

An aerial photograph of Gainesville, Florida, taken at sunset. The sky is filled with dramatic, colorful clouds in shades of orange, red, and purple. In the foreground, a street with palm trees and a blue building is visible. In the background, the city skyline is silhouetted against the bright horizon, with a tall tower standing out. A large, semi-transparent white box with black text is centered over the image.

Gainesville and Alachua County, FL Opportunity Zone Prospectus

Prepared by:
City of Gainesville

Gainesville & Alachua County

- Gainesville is the economic and cultural hub of North Central Florida
- Gainesville is home to Florida's flagship university, the University of Florida, and Santa Fe College, the 2015 Aspen Prize for Community College Excellence winner
- Gainesville offers top class medical facilities including two outstanding hospitals and a VA medical center
- Gainesville was voted as one of the Top 100 Best Places to Live by Livability
- Gainesville and Alachua County boast many natural amenities giving residents easy access to a variety of outdoor activities



Opportunity Zone Incentive

Opportunity Zones Tax Incentives

Opportunity Zones offer investors three incentives for putting their capital to work in economically distressed communities:



Temporary Deferral

A **temporary deferral**: An investor can defer capital gains taxes until the end of 2026 by rolling their gains directly over into an Opportunity Fund.



Step-Up In Basis

A **tax liability reduction**: The deferred capital gains liability is effectively reduced by 10% if the investment in the Opportunity Fund is held for 5 years and another 5% if held for 7 years.

