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For Immediate Release

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OPPORTUNITY ZONE FORUM FEATURES LEGAL, TAX AND REAL ESTATE EXPERTS
Federal Incentive Program Identified Four Johnston County Sites

Johnston County, N.C. – January 30, 2019. More than 120 participants gathered at the Clayton Center today to hear experts discuss a federal program that could bring new jobs, companies and investment into designated properties in Johnston County. Known as Opportunity Zones, the national initiative offers deferments and exemptions on capital gains taxes derived from investments made in low-wealth communities. The Town of Clayton and the Clayton Chamber of Commerce joined the Johnston County Office of Economic Development in organizing and hosting the program, which was sponsored by KS Bank.

Johnston County Economic Development Director Chris Johnson provided an overview of the zones and how they can help address challenges and opportunities for the local and regional economies. Last year, the County's Economic Development Advisory Committee reviewed 19 U.S. Census tracts that fit federal eligibility guidelines as Opportunity Zones. The County submitted seven finalists to the NC Department of Commerce, which was charged with presenting submissions to the U.S. Treasury Department. "We ranked eligible tracts based on proximity to certified sites, existing industries, available properties and transportation infrastructure," Johnson explained. The Commerce Department culled the list to four, submitting them to the U.S. Treasury for selection. The zones have the potential to ripple

economic benefits well beyond their immediate vicinity. “Outside the zones, there’s opportunity galore,” said Johnson, who pointed out that demographers project the County’s population to swell to 300,000 residents over the coming 15 years.

Johnston’s County’s four Opportunity Zones are among 8,700 nationwide and 252 across North Carolina, according to Lawrence Bivins, managing director for policy and public affairs at the North Carolina Economic Development Association (NCEDA), the Raleigh-based membership organization for economic development practitioners and their private allies and educational partners. The Opportunity Zone initiative grew out of the federal tax reform package passed by Congress in December 2017. “We first heard about this provision about a year ago and realized North Carolina needed to be aggressive in taking advantage of it,” said Bivins, who moderated a panel discussion by tax, legal and real experts.

Ernie Pearson, an attorney with Nexsen Pruet in Raleigh, said federal officials have thus far only issued draft guidelines on the program. “There are still a lot of ‘ifs’ out there on Opportunity Zones,” Pearson said. “It’s still evolving.” More clarity is expected from the Treasury Department soon. “In the meantime, a lot of Opportunity Zone funds are now being organized nationally,” he said. “This is something to watch.”

Lee Jackson, an accountant with the firm of Dees, Jackson, Jackson & Associates in Smithfield, explained the program’s schedule of capital gains tax deferrals and exemptions. Opportunity Zone incentives are more lucrative than similar programs designed to draw private capital into low-wealth communities. “There are a lot more pluses in investing in a qualified Opportunity Zone,” Jackson said. For their part, Opportunity Zone funds can be organized as corporations, partnership or LLCs – provided they have two or more members. Investors can put their capital to work in Opportunity Zones anywhere, Jackson said. “You don’t have to invest in this area, but there are very good reasons to do that.”

Kevin Dougherty, founder and president of AdVenture Development LLC, has lived in Selma and worked in Johnston County's real estate market for 15 years. He told the gathering that communication and coordination among developers and local governments is key to the success of transformative real estate projects. "The working relationships between the public and private sectors is a huge part of getting what we need to get done," said Dougherty. His company, which provides a wide range of real estate services in multiple states, is eyeing mixed use development opportunities along the I-95 corridor. "We're trying to create something with wide economic benefits," he said. "We hope to give birth to something everyone can be proud of in the future."

After an extended period of audience Q&A, County Commission Chairman Ted Godwin thanked attendees and panelists, expressing excitement for what the initiative can do to boost Johnston County's economy. "With the utilization of these zones and the creation of these qualifying funds, I see perhaps dramatic opportunities for Johnston County," Godwin said.

"It is great to see the positive energy and collaboration taking place here in Clayton and Johnston County. Even though we are all still learning about the benefits of Opportunity Zones, educational events like this help us position ourselves at the front of the line when such opportunities are presented," said Town of Clayton Economic Development Director Dave DeYoung. "The Clayton Chamber of Commerce champions economic development and we are very proud to produce collaborative and educational initiatives like this for our business community," added CCOC President/CEO Dana Wooten.

The Johnston County Economic Development Office (JCEDO) facilitates value-added interaction between government, education and the private sector in encouraging and promoting job creation and economic investment in Johnston County. A unit of county government, JCEDO collaborates with local, regional and statewide partners and allies in providing confidential location assistance to businesses and technical support to the county's 11 municipalities. Its

menu of services includes customized digital mapping, labor and wage analysis, site readiness assistance and incentive packaging. For additional information, visit www.jncned.com

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