Opportunity Zones
Positioning Communities for Investment

NCDA Region IV Conference
GNRC: An Economic Development District
The nine development districts in Tennessee were established by the general assembly under the Tennessee Development District Act of 1965. In the 1960s, many federal programs required coordination between two or more local governments, and the act was intended to provide the most efficient and effective means for cities and counties to utilize federal, state, and other programs designed to stimulate economic development.

The economic development staff of each agency perform many of the tasks originally envisioned by state enabling legislation, such as assisting local governments in applying for and administering state and federal grants; creating regional economic development plans; providing assistance to small businesses; facilitating partnerships; and supporting housing, tourism, and other programs.
1. Memphis Area Association of Governments
2. Northwest Tennessee Development District
3. Southwest Tennessee Development District
4. Greater Nashville Regional Council
5. South Central Tennessee Development District
6. Upper Cumberland Development District
7. Southeast Tennessee Development District
8. East Tennessee Development District
9. First Tennessee Development District
Federally-Designated Economic Development District

GNRC is designated by the U.S. Department of Commerce Economic Development Administration (EDA) as the Economic Development District (EDD) for Northern Middle Tennessee. EDDs are responsible for creating and maintaining a Comprehensive Economic Development Strategy (CEDS). The CEDS is the cornerstone of the EDA’s grant programs and serves as a means to engage community leaders, leverage the private sector, and establish a strategic blueprint for regional collaboration on economic development efforts.

**Required Elements of the CEDS**

1. **Summary Background:** Summary of economic conditions in the region.
2. **SWOT Analysis:** An in-depth analysis of the regional strengths, weaknesses, opportunities, and threats.
3. **Strategic Direction/Action Plan:** Strategies and actions built on the findings from the SWOT analysis and should incorporate elements from other regional plans and identify stakeholders responsible for implementation, timetables, and opportunities for the integrated use of other local, state, and federal funds.
4. **Evaluation Framework:** Performance measures used to evaluate the organization’s implementation of the CEDS and impact on the regional economy.
5. **Economic Resilience:** Incorporate the concept of economic resilience (i.e., the ability to avoid, withstand, and recover from economic shifts, natural disasters, etc.)

HUD encourages coordinated local planning efforts between the Con Plan and CEDS. The Con Plan Market Analysis Section, MA-45, specifically refers to the CEDS.
Find Your EDD

https://www.eda.gov/edd/
Opportunity Zones: Background & Overview
Background

• Enacted as part of the Tax Cuts and Jobs Act of 2017.
  o Tax incentives to reinvest unrealized capital gains in certain property and businesses located or operating in low-income census tracts designated by the Treasury Dept. as Opportunity Zones.

• States had a window in which to nominate 25% of eligible census tracts as OZs.
  o Final round of Qualified Opportunity Zones (QOZs) were certified by Treasury on June 14th.

• QOZs retain designation for 10 years (12/31/2028).
QOZs in TN

- TN = 176 QOZs in 75 counties
  - GNRC Region = 31 QOZs in 8 counties
  - Cheatham = 1
  - Davidson = 18
  - Dickson = 1
  - Houston = 1
  - Montgomery = 4
  - Rutherford = 3
  - Stewart = 1
  - Sumner = 2

https://www.tn.gov/ecd/opportunity-zones.html
Positioning Our Communities: GNRC Strategy
Initial Reaction

- Uninformed
- Concerned
- Overwhelmed
- Confused
- Eager
Setting Expectations

- **We will**
  - Address concerns and feedback
  - Be a resource for our communities
  - Create a platform for attracting investment.

- **We will not**
  - Provide tax advice or information on creating Opportunity Funds
  - Evaluate proposed projects, conduct due diligence, or determine if projects meet the standard of a qualified property or business
  - Recommend CPAs, law firms, real estate brokers, etc.
## Deliverables

### Educate
- Mayors & ED professionals
- Stakeholders (fact sheets, newsletter)
- Staff (current on OZ news, training)

### Convene
- Community workshops
- Regional sector leaders (Bankers, Brokers, Developers)
- Peers (Development Districts)

### Host
- Landing page
- Potential properties
- Opportunity Fund Directory
## Deliverables (continued)

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# QOZ Profiles

## Narrative
- Community Character
- Proximity to Nashville and/or Growing Communities
- Local Support for Development
- Local Master Plans & Housing Authority Master Plans

## Economic & Demographic Data
- Job Growth
- Wage Growth
- Unemployment
- Population Growth
- Employment Sectors
- Educational Attainment
- Labor Force
- Race
- Age
- Median Income
- Property Values

## Key Takeaways
- **Goal:** Attract Investment by Showing ROI Potential with Minimal Risk
- Opportunity Zones, by definition, are depressed areas
- Need to compare ours to other eligible tracts to show how ours are better poised for development
- Need to highlight their proximity to strong, nearby tracts or neighborhoods
Example: Community Character

OUR WEST BAYFRONT DISTRICT

Strategy for Our West Bayfront District

Residential
- A range of residential initiatives are required to help boost the existing housing stock that forms the foundation of this area. These include addressing blighted and vacant homes, supporting renovation and preservation initiatives, and identifying opportunities for new infill construction.

Parks and Public Spaces
- This can include the provision of new and upgraded facilities as well as the development of recreation-based programming for all ages in the community.

Infrastructure
- This includes the consideration of upgrades to sidewalks and spaces for pedestrian movement, the provision of facilities for bicycles and transit users, and changes to roadway and traffic patterns to improve how people within and outside of the community experience its neighborhoods, parks and businesses.

