

**Diane Stoddard**

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**From:** Kevin Doel [KDC] <Kevin.Doel@ks.gov>  
**Sent:** Tuesday, February 20, 2018 4:40 PM  
**To:** Wiens, Andrew W. [GO]  
**Subject:** Kansas communities may apply now for designation as an Opportunity Zone

**STATE OF KANSAS**



DEPARTMENT of COMMERCE  
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KansasC

GOVERNOR JEFF COLYER, M.D.  
ROBERT NORTH, INTERIM SECRETARY

FOR IMMEDIATE RELEASE  
February 20, 2018

Online version: <http://kansascommerce.gov/CivicAlerts.aspx?AID=1309>

**Kansas communities may apply now for designation as an Opportunity Zone**

TOPEKA – On Tuesday, Governor Jeff Colyer, M.D. announced that the Kansas Department of Commerce is now accepting proposals from communities to designate eligible low-income census tracts as Kansas Opportunity Zones under the new Federal Opportunity Zones program. Opportunity Zones are a new economic development tool enacted by the Tax Cuts and Jobs Act of 2017 designed to encourage long-term investments in low-income urban and rural communities.

“One of the primary focuses of my administration is helping boost urban and rural communities that have been struggling with population decline, lack of jobs, and crumbling infrastructure,” said Gov. Colyer. “The Opportunity Zone program is a great opportunity for those who want to invest in their communities and be a proactive part of the solution.”

Opportunity Zones provide a tax incentive for the re-investment of unrealized capital gains into Opportunity Funds. The purpose of these funds is to invest in economically distressed areas designated by the Governor. The program provides deferral and reduction of capital gains taxes when the gain is invested in a Qualified Opportunity Fund and maintained for at least five years. Additional tax incentives are available for investments held for periods of seven and 10 years.

Based upon the number of low-income communities identified by the Federal Census, the Governor can designate 70 census tracts in Kansas as Opportunity Zones. Census tract

eligibility is based upon population and income. Information about census tract eligibility for this program may be found at <http://kansascommerce.gov/opportunityzones>. In addition to the federal eligibility criteria, the State will consider several other factors in determining which census tracts will be designated as Kansas Opportunity Zones. These factors include an indication of community interest and support for additional investment, the potential of at least one “ready to go” or otherwise identifiable project, and whether the identified project addresses one of the following target uses: industrial/business development, housing or agriculture. While these factors will be considered during the designation process, eligible communities that do not meet one or more of these criteria may still be considered for Opportunity Zone designation.

“We encourage Kansans to take advantage of this special opportunity to invest in their communities and stimulate economic growth in our state’s rural and economically disadvantaged areas. I am excited to see the impact this will have on our state,” said Robert North, Interim Secretary for the Kansas Department of Commerce.

Communities interested in submitting proposals to be considered as a Kansas Opportunity Zone should submit a letter of interest by March 1, 2018. Letters of interest should be on official local government or economic development organization letterhead and must include:

- The eligible census tract number;
- A statement of community interest and support for additional investment;
- A brief description of the tract and note whether it is predominantly commercial, industrial, residential or a mix;
- A description of any recent development activity, such as business or housing developments or other investments in the area, or any anticipated new developments or investments;
- The proposed targeted use of the area; and
- At least one identified or potential project.

Letters of Interest should be addressed to the Kansas Department of Commerce, Attn: Business Development, 1000 SW Jackson, Suite 100, Topeka, KS 66612. Letters may also be submitted by email to [opportunityzones@ks.gov](mailto:opportunityzones@ks.gov).

Kansas has until March 21, 2018 to submit the Opportunity Zone recommendations to the U.S. Department of Treasury.

