

The Opportunity Zones Program



Opportunity Zones offer investors tax benefits over a long horizon for equity investments in qualified businesses and property

OZ Program Overview

Opportunity Zone Funds

Investors get tax benefits from investing via a “Qualified Opportunity Fund” (QOF):

- Deferral of a capital gains tax until 2026
- Reduction in the capital gains tax up to 15%
- Permanent exclusion of gains from initial investment if held for at least 10 years

Opportunity Zone Business & Property

Ninety percent of the funds must capitalize:

- Stock of qualified Opportunity Zone corporation
- Interest in a qualified Opportunity Zone partnership
- Tangible property used in an Opportunity Zone

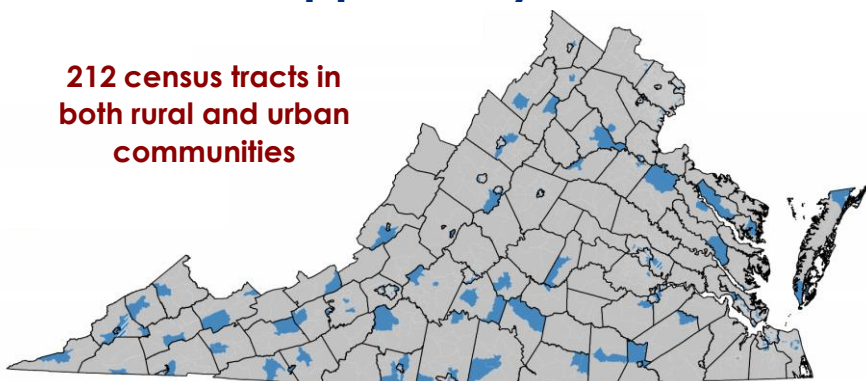
Opportunity Zones

- 212 low income census tracts in Virginia
- Mix of rural and urban communities
- Tracts overlay with other place-based tax credit programs
- Designations remain in effect until 2028 and no ability to change designations

VA Opportunity Zones

Sample Investment

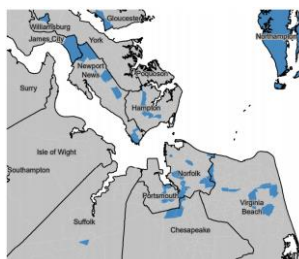
212 census tracts in both rural and urban communities



Richmond

Northern VA

Hampton Roads



2019

Taxpayer receives \$1 million capital gains from a sale and invests it in qualified OZ property through a QOF; capital gains tax is deferred

2024

Taxpayer basis increases 10% (from \$0 to \$100k)

2026

Taxpayer basis increases to 15% (from \$100k to \$150k); deferral period ends and taxpayer owes tax on \$850k for original capital gain

2029

Taxpayer sells the QOF investment for \$3 million and owes no capital gains tax



Guiding Principles

1. Encourage and enable **positive community impact investments in conjunction with financial returns**
2. Ensure **fair and equitable access** to Opportunity Zone **resources, support, and guidance** for all localities and interests
3. Attract and match national capital and businesses with **easily accessible and current information**
4. Empower **local business, government, and community leaders** to take point in the Opportunity Zones
5. Leverage the full suite of **Federal, Commonwealth, and local government programs and incentives** in partnership with philanthropic and non-profit institutions
6. Operated by a **neutral and independent third party** to manage and facilitate the **inclusive market-place with full transparency** on process and participants
7. Seed the effort with one-time funding and become a **self-sufficient operation** over time
8. Track and measure **socio-economic impact** in Opportunity Zone communities

Key Features

Capital Attraction

- Ongoing outreach and proactive information sharing to local government, community interests, businesses, and investors
- Large national convening in Virginia to build network of investors focused on inclusive model, with Virginia seeking to share best practices
- Periodic convenings across state to generate energy, educate, and help build working relationships between stakeholders

Pipeline Development

- Tools and investment resources for local community, business and economic development leaders to encourage and drive funding to Opportunity Zone projects
- Identification of community impact investments and steering to additional non-profit, philanthropic, and technical assistance resources
- Connections to Federal, Commonwealth, and local incentives and complimentary programs

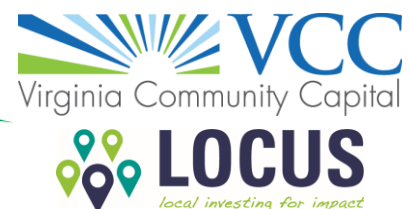
Clearinghouse

- Inventorying of project pipeline and investors with parameters to help matching
- Online place for stakeholders to learn, interact, and engage with projects
- Tracking and reporting on Opportunity Zone impact and trends to inform additional market-making activities

Partners



Office of the Secretary of
Commerce and Trade





OVERVIEW

The Includiv Opportunity Zone (IOZ) Fund's mission is to strategically combine public incentives and private sectors investments to turbocharge high growth investments in opportunity zones with the goal of yielding strong returns for investors and communities.

