

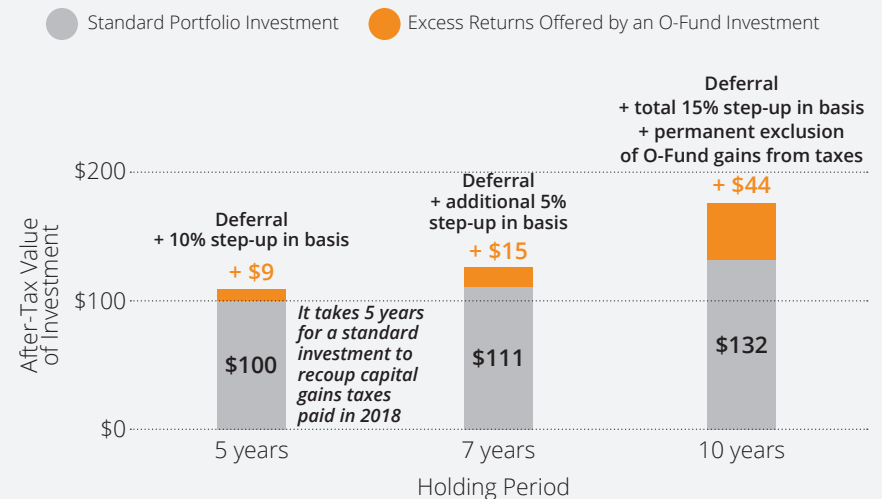
CHANDLER: OPPORTUNITY ZONES

The Opportunity Zones program is a new federal tax incentive enacted as part of the Tax Cuts & Jobs Act of 2017. The program is designed to drive long-term private investment in designated lower income areas throughout the United States. Investors will be able to defer and partially eliminate taxes on capital gains when the sale proceeds are reinvested into Opportunity Funds. Eligible fund activities include investing in real estate development projects and businesses located in Opportunity Zones.

Federal tax benefits increase the longer the investment is held, providing the most benefit to those who hold their investment for at least 10 years. The figure to the right, from an *Economic Innovation Group* fact sheet, shows how a capital gain reinvested in an Opportunity Fund could outperform a standard portfolio investment.

Chandler has two Opportunity Zones comprised of contiguous census tracts that encompass an area of approximately two square miles. The area includes Downtown Chandler, a popular regional destination for shopping, dining, entertainment and events. There has been a significant amount of redevelopment and business growth in the area in recent years. The City has also invested in capital improvement projects to enhance the area's infrastructure and streetscape.

How does a capital gain of \$100 reinvested in 2018 perform over time?



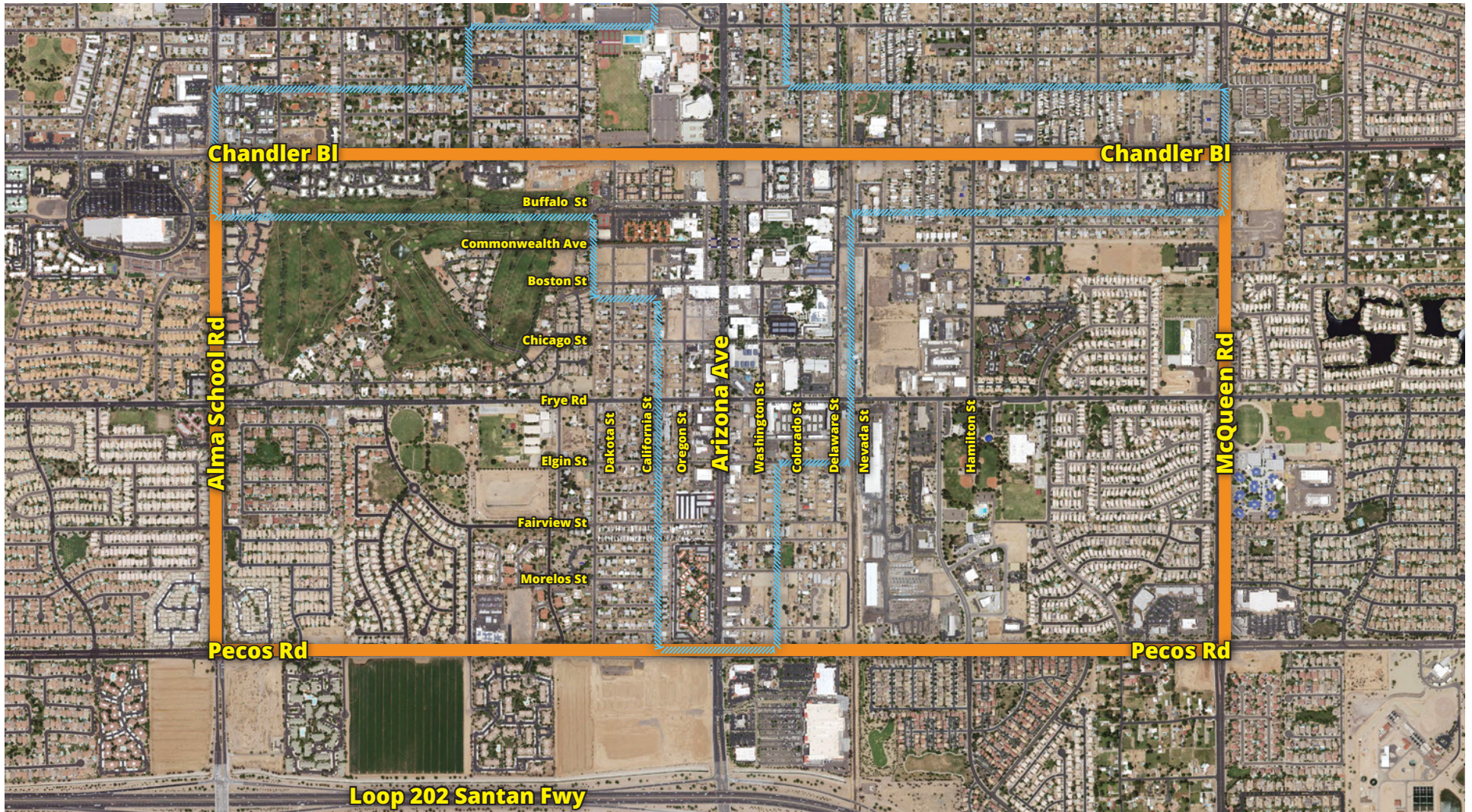
Note: Assumes long-term federal capital gains tax rate of 23.8%, no state income tax and annual appreciation of 7% for both the O-Fund and alternative investment.

See the next page for a map showing Opportunity Zone boundaries along with other City programs whose benefits may apply to qualifying projects.

For more information, contact:

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Opportunity Zones Boundary

Adaptive Reuse Overlay District