



# Collaborating to Accelerate Economic Growth in Opportunity Zones



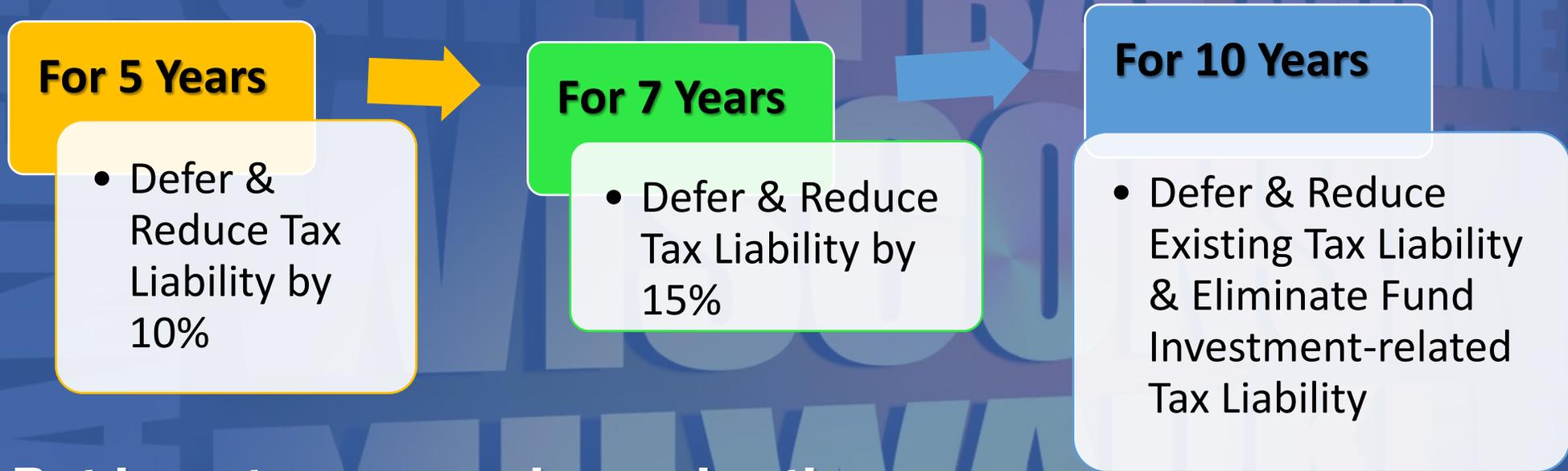
**Hon. Cory Mason, Mayor, City of Racine**  
**William Martin, Chief Executive Officer**  
**January 17, 2020**



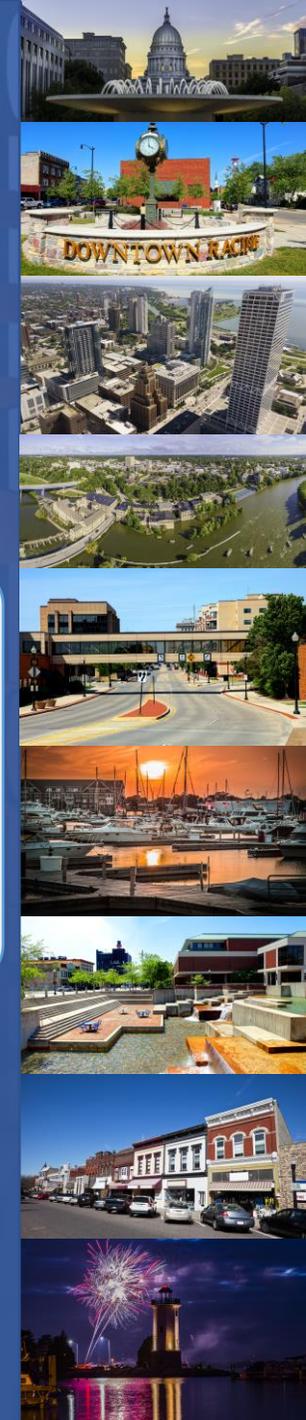


# Federal Opportunity Zones Benefits

## Investing capital gains in a Qualified Opportunity Fund...



But investors can only receive the capital gain tax benefits if they invest through a Qualified Opportunity Fund. The Legislature is considering **AB 532 & SB 440**, which would create new Wisconsin Opportunity Fund tax benefits for Wisconsin investors.





