



# Opportunity Zones - State vs. Federal

## State Opportunity Zone

Authority

O.C.G.A. §48-7-40.1 – “Tax credits for business enterprises in less developed areas”

Type

Corporate Tax Credit for jobs created

Criteria

Zones within or adjacent to poverty (>15%), including a redevelopment plan

Eligibility

Designated areas displaying pervasive poverty, underdevelopment, general distress, and blight

## Federal Opportunity Zone

26 USC 1400Z – “Investing in Opportunity Act” part of the Tax Cuts and Jobs Act

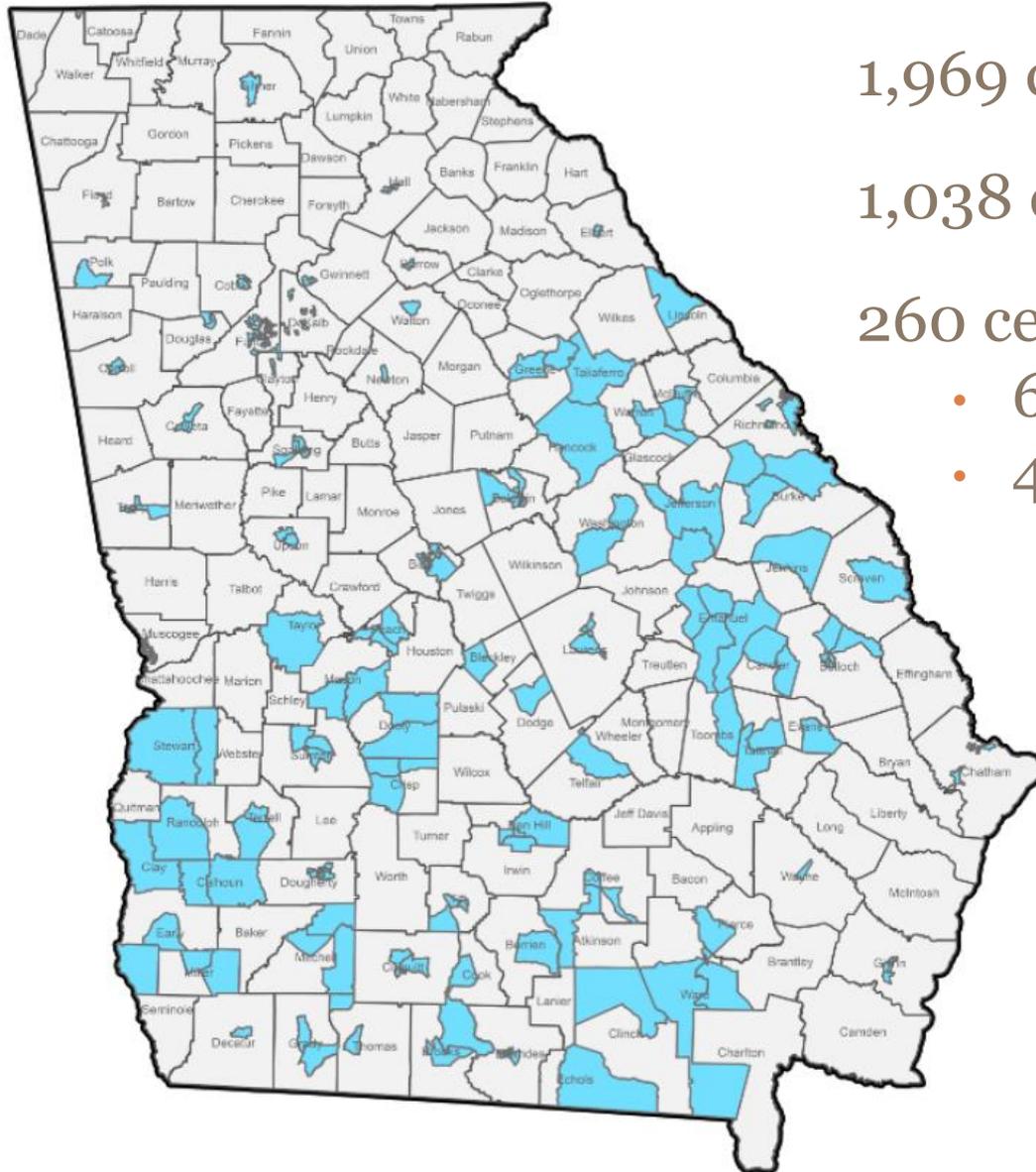
Investment Tax Credit for capital gains invested

