

# OPPORTUNITY CLE™



CITY OF CLEVELAND  
Mayor Frank G. Jackson



Greater  
Cleveland  
Partnership



Cleveland  
Development  
Advisors

An affiliate of Greater Cleveland Partnership



FUND FOR  
OUR  
ECONOMIC  
FUTURE

# The Greater Cleveland Partnership

- Regional Chamber
- Mobilize private sector leadership, expertise and resources to create business conditions that:
  - create jobs;
  - grow investment; and
  - improve the economic prosperity of the region
- Over 12,000 members in primarily 8 counties
- Learn more at:
  - [www.gcpartnership.com](http://www.gcpartnership.com)
  - [www.gcpingear.com](http://www.gcpingear.com)



**Greater  
Cleveland  
Partnership**

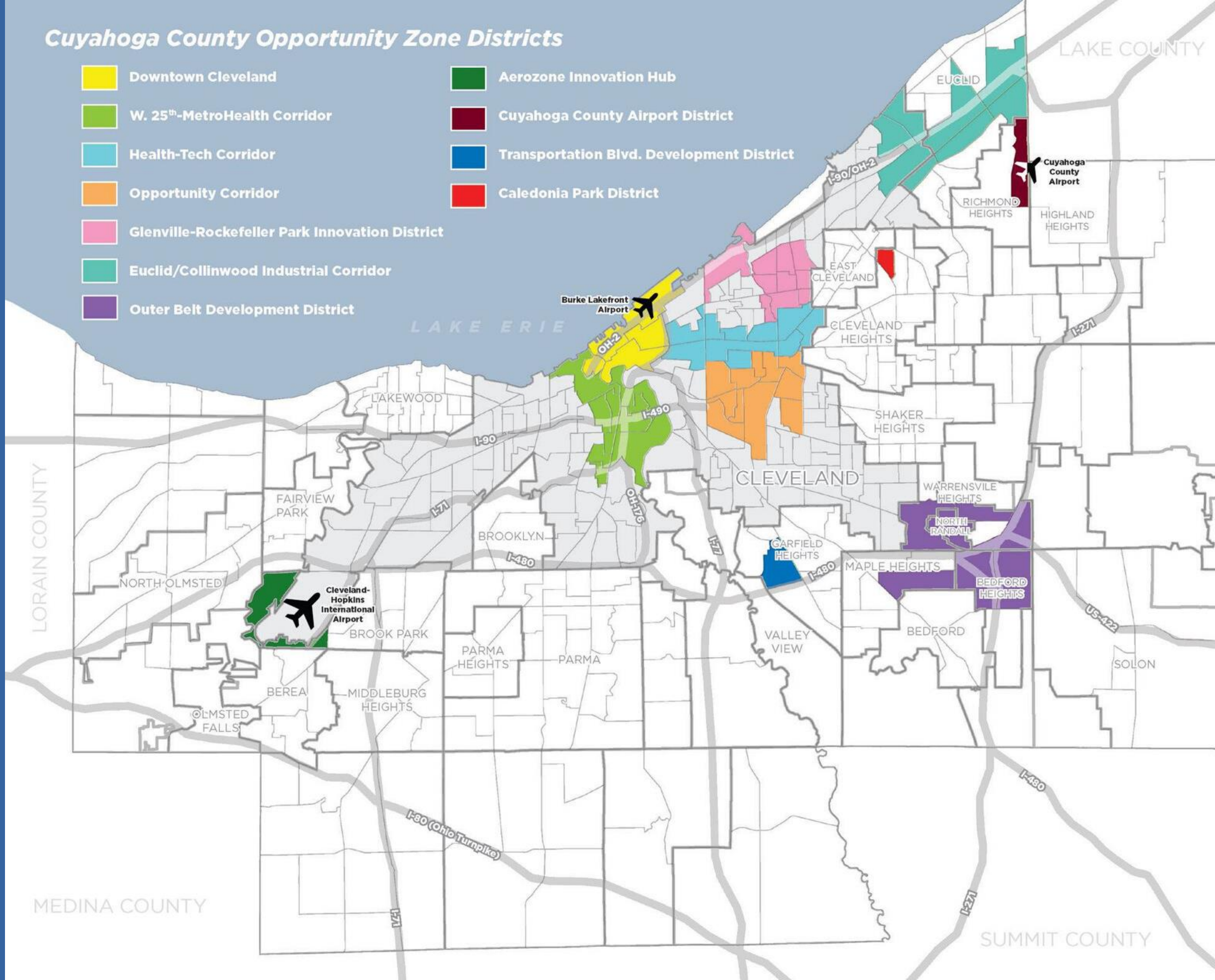
# Opportunity Zones: What's The Benefit?