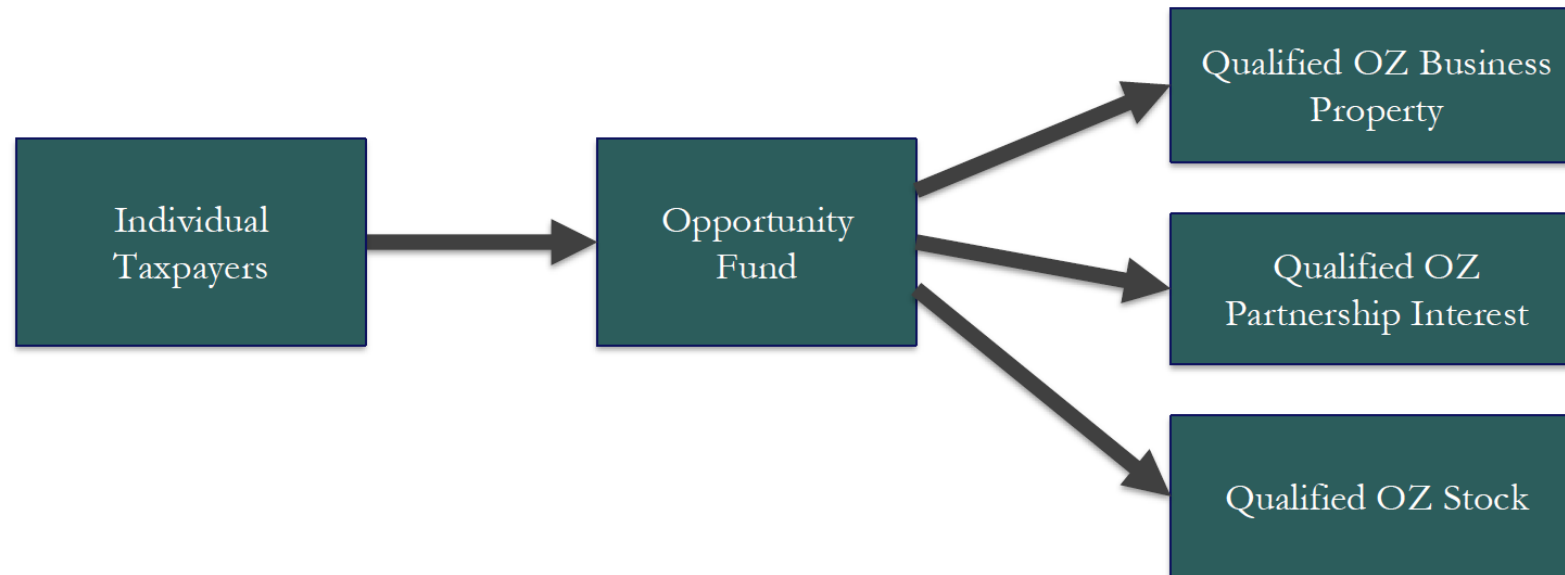


Permanent Exclusion

A **tax exemption**: Any capital gains on subsequent investments made through an Opportunity Fund accrue tax-free as long as the investor stays invested in the fund for at least 10 years.

Opportunity Zone Incentive

Mechanics of Opportunity Zone Investments



Opportunity Zone Incentive

Opportunity Zones In Practice

There are three major components to Opportunity Zones:



Investments:

Opportunity Funds make equity investments in businesses and business property in Opportunity Zones.



Funds:

Opportunity Funds are investment vehicles organized as corporations or partnerships for the specific purpose of investing in qualified Opportunity Zones.



Zones:

States and territories nominated 25% of their eligible low-income census tracts as Opportunity Zones. Treasury approved final map.

Opportunity Zone Incentive

Investment Impact of Opportunity Zones

The early movers are seeking to shape the future of Opportunity Zone investing, and with it the character of neighborhood and community development in the U.S. for at least the next decade.

-Dennis Pierce, ImpactAlpha, [“Early Movers are Getting a Jump on Opportunity Zones – and the Future of Community Investing”](#)

- Deferral of capital gains taxation affords Opportunity Zone investors larger investments upfront
- Basis step-up explicitly reduces deferred taxation of invested capital gains, rewarding long-term commitment to Opportunity Zone communities
- Capital gains tax on investment returns eliminated entirely for 10-year investors

IMPACT**ALPHA**
INVESTMENT NEWS FOR A SUSTAINABLE EDGE

Features | Themes | Community |

Inclusive Economy | July 18, 2018

Early movers are getting a jump on opportunity zones – and the future of community investing



Opportunity Zone Incentive

Opportunity Zone Investment: A Simplified Example (1)

December 2018



Investor: Buys 10 shares of technology stock at 100; sells at 200. Realizes capital gain of \$1,000. Two options: Pay federal income tax today, or invest in Opportunity Zone.



Opportunity Zone: Offers deferral of federal tax on realized capital gains, plus elimination of taxes on returns to OZ investments held for 10 years



Capital Gains Tax: Federal law provides for up to 23.8% tax on long-term capital gains. Many states levy additional capital gains taxes.

Opportunity Zone Incentive

Opportunity Zone Investment: A Simplified Example (2)

December 2018-December 2028



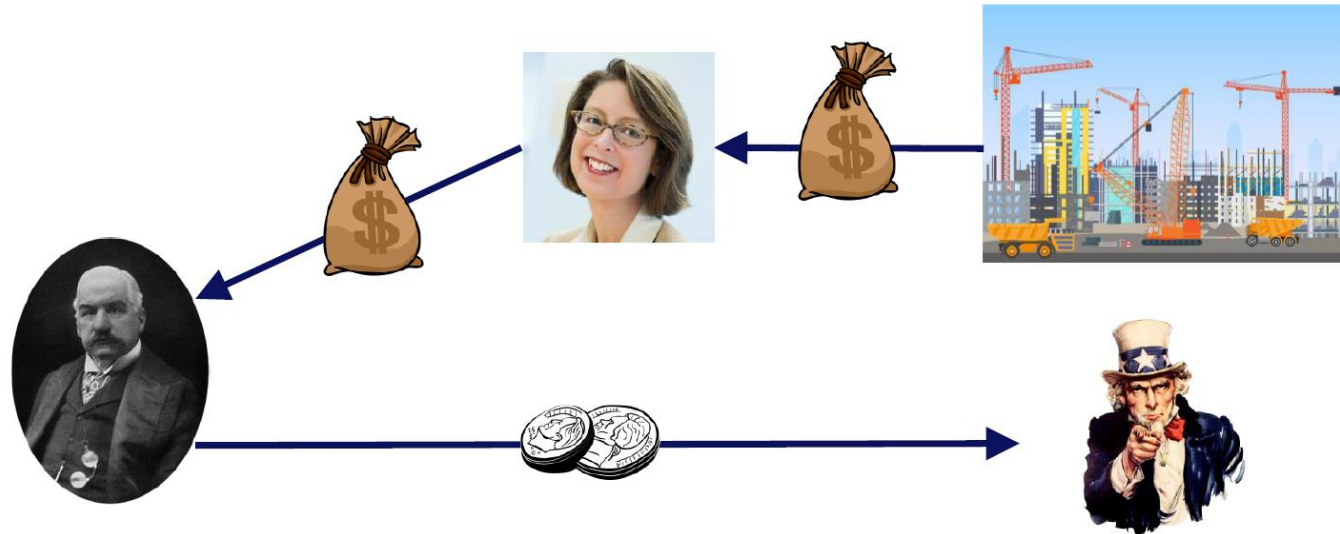
Investor: Contributes \$1,000 in realized capital gains, otherwise taxable, into a qualified Opportunity Fund.

