

A city skyline at dusk or dawn, featuring several skyscrapers. A prominent sign on a building reads "WESTERN AUTO" in a circular frame. The sky is a mix of blue and orange.

# State & City Best Practices

*how to successfully leverage opportunity zones*

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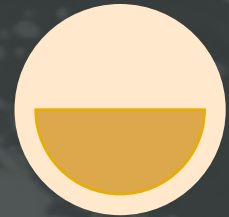
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# Begin With Community Engagement



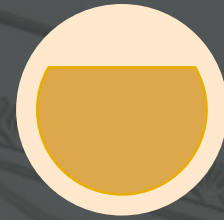
## Identify Needs

- ❖ Figure out **2-3 needs** for achieving community vision that Opportunity Fund capital could help address



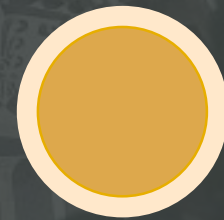
## Identify Resources

- ❖ What are **strongest aspects** of community?
- ❖ What can they do to **increase attractiveness**?
- ❖ **Assets include:** anchor institutions, city owned land, regional growth, active nonprofits, and more...



## Specific Projects

- ❖ Where do **needs and assets overlap** to create a project?



## Build Action Plan

- ❖ Identify the **tangible steps** to move from identifying to actualizing project
- ❖ what **stakeholders need to be engaged**? who is responsible for doing so?

# A reminder: How Investors think about OZ

## Investment



Excellent tax incentives to invest, but still seeking risk-adjusted market-rate returns (12% - 15%)



Will attract long-term investments within portfolios, patient capital



Focus project-by-project, since current rules make multi-asset funds difficult



Investors approaching new places, it's not always clear how to find viable projects



Business investment is still unclear

# Prioritize Partnerships with Local Anchors



Colleges & universities, hospitals, and churches are vital community institutions



