



# York Opportunity Zones

## Information Session

The City of York | The Honorable Michael Helfrich, Mayor

# The City of York Pennsylvania

Our MISSION is to ensure a safe, clean, healthy, productive city where neighborhoods are revitalized, history is preserved, the natural environment is respected, and where all people can reach their full potential through education, commerce, culture, recreation and wellness.



# WHAT ARE FEDERAL OPPORTUNITY ZONES?



- Created by the Tax Cuts and Jobs Act of 2017
- Geographic census tracts based on criteria:
  - Poverty rate over 20%
  - Median income less than 80% of the state
- 8,700 zones in the US (incl. DC, Samoa, Guam, Virgin Islands and Puerto Rico)
- 300 opportunity zones in PA – designated in June 2018

# WHAT ARE FEDERAL OPPORTUNITY ZONES?

- A chance to encourage people to invest here
- Priority Consideration for Grant Applications



# YORK'S OPPORTUNITY ZONES



# WHAT ARE THE BENEFITS OF OPPORTUNITY ZONES?



- Capital Gains are profits from the sale of stock or property
- Defer taxes on those profits if invested in an Opportunity Fund
- Reduce taxes by 10% if held in the fund for 5 years
- Reduce taxes by 15% if held in the fund for 7 years
- Deferment ends Dec 31, 2026
- No Capital Gains tax due on OZ Profits if held in the fund for 10 years!

