

OPPORTUNITY ZONES

COUNTY COUNCIL PRESENTATION – MARCH 27, 2018

Opportunity Zones



2

- A new community development program established by Congress in the Tax Cuts and Jobs Act of 2017
- Encourage long-term investments in low-income urban and rural communities nationwide
- Program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones designated by the chief executives of every U.S. state and territory

Opportunity Funds



3

WHAT ARE OPPORTUNITY FUNDS? Opportunity Funds are private sector investment vehicles that invest at least 90 percent of their capital in Opportunity Zones.

Opportunity Funds provide investors the chance to put that money to work rebuilding the nation's left-behind communities.

The fund model will enable a broad array of investors to pool their resources in Opportunity Zones, increasing the scale of investments going to underserved areas.

Opportunity Fund Benefits

4

The Opportunity Zones program offers three tax incentives for investing in low-income communities through a qualified Opportunity Fund:

- **A temporary deferral** of inclusion in taxable income for capital gains reinvested into an Opportunity Fund.
- **A step-up in basis** for capital gains reinvested in an Opportunity Fund.
- **A permanent exclusion** from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years.

Important Dates



5

- Governors have **90 days** from enactment (**ending March 21, 2018**) to nominate low-income census tracts
- Nominations are to be submitted to the U.S. Treasury Secretary in writing.
- Governors may also request a 30-day extension (**ending April 20**) for submitting their nominations.
- After submission, the Treasury Secretary has 30 days to certify a state's Opportunity Zones.

Areas to Consider



6

Congress included **non-binding guidance** and advised governors to give particular consideration to areas that:

- 1) Are currently the focus of mutually reinforcing state, local, or private economic development initiatives to attract investment and foster startup activity;
- 2) Have demonstrated success in geographically targeted development programs in the past, such as Promise Zones, New Market Tax Credits, Empowerment Zones, or Renewal Communities; and
- 3) Have recently experienced significant layoffs due to business closures or relocations.

Designations, once made, remain in effect for 10 years.

Opportunity Zone Criteria

7

Governors may nominate up to **25 percent of a state's Low-Income Community census tracts** for Opportunity Zone designation.

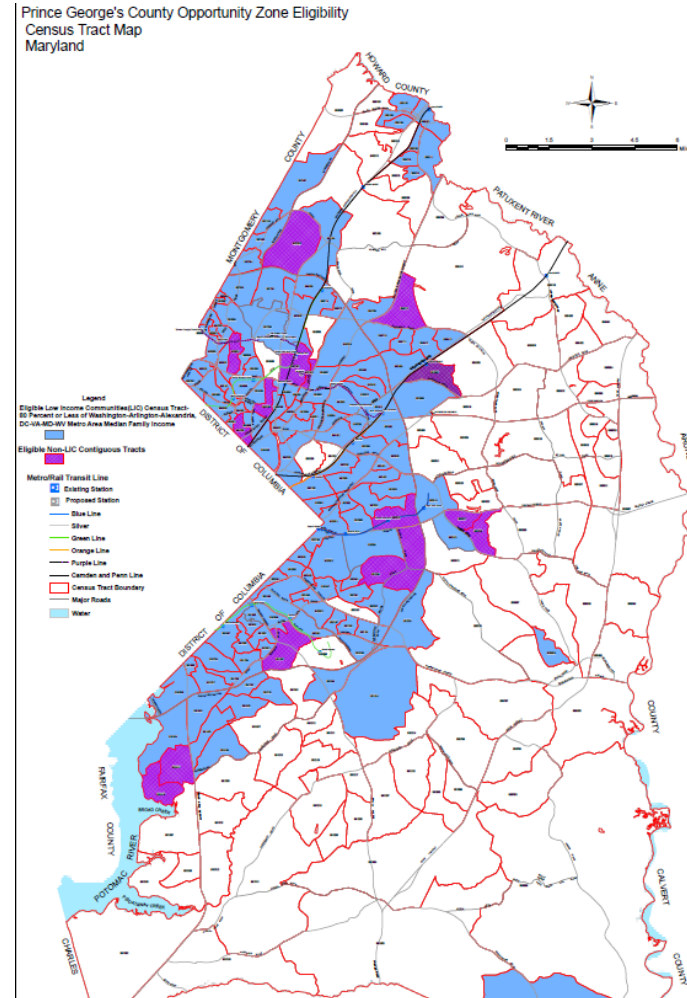
Low-Income Community census tracts are generally defined in Section 45D(e) of the tax code as:

