



**Stefan Pryor**

Secretary of Commerce

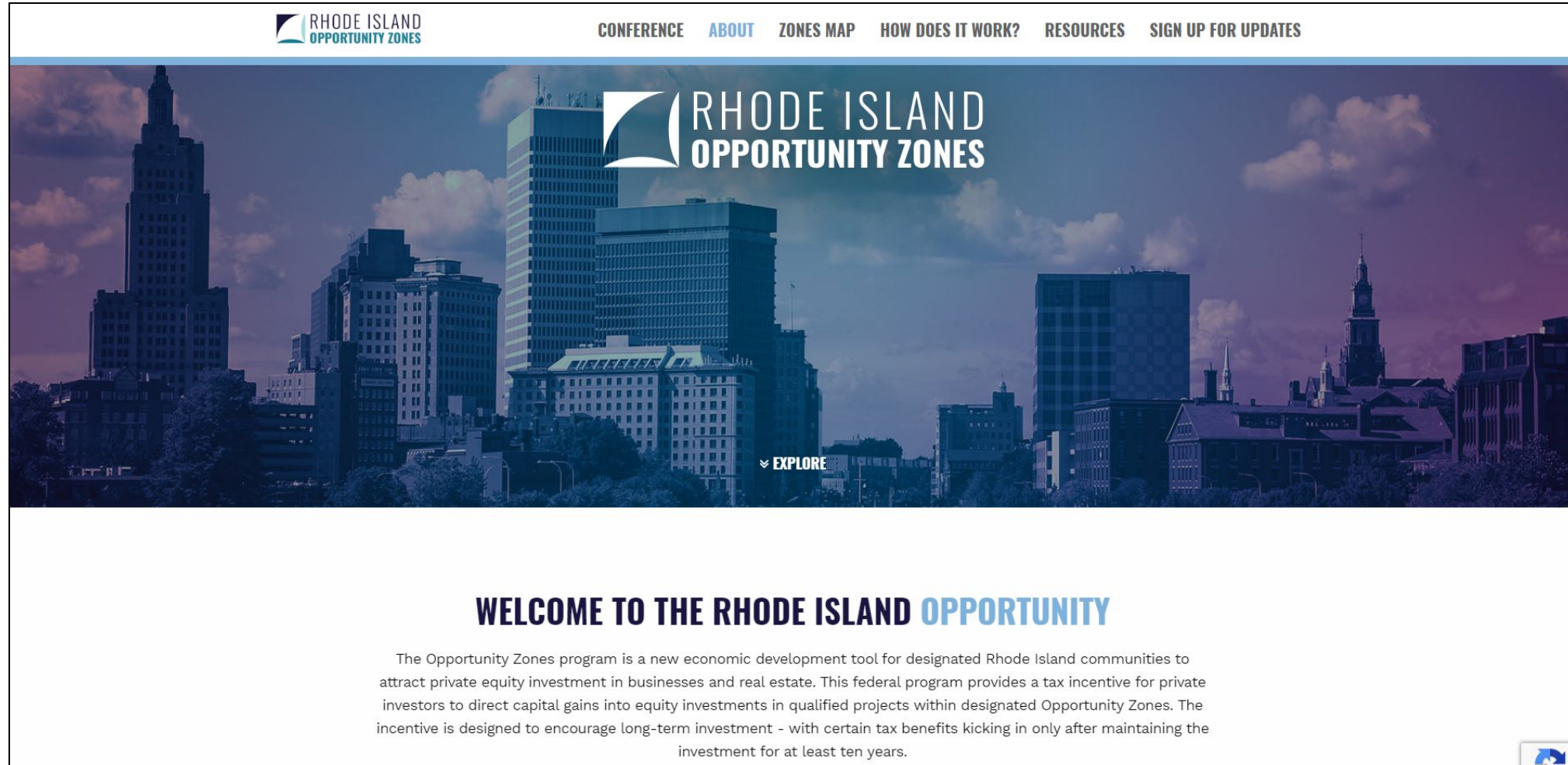
April 30, 2019

# Rhode Island's Approach to Opportunity Zones: Outline

- Easy Access to Investment
- Innovation Ecosystem
- Enhanced State Tax Treatment
- Co-Investing
- Site Readiness
- Additional Information
  - Rhode Island's Zones
  - Federal Regulations



