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U.S. Treasury Certifies North Carolina Opportunity Zones *252 low-income census tracts in all 100 counties selected*

Raleigh, N.C. – The United States Treasury certified 252 areas in the state as official North Carolina Opportunity Zones on May 18, potentially opening a new source of investment capital for regions of the state that need it the most. In April, the state recommended all of these areas for federal consideration and with last Friday’s decision, Treasury officially declares these low-income census tracts can participate in the investment program.

The action marks an important milestone in the development of the state’s Opportunity Zones, but the U.S. Department of the Treasury is still in the process of developing other criteria and guidelines that will define how the Opportunity Zone effort, and related Opportunity Funds, will operate. There is no clear timeline for when capital may begin to flow, but earliest estimates point to late 2018 or early 2019.

“We’re pleased that communities in every corner of our state will be able to utilize this new development tool,” said Napoleon Wallace, Deputy Secretary at the North Carolina Department of Commerce. “With the certification of our proposed zones, our local and regional partners can accelerate their work to identify and prepare projects and investments in their areas suitable for equity capital.”

Recently passed federal legislation, known as *The Tax Cuts and Jobs Act* (H.R.1), created the Opportunity Zone concept and authorized each state to designate up to 25 percent of its total low-income census tracts as qualified Opportunity Zones. Low-income census tracts are areas where the poverty rate is 20 percent or greater and/or family income is less than 80% of the area’s median income. The legislation creates a tax benefit for qualified investors who wish to re-invest realized capital gains into Opportunity Zones, avoiding standard capital gain tax obligations.

North Carolina has just over 1,000 low-income census tracts. The North Carolina Department of Commerce coordinated the state’s multi-phase and collaborative approach to identify which areas to include for federal consideration. Guided by data and driven by local priorities, the process included an extensive review of census and economic data, public input collected through the Department’s website and direct outreach, and close collaboration with local leaders, government staff, and officials from across the state.

To reach the number of zones allowed under the federal law, the state followed a set of guiding principles:

- Maintain an open submission process: Solicit tract and program recommendations using N.C. Commerce's public website and direct outreach
- Opportunity for all: Aim for at least one Opportunity Zone in every county
- Accommodate as many submissions as possible: Aim to allow each county 25% of their total low-income tracts
- Prioritize local recommendations and development goals
- Prioritize state industrial site development initiatives

More than 450 unique North Carolina census tracts were identified for further review, following the public comment and outreach period. The final list of 252 candidate zones was submitted to the U.S. Treasury on April 20, 2018.

The certified list of North Carolina Opportunity Zones includes at least one low-income census tract in all 100 counties, and tracts that touch the state's major industrial site development areas and hurricane-impact areas are included.

Taken together, the 252 tracts feature:

- A total population over 1.1 million North Carolinians
- Nearly 45,000 families with children in poverty
- Over 50,000 business establishments
- Over \$580 million already invested in these areas, from both public and private sources over the past five years. -

The [list of North Carolina Opportunity Zones](#) can be [downloaded at this link](#).

The Department of Commerce has published a website, <http://public.nccommerce.com/oz/> offering more information.