# SAMPLE GAINS SAVINGS:



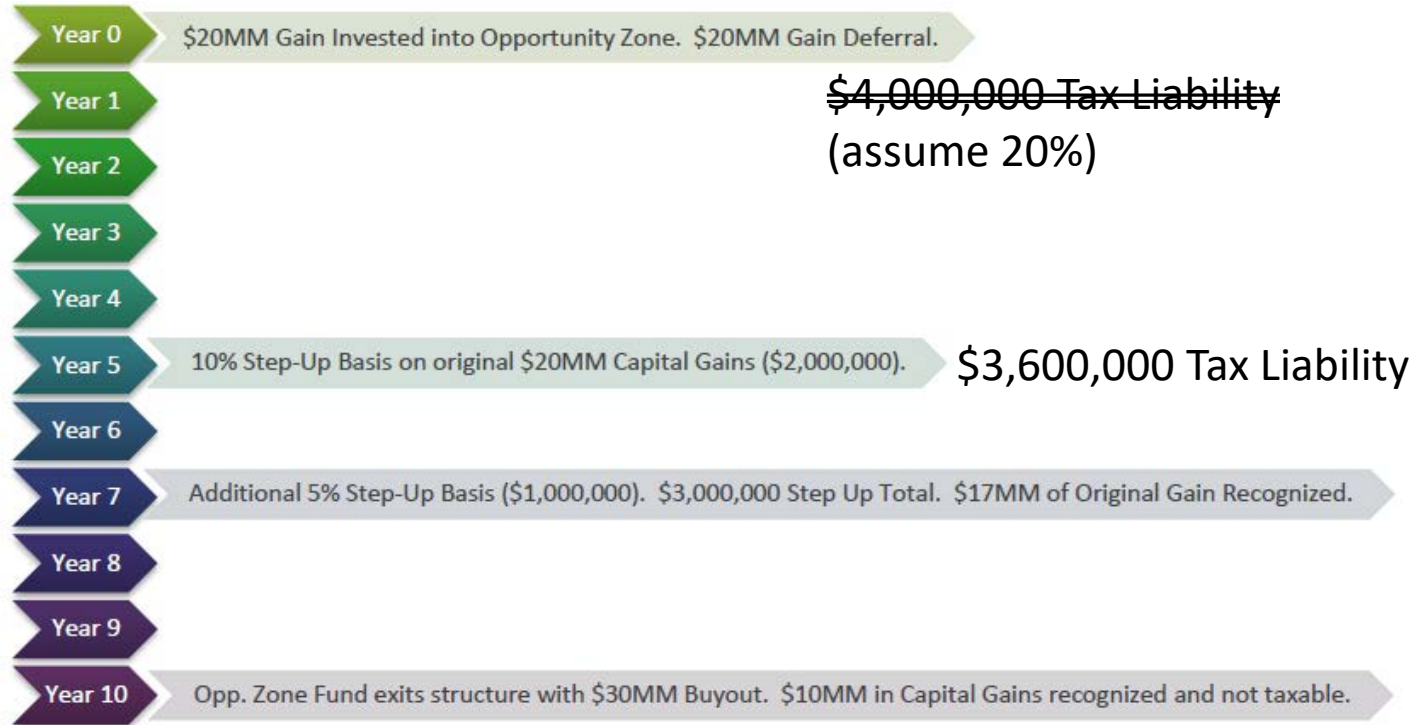


# SAMPLE GAINS SAVINGS:

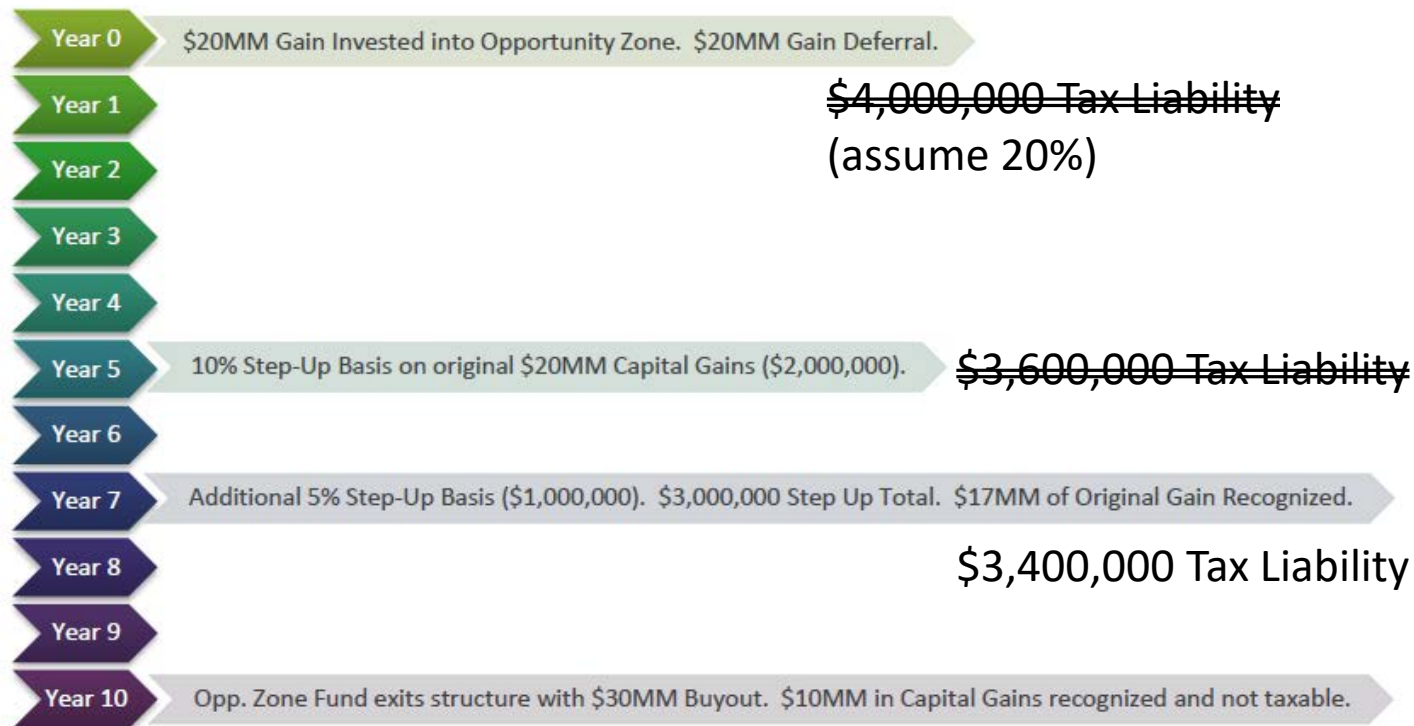




# SAMPLE GAINS SAVINGS:



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No Additional Tax Liability on New \$10M Gain

# SAMPLE GAINS SAVINGS:



**\$3,400,000 Tax Liability vs. \$6,000,000 Tax Liability on 1<sup>st</sup> and 2<sup>nd</sup> gain!**

# WHERE ARE THE OPPORTUNITY ZONES?

- Five Qualified Opportunity Zones
- Census Tracts are pre-defined
- Tracts 3, 6, 10, 12 and 16
- Focus of York's OZ was on job centers and neighborhoods
- We can help verify if a property is in an Opportunity Zone



