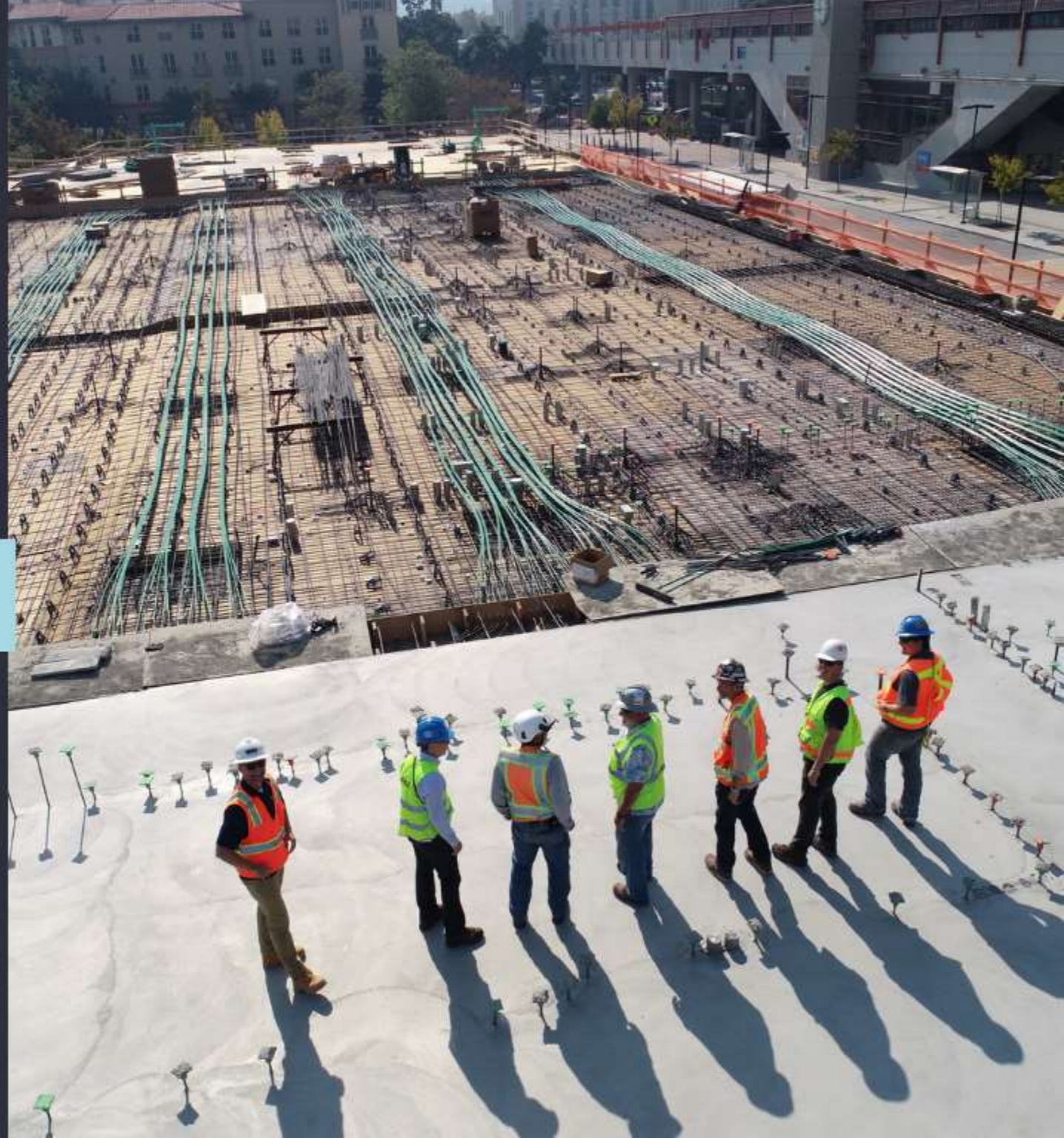


# OPPORTUNITY ZONES

Conduit for Regional Collaboration



# BACKGROUND & OUTLINE

The South Plains Economic Development District (SPEDD) was formed by the South Plains Association of Governments (SPAG) in 1990. In addition to direct economic development planning and activities, SPAG has been actively participating in the local planning processes, grant writing/administration, and the promoting of infrastructure improvement strategies for cities and counties since the early 1990s.

## Opportunity Zones

- Background
- West Texas Regional Opportunity Zone Summit
- Next Steps...