Anchors can use QOZ for needed real estate expansions

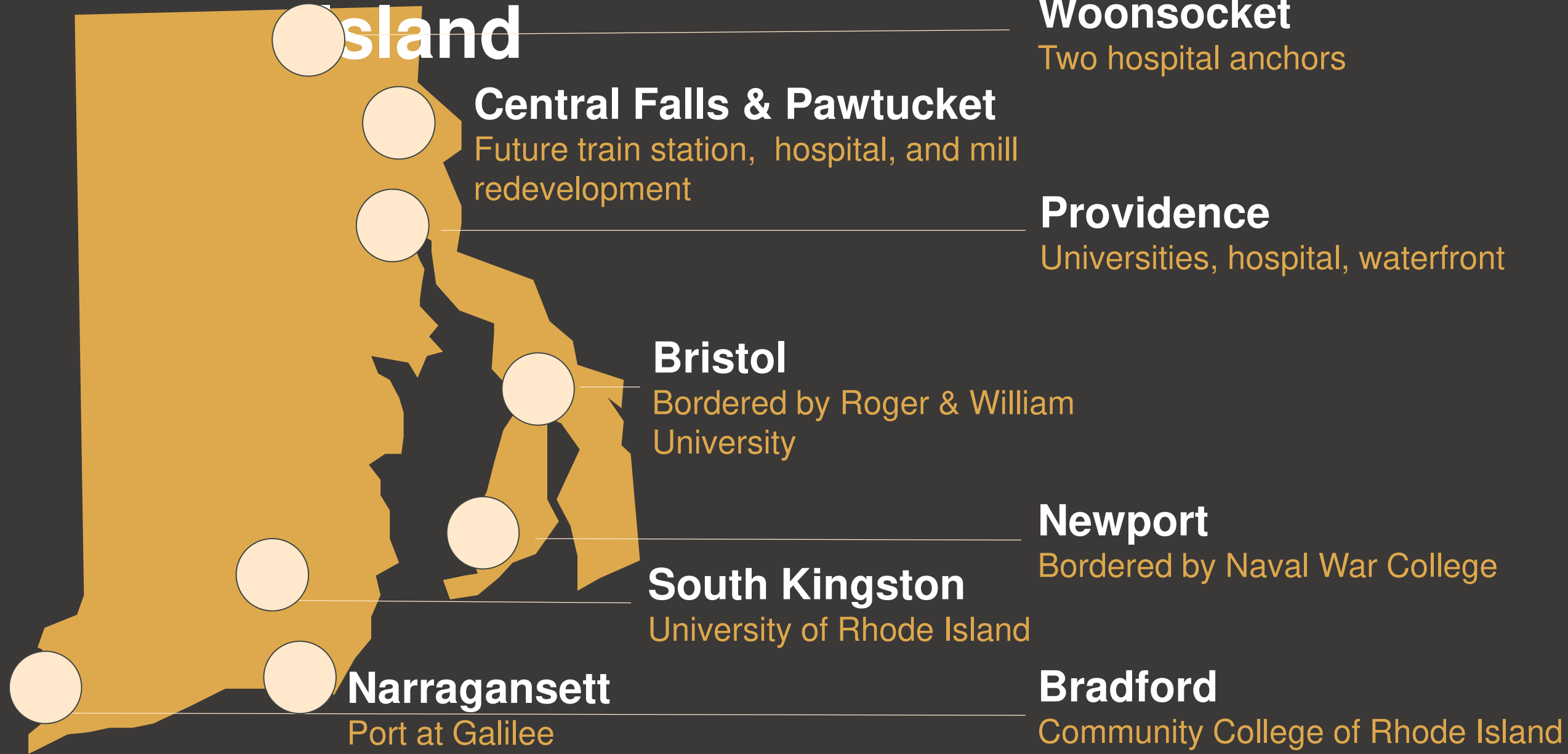


Can Develop land and use returns for mission driven purposes



Can elevate local and regional role as anchor institution

# Anchored Zones in Rhode



**Woonsocket**  
Two hospital anchors

**Providence**  
Universities, hospital, waterfront

**Bristol**  
Bordered by Roger & William University

**Newport**  
Bordered by Naval War College

**South Kingston**  
University of Rhode Island

**Narragansett**  
Port at Galilee

**Bradford**  
Community College of Rhode Island

# Leverage Local Resources



## In-kind Resources

- ❖ Public finance contributions
- ❖ Public land contributions



## Local Assets-base

- ❖ Local Capital Base
- ❖ Committed anchor
- ❖ Mission oriented developer
- ❖ Engaged community group
- ❖ Talented spokesperson



## Regulatory Resources

- ❖ Planning approval process
- ❖ Favorable zoning code

# Steps to Advance Priority

## Projects

Prioritize need-resource “sweet spots”

What projects most efficiently solve a social need and gain market traction?

## Financial Models for Priority Projects

Capital needs, expected IRR, sources and uses, and local resource assumptions.

## Build pro forma & deal sheets

Public facing documents summarizing key financials on priority projects.

## Circulate Two Types of Documents

One for developers and one for investors

	Per Month
<b>GROSS REVENUE</b>	\$ 172,285
Vacancy	(12,060)
Concessions	-
Loss to Lease	-
Other Income	5,350
<b>ADJUSTED GROSS REVENUE</b>	\$ 165,575
<b>OPERATING EXPENSES</b>	
Payroll	\$ 22,696
G&A	5,667
Mgt Fees	6,623
Leasing	1,283
Maintenance	6,200
Redecorating	3,250
Utilites	14,683
Non Routine Maintenance	-
Non Controllable (Taxes & Insurance)	22,500
Cap Ex	4,167
<b>Total Operating Expenses</b>	\$ 87,069
<b>NOI</b>	\$ 78,506

# Zones Facilitate Big-Picture Thinking

1

Focus on areas that demonstrate **social need** and have **market traction** for neighborhood-scale advancement.

2

Try to link **capital investment** to **human capital development** for low income residents.

3

Think about guiding Investments towards **projects that transition to the new economy** and future of work.

4

**Collect information** and use it to guide future investment.





**THANK YOU**  
**Questions and comments welcome**

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