

VIRGINIA GOVERNOR

Ralph S. Northam

(/)

For Immediate Release: April 19, 2018

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Governor Northam Announces Nomination of 212 Opportunity Zones

~Commonwealth maximizes new federal tax incentive
program, ensures local and regional priorities are represented~

RICHMOND – Governor Northam today announced the nomination of 212 Opportunity Zones to the U.S. Department of Treasury. This represents the maximum number of zones the Governor may nominate under the new federal tax tool that targets low-income census tracts.

“Opportunity zones are an important federal tool to spur vitality in economic growth in communities across Virginia and we are committed to using them fully in this administration,” **said Governor Northam.** “By focusing on local and regional strategies, as well as Virginia’s diverse geography and economic opportunities, we selected a balance of zones that align with other state and local economic development and revitalization efforts. This ensures that Virginia is at the forefront of attracting new Opportunity fund investments.”

The Federal Tax Cuts and Jobs Act of 2017 that passed last December included provisions for a new revitalization tool, the Opportunity Zone and Opportunity Fund. The zones and funds will allow investors to receive tax benefits on currently unrealized capital gains by investing those gains in qualified census tracts or “Opportunity Zones.” While the federal government is responsible for defining the investment process, the Governor of each state was given until April 20, 2018 to nominate qualified census tracts as Opportunity Zones, and Virginia was allowed to submit 212 nominations out of the 901 eligible low-income census tracts.

The Virginia Department of Housing and Community Development (DHCD) coordinated the nomination input process with the Virginia Economic Development Partnership (VEDP). These lead agencies based the Governor’s nominations on the best available criteria and input to

ensure fairness across the state and among rural, urban, and suburban localities. They received input from localities throughout the Commonwealth in order to recognize the needs and opportunities at the level of government closest to investors and residents. In addition, statewide strategic criteria ensured there was balance between evaluating those census tracts in most need and those with the most likelihood of future investment.

“We received information from localities, potential investors and the general public throughout the Opportunity Zone nomination process, and we focused on maintaining proportionality based on regional economic development organization levels,” **said Secretary of Commerce and Trade Brian Ball**. “These nominations focus on local, regional and state priorities and ensure a strategic mix of zones with different types of revitalization needs and development opportunities for potential investors.”

The U.S. Treasury Department has 30 days to respond to the Governor’s nominations and is expected to accept and approve them as nominated, establishing Virginia’s Opportunity Zones by late spring of this year. However, the rules associated with qualification of Opportunity Investment Funds and Qualified Opportunity Investments must also be written at the federal level and are not anticipated to be formalized until later this calendar year. Virginia’s Opportunity Zones are already areas of significant effort and focus at the state and local level and these zone nominations are intended to attract additional private investments.

Click here (<http://bit.ly/VAOpportunity>) for a link to the Virginia Opportunity Zone website and click here (<http://vedp.maps.arcgis.com/apps/webappviewer/index.html?id=bf7c530d8e0240c6a911a4b40fb0a357>) for a map of Virginia’s nominated zones.

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