A black and white photograph of a storefront window. The window has a sign that reads "PAY YOUR TAX NOW Here!". The words "PAY YOUR TAX" and "NOW" are in a bold, sans-serif font, while "Here!" is in a cursive script. The background shows a building with windows and a car parked in front of it.

PAY YOUR TAX  
NOW  
Here!

## Background

- OZ Created with 2017 Tax Cuts & Jobs Act
  - Geography-based domestic tax shelter program for capital gains taxes
  - Potentially \$6 trillion in unrealized capital gains
  - Estimated \$100-110 billion expected to flow in OZ in the next few years
- 18 Census Tracts / 8 Counties Identified in SPAG Region by OOG
  - Approximately 12% of all census tracts in U.S. designated as OZs
- Nicholas Bergfeld, Texas Tech University Rawls College of Business Fellow

# Opportunity Zones

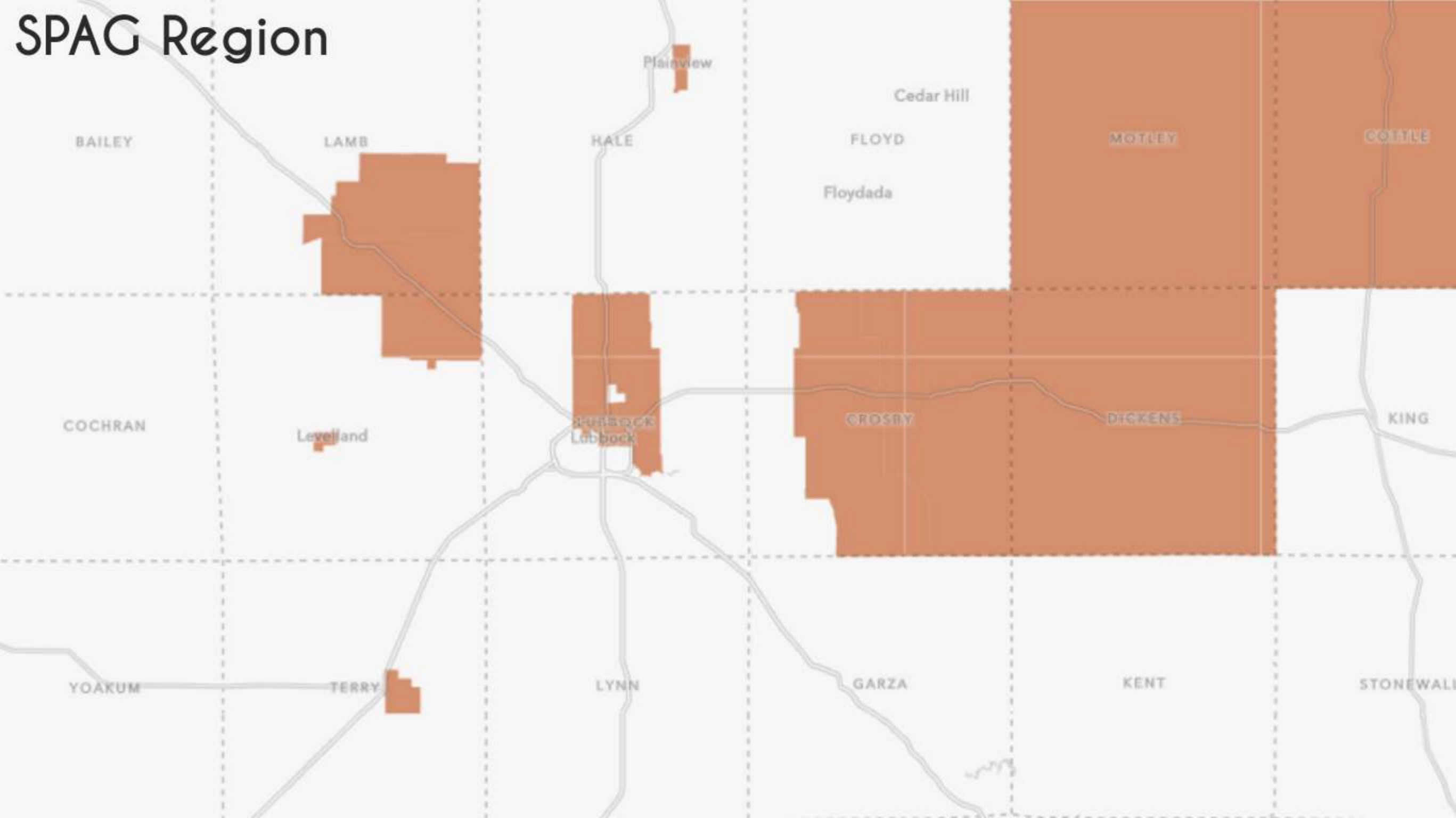


- Permanent 10% reduction in gains if investment is held at least 5 years
- Addition 5% reduction if investment is held 7 years

