



Successfully Navigating the Land of OZ: A Roadmap for Opportunity Zones and Opportunity Funds



Molly McCabe President
| Founder
HaydenTanner
Co-Founder
The Lotus Campaign



Gilbert Winn
CEO
WinnCompanies

Mary Ellen Wiederwohl
Chief, Louisville Forward
Louisville Metro Government



Ryan P. McCormick
Senior Vice President & Counsel
The Real Estate Roundtable



Orla O'Connor
Principal
KPMG

“Domestic Emerging Markets” senator cory booker

- Designed to channel more **equity capital** into overlooked markets.
- Catalyze growth and opportunity through **long-term** private sector **investment**

Poll Question

I would characterize myself as an:

- investor
- developer
- business owner
- public agency
- service provider/consultant

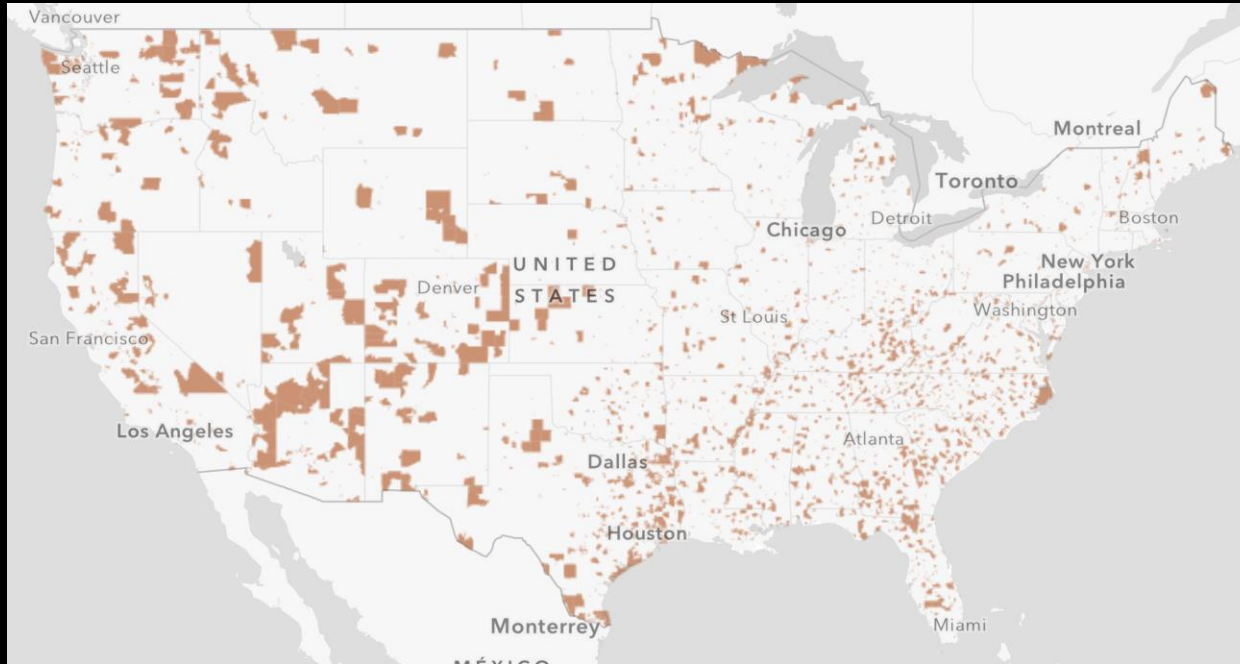
Poll Question

As it relates to your understanding of Opportunity Zones & Opportunity Funds –

“I consider myself” ...

- a neophyte
- I know just enough to be dangerous
- pretty knowledgeable

Designated Opportunity Zones



8,700 + census tracts

All U.S. states and territories

- 40% urban
- 40% rural
- 20% suburban

Low Income census tracts:

- poverty rates > 20%
- median family income < 80% of state/metropolitan area median

QOZF Investor Benefits

Grants investors **favorable tax treatment** of unrealized capital gains



- **Defer Capital Gain Recognition**
 - Must reinvest gain within 180 days
 - Deferral through YE 2026



- **Reduced Capital Gains Taxes**
 - 10% if held for 5 years
 - + 5% (for a total of 15%) if held for 7 years



- **No Taxes on QOF Investment**
 - if held 10+ years
 - sell by 2048

Qualified Opportunity Funds

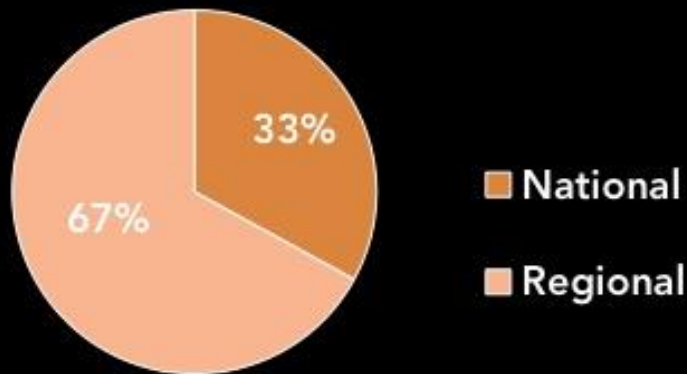


- **90%** of O-Fund investments must be in Qualified O-Zone business or assets. (6 month test)
- **Businesses** must have **70%** of tangible property in Zone and derive **50%** of revenues from inside the Zone.
- **Substantial improvements** (at least 2x basis, excluding land value)
- **31 months** to improve property



Qualified Opportunity Funds

- 89% real estate focused
- 47% target community revitalization
- 44% economic development or small business development
- 19% infrastructure/renewable energy



- 2/3 regionally focused
- Strongest along the East Coast- especially NY and Florida

Final Poll Question

How would you characterize your Opportunity Fund strategy?

- We're in the early early stages of determining our approach
- We're already raising money for a fund, have identified projects, and will be ready to invest as soon as possible.
- We have an Opportunity Fund and are actively deploying capital
- We have no plans to start our own fund and will invest in others' instead.

**“The volume of capital is not constrained.
The key is finding projects
that can be executed using that capital.”**