



**Opportunity Zones: Driving New Investment to NC Communities**  
 NC Department of Commerce

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**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

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**Opportunity Funds Incentives**

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

 <p>Temporary tax deferral for capital gains reinvested in an Opportunity Fund</p>	 <p>Step-up in basis for capital gains reinvested in an Opportunity Fund</p>	 <p>Permanent exclusion from taxable income of long-term capital gains</p>
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### 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



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### 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



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### NC's 252 Certified Opportunity Zones



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**NC's 252 Certified Opportunity Zones**

**1.1 million** North Carolinians

**50,000+ business** establishments

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

**All NC Megsites**

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**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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**Learn More @ [public.nccommerce.com/oz](http://public.nccommerce.com/oz)**

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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

NORTH CAROLINA DEPARTMENT OF COMMERCE

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