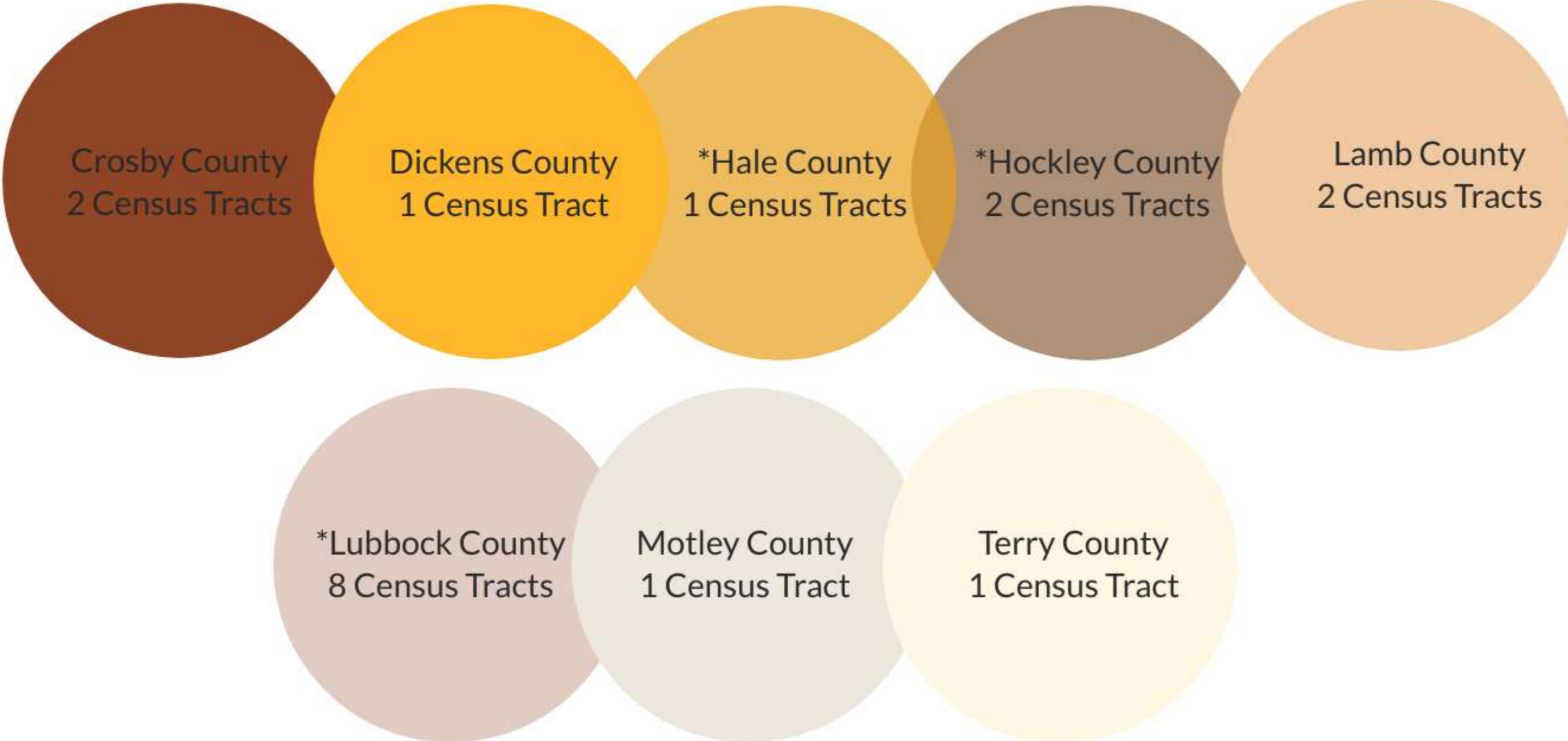


- Reduction is same as Deferral - PLUS
- 100% reduction if investment is held 10 years

# SPAG Region



# SPAG Region - Declared Opportunity Zones





TEXAS TECH UNIVERSITY  
Rawls College of Business

Mayor Dan Pope, South Plains Association of Governments, and Dean Margaret L. Williams

*invite you to attend the*

## West Texas Opportunity Zone

E C O N O M I C

# SUMMIT

Thursday, February 28, 2019  
2:00 - 5:30 p.m.