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## Diane Stoddard

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**From:** Steve Kelly <skelly@lawrencechamber.com>  
**Sent:** Tuesday, February 20, 2018 3:44 PM  
**To:** Diane Stoddard  
**Subject:** Fwd: Kansas Opportunity Zones

Fyi

Sent from my iPhone

Begin forwarded message:

**From:** "Susan NeuPoth Cadoret [KDC]" <[Susan.NeuPothCadoret@ks.gov](mailto:Susan.NeuPothCadoret@ks.gov)>  
**Date:** February 20, 2018 at 3:41:49 PM CST  
**To:** Undisclosed recipients;;  
**Subject:** Kansas Opportunity Zones

The Department of Commerce is now accepting proposals from communities to designate eligible low-income census tracts as Kansas Opportunity Zones under the new Federal Opportunity Zones program.

Opportunity Zones are a new economic development tool enacted by the Tax Cuts and Jobs Act of 2017 designed to encourage long-term investments in low-income urban and rural communities. This incents investors to move capital off the sidelines and into projects which will stimulate the Kansas economy. This program provides a tax incentive for investors to re-invest their unrealized capital gains into Opportunity Funds that are dedicated to investing in economically distressed areas designated as Opportunity Zones by the Governor. The program provides deferral and reduction of capital gains taxes when the gain is invested in a Qualified Opportunity Fund and maintained for at least 5 years. Additional tax incentives are available for investments held for periods of 7 years and 10 years.

Based upon the number of low-income communities identified by the Federal Census, the Governor can designate 70 census tracts in Kansas communities as Opportunity Zones. Census tract eligibility is based upon population and income. Eligible low-income communities are defined as:

- Tracts in which the poverty rate is at least 20 percent, or
- Tracts in which the median family income does not exceed 80 percent of the statewide median family income if located outside of a metropolitan area, or
- Tracts in which the median family income does not exceed 80 percent of the statewide median family income or the metropolitan area median family income, whichever is higher.

Qualifying low-income communities may be designated as Opportunity Zones as well as up to four qualified communities contiguous to designated low-income communities. The U.S. Department of the Treasury has published a map and list of eligible census tracts, available at <https://www.cdfifund.gov/pages/opportunity-zones.aspx>.

In addition to the federal eligibility criteria, the State will consider several other factors in determining which census tracts to designate as Kansas Opportunity Zones. These factors include an indication of community interest and support for additional investment, the potential of at least one "ready to go" or otherwise identifiable project, and that the identified project addresses one of the following target uses: industrial/business development, housing, or agriculture. While these factors will be considered during

the designation process, eligible communities without one or more of these factors present may still be considered for Opportunity Zone designation.

**Communities must submit Letters of Interest with their proposals no later than March 1, 2018.** The state anticipates submitting its designated zones by March 21, 2018. Letters of Interest should be on official local government or economic development organization letterhead and must include the following:

1. The eligible census tract number;
2. A statement of community interest and support for additional investment;
3. A brief description of the tract and note whether it is predominantly commercial, industrial, residential or a mix;
4. A description of any recent development activity, such as business or housing developments or other investments in the area, or any anticipated new developments or investments;
5. The proposed targeted use of the area; and
6. At least one identified or potential project.

Communities may submit more than one census tract or group of census tracts for consideration. However, if communities propose more than one census tract in the Letter of Interest proposed census tracts must be clearly prioritized. Each separate proposed tract must provide the information requested. Contiguous tracts may be grouped together and considered as one proposal. Letters of Interest may be submitted to the Kansas Department of Commerce via email, postal mail, or digital upload to:

Kansas Department of Commerce  
Attn: Opportunity Zones  
1000 S.W. Jackson St., Suite 100  
Topeka, Kansas 66612

Emailed documents may be submitted to [OpportunityZones@ks.gov](mailto:OpportunityZones@ks.gov)

Should you have any questions about the application process, please call Jordan Blair at 785-296-7874.

Proposals may be uploaded by visiting <http://kansascommerce.gov/OpportunityZones>

Other links of interest:

- [Federal Opportunity Zones Act](#)
- [IRS Revenue Procedure 2018-16](#)
- [KDC information sheet](#)

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*Please note my new e-mail address*