

An aerial photograph of a city street, likely in San Francisco, showing a row of houses and a large hill in the background. The image is dimmed to serve as a background for text.

OPPORTUNITY ZONES

How can states & municipalities maximize them?

Sarah Bianchi

A map of the United States with numerous black and white pins placed across it, indicating locations. The pins are distributed across all major regions, with a higher concentration in the Northeast and Midwest. The text "Opportunity Zones" is in a large, bold, white sans-serif font, and "8700 Across the Country" is in a slightly smaller, italicized white sans-serif font below it.

Opportunity Zones

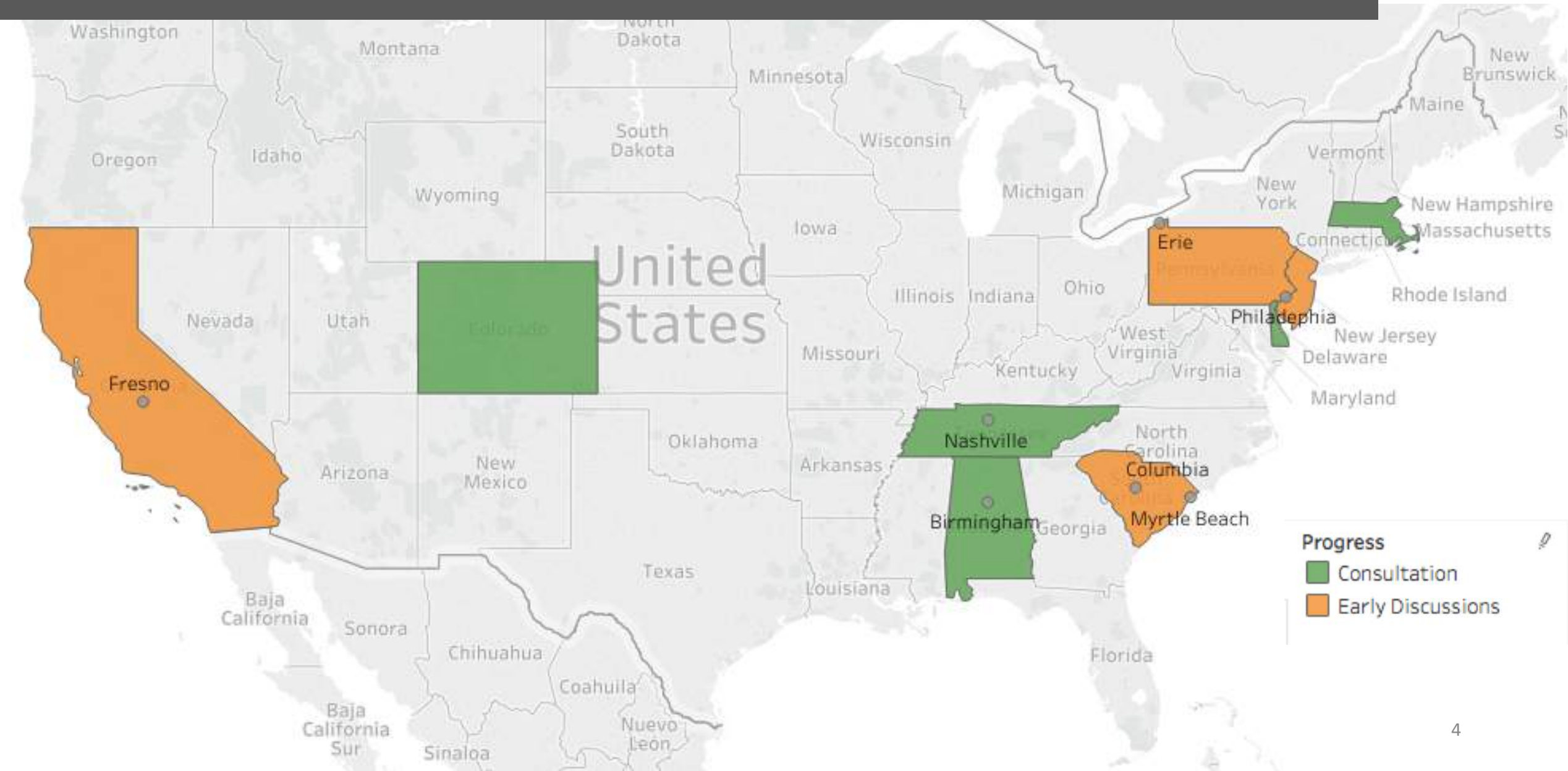
8700 *Across the Country*



THE GOVERNANCE PROJECT

We believe engaged collaboration between public, private and philanthropic leaders offers a promising path to develop solutions that work locally and across the country.