## Tax Benefits from Capital Gains Investment in Opportunity Zones

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
<b>Year 1</b> Roll over gain into Opportunity Fund (defer tax on gain)					<b>Year 5</b> Tax on original capital gain is reduced by 10%		<b>Year 7</b> Tax on original capital gain is reduced by an additional 5% for a 15% total reduction			<b>Year 10</b> All capital gains taxes are eliminated on potential profits from Opportunity Fund investment	

## Cuyahoga County Opportunity Zone Districts

- Downtown Cleveland
- W. 25<sup>th</sup>-MetroHealth Corridor
- Health-Tech Corridor
- Opportunity Corridor
- Glenville-Rockefeller Park Innovation District
- Euclid/Collinwood Industrial Corridor
- Outer Belt Development District
- Aerozone Innovation Hub
- Cuyahoga County Airport District
- Transportation Blvd. Development District
- Caledonia Park District



**64 Eligible Census Tracts in Cuyahoga County**

**48 Census Tracts Located in City of Cleveland**

**16 Census Tracts Located in Suburban Communities**

**OZs in Cuyahoga County Cover 37.6 sq mi**

**OZs in Cuyahoga County include 140,051 Residents**

**For More Information Visit: [bit.ly/OZdistricts](http://bit.ly/OZdistricts)**



# Work Streams



Greater Cleveland Partnership



## Marketing

1

Build a stand-alone brand that is housed digitally on a website with visible sponsorship from the collaborative's partner organizations. The site will include an opportunity zone prospectus and provide a direct connection to our platform.

## Local Fund

2

Create a locally supported Qualified Opportunity Fund that leverages capital to invest in socially conscious projects specifically in the Greater Cleveland Area

## Pipeline + Database + Platform

3

Deal aggregation and presentation to potential investors. Hosting deals on a front facing, web-based platform is for exposure to investors. Additionally, an internal ledger of investors and funds interested in connecting with deals must be created and maintained.



6

## Policy

Craft, advocate and advise on additional policy levers and incentives that will increase the impact of Opportunity Zones locally/regionally.

5

## Education + Technical Assistance

The community requires deeper technical understanding of QOZ's and QOF's. We will work to provide opportunities for investors, stakeholders, business owners and residents to realize opportunity.

4

## Social Impact Framework

Create a framework that will allow collaborative to award a social impact designation to deals that have the potential for significant social benefit by utilizing well-established, straight forward metrics developed by reputable partners.

# Maximizing Impact

- Created Opportunity Zone Investment Prospectus
  - Full Prospectus: [bit.ly/ozcle](http://bit.ly/ozcle)
- Created Opportunitycle.com
- Partnered with local start-up Opportunity Exchange to create OZ Marketplace
  - See projects at: [bit.ly/Projects\\_CLE](http://bit.ly/Projects_CLE)
- Worked with the Urban Institute to develop and pilot a community impact score card
- Set up Opportunity CLE Fund and County partnered with Arctaris for local fund



# Maximizing Impact

- Forbes OZ 20 Award Recipient
- Awarded \$5 Million from JP Morgan Chase
- Hosted multiple community events
- Have over 20 projects on our platform



# OPPORTUNITY CLE™

**Eric Hughes**  
**Manger Business,**  
**Business Growth & Development Services**  
**ehughes@gcpartnership.com**

**www.opportunitycle.com**  
**www.gcpingear.com**  
**www.gcpartnership.com**



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# Opportunity Zones: How Did We Get Here?

- Created by the 2017 Tax Cuts and Jobs Act
- Tax incentives for investments in targeted, “economically distressed Census Tracts” called Opportunity Zones
- Census Tracts had to be eligible to qualify for New Markets Tax Credits, or adjacent to NMTC-eligible Census Tracts
- Groups--Cuyahoga County, Greater Cleveland Partnership, Fund for Our Economic Future--recommended Tracts to Governor after soliciting input from communities
- Governor chose final Census Tracts based on received recommendations; could choose 25 percent of NMTC-eligible Tracts to be designated as Opportunity Zones