Social / Programming
- Neighborhood service strategies will focus on unmet needs within the neighborhood. These can be physical or programmatic in nature, and have the potential to incorporate a wide range of community needs. The ability to group multiple services in a specific area or building can support a more efficient use of resources.

Local Business
- The creation of a commercial corridor where investment can be focused, as well as programs to support small businesses (storefront programs, small business loans, etc.) can help the neighborhood to be a more complete and supportive place.
Example: MSA Strength

Louisville Metro Economy:
Louisville's economy has performed well over the past decade.

- **Job Growth is Up**
  - 2000-2010: +2%
  - 2011-2018: +9%

- **Average Monthly Earnings are Up**
  - 2000-2010: -2%
  - 2011-2018: +8%

- **Payroll Jobs are Up**
  - 2000-2010: -4%
  - 2011-2017: +20%

- **Employees under Age 29 are Up**
  - 2002-2010: -8%
  - 2011-2015: +8%

- **Unemployment is Way Down**
  - January 2011: 10%
  - January 2018: 3%

*2017 Adjusted*
Example: Highlight Proximity Strengths
Example: Neighborhood Data

HISTORIC PARKLAND AND PARK DUVALLE
Vibrant and historic neighborhoods ripe for retail and commercial investment

ZONE TYPOLOGY TYPE
Residential

OPPORTUNITY ZONE JOBS
2015: 197
2010: 336
-41% change

TOP 3 INDUSTRIES
1. Manufacturing (61%)
2. Retail Trade (24%)
3. Health Care and Social Assistance (8%)

OPPORTUNITY ZONE RESIDENTS
2016: 3,024
2010: 3,072
0% change

VACANT RESIDENTIAL PROPERTIES
Q4 2017: 279 (17%)

VACANT BUSINESS PROPERTIES
Q4 2017: 5 (10%)
Example: MySidewalk Potential

https://reports.mysidewalk.com/fd807ec30f

LOUISVILLE BY THE RANKINGS

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<tr>
<th>CITY OF PRIDE</th>
<th>FORBES</th>
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<tr>
<td>Human Rights Campaign perfect score four years running</td>
<td>#1 City for Manufacturing (2017)</td>
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<td></td>
<td>“Aging Care Capital” with Largest Cluster of Aging Care Businesses (2018)</td>
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<tr>
<th>2017 &amp; 2018 SMARTASSET</th>
<th>2018 LENDING TREE</th>
<th>4TH OUT OF 15 PEER CITIES</th>
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<td>Top 10 City for Lowest Start-up Costs</td>
<td>Highest proportion of Millennial founders among cities with the youngest entrepreneurs</td>
<td>2016 Labor Force Participation of young workers (25-44 year-olds)</td>
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<td>Top city for new college grads &amp; women in technology</td>
<td>Top 15 cities where Millennials are moving</td>
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# Mapping Features

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<td>• City Limits</td>
<td>• Large Employers</td>
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<td>• Neighborhood/Character Areas</td>
<td>• Story Maps w/ Plans, Renderings, &amp; Assets</td>
<td>• K-12 Schools</td>
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<td>• TIF/Redevelopment Districts</td>
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<td>• SBA HUB Zone</td>
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<td>• Greenways/Trails</td>
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<td>• Transit Stations</td>
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<td>• Tourist Attractions</td>
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Example: Neighborhoods/Character Areas
Example: Assets

Louisville Central Business District

- Map is static .pdf format
- We can do better
Example: Story Map with Plans & Renderings

**ERIE-WESTERN PENNSYLVANIA PORT AUTHORITY**

**EWPPA Strategy**

- The Port completed a Master Development and Facilities Plan in the fall of 2017 that identified 8 areas to capitalize on for future investment.

- The first will act to expand the area as a tourist destination by enhancing Dobbins Landing.

- Another aims to relocate boat storage to more suitable areas and enhance boater services.

- Liberty Park, a waterfront and outdoor amphitheater venue, is planned for improvement to allow for big name entertainment opportunities.

- Future development potential includes redevelopment of McAllister’s land to accommodate expanded and unique retail uses including artist gallery and fish market.
Example: Maryland Information Exchange

https://maryland.maps.arcgis.com/apps/opsdashboard/index.html#/0d070816f1964ca79ba89327f97388c3
## Project Hosting

### Data Input
- Government
- Nonprofit
- O Fund
- Developer/Business

### Important Fields
- Name & Contact Info
- Website
- Industry/Classification
- Listing Description
- Listing Location (Lat/Long & Full Address)
- Jurisdiction Drop Down
- Project/Fund Size ($)
- Capital Sought & Raised
- Fund Target Investment
- Date
- Photo

### Key Takeaways
- Create a place for investors, O Funds, public sector officials, and developers to find each other's projects and opportunities
- We cannot routinely monitor this or vet projects
Example: Data Input Forms

**Louisville**
- https://louisvilleky.wufoo.com/forms/kzd6v3x13o18kc/

**Maryland**
- https://survey123.arcgis.com/share/b07d049e9000423bb90fffca5c98dfc0

**GNRC**
- https://survey123.arcgis.com/share/c0c5d0657db94961ab09ed5064d574c8
Example: Project Hosting Application

https://maryland.maps.arcgis.com/apps/opsdashboard/index.html#/0d070816f1964ca79ba89327f97388c3
Gathering the Data & Obtaining Feedback

• Nashville Area Chamber of Commerce
• GNRC Research and Analytics
• City/County Participation
• Stakeholder Meetings
• Test Group
The Final Product

https://www.greaternashvilleqoz.org/