Zones within or adjacent to poverty (>20%) or low median family income

Only 25% of eligible areas (1038 Georgia census tracts) could be designated



# Where are our Federal Opportunity Zones?



1,969 census tracts in GA

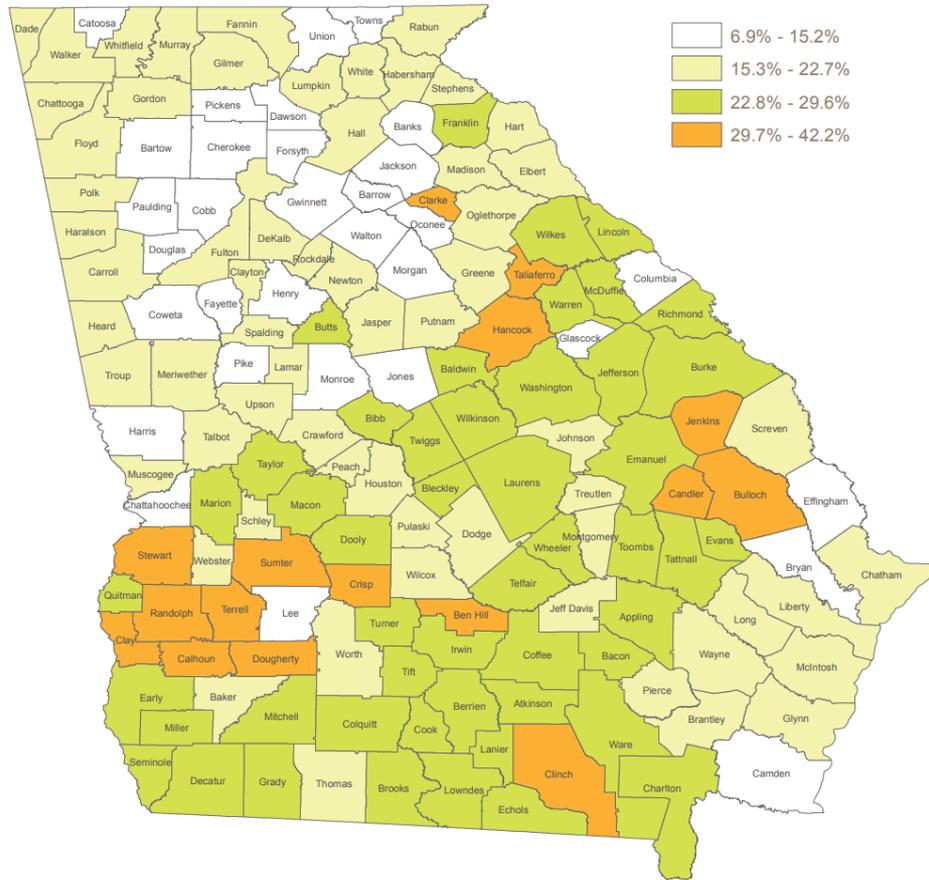
1,038 census tracts eligible

260 census tracts designated

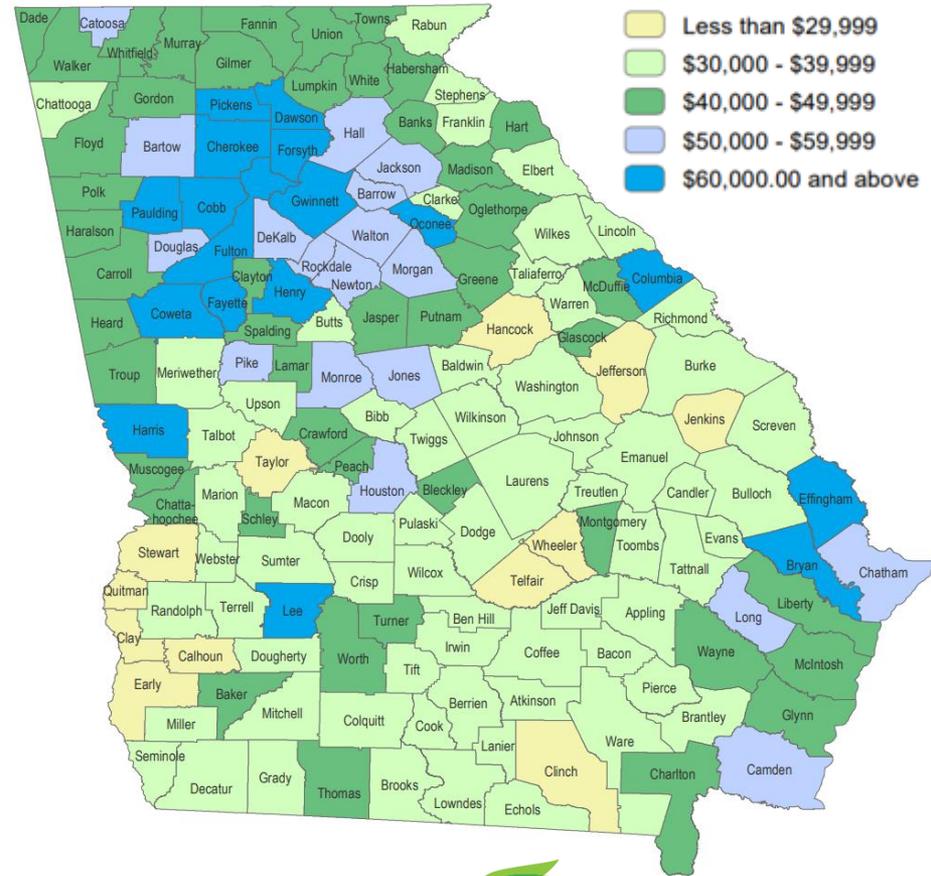
- 60% rural
- 40% urban

# What data was used for designations?

## Poverty



## Median Household Income



# How does the Federal OZ program work?



**Investor/Taxpayer**



**Opportunity Zone Fund**



**Opportunity Zone Property**

# What have we done to support Federal OZs?

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- Convened 4 workshops – Albany, Atlanta, Statesboro, Rome – to provide communities with information
- Participated in numerous sessions hosted by other organizations and communities
- Launched a website to:
  - Encourage communities to identify and develop project opportunities (e.g., project prospectus)
  - Capture project information for investor access
- Provide limited technical assistance (this complex federal tax program requires expert advice from legal and accounting professionals)



# Are there examples of the program's success?

- Albany – former Water, Gas & Light Commission Bldg.
  - \$13.6 million mixed-use project with boutique hotel and data center in a historic downtown building
  - Includes Opportunity Fund investment, New Market Tax Credits
- Statesboro – Tormenta FC stadium
  - \$30 million soccer stadium construction to include 5,300-seat stadium, retail, medical offices, and restaurant/craft brewery
- Downtown Gainesville-3 projects
  - 5 Acre parcel just across pedestrian bridge downtown. Turned into commercial development
  - 4 Acre parcel on the former jail on Main Street. Turned into high density mixed-use multi-family development
  - Repurpose of former Regions Bank building into 50-60 room boutique hotel



# State Opportunity Zones

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- Similar to Less Developed Census Tracts in code, state Opportunity Zones may be designated if the area is:
  - Adjacent to census block with  $\geq 15\%$  poverty
  - Displaying pervasive poverty, underdevelopment, general distress, and blight
- Tax credits may be applied to withholding tax, similar to Less Developed Census Tracts and Tier 1 counties
- 154 active State Opportunity Zones
  - 10 year designation
  - Parcel-level designation (avg. size is 330 parcels)
  - 85 zones scheduled to expire by December 31, 2021





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# Community Affairs