- ❑ Tracts in which the poverty rate is at least 20 percent, or
- ❑ Tracts in which the median family income does not exceed 80 percent of the statewide median family income if located outside of a metropolitan area, or
- ❑ Tracts in which the median family income does not exceed 80 percent of the statewide median family income or the metropolitan area median family income, whichever is higher.

Eligible Census Tracts

8

- Total of 631 eligible census tracts in Maryland
- Total of 130 eligible census tracts in Prince George's County
- Governor can select up to 25% of Maryland's eligible census tracts (approx. 160)

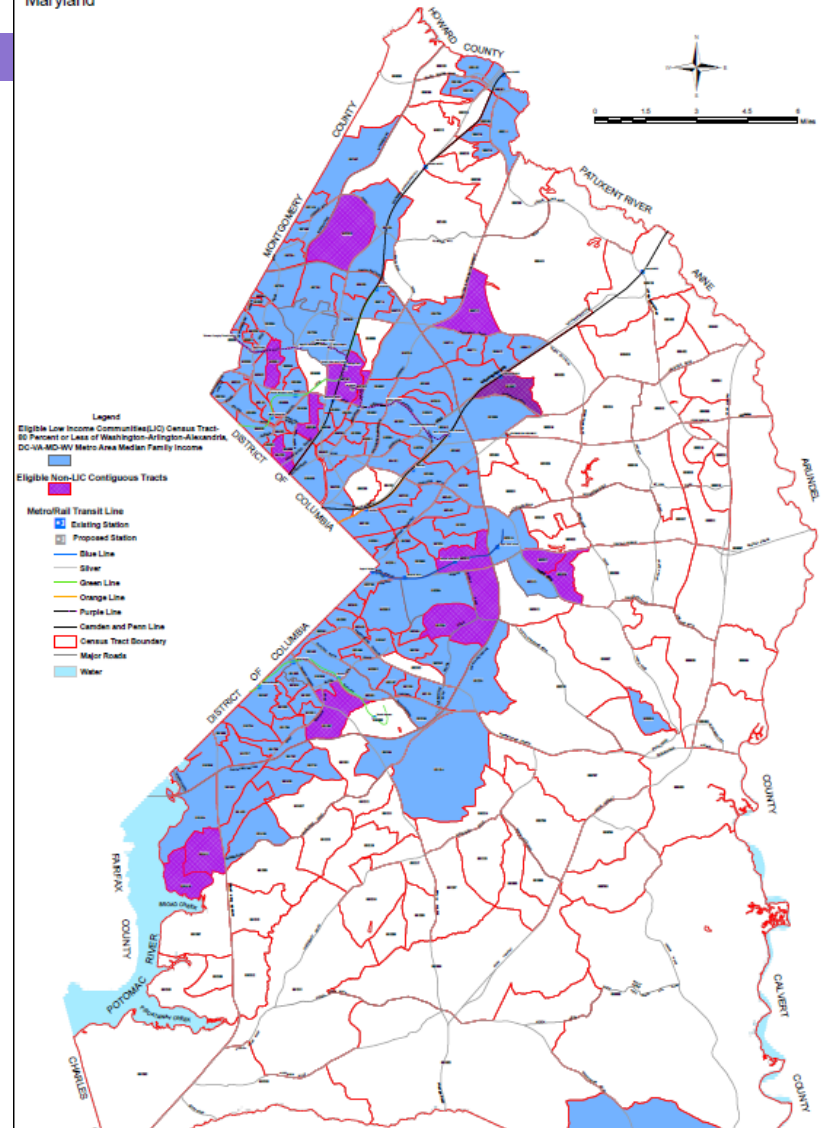


Guiding Policies

9

- TOD/Regional Transit District
- Local Transit Centers including the Purple Line
- Enterprise Zone Focus Areas
- Neighborhood Reinvestment Areas
- Neighborhood Centers
- Gateway Communities