Fund Manager: Pools contributed funds from multiple investors and invests in equity, real estate, and equipment in businesses and housing located in Opportunity Zones

Opportunity Zone Incentive

Opportunity Zone Investment: A Simplified Example (3)

December 2028



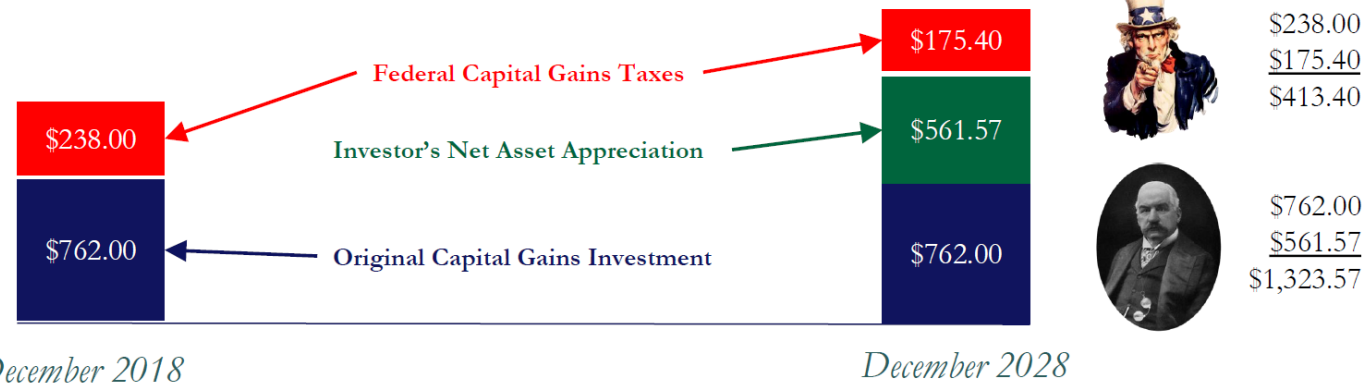
Investor: Has held Opportunity Fund investment for 10 years.

- Completely exempt from capital gains tax on appreciation of Opportunity Zone holding
- Entitled to 15% basis step-up on deferred capital gains tax of original investment; tax liability deferred until end of 2026