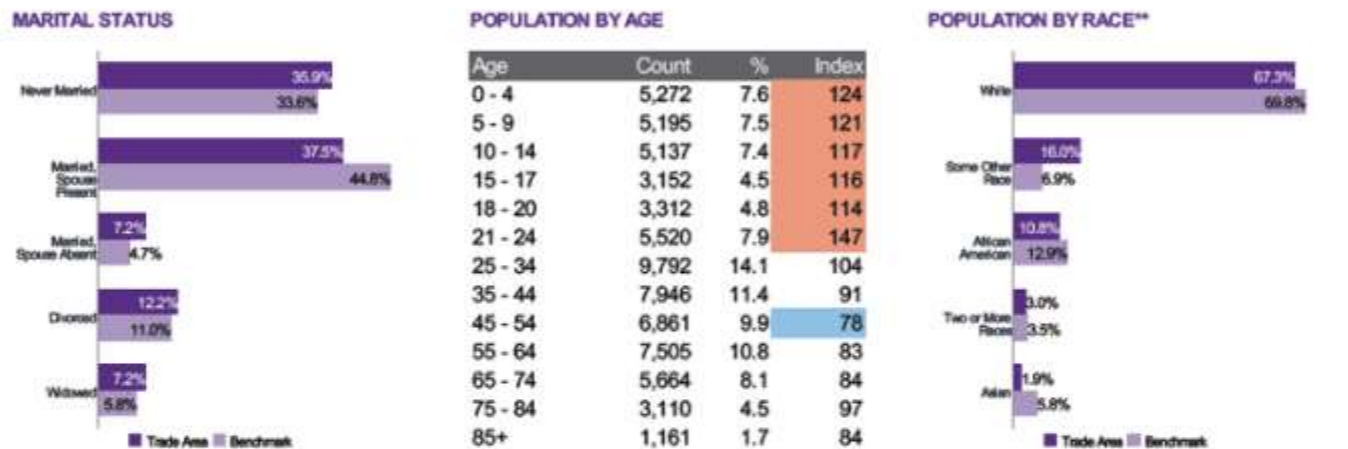
Rawls College of Business  
703 Flint Ave.  
Lubbock, Texas 79409

## Objectives:

- Create visibility for the region, by being the 1st grass-roots, regional OZ summit in U.S.
- Facilitate creation of regional investment prospectus
- Platform to engage multiple relevant stakeholders
  - Bankers
  - Developers
  - Elected Officials
- Provide education to leaders/stakeholders
- Opens dialogue on economic cooperation



