Indiana Opportunity Zone Summit

By Justin Hage on 08.12.2019 | Posted in Economic Development

The Opportunity Zones (OZ) Program was established in the Tax Cuts and Jobs Act of 2017 as a way to transform economically distressed rural and urban communities through renewed investment. Specific areas are designated (using the same standards as those for New Market Tax Credits) as certified census tracts by the U.S. Department of Treasury. States nominated up to 25 percent of their qualified census tracts based on range of factors including likelihood of attracting short- and long-term investment. There are 8,764 certified OZs around the United States, which includes all 50 states, the District of Columbia, and Puerto Rico. Indiana’s Governor Eric Holcomb nominated 156 zones, which were approved by the U.S. Department of the Treasury. Those 156 OZs include parts of 58 counties, 83 cities and town covering more than 1,000 square miles and are home to 500,000 Hoosiers.[1]

The Opportunity Zones Investment Consortium of Indiana hosted local elected officials and economic development leaders at the Opportunity Zone Summit on July 23rd at the Eugene and Marilyn Glick Indiana History Center in Indianapolis. The event included remarks from Lieutenant Governor Suzanne Crouch and a series of panels on topics including: the impact of OZs in Indiana, marketing Indiana, vertically integrated economic development, and the perspective from a group of OZ investors. The day was capped off with a reception hosted by Sun King. The event was made possible in part by the support of the Fifth Third Foundation, Vectren, and the Indiana Economic Development Corporation.

The keynote speaker for the event was Scott Turner who currently serves as the Executive Director of the White House Opportunity and Revitalization Council. Mr. Turner played in the National Football League for nine years and served two terms in the Texas House of Representatives. Mr. Turner spoke about how the “spirit of the law and the Council is long-term sustainability to bring about generational change” and how 17 federal agencies are working to streamline and coordinate (including priority when applying for federal grants) the process for OZ projects. He also described the Council's five workstreams: Economic Development (led by the Department of Commerce); Entrepreneurship (led by the Small Business Administration); Safe Neighborhoods (led by the Department of Justice); Workforce Development and Education (co-led by the Departments of Education and Labor); and Measurement and Analysis (led by the Council of Economic Advisors). He framed the initiative as being a team effort between investors, entrepreneurs, elected officials and community leaders to tackle poverty and bring about change in communities (including rural, suburban and urban) across the country.

The event also included an illuminating case study of the first OZ project in the state of Indiana. The project is in Brookville, IN and is centered on the redevelopment of the Valley House Hotel built in 1852 (the oldest hotel in Indiana). The redevelopment includes a full city block (plus an addition) and will have 47 apartments (20 market rate), a theater, restaurant, assisted living services, commercial space and more. The total project cost is $10.8M with an OZ investment of $2.2M. In addition to taking advantage of the OZ, the project’s financing also includes low-income housing tax credits, historic tax credits and a grant from the Indiana Office of Community and Rural Affairs. The project helps bring a historical building (which has sat vacant for 35 years) back to life, provides needed housing and 45 jobs to the community.
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If you are an entrepreneur, developer or investor wanting learn more about OZs, please contact an attorney at Bingham Greenebaum Doll so we can learn more about your objectives.

[1] Indiana's Opportunity Zones Factsheet (Indiana Economic Development Corporation) (Rev. 10.18)