# YORK'S OPPORTUNITY ZONES



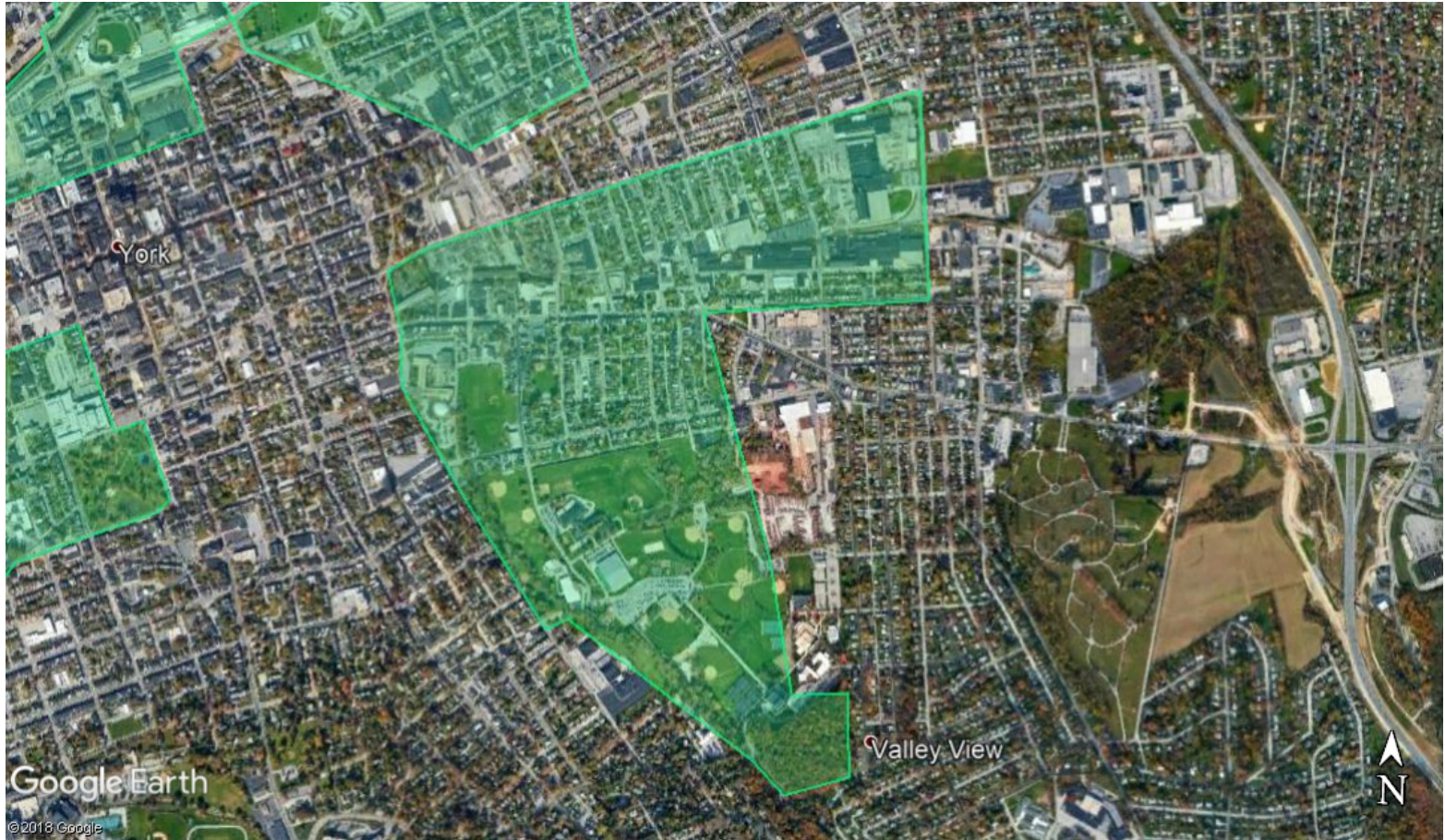


# YORK'S OPPORTUNITY ZONES – OZ3





# YORK'S OPPORTUNITY ZONES – OZ6



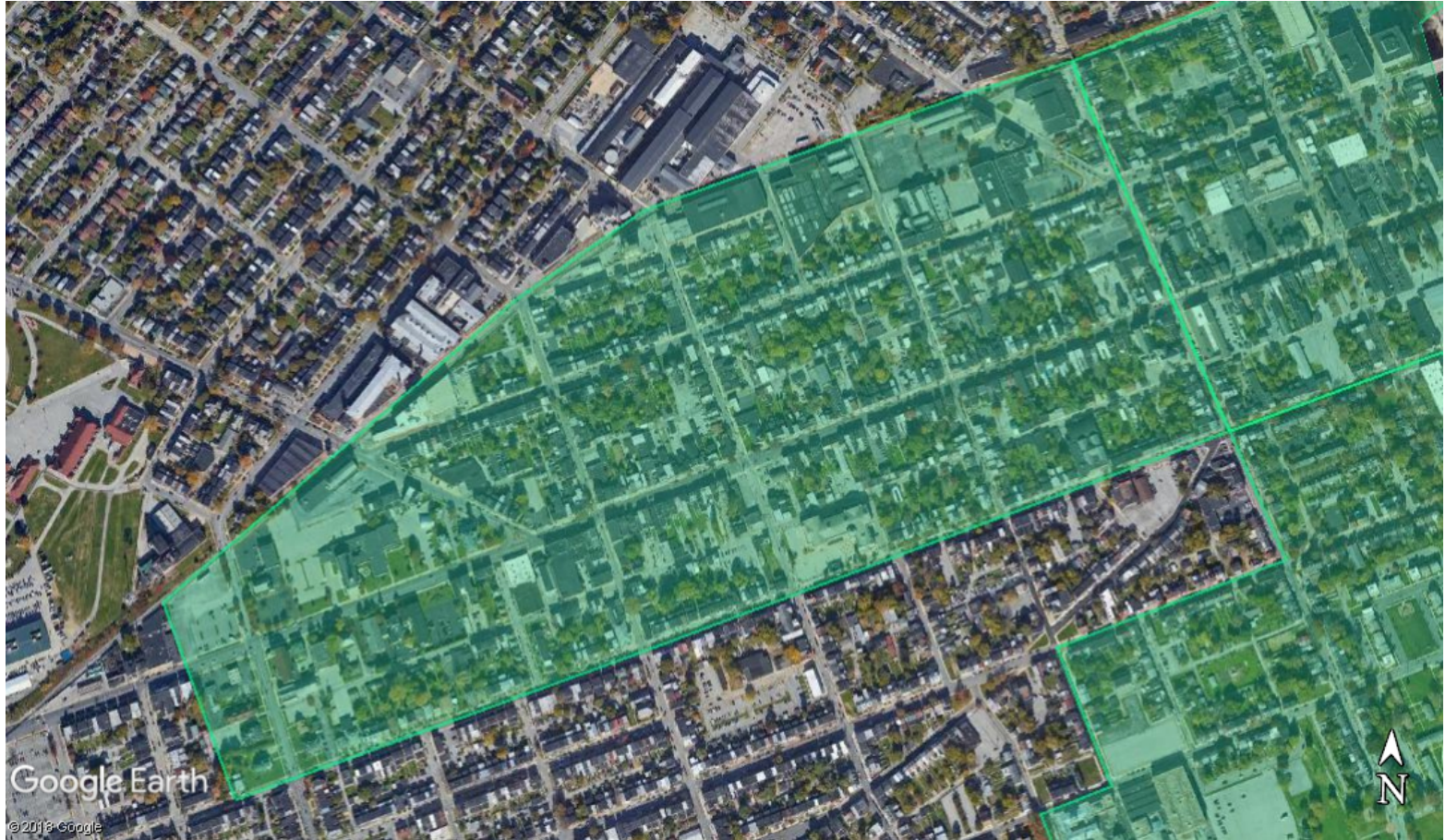


# YORK'S OPPORTUNITY ZONES – OZ10



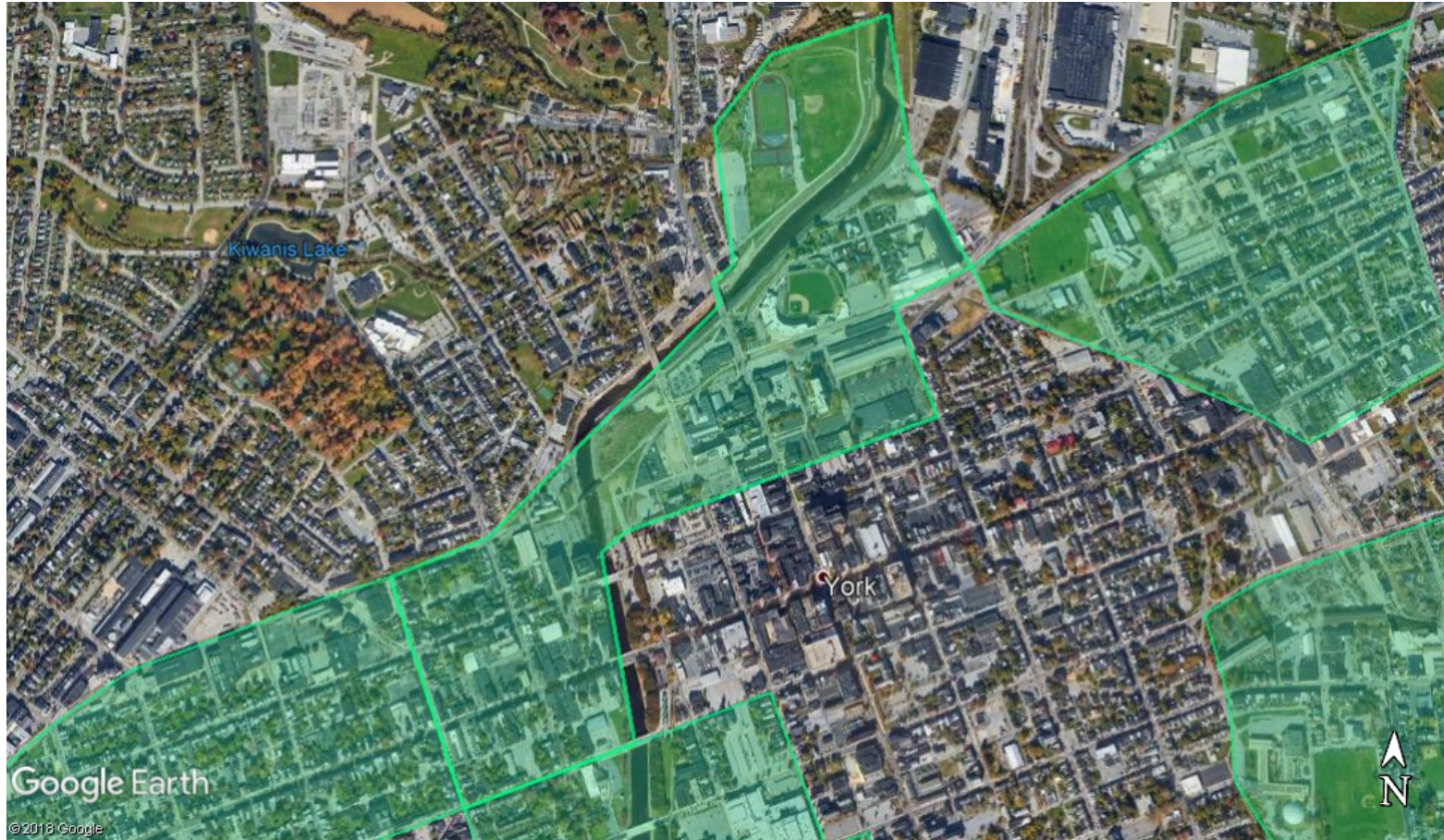


# YORK'S OPPORTUNITY ZONES – OZ12





# YORK'S OPPORTUNITY ZONES – OZ16



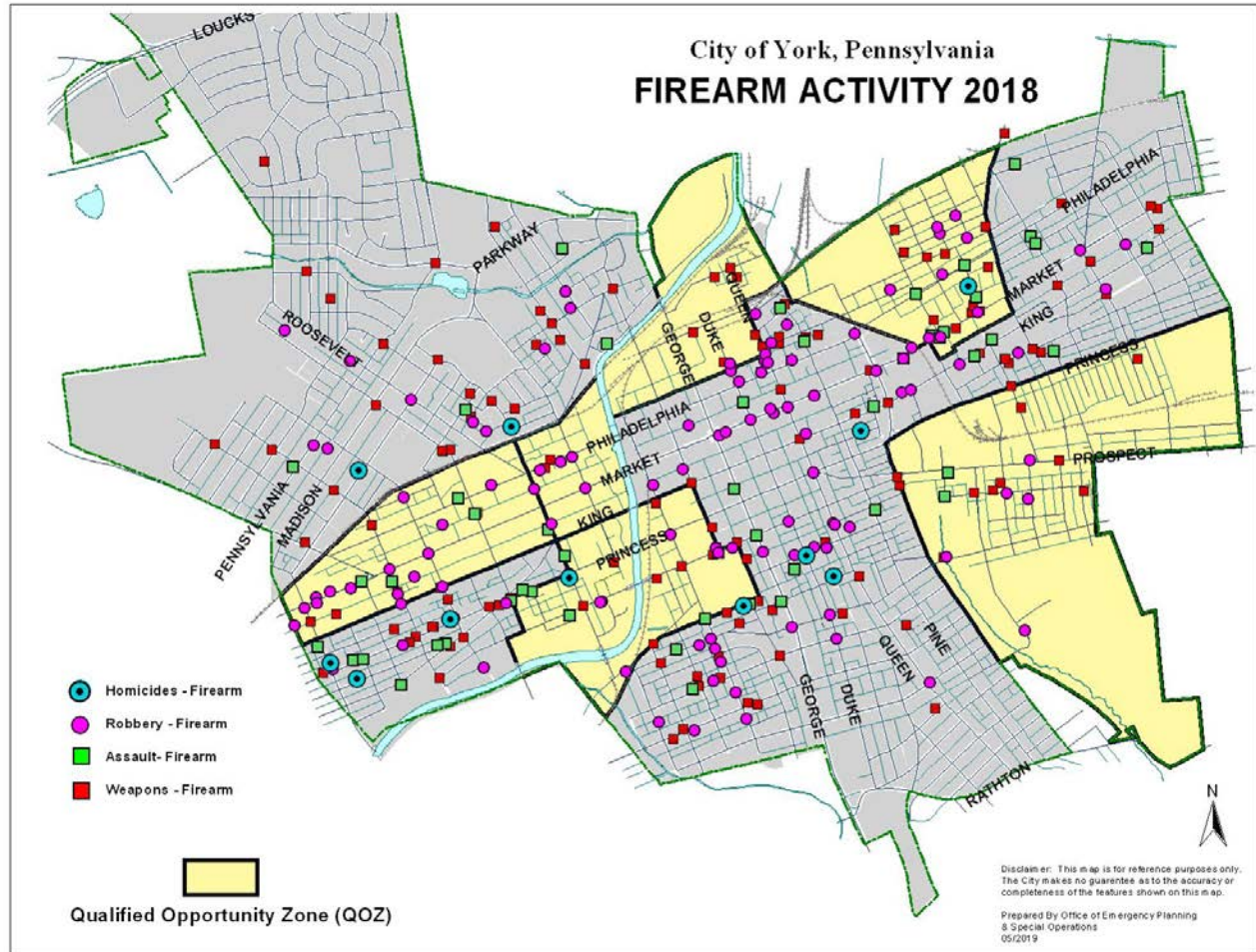