# Easy Access to Investment in Rhode Island's OZs



Website: [RhodeIslandOpportunity.com](https://RhodeIslandOpportunity.com)



# Innovation Ecosystem

- Rhode Island has created innovation ecosystems to support high-potential ventures
- The emerging Providence Innovation and Design District, located in an Opportunity Zone, is home to:
  - Cambridge Innovation Center (CIC)
  - iHub (MassChallenge, IBM, University of Rhode Island and Brown University collaboration)
  - Johnson & Johnson
  - Brown University School of Professional Studies



# Enhanced State Tax Treatment

---

Rhode Island has no additional state capital gains tax and conforms to federal tax code

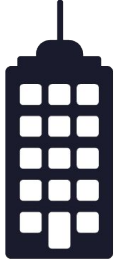
Legislative Proposal: No state-level taxation of gains after 7 years

- Aims to reduce the risk of investing in Rhode Island's Opportunity Zones as compared to other states

# Co-Investing



Rebuild RI Real  
Estate Development  
Tax Credit



Tax Increment  
Financing



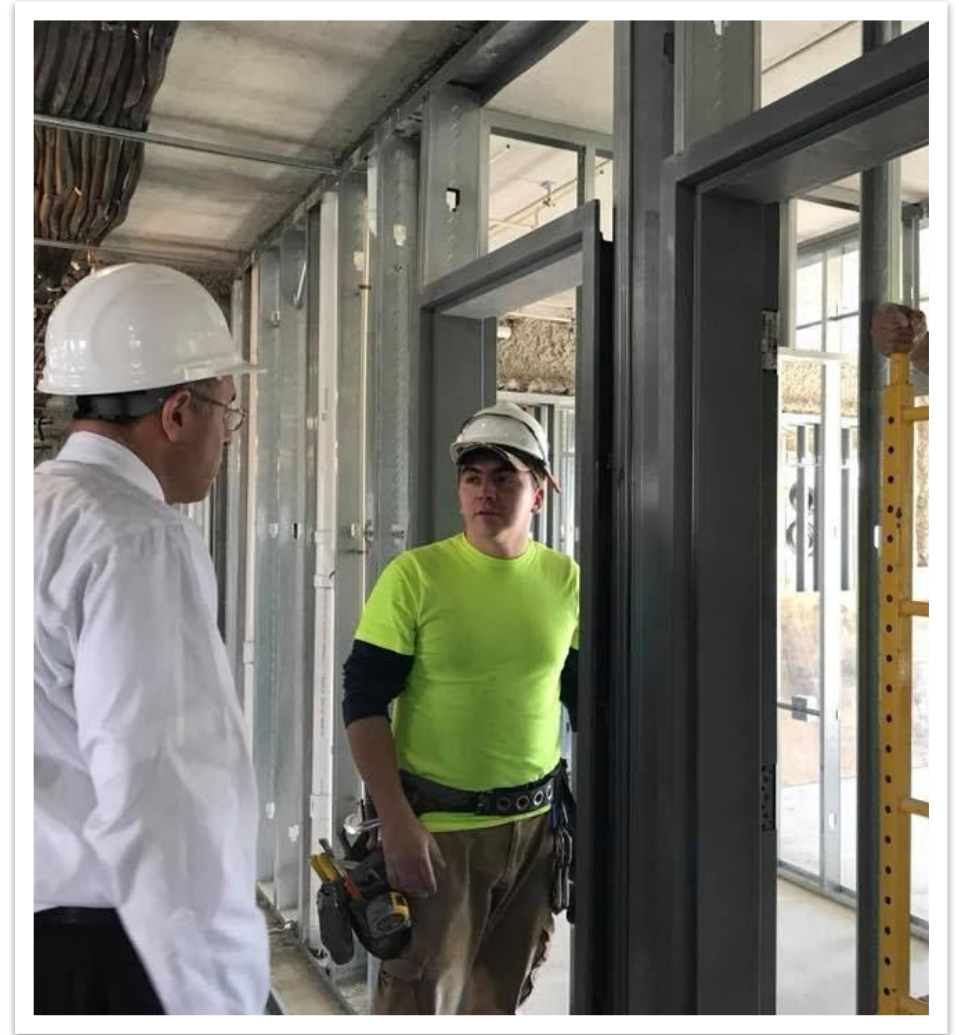
Qualified Jobs  
Employment Tax  
Credit