Trade Area: South Plains Census Tracts OZ



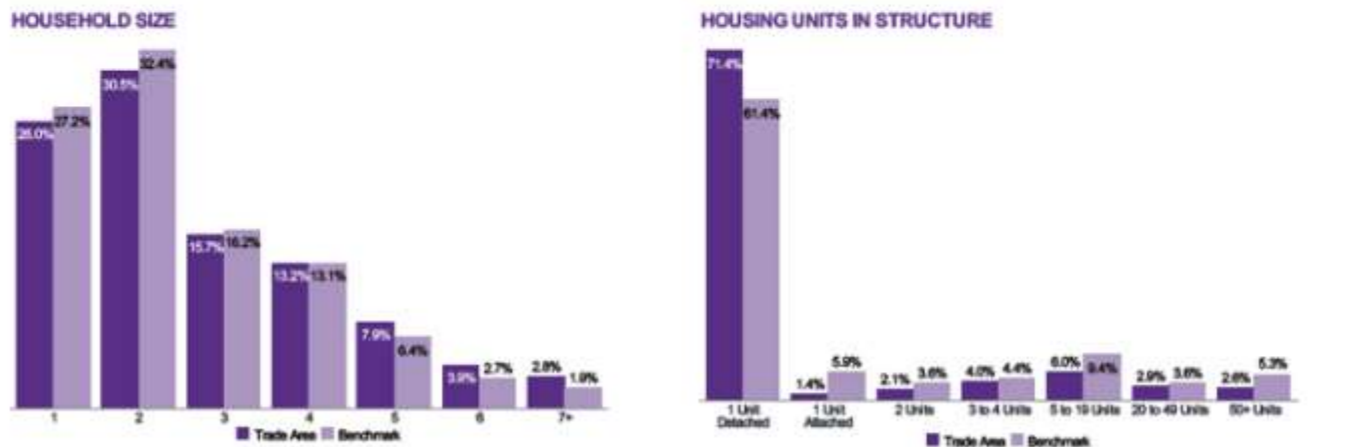
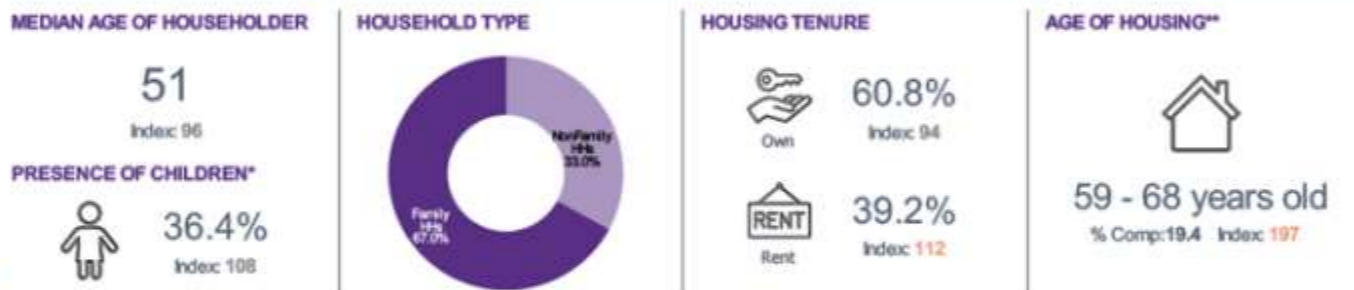
Benchmark: USA  
 Copyright © 2019 by Environics Analytics (EA). Source: ©Claritas, LLC 2019  
<https://en.environicsanalytics.ca/Emission/Route320196289>

\*Top variable chosen from percent composition ranking  
 \*\*Top 5 variables chosen from percent composition ranking

Index Colors: <80 80 - 110 110+

Trade Area: South Plains Census Tracts OZ

Population: 69,627 | Households: 24,551



Benchmark: USA  
 Copyright © 2019 by Environics Analytics (EA). Source: ©Claritas, LLC 2019  
<https://en.environicsanalytics.ca/Emission/Route320196289>

\*Uses the variable "Households with people under age 18"  
 \*\*Chosen from percent composition ranking

Index Colors: <80 80 - 110 110+



Trade Area: South Plains Census Tracts OZ

Population: 69,627 | Households: 24,551

## EDUCATIONAL ATTAINMENT: TOP 2\*



32.2%  
Index: 118

High School Graduate



21.4%  
Index: 103

Some College, No Degree

## EDUCATION: HISPANIC/LATINO



2.8%  
Index: 118

Bachelor's degree or higher

## POVERTY STATUS



81.3%  
Index: 91

At or above poverty

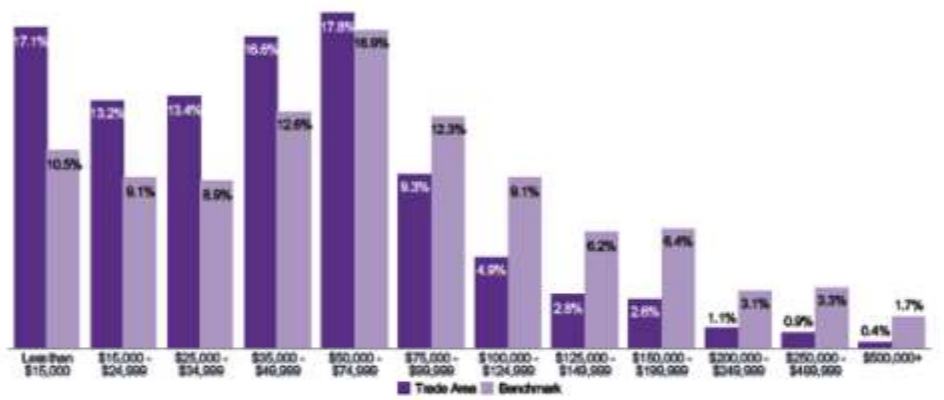
## HOUSEHOLD INCOME



Median Household Income  
**\$40,313**  
Index: 85

Average Household Income  
**\$55,551**  
Index: 82

## HOUSEHOLD INCOME DISTRIBUTION



Benchmark: USA

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(<https://en.environicsanalytics.ca/Envision/About/320196289>)