The IOZ team is focused on maximizing investor's tax deferral and exemption opportunity created by the Opportunity Zone program under the Tax cuts and Jobs Act of 2017, while strategically putting investor's capital to work in high growth potential companies and projects that have the potential to generate strong returns and will also generate infrastructure and assets to benefit communities.

Rooted in our beginnings as a pending B Corp, we are committed to meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.

Our investments are strategically focused on high-growth areas that also serve as valuable community assets:

- Broadband
- Renewable Energy
- Smart Communities Infrastructure
 - 5G Networks
 - Smart Roads
 - Smart Building
 - Autonomous Vehicles
- Affordable Housing
- Co-working/Community Centers

We seek to provide investors and communities a triple-bottom-line return:

- Provide significant potential upside for investment returns
- Make communities more vibrant and successful for their members
- Increase community sustainability and resiliency

For more information please email – info@includiv.com or call us at 804-774-5771



WEST MAIN DEVELOPMENT

The Pilot Project for Pulaski's Main Street Revitalization

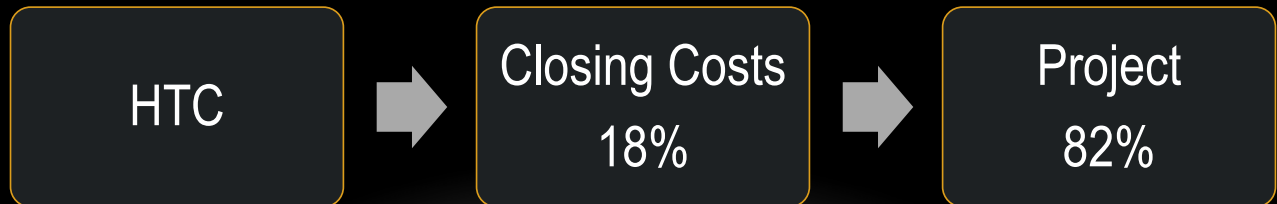
A Community Solution

THE PROJECT

- Consisted of 2 Buildings: Mixed Use
 - 3 Commercial
 - 4 Residential
- Reality...
 - Project was too small to use the current process to acquire HTC
 - Fees take too much of the capital

OUR SOLUTION

- Work directly with the Investor (Buyer of HTC)



THE COMMUNITY BANK SOLUTION

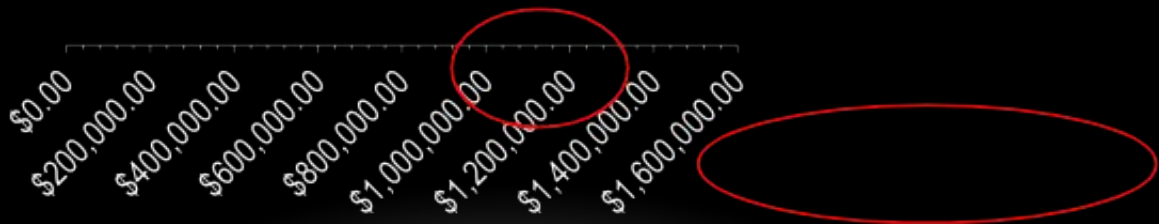
- Comply with the Community Reinvestment Act
- Reduction in Federal Tax
- Reduction in State Franchise Fees
- Direct investment in the community where it is located



BENEFITS OF AN OPPORTUNITY FUND

- Total Tax Credit (29%)
- Pre-Development Grant (5%)
- Work Force Housing Grant (7%)
- Enterprize Zone Grant (11%)
- Pulaski County Loan (4%)
- Pulaski Town Loan (6%)
- WMD Investor Capital (15%)
- Façade Grant (2%)
- Managing Member Investment (22%)

Estimated QRE: \$1,498,600



QUESTIONS