# Site Readiness Partnership

- This proposal would help to ensure that sites are ready for the quick timeline that is required for an Opportunity Zone investment
- Creating a framework for municipalities to opt in as a partner in enabling and expediting development at priority sites through:
  - Training and technical assistance
  - Investments in site readiness and infrastructure
  - Opportunities for building capacity



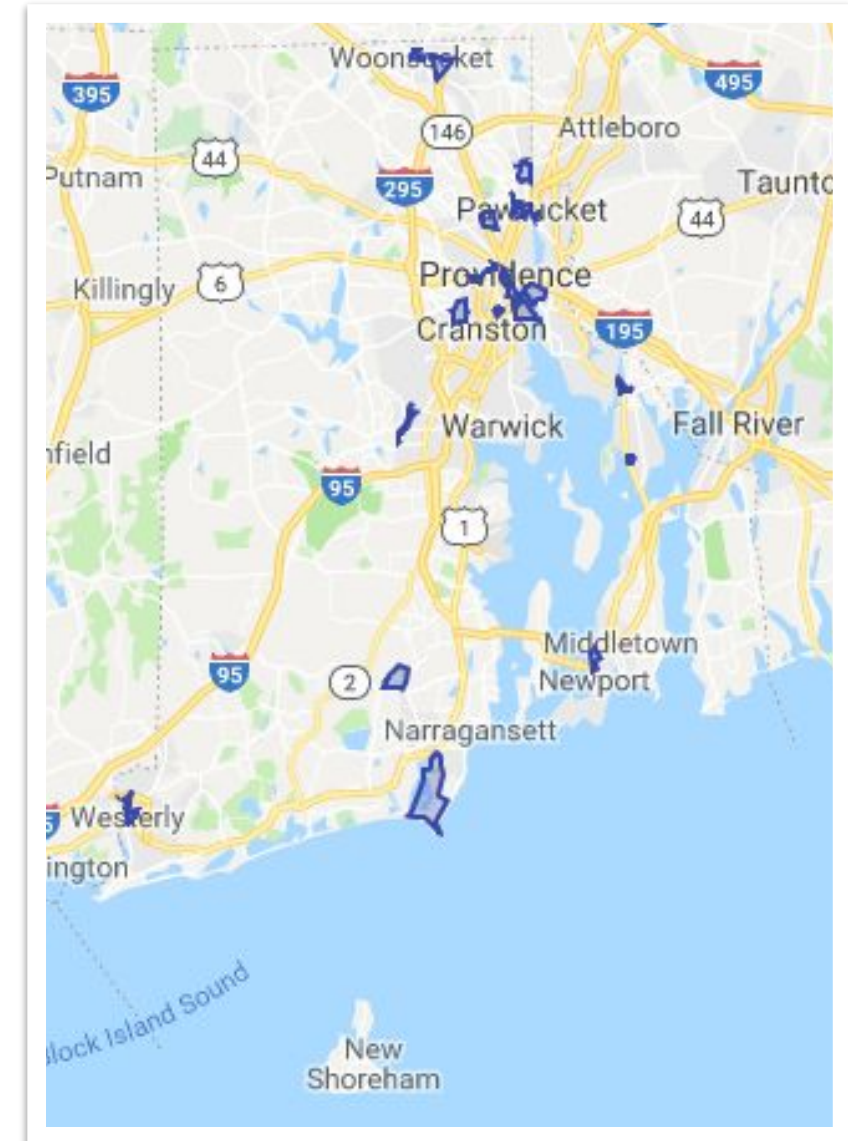


**[www.RhodeIslandOpportunity.com](http://www.RhodeIslandOpportunity.com)**



# Rhode Island's Opportunity Zones

- 25 census tracts designated across 15 municipalities
- Rhode Island's designated census tracts can be categorized as:
  - Downtown metro areas
  - Transit-oriented areas
  - Historic mill sites
  - Main streets
  - Waterfront and port areas
  - University and hospital districts



# Ensuring Regulations Drive Investment

---

- Rhode Island has coordinated with other states to provide input on the proposed regulations in the past
- New Regulations
  - Important changes to the 50% gross income requirement that would allow for more investment in operating businesses
  - Clear definition of original use, definition for substantially all, and more detailed description of reinvestment of gains provide more certainty for investors
  - Further clarification needed on data collection
- In the process of determining if further comment is necessitated and how Rhode Island can continue to stay involved as the program evolves on the federal level