Rural Maryland Council
December 12th
Annapolis, Maryland 21401

Community Development: The Promise of Opportunity Zones
Windward

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Maryland Opportunity Zones

www.dhcd.Maryland.gov
In keeping with Governor Larry Hogan's goal to make Maryland's Opportunity Zones the most competitive and attractive in the nation, the State of Maryland will support Opportunity Zone investment and projects through a wide variety of programs. These proven and effective resources can assist with all phases of development for a wide variety of projects.
Information Exchange

OZ Information Exchange
Maryland Department of Housing and Community Development

Opportunity Zone
- empty -

Listing Industry is
- empty -

Listing Jurisdiction is
- empty -

Listing Description:
developers with staged compatible projects, will be considered. CWDI and the City of Cambridge have site control of 10 acres and anticipate control of remaining 15 acres by Spring 2021.

Listing Financials:
Project Size: $200,000,000
Debt Opportunity: $150,000,000
Equity Investment Opportunity: $50,000,000

222 Listings

Business - Optimize Renewables LLC - Washington
Business - Frederick Municipal Airport - Frederick
Business - Talkie Communications - Kent
Business - Jonathan Street Building - Washington
Business - 309 N. Washington St - Westminster
Incentive Lookup Tool
Vacant buildings  affordable apartments
INVESTMENT

$6.1 trillion unrealized capital gains 2017

Low Income Census Tracts
Maryland’s 149 OZs
Three capital gain incentives

**TAX DEFERRAL**
- No taxes due until 12/31/2026 or sale of OZ investment.

**TAX REDUCTION**
- 10% reduction for 5 YR hold.
- Additional 5% reduction for 7 YR hold.
- 12/31/2026 taxes are DUE.

**TAX EXEMPTION**
- 10 YR hold, 100% exemption on capital gain.
Conformity to Federal tax code

- In Maryland, both personal and corporate income taxes use federally calculated AGI as the starting point.

- Maryland automatically conforms to the current federal tax code.
Investor (Capital Gain)

• Investor elects for deferral by completing IRS Form 8949

180 days

OZ Fund (Partnership / Corporation)

• Invest 90% of funds into QOZB
• Funds self certify with IRS Form 8996

180 days

Single Asset Real Estate

• Substantially improve real estate (100% of Building value)
• 31 month written expenditure plan
**OZ Equity - Business**

- **Investor (Capital Gain)**
  - Investor elects for deferral by completing IRS Form 8949

- **OZ Fund (Partnership / Corporation)**
  - Invest 90% of funds into QOZB
  - Funds self certify with IRS Form 8996

- **Operating Business**
  - 50% revenue in OZ
  - 70% assets in OZ
  - 40% active intangible property
  - Not a “sin” business
  - < 5% nonqualified financial property

180 days
Abandoned brush factory

83 modern, affordable apartments
Neighborhood Business Works program

$500,000 loan for growth capital
Verte Opportunity Fund invests in Galen Robotics based in Baltimore’s Pigtown.
Abandoned chemical factory

Retail & office development
Maryland Programs

DHCD
- Neighborhood Business Works
- Rental Housing Works
- Strategic Demolition Fund

COMMERCE
- OZ Enhancement Tax Credits

LABOR
- Opportunity Works, workforce training funds
Assessment / Prospectus

Link:

OZ Investment Prospectus Guide
https://www.acceleratorforamerica.com/OZGuide

Baltimore City’s
What can Locals do?

Connecting
• Hold local forums & meetings

Supporting
• Expedite projects, contribute assets / $$, incentives
Contact

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Thank You!