Opportunity Zones: Driving New Investment to NC Communities
NC Department of Commerce
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
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.
Today’s Panelist

• EVAN COVINGTON CHAVEZ
  • Development Director – Rocky Mount Mills

• CHRIS JOHNSON
  • Director – Johnston County Economic Development

• MICHAEL LEMANSKI
  • CEO & CIO – Rivermont Capital