

## What is an Opportunity Zone?

Arizona was one of the first states in the nation to have its Opportunity Zones officially designated by the U.S. Treasury Department. Opportunity Zones is a new community development program authorized under the Federal Tax Cuts and Jobs Act 2017, which is designed to encourage long-term investment into qualifying Census tracts. The program provides tax incentives on capital gains monies invested into these zones while bolstering economic development activity in local communities across the nation.

## How do they work?

Qualified Opportunity Funds are investment vehicles, organized as a corporation or partnership, whose purpose is to invest in Qualified Opportunity Zone property; a wide variety of uses are eligible for this investment, including industrial, office, retail, and hotels.

As the program continues to be rolled out, the following are the Federal Tax Benefits an investor can benefit from when investing in an Opportunity Fund.

<p><b>1 DEFERRAL</b> Realize a capital gain, reinvest it in an opportunity fund. Taxation on that gain deferred until 2026.</p>	<p><b>2 10% REDUCTION</b> If opportunity fund investment held for 5 years by 12/31/26, tax on previous deferred gain reduced 10 percent.</p>
<p><b>3 15% REDUCTION</b> If opportunity fund investment held for 7 years, by 12/31/26, tax on previous deferred gain reduced 15 percent.</p>	<p><b>4 ELIMINATION</b> If opportunity fund investment is held for 10+ years, no capital gains tax assessed on <u>that</u> (second) investment.</p>

A taxpayer, including individuals, corporations, and partnerships, that rolls over a gain within 180 days of a sale to an unrelated party into a qualified Opportunity Fund can receive this benefit. The theory is that a successful Opportunity Fund will earn enough over the 10 year period to pay off the original capital gains taxes owed and have enough remaining to realize the tax free earnings.

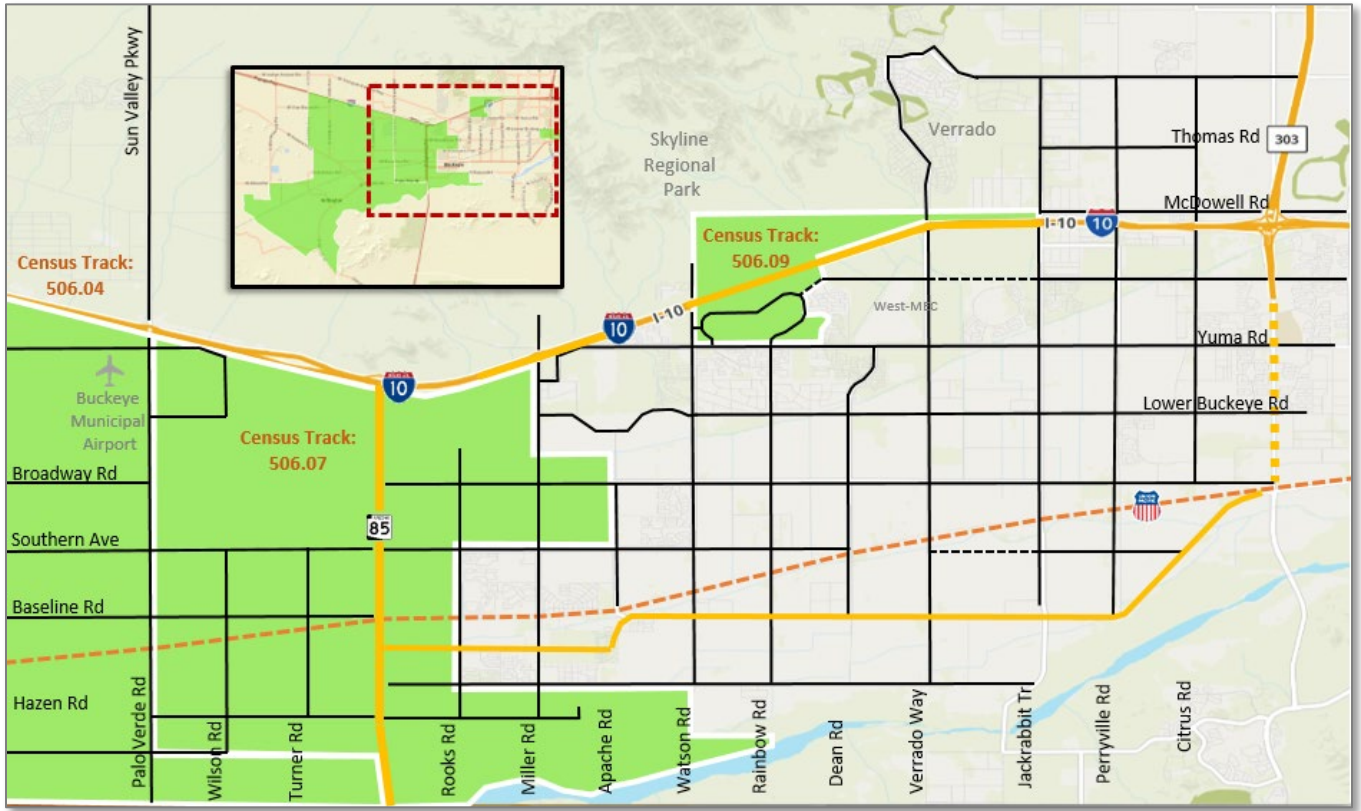
*\*Source: Arizona Commerce Authority and Steptoe & Johnson LLC*

## Opportunity Zones in Buckeye, AZ

The city of Buckeye has 3 Census tracts designated as Opportunity Zones (see attached map). These Opportunity Zones each provide unique opportunities and focus for investors. Properties located in the zone have entitlements in place which can support the development of your project within the 31 month development requirement.

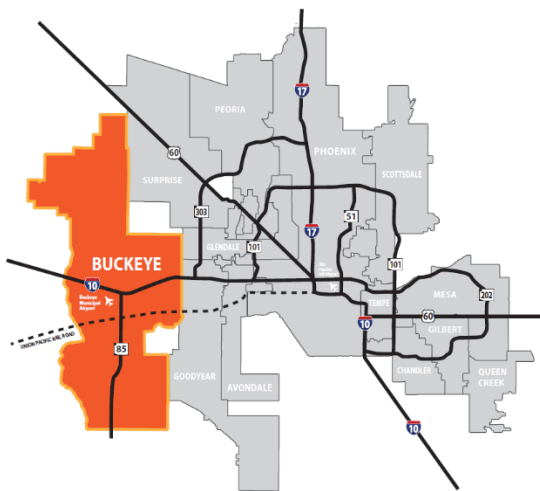
Census Track No.	Development Opportunity
506.09	Representing our I-10 Commerce Districts, this zone provides commercial and mixed-use development opportunities within both the Verrado Way and Watson Road corridors.
506.07	Overlaying our primary Industrial Rail Districts, the Airport Employment District, portions of the I-10 Commerce District and Buckeye Historic Downtown, this zone provides the largest investment opportunities on an acre basis.
506.04	Serving as a long-term investment opportunity, this zone incorporates the Airport Employment District, which is municipally owned.

**Opportunity Zones Map**



[\\* Click here to view Arizona Opportunity Zones Map](#)

**Why invest in Buckeye, AZ?**



- Buckeye is the largest city in Arizona by land area (642 square miles)
- 5<sup>th</sup> fastest growing city in the U.S. \*
- #1 fastest growing city in Greater Phoenix \*
- Projected to be the 3<sup>rd</sup> largest city in population by 2040
- Solid middle class demographics
- Rapidly growing labor force
- Strong city commitment to economic development initiatives