We are working with several states and cities



How investors are thinking about Opportunity Zones



Excellent tax incentives to invest in designated Opportunity Zones



New possibilities for those with realized gains and patient capital



Current rules make it challenging to invest in one multi-asset fund



Not always clear how to find viable projects



New set of stakeholders

Opportunity Zones should attract broad investments but challenges remain.



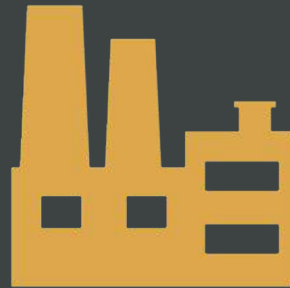
Housing



Infrastructure



Existing or
Start-Up Businesses



Industrial
Real Estate



Commercial
Real Estate

States and Cities organizing stakeholders to develop projects



CO

Statewide convening last June brought stakeholders together, with follow up leading to projects developing across the state.



DE

Held stakeholders conference and divided by regions for follow up.



AL

The City of Birmingham secured 26% of the state's designated zones and Mayor Woodfin committed to redeveloping downtown through their strategic use, especially in the Civil Rights District.

An aerial photograph of a city, likely New Orleans, showing a dense urban grid and a large body of water (the Mississippi River) winding through the center. The image is dark and textured, with the city's layout clearly visible. The text "State & Municipal Best Practices" is overlaid in white, bold, sans-serif font across the middle of the image.

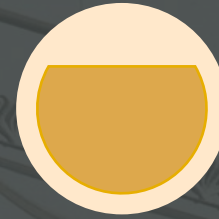
State & Municipal Best Practices

Begin With Community Engagement



Identify Needs

- ❖ Figure out **2-3 needs** for achieving community vision that Opportunity Fund capital could help address



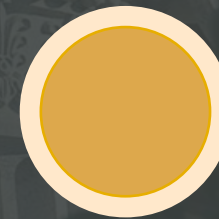
Identify Specific Projects

- ❖ Where do **needs and assets overlap** to create a project?



Identify Assets

- ❖ What are **strongest aspects** of community?
- ❖ What can they do to **increase attractiveness**?
- ❖ **Assets include:** anchor institutions, city owned land, regional growth, active nonprofits, and more...



Build Action Plan

- ❖ Identify the **tangible steps** to move from identifying to actualizing project
- ❖ what **stakeholders need to be engaged**? who is responsible for doing so?

Four Principles of Project Selection

1

Focus on areas that demonstrate **social need** and have **market traction**.

2

Link **capital investment** to **human capital development** for low income residents.

3

Guide Investments towards **projects that transition to the new economy** and future of work.

4

Collect information and use it to guide future investment.

Focus First on Local Anchors



Colleges & universities, hospitals, and museums are vital community institutions



Anchors can use QOZ for needed real estate expansions



Can Develop land and use returns for mission driven purposes



Can elevate local and regional role as anchor institution

Birmingham, Al.

