

Opportunity Zones

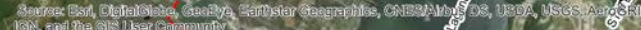


Planning Commission Presentation
April 17, 2019



Background

- Opportunity Zones were established by Congress in The Tax Cuts and Jobs Act of 2017.
 - Purpose: Incentivize private investment in historically underserved communities, resulting in economic development and job creation.
 - Opportunity Zones are low-income Census Tracts nominated by governors and certified by the U.S. Department of the Treasury.
 - Potential for \$6 trillion of private investment
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Map of Corpus Christi Opportunity Zones (Tracts 63 and 64)



Eligible tracts shaded white

City limits -----

Downtown



Map of Corpus Christi Opportunity Zones (Tracts 10, 16.02, and 20.01)





Map of Corpus Christi Opportunity Zones (Tract 22)





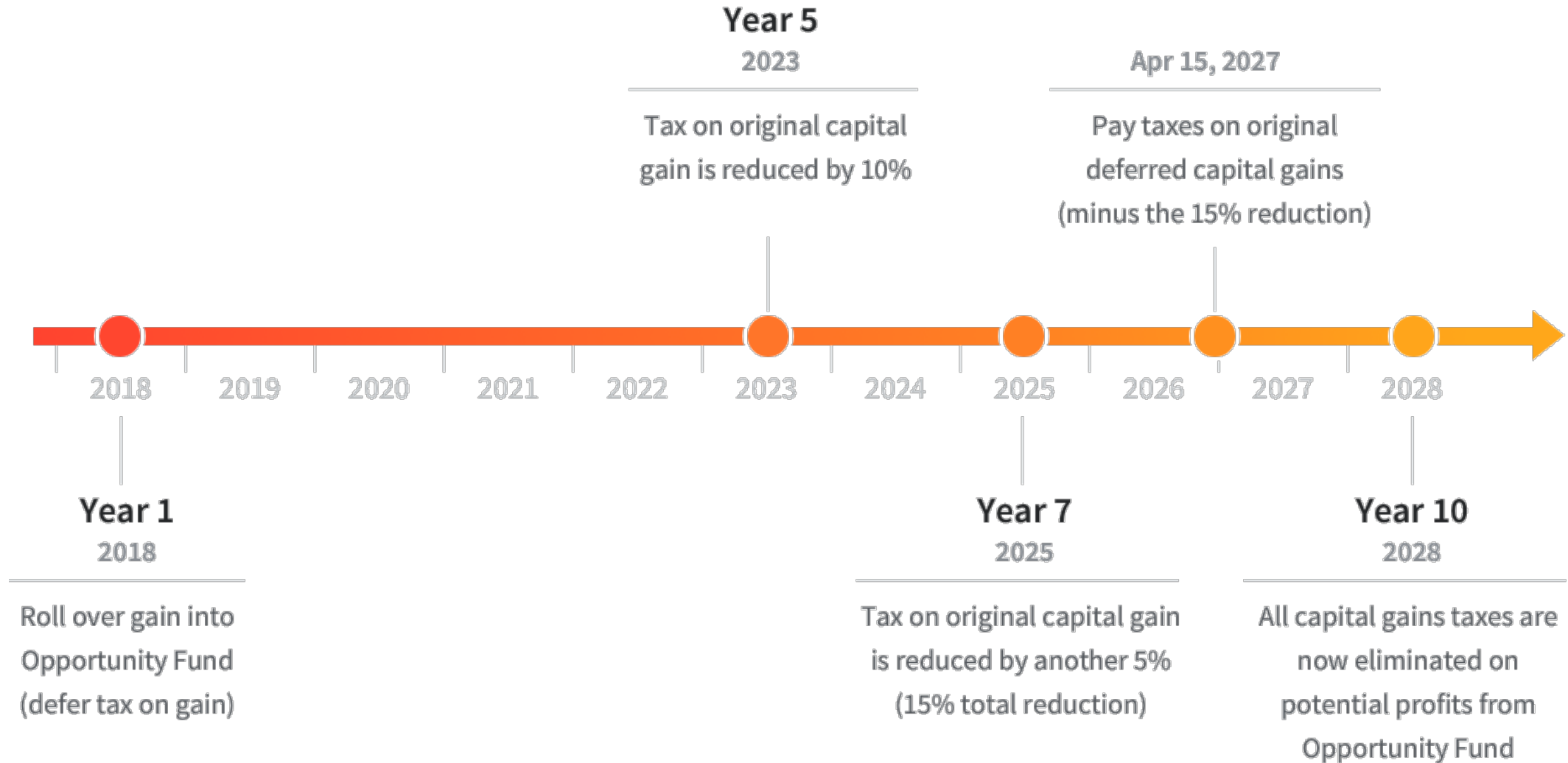
Map of Corpus Christi Opportunity Zones (Tracts 27.04 and 29)