# OTHER BENEFITS OF OPPORTUNITY ZONES



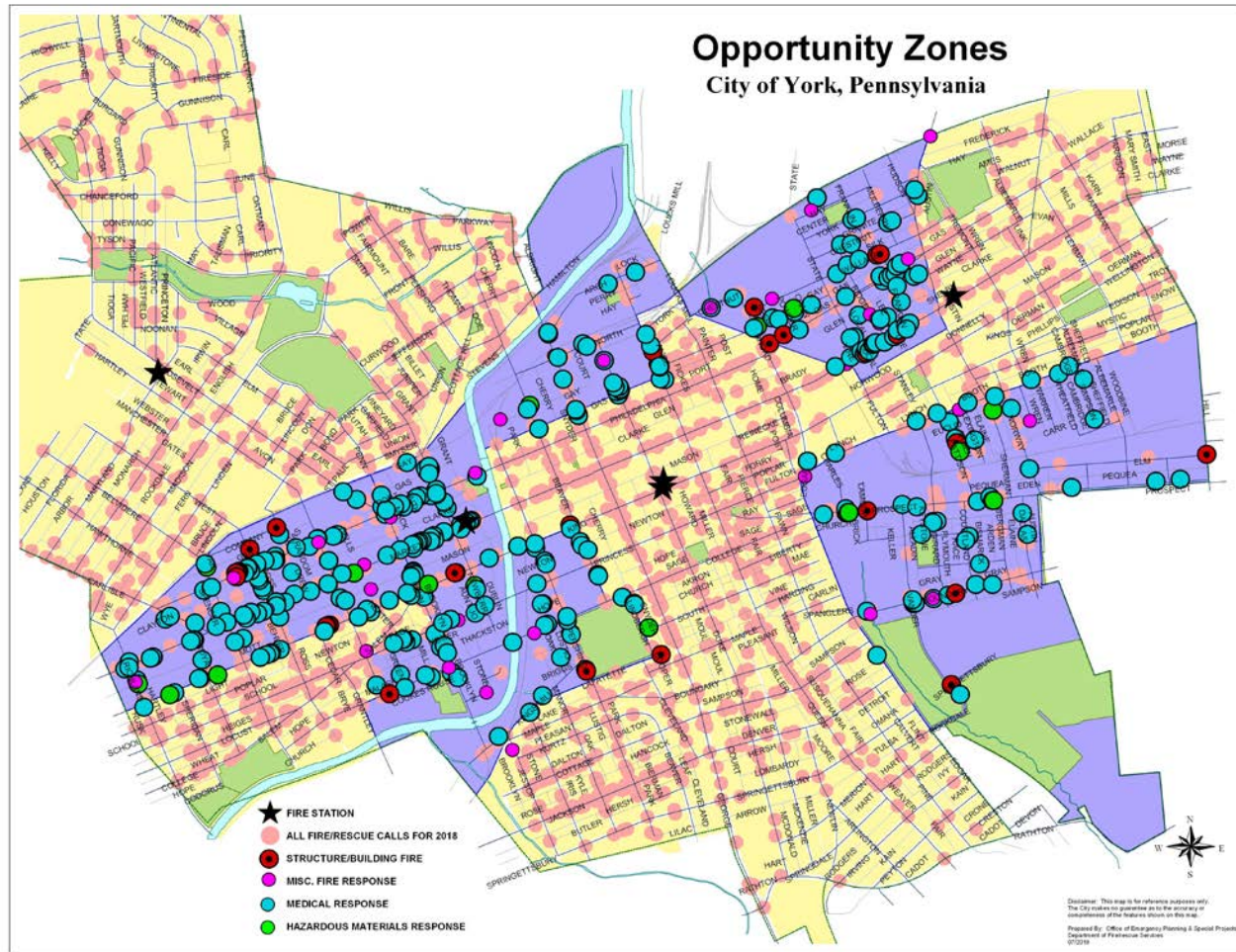
- Preferred grant placement
- “Encouraging Program Investments in Economically Distressed Communities (Qualified Opportunity Zones)”
- “..will provide priority consideration in award decisions to applications that directly benefit designated Qualified Opportunity Zones.”
- 17 different Federal Agencies
- Multiple State Agencies
- “Applicants should include information that specifies how the project will enhance the QOZ”



# SAMPLE DATA WE CAN HELP YOU WITH:



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- Build a Strong Case
- Is your program located in or does it provide services to residents in an Opportunity Zone?
- Do you have data to support your claim?
- Have you discussed with others? Either the City or other stakeholders?
- Do you have partner agreements?

# TIPS FOR OPPORTUNITY ZONE GRANT CONSIDERATION



# CAUTIONS WITH OPPORTUNITY ZONES

- Balance – we need and want outside investments, but also want to grow our own
- New business and new opportunities for our existing residents
- Encourage existing neighborhood growth and NOT displacement
- Chief Opportunity Development Officer position was created to be aware of OZ developments
- City of York is hiring a Grants Coordinator

# HOW WE CAN HELP

- Data
- Mapping
- Verification
- Letters of Support
- Coordination
- Demographics
- REMEMBER: Consult your tax professional and advisor for your specific details

[www.OpportunityYork.org](http://www.OpportunityYork.org)



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