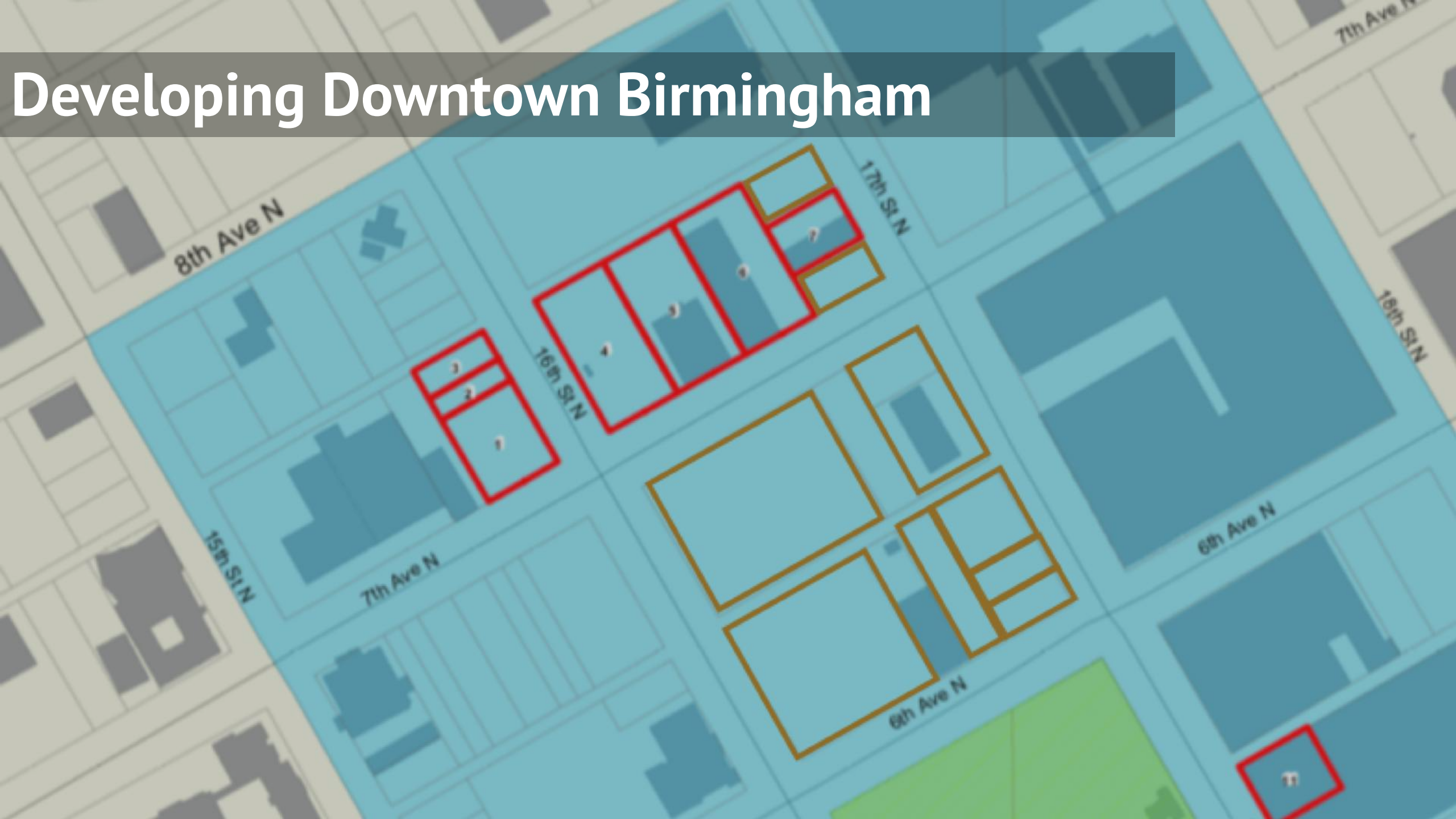
Opportunity Zone in the Civil Rights District

1 of 24 designated O-Zone tracts in the city

Mayor Woodfin committed to eradicating blight and redeveloping downtown

Birmingham secured 26% of Alabama's O-Zones

Developing Downtown Birmingham



Variety of stakeholders coming together



Anchor
institution is vital
to project



Land donated
by key local
stakeholders



City agrees to
help with
financing



Surrounding
commercial
development
plan

Delaware

Small state with a big vision

25 Opportunity Zones in the state.

Located in areas that will attract investment to spur business creation.

11 Zones are in reduced-tax downtown development districts and 20 are Brownfield Redevelopment Sites.



What are Opportunity Zones?