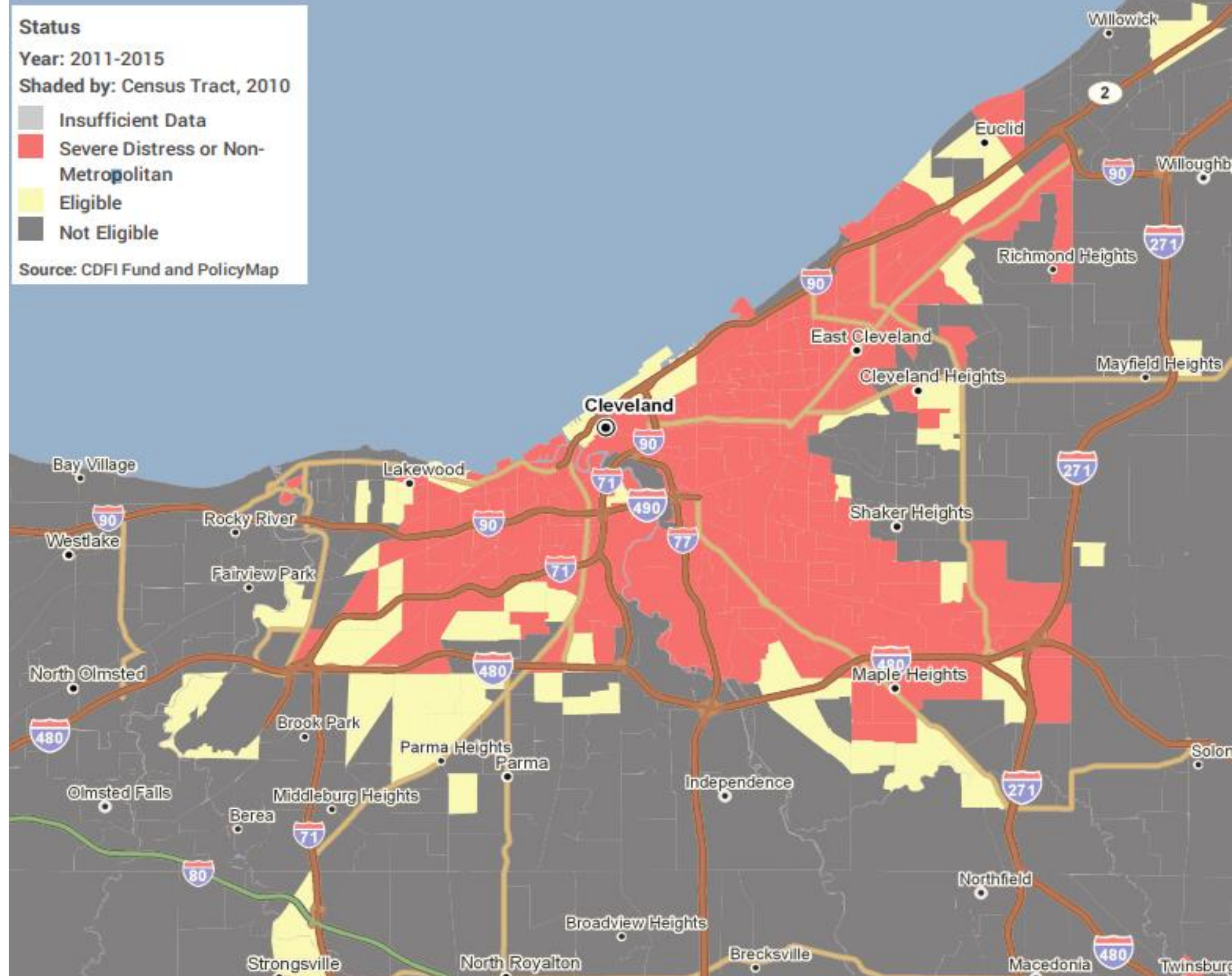
# Opportunity Zones: Tax Benefits

1. Capital Gain in income can be deferred to the date the investment in a Qualified Opportunity Fund (QOF) is sold or exchanged, or on December 31, 2026, whichever comes first.
2. For investments in a QOF held longer than five years, taxpayers may reduce tax liability by excluding ten percent of the deferred gain from inclusion in income; and for investments held longer than seven years, taxpayers may exclude 15 percent of the deferred gain.
3. For investments held longer than 10 years, the post-acquisition (new) gain on the qualifying investment in the QOF may also be eliminated for tax purposes.

Note: Opportunity Zone investments come in as EQUITY, not debt.

# NMTX-Eligible Census Tracts

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# Submitted vs. Chosen Census Tracts

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