



## **PRESS RELEASE**

### **For immediate release**

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On Wed., March 21, Gov. Joh Kasich recommended to the U.S. State Department two Ashtabula County census tracts to be designated as Opportunity Zones.

The county's nominated tracts are census tract 3, which encompasses the Ashtabula City Port and the area east of the Harbor Historic District, as well as tract 1.03, which is in the southern portion of the City of Conneaut. Statewide, 318 additional tracts were nominated.

Created in the new Federal tax bill, the Opportunity Zone (OZ) designation would provide some unique tax advantages to investors. While the details of the designation are still being solidified by lawmakers, the OZ is touted by the White House as an innovative way to attract investment not just in real estate, but also in startups and young companies in distressed areas. The tax advantages could prove significant. For example, the Opportunity Zones investor would see no taxation of appreciation of investments held longer than 10 years when the investment is sold; a 10% write-off is possible after holding an investment for five years, a 15% investment after seven years. Unlike other tax incentive programs, there would not be a cap on the amount of capital that could be made available through OZ investments.

Local ramifications for OZ designation could be substantial as another tool to foster entrepreneurship. Unlike other tax incentives, OZ funding is expected to be used for a broader range of financing, especially equity investments in startup or early stage businesses.

Ashtabula County's economic development team came together to lobby for the inclusion of tract 3 into the OZs. The tract was nominated by the county's Planning Department who joined forces with Growth Partnership for Ashtabula to coordinate an education campaign targeted at Gov. Kasich on behalf of that tract. County Commissioners, the City Port of Ashtabula, city manager and local business owners wrote and spoke to elected officials at the state level to encourage the nomination of the tract. The U.S. is expected to make a final decision on the OZ zones in May.

Once the tracts are certified as OZs and the legislation is fully spelled out, the next step is for the county's economic development team to craft a strategy to fully utilize its benefits, said Greg Myers, executive director of the Growth Partnership. "We'll need to look closely at these two tracts and begin looking at how to attract investment that makes sense in these locations."