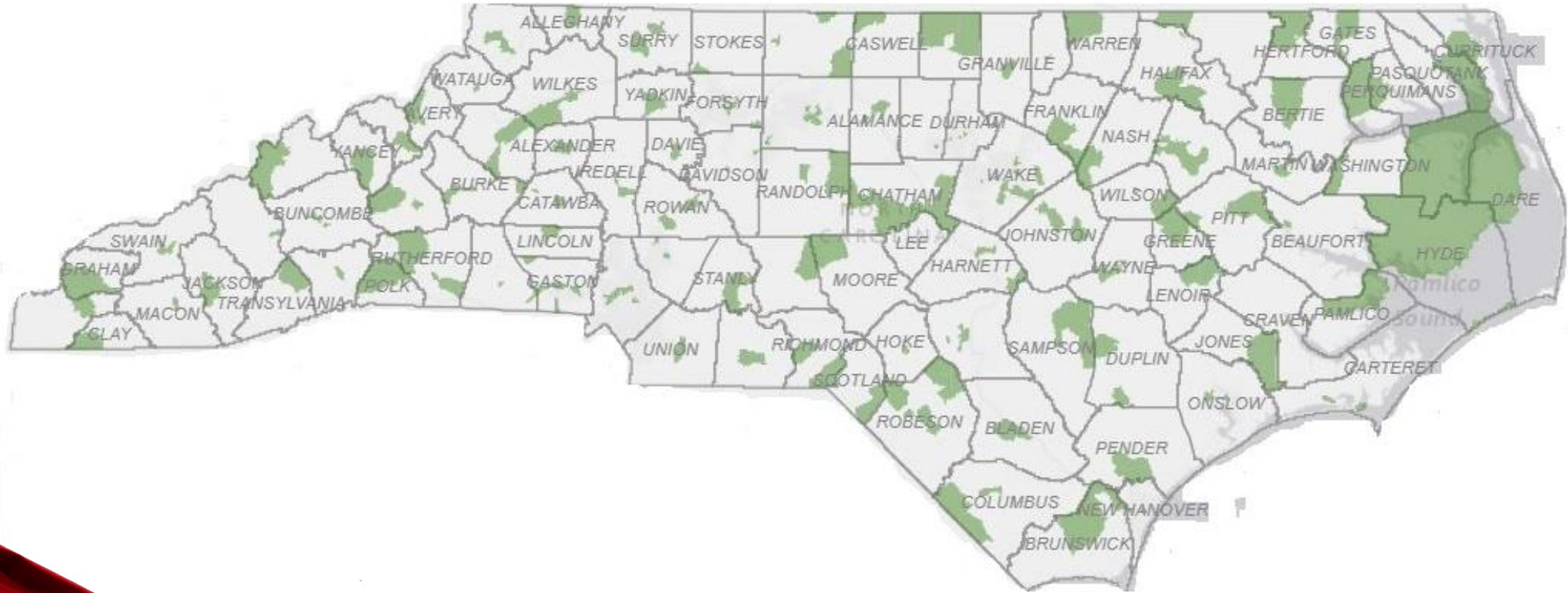
## Guiding Principles:

- At least **one zone in every county**
- **25 percent** of each county's low-income tracts
- **Local recommendations** and development goals
- **State industrial site development** initiatives
- **Tracts hit by Hurricane Matthew**

Selected 252 Tracts across NC



# NC's 252 Certified Opportunity Zones



# NC's 252 Certified Opportunity Zones

**1.1 million** North Carolinians

**50,000+** business establishments

**\$580 million** public and private investments

**All NC Megasites**



# Next Steps

1. U.S. Treasury still developing criteria for Opportunity Funds.
2. No timeline from Treasury, earliest estimates point to late 2018.
3. State and Regional convenings to bring together OZ partners.
4. Engage private sector, developers and local leaders to encourage quality deal flow across asset classes.
5. Supporting and connecting NC communities with deal, analysis and technical resources.





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# North Carolina Opportunity Zones Program

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# Today's Panelist



- **EVAN COVINGTON CHAVEZ**

- Development Director – Rocky Mount Mills



- **CHRIS JOHNSON**

- Director – Johnston County Economic Development



- **MICHAEL LEMANSKI**

- CEO & CIO – Rivermont Capital

