



City of Harrisonburg, Virginia

Office of the City Manager

409 South Main Street
Harrisonburg, VA 22802
(540) 432-7701 / FAX (540) 432-7778

Eric D. Campbell
City Manager

TO: Eric Campbell, City Manager
FROM: Brian Shull, Economic Development Director
DATE: March 4, 2019
RE: Opportunity Zones

Summary: The Economic Development Dept looks forward to this opportunity to share an overview of the federal Opportunity Zone Program with City Council.

Background: The federal government, as part of the 2017 Tax Act, adopted Opportunity Zones as a new federal incentive tool to help promote investment within approved census tracts.

Key Issues: Harrisonburg has two approved Opportunity Zones – one in the northeast section of the City and a southern zone, situated between Route 11 and Route 42. See map in attached prospectus.

Environmental Impact: This program offers federal tax advantages to investors within these zones.

Fiscal Impact: Capital gains tax benefits are available for investors within the zones. There are no fiscal impacts on local taxes.

Prior Actions: N/A

Alternatives: (a) This federal program has been enacted and is currently in effect.
(b); or
(c)

Community Engagement: Economic Development Department will publicize this program and distribute the prospectus widely.

Recommendation: City Council is requested to help spread the word about this new federal incentive program.

Attachments:

Opportunity Zone Prospectus
PowerPoint Presentation

RE:

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Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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