\*Ranked by percent composition



# Pop-Facts® Demographics | Employment & Occupation

Trade Area: South Plains Census Tracts OZ

Population: 69,627 | Households: 24,551

## OCCUPATIONAL CLASS\*



45.5%  
Index: 75

White Collar

## UNEMPLOYMENT RATE



7.3%  
Index: 120

Percent of civilian labor force unemployed

## METHOD OF TRAVEL TO WORK: TOP 2\*



76.5%  
Index: 100

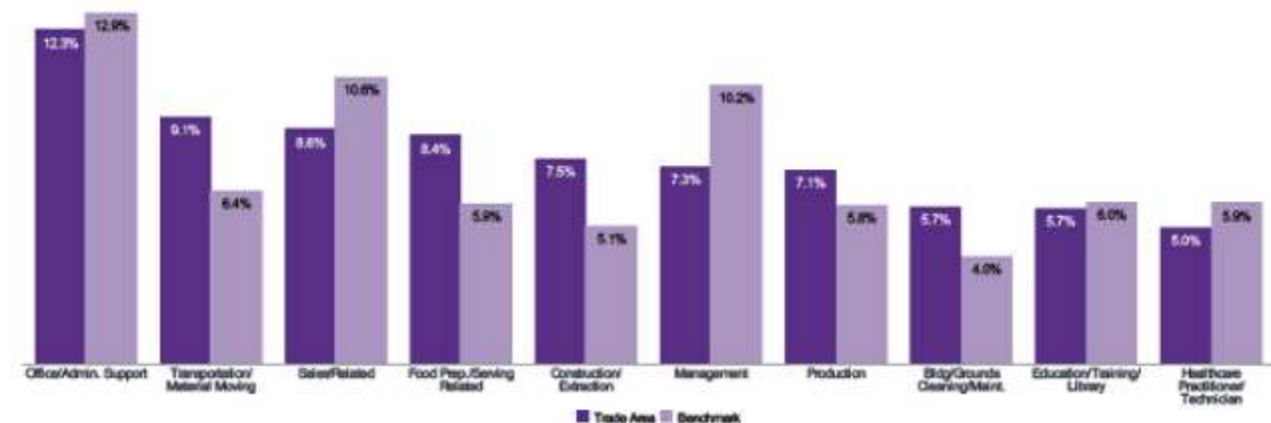
Travel to work by **Driving Alone**



14.9%  
Index: 164

Travel to work by **Carpooling**

## OCCUPATION: TOP 10\*



Benchmark: USA

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(<https://en.environicsanalytics.ca/Envision/About/320196289>)

\*Chosen from percent composition ranking





Elected officials, area lenders, and developers sit in on a session covering State incentives for OZ.

County Judges & Mayors representing 8 OZ in SPAG region sign West Texas Regional Opportunity Economic Initiative





## Takeaways...

- Identified specific regional issues & priorities
- Enhanced regional conversations about economic progress
- Connection - Rural & Urban leaders, Lenders, & Developers

# Limitations

Market  
Irrelevance

\*Benefits are the same regardless of where investor puts capital

OZ  
Implications

\*Misunderstood, especially in small markets

Limited  
Investor  
Pool

\*Only 7% of Americans report taxable capital gains; 2/3rds are from people making \$1MM or more annually.

# What's Next?



Housing

USDA;  
Private  
Investment



Transportation

USDA;  
Private  
Investment

CDFI;  
EDA; TDA;  
SBA



Small Business

Growing  
market;  
collaboration



Wind Energy

# Project-Location Name

Place your  
company logo  
here



Insert picture of community or specific project; describe here.

Brief description of the project:

What makes this project appealing to investors? What local assets exist that will enable successful? What additional local incentives exist?

## Project Information

- General information about the property development: mixed use, office, residential, elderly, workforce, storage, etc....
- Number of units, square footage, etc....

## Financials

- Total cost: \$XX
- OZ Capital: \$XX
- Expected Return: 5%
- Partners: XXX

## Contact

Contact Person's name

555-555-5555

[email@gmail.com](mailto:email@gmail.com)

[mycommunityoz.com](http://mycommunityoz.com)

# THANK YOU

*Kelly Davila, Director of Regional Services & Economic Development*