Prince George's County Opportunity Zone Eligibility
Census Tract Map
Maryland



Eligible Census Tracts

10

Map with Zoning Overlay

Legend
Eligible Low Income Communities(LIC) Census Tract-
80 Percent or Less of Washington-Arlington-Alexandria,
DC-VA-MD-WV Metro Area Median Family Income



Eligible Non-LIC Contiguous Tracts



Multi-Family Complex

Metro/Rail Transit Line

Existing Station

Proposed Station

Blue Line

Silver

Green Line

Orange Line

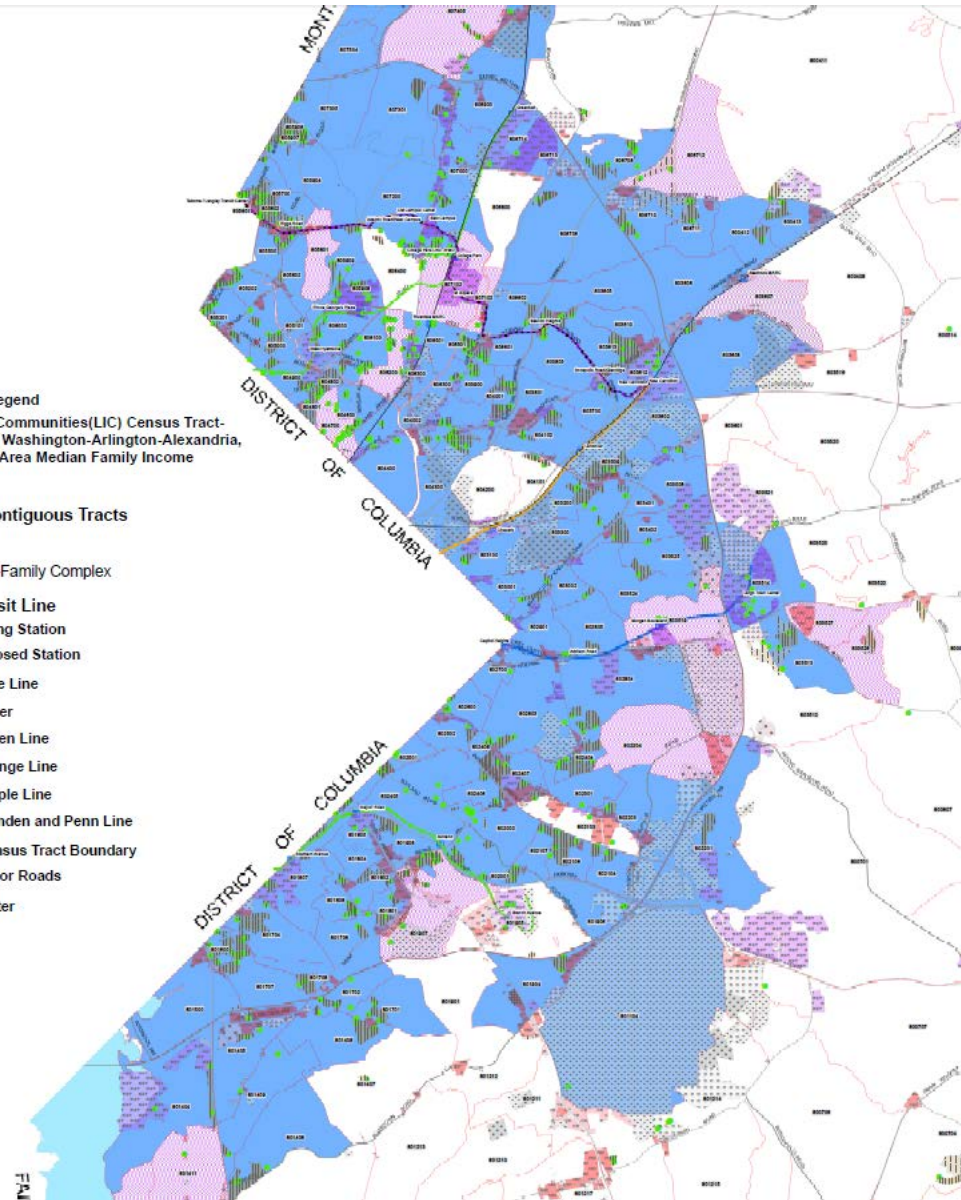
Purple Line

Camden and Penn Line

Census Tract Boundary

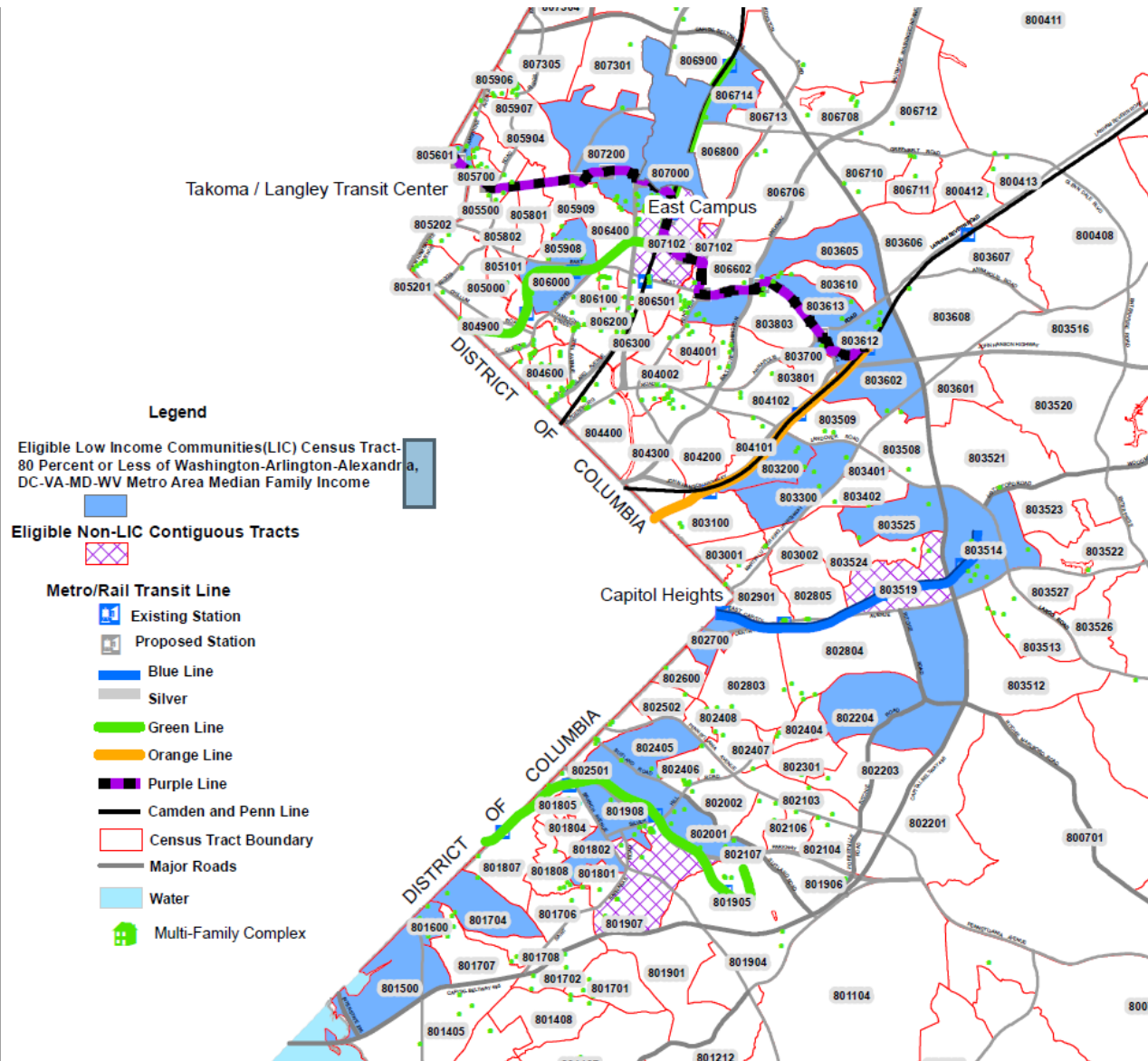
Major Roads

Water



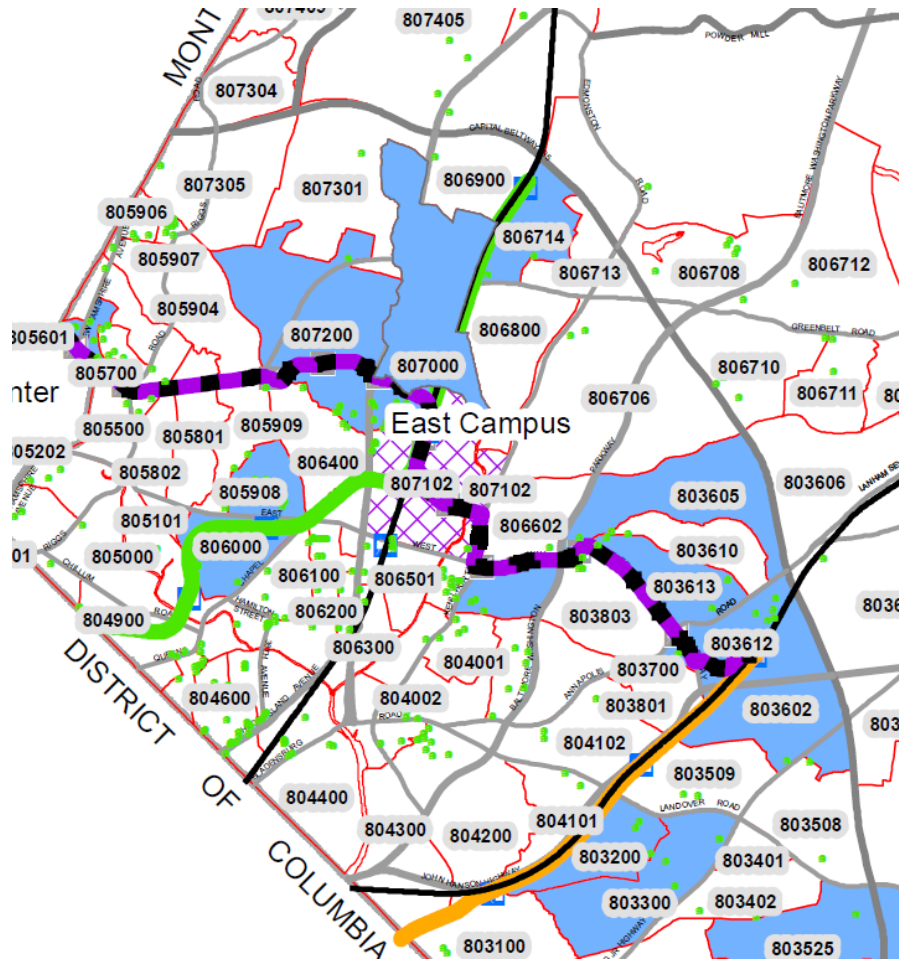
Recommended Designations

11



Northern Area

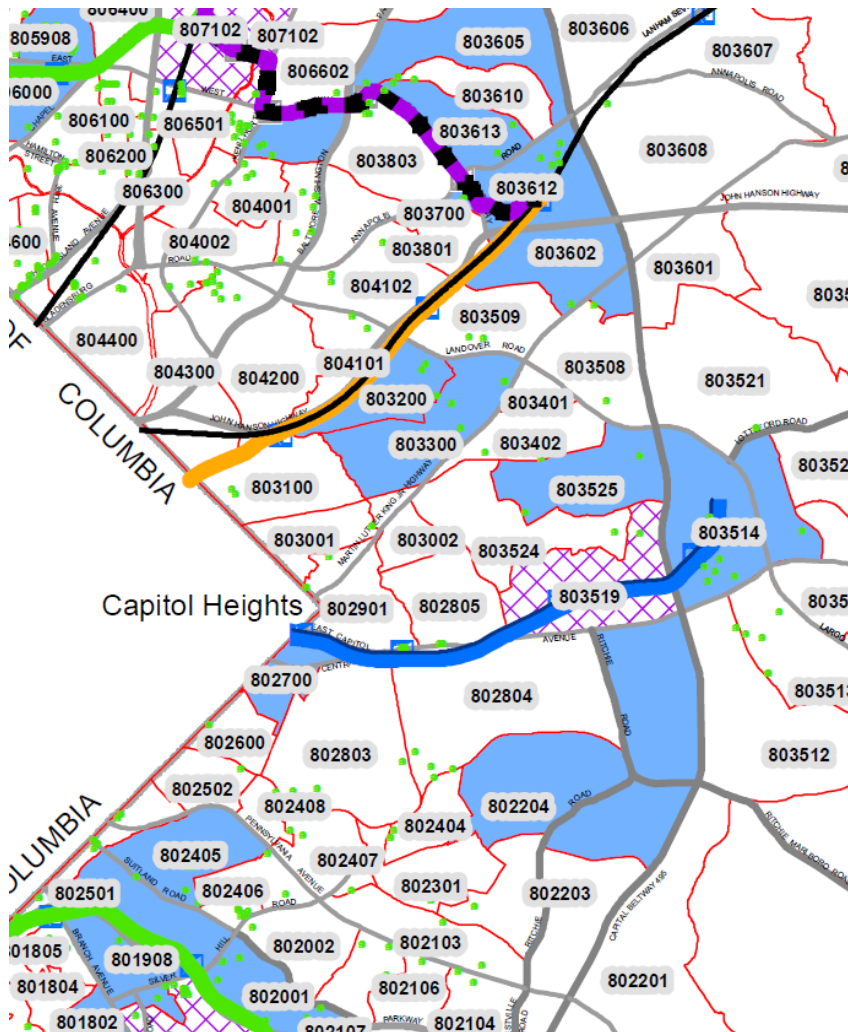
12



Census Tracks	Description	Location
8056.01	TOD- Local Transit Neighborhood Reinvestment	Takoma/ Langley Crossroads / Purple Line
8059.08	TOD-Regional Transit District	Prince George's Plaza Metro
8060	TOD-Regional Transit District	Prince George's Plaza Metro
8072.00	TOD-Regional Transit District	UMD
8070.00	Innovation Corridor	College Park, UM Metro/ M Square Purple Line
8066.01	TOD-Regional Transit District	Riverdale Park, Purple Line
8067.14	TOD-Regional Transit District	Greenbelt Metro Station
8071.02	TOD-Regional Transit Center, Residential	College Park, UM Metro/ M Square Purple Line
8036.05	TOD-Regional Transit Center, Residential	Beacon Heights Future Purple Line
8036.13	EZFA, Residential	Annapolis Road, Purple Line

