



Leveraging Opportunity Zones in Wisconsin

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2. What we've seen so far
3. How communities can get engaged
4. Statewide Resources



OPPORTUNITY ZONES OVERVIEW



Opportunity Zones Overview

INVESTOR BENEFITS

1. A temporary deferral

An investor can defer capital gains taxes until 2026 by rolling their gains directly over into an Opportunity Fund

2. A reduction

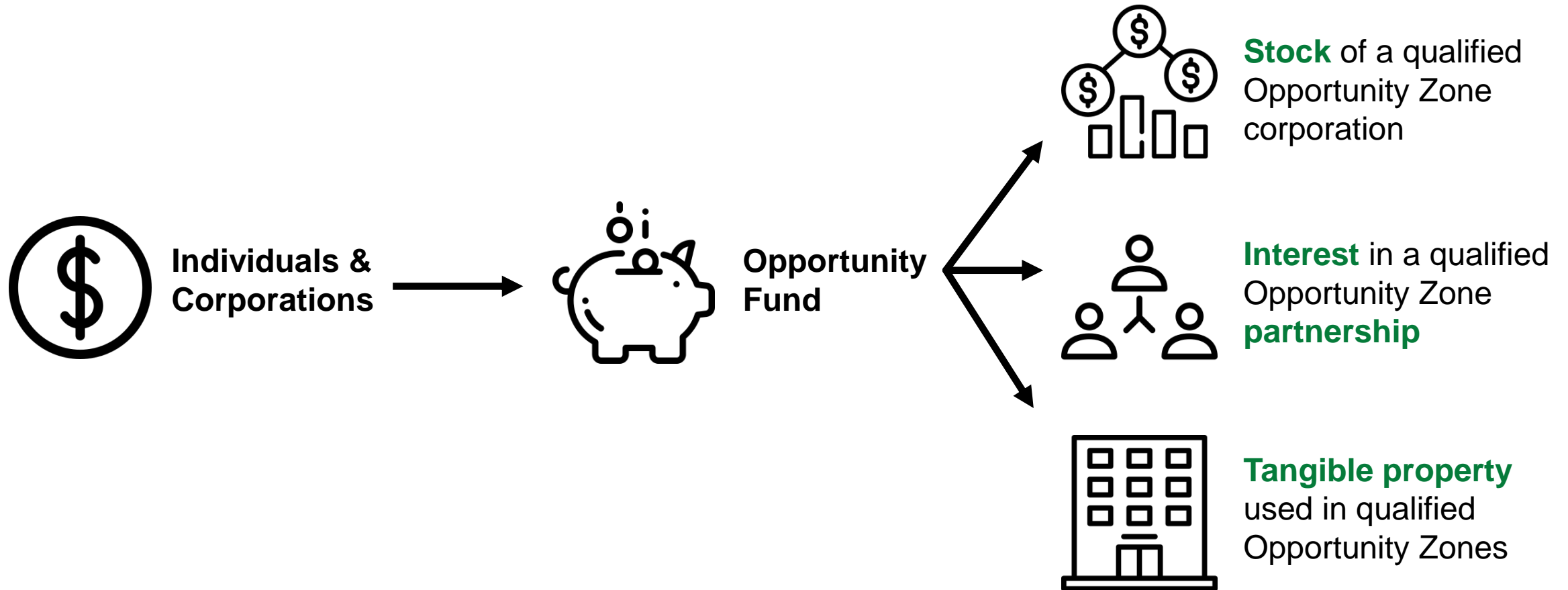
The deferred capital gains liability is reduced by 10% if the investment is held for 5 years, and another 5% if held for 7 years

3. An exemption

Any capital gains on subsequent investments made through an Opportunity Fund accrue tax-free, as long as the investor stays invested in the fund for at least 10 years.



Opportunity Zones Overview

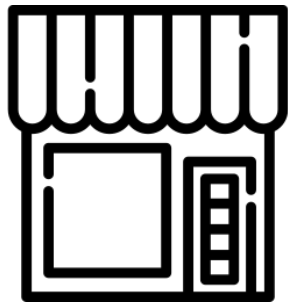


Source: Economic Innovation Group



Opportunity Zones Overview

Readily Identifiable Investment Types in Opportunity Zones



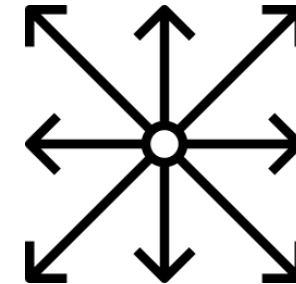
commercial
real estate
development
and renovation
in Opportunity
Zones