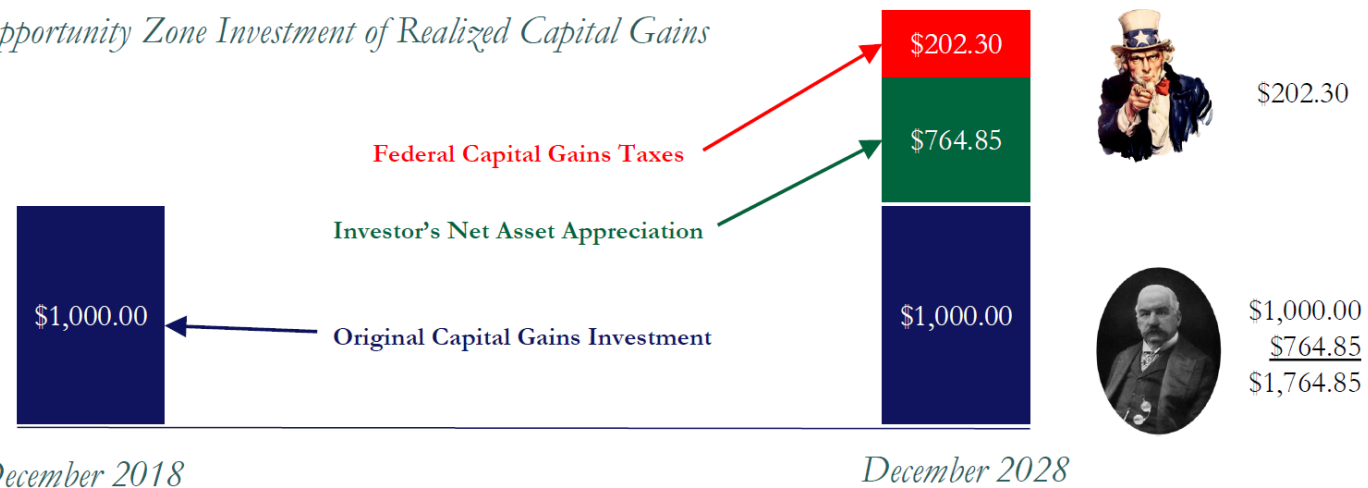
Opportunity Zone Incentive

Opportunity Zone Investment: A Simplified Example (4)