Central Area

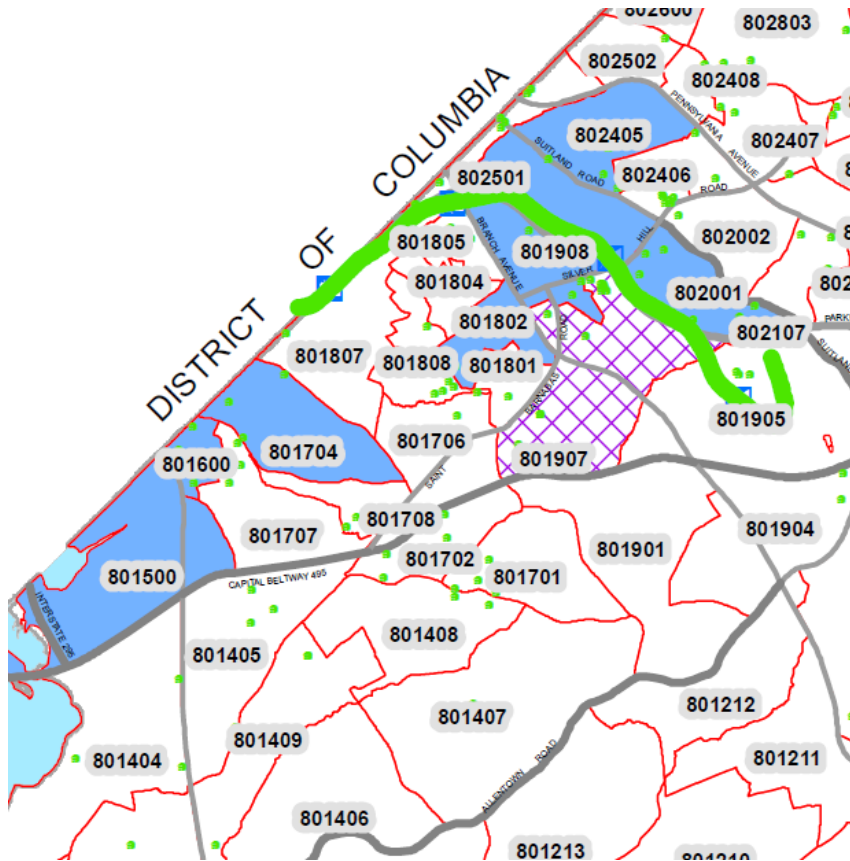
13



Census Tracts	Description	Location
8022.04	EZFA, Commercial, Industrial	Hampton Park
8027	TOD – Local Transit Centers, EZFA	Capitol Heights Metro
8032	EZFA, Industrial, Neighborhood Revitalization	Kentland/Palmer Park
8033	EZFA, Industrial, Neighborhood Revitalization	Kentland/Palmer Park
8035.14	TOD – Regional Transit District	Largo Town Center Metro
8035.25	TOD – Regional Transit District	Largo Town Center Metro/ Landover
8035.19	TOD-Local Transit Center, EZFA	Morgan Blvd Metro
8036.02	TOD – Regional Transit District, EZFA, Industrial	New Carrollton Metro/ Future Purple Line
8036.12	TOD – Regional Transit District, EZFA,	New Carrollton Metro/ Future Purple Line

Southern Area

14



Census Tracks	Description	Location
8015	EZFA, CSC, Industrial, Residential	Forest Heights, Glassmanor, Eastover
8016	EZFA, CSC, Industrial, Residential	Forest Heights, Glassmanor, Eastover
8017.04	EZFA, Neighborhood Reinvestment	Oxon Hill, Southern Marketplace
8018.02	EZFA, CSC, Industrial, Residential	Naylor Road Metro, Branch Avenue
8019.08	TOD – Local Transit Center, EZFA, Gateway, Medium Residential	Naylor Road Metro, Branch Avenue
8019.07	TOD – Regional Transit District, Industrial, CSC, Residential	Branch Avenue
8020.01	Neighborhood Reinvestment Area, Medium Density	Suitland
8024.05	TOD – Local Transit Center	Naylor Road/Suitland Metro

David Iannucci

Asst. DCAO for Economic Development, CEX
Office of County Executive
dsianucci@co.pg.md.us

Ebony Stocks

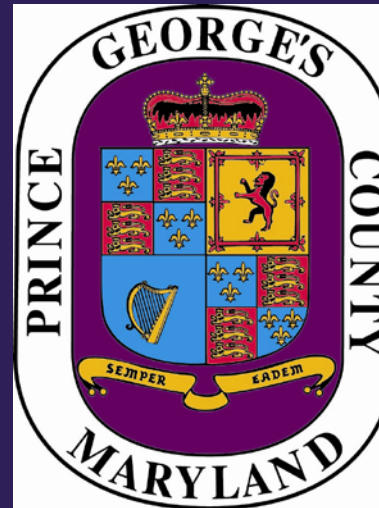
Financial Services Program Manager
Prince George's County Economic Development
Corporation
(301)583-4650

Derick Berlage

Chief of Countywide Planning
M-NCPPC
(301) 699-2255

Jackie Philson

Master Planner
Economic Development, Housing & Community
Development, Demographic Analysis,
Cooperative Forecast
M-NCPPC
(301)952-3627



PRINCE GEORGE'S COUNTY
**ECONOMIC
DEVELOPMENT
CORPORATION**