Proposed
Barisi Village
Project



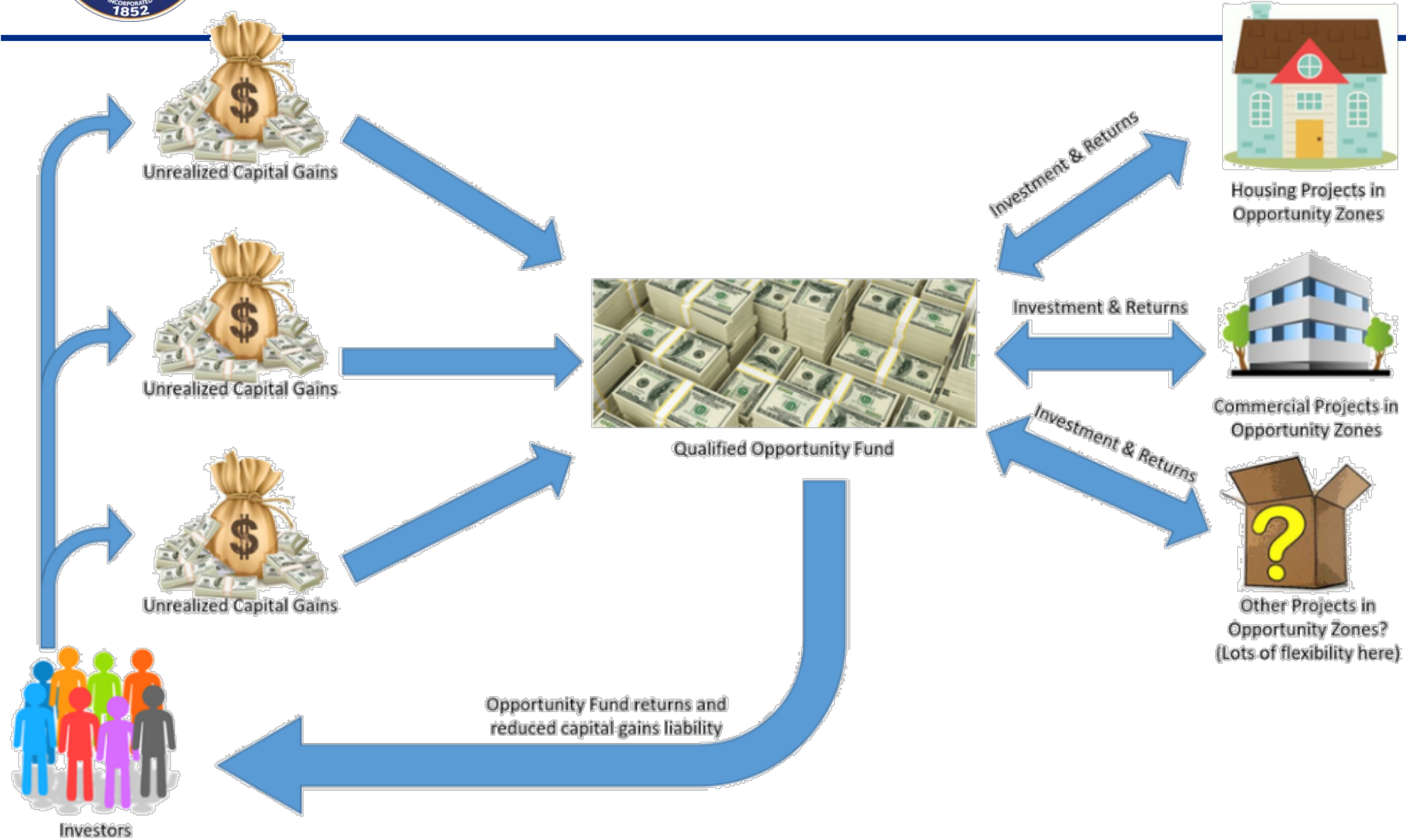


The Incentives





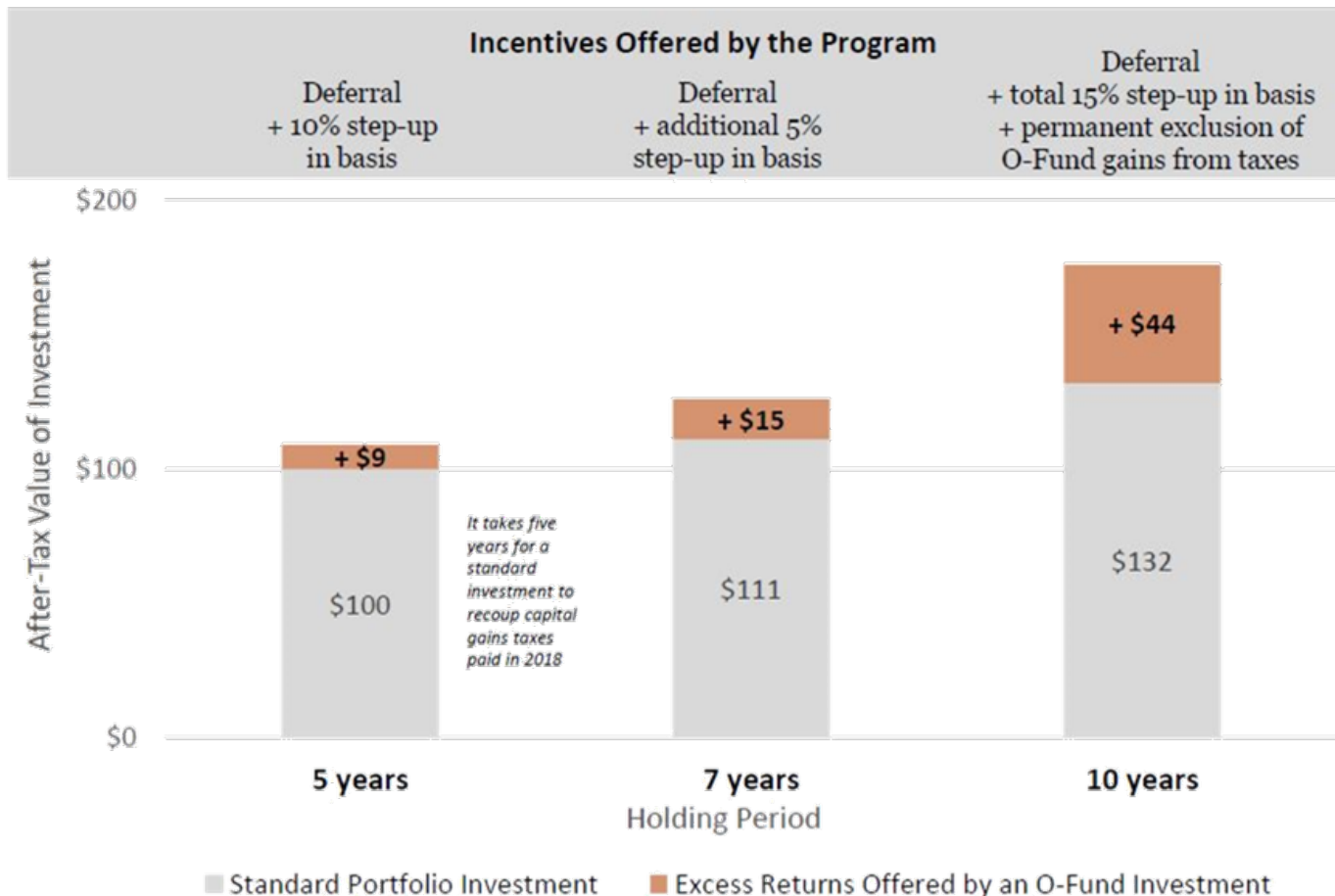
How Do They Work





Potential Returns to Investors

Comparing an O-Fund to a Standard Investment:
Scenario: A Capital Gain of \$100 is Reinvested in 2018



Per: Economic
Innovation Group

“We estimate that the program offers long-term investors a **3.0% higher rate of return** annualized and after taxes than a comparable investment outside of the program.”



Looking Forward

2018

- ✓ Zones certified and final map in place
- ✓ IRS releases O-Fund self-certification form
- ✓ IRS/Treasury release further guidance
- ✓ "Early Mover" funds form and capitalize

2019

- Bulk of funds form and capitalize
- Investment starts to flow

2020 & 2021

- Funds begin to invest at scale
- Funds reach 90% threshold requirement
- Investors continue to pile on in advance of the 2021 deadline to get the 5-year step up by 2026
- First real picture of impact takes shape



Additional Resources

- <http://corpuschristiopportunities.com/>
- CCREDC to host a workshop on Opportunity Zones



- Friday, April 19, 2019
- 9:30 AM – 11:00 AM
- Del Mar Center for Economic Development
3209 S Staples St



Corpus Christi
REGIONAL ECONOMIC
DEVELOPMENT CORPORATION