Non-Opportunity Zone Investment of Realized Capital Gains



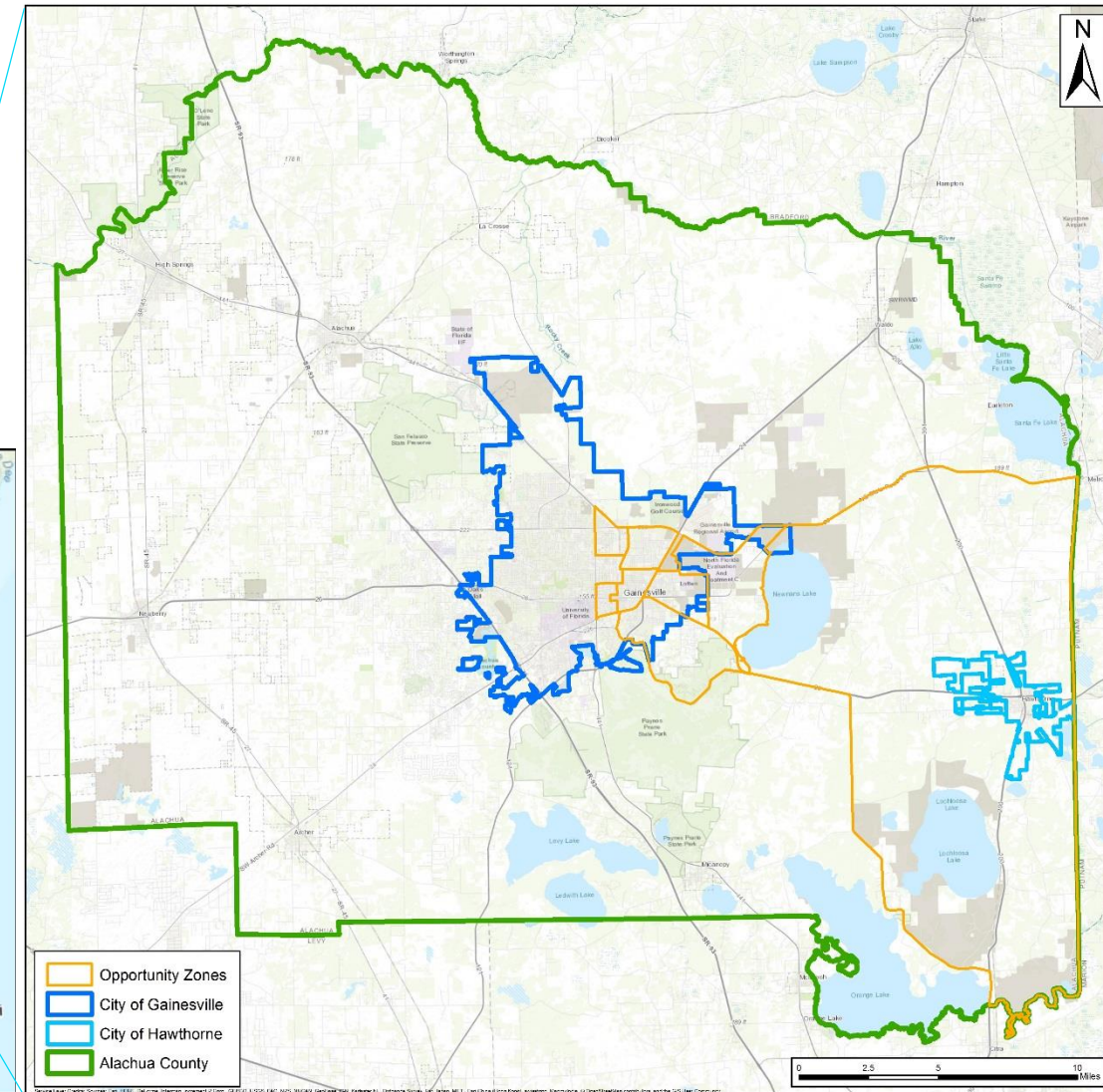
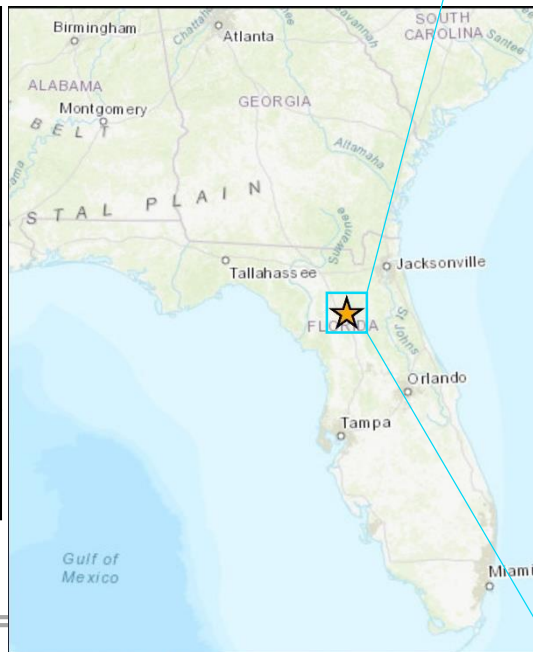
Opportunity Zone Investment of Realized Capital Gains



Overview of Opportunity Zones

- Eight Opportunity Zones
- Four completely contained in Gainesville's City Limits