# Badger State Opportunity Fund

Wisconsin's first **statewide, diversified, and tax-advantaged** Opportunity Fund will offer a portfolio of business & commercial real estate developments based on:

- **Long-term Income & Appreciation**
- **Geographic, Sponsor & Asset Class Diversification**
- **Public- & Private-Sector Support**
- **Social Impact**

Badger State Opportunity Fund seeks to raise **\$10-\$25 million**, which can catalyze an estimated **\$140-\$200 million** in economic activity.





# Reaching Investors

We have contacted over 7,000 accountants with the launch of Badger State Opportunity Fund, and we are preparing to contact over 3,000 accredited investors statewide as soon as the first round of investment portfolio projects are identified and selected. Who are accredited investors?

- Individuals earning \$200,000 or more annually
- Couples earning \$300,000 or more annually
- Individuals/Couples with \$1,000,000 or more in net worth excluding their primary residences
- Entities with assets of \$5,000,000 or more





# Preserving Wisconsin's Wealth

Badger State Opportunity Fund met with an accredited individual this year. He invested **more than \$1,000,000 in capital gains in an East Coast Opportunity Fund portfolio** last year because neither a Wisconsin-based Opportunity Fund, nor a portfolio of Wisconsin-based Opportunity Zones development projects, were available and known to him.

**What impact would \$1,000,000 in economic investment have in your community's lower-income areas?**

**Working together, we can provide investors an attractive statewide portfolio of investments and put Wisconsin's wealth to work fueling economic opportunity here.**





# Portfolio Project Selection Criteria

Badger State Opportunity Fund intends to select its first cohort of projects by January 31, 2020 based on:

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>■ project overview</li></ul>                   | <ul style="list-style-type: none"><li>■ public sector support</li></ul>                       |
| <ul style="list-style-type: none"><li>■ market demand analysis</li></ul>             | <ul style="list-style-type: none"><li>■ project renderings</li></ul>                          |
| <ul style="list-style-type: none"><li>■ amount equity investment sought</li></ul>    | <ul style="list-style-type: none"><li>■ project sponsor's equity contribution</li></ul>       |
| <ul style="list-style-type: none"><li>■ a detailed pro forma</li></ul>               | <ul style="list-style-type: none"><li>■ status of site control</li></ul>                      |
| <ul style="list-style-type: none"><li>■ expected annualized rate of return</li></ul> | <ul style="list-style-type: none"><li>■ project timeline &amp; readiness to proceed</li></ul> |
| <ul style="list-style-type: none"><li>■ any project partner qualifications</li></ul> | <ul style="list-style-type: none"><li>■ number jobs to be created or retained</li></ul>       |





# Accelerating OZ Economic Development

Consider the following actions for your community:

- **Identify Projects in Your Opportunity Zones** your municipality is supporting & share with Badger State Opportunity Fund for potential investment
- **Identify & Contact Existing Businesses & Properties** within your municipality & Opportunity Zones that may have development projects, an interest in expanding in Opportunity Zones, or investing to reduce taxation
- **Identify Local Accredited Investors** who care about the community & its economic future & may be interested in investing in development projects





# Accelerating OZ Economic Development

Consider the following actions for your community:

- **Contact State Representatives & Senators to Support AB 532 & SB 440**, creating state capital gains tax benefits to incentivize Wisconsin individuals, couples & entities to invest in Wisconsin
- **Host an Opportunity Zones Investment Sessions** to educate individuals & businesses & present potential local developments
- **Create an Executive Summary of Local/Regional Economic Development Incentives** to share with businesses, developers & Badger State Opportunity Fund





# Helping You Fuel Wisconsin's Future!

The goal is to accelerate development and create more inclusive economic opportunity across Wisconsin's urban and rural communities. If you would like help and are interested in collaborating, please feel free to contact:

## Badger State Opportunity Fund

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