Committed
State &
Local
Leadership

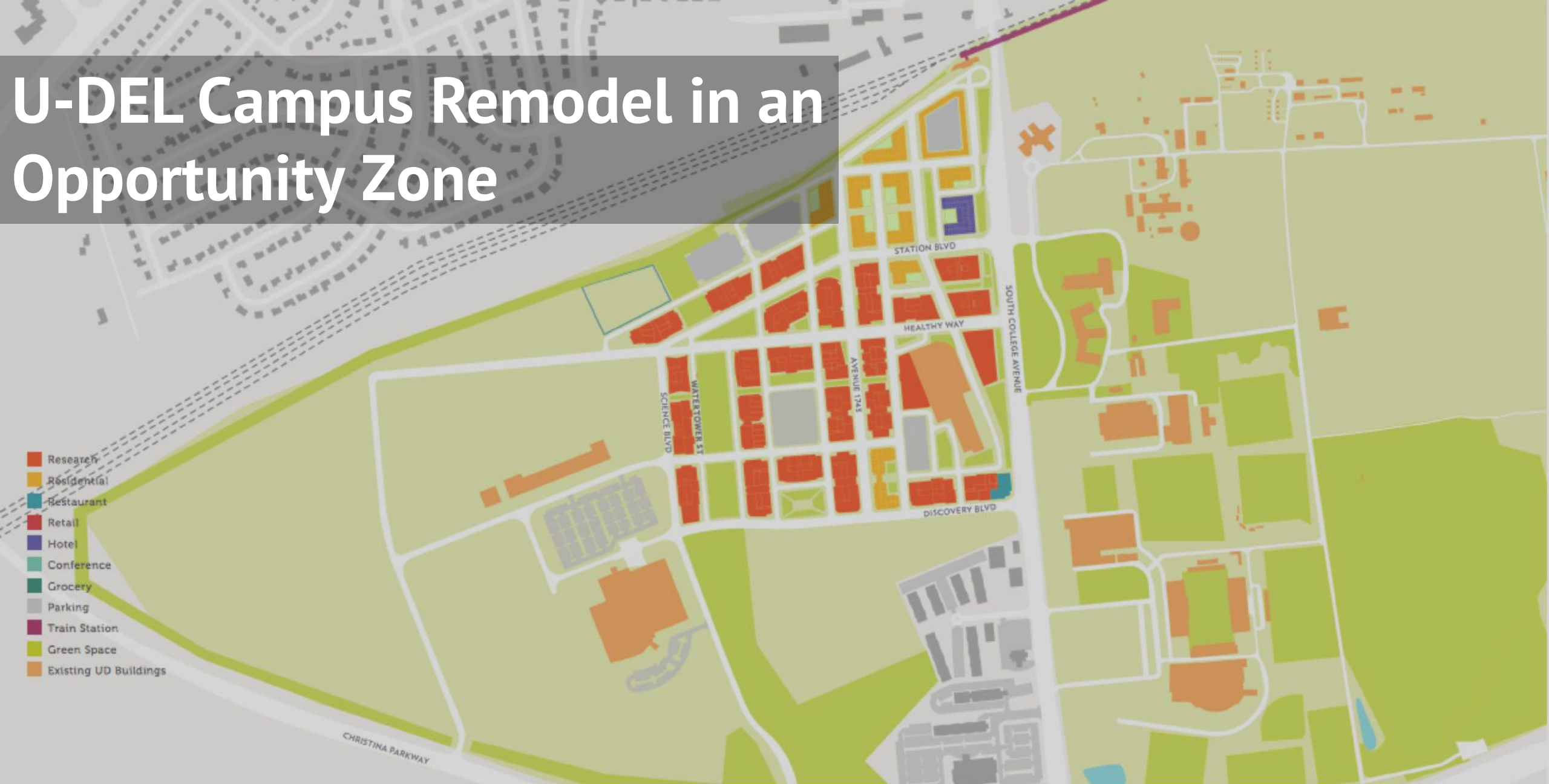
Highly
developed
**State
Website**
for Zones

Strategic
Selection
of Zones

Delaware's Approach



U-DEL Campus Remodel in an Opportunity Zone



- Research
- Residential
- Restaurant
- Retail
- Hotel
- Conference
- Grocery
- Parking
- Train Station
- Green Space
- Existing UD Buildings

Massachusetts Opportunity Zones

by the numbers

138 Opportunity Zones in
the state.

Potential to drive a diverse
array of projects – from
universities to advanced
manufacturing

48% of Zones are in
Gateway Cities

KEY CONSIDERATIONS MOVING FORWARD IN MASSACHUSETTS

Stakeholders should develop specific project-profiles for investors.

Qualified Opportunity Funds form around specific projects.

Focus initial projects around anchor institutions.

First mover advantage in communities with workable deals.

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THANK YOU
questions and comments welcome

Sarah Bianchi