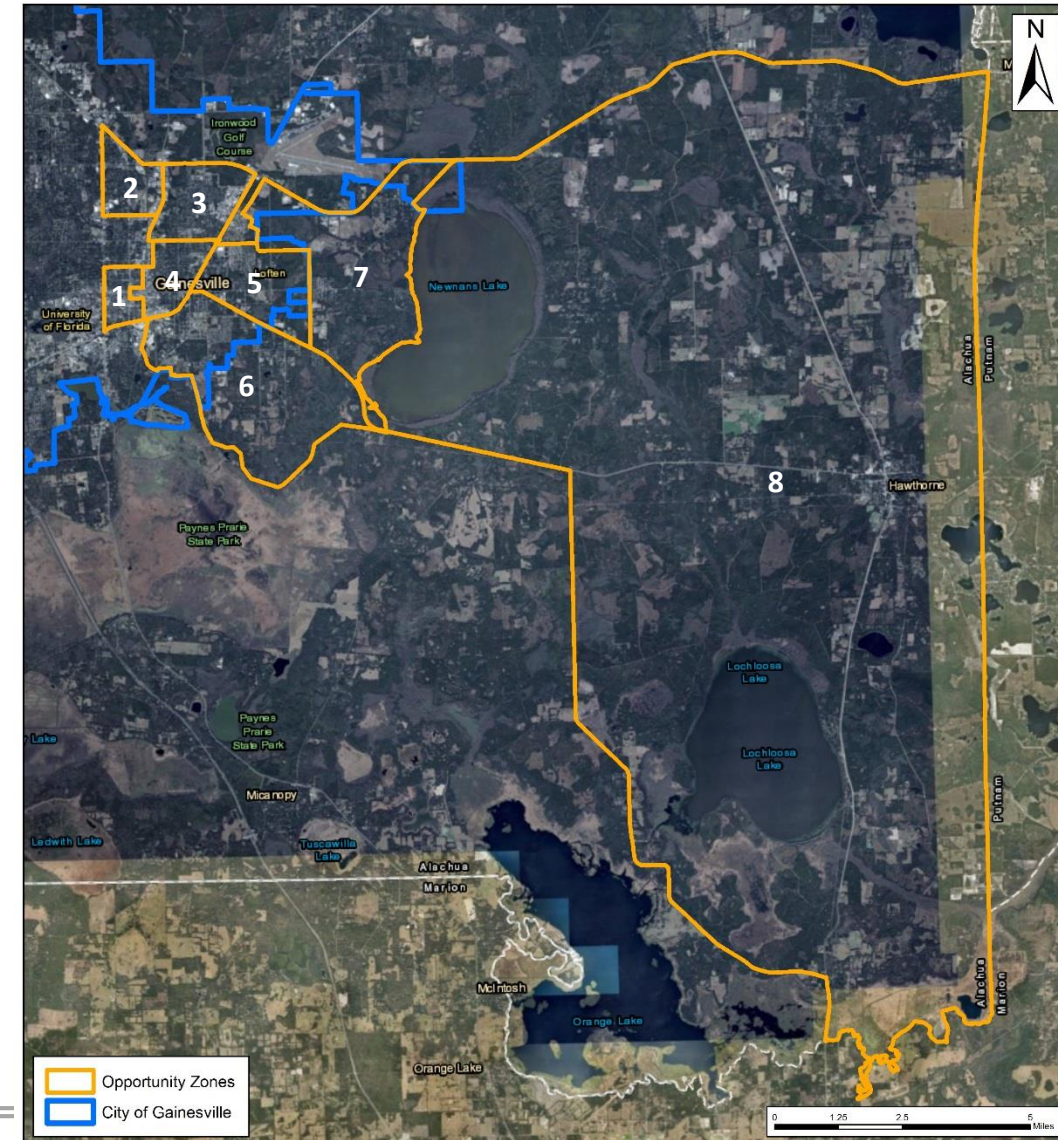
	2010 Population	2017 Population	Percent Change
Opportunity Zones	41,509	41,701	0.4%
Hawthorne	1,417	1,862	31.4%
Gainesville	124,354	129,394	4.1%
Alachua County	247,336	266,944	7.9%



Overview of Opportunity Zones

Opportunity Zones:

1. Historic & Modern Core District
2. Stephen Foster & NW 6th Street District
3. Northeast Gainesville District
4. Downtown District
5. Duval & East University Avenue District
6. Southeast Gainesville & Paynes Prairie District
7. Institutional District
8. Hawthorne-Lochloosa & Lakes District