opening new
businesses in
Opportunity
Zones



expansion of
existing
businesses to
Opportunity
Zones

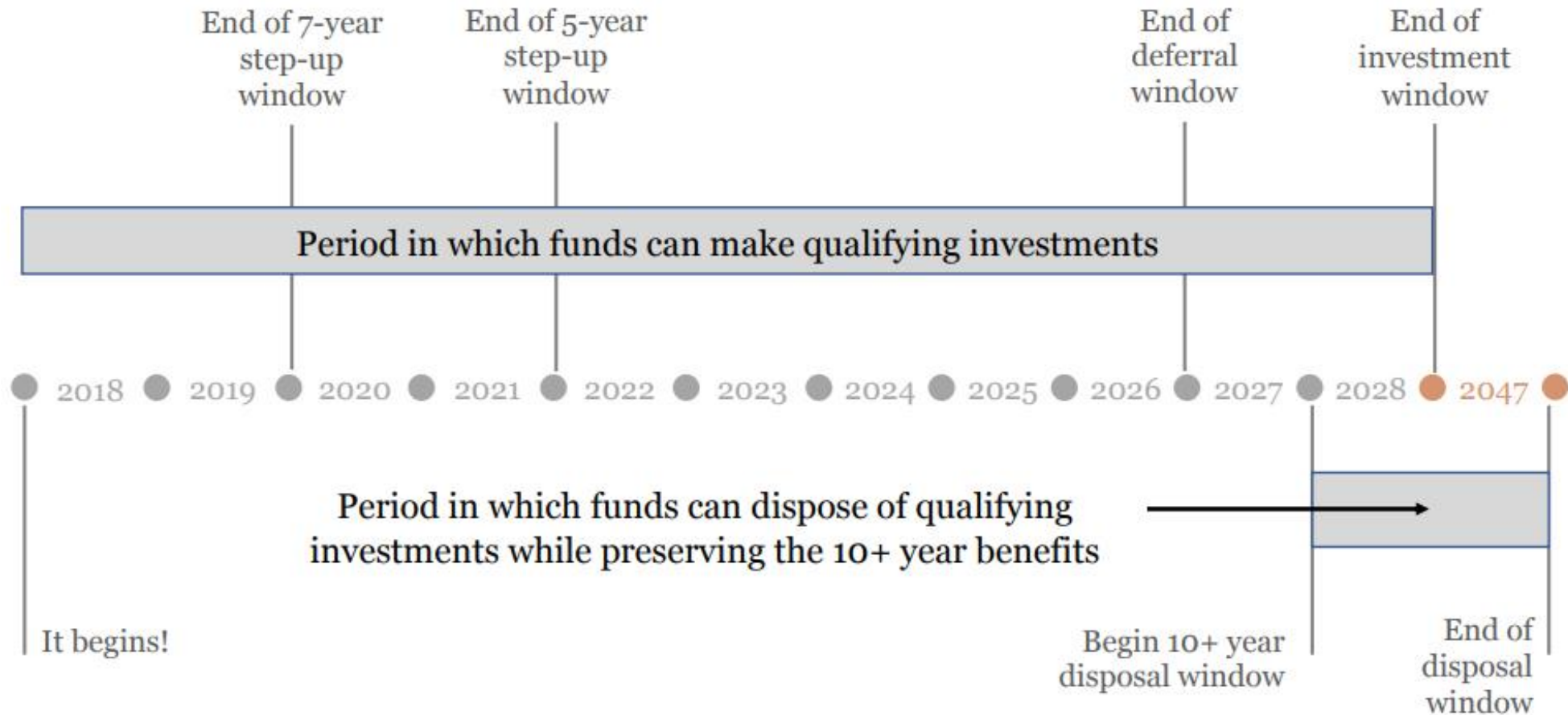


large expansions
of businesses
already in
Opportunity
Zones

Source: Economic Innovation Group



Opportunity Zones Overview



Source: Economic Innovation Group



Opportunity Zones Overview

Opportunity zones in Wisconsin

- Nominated organized through WHEDA with cross-agency partnership
 - DOA
 - DCF
 - WEDC
 - USDA Rural Development
- Consultation with third party entity
- 120 designated Economic Opportunity Zones in the state



WHAT WE'VE SEEN SO FAR



What we've seen so far

Year 1 ¼: What do we know?

- Broad investor base
- OZs can have a big impact on investment economics
- OZ equity is a deal closer
- Local capital will likely move first
- Philanthropies, nonprofits, and others want to know how they can help.
Local leadership is key
- Local leaders must chart the vision
- Indirect impacts and opportunities could be significant



HOW COMMUNITIES CAN GET ENGAGED



How communities can get engaged

What's the Plan?

- What types of investments does the community need/desire?
- What are the major assets in the area? (i.e.. land, institutions, infrastructure, etc.)
- Which developments offer low-hanging fruit?
- Who are the stakeholders invested in local development?



How communities can get engaged

At the Community Level

- Planning Documents
- Community Engagement or Visioning Workshops
- Housing/Market Studies



How communities can get engaged

At the Project Level

- What are the existing barriers for the site? (i.e.. brownfields, land use, etc.)
- What other resources could be layered into the capital stack?
- What is the projected rate of return?
- Who needs to know about the project?



How communities can get engaged

Local Stakeholder Ecosystem

- Institutions
 - Hospitals
 - Universities
- Philanthropy
 - Foundations
 - Corporate partners
- Developers
 - Market rate
 - Affordable



STATEWIDE RESOURCES



Statewide Resources

WHEDA Resources

- Housing
 - Federal Housing Tax Credit
 - State Housing Tax Credit
 - Tax-exempt Bond Financing
- Economic Development
 - Guarantees
 - Participation Lending
 - New Market Tax Credits



Statewide Resources

WEDC Resources

- Export Grants
- Workforce Training Grants
- Business development Tax Credits
- Industrial Revenue Bonds
- Business Participation Loans
- Minority Business Development
- Disaster Recovery Grants/Loans
- Site Development Grants
 - Site Assessment
 - Brownfield
 - Idle Sites
 - Community Development Investment



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