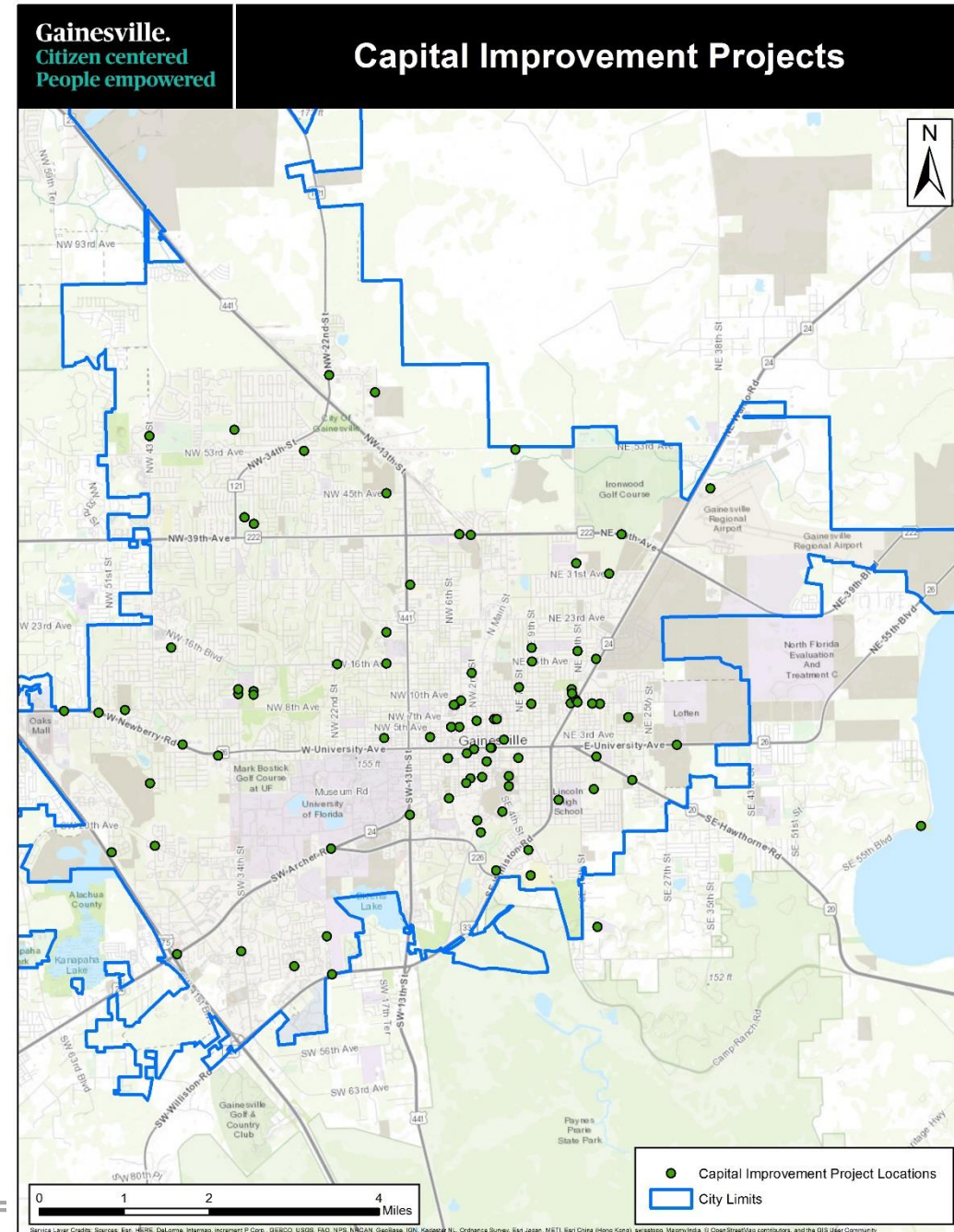


Socioeconomic Characteristics of Opportunity Zones

	Area (acres)	2017 Population	Black	Hispanic	Median Household Income	Population Below Poverty Line	Bachelors Degree or Higher	No College Education	Under 18	Over 65
Opportunity Zones	117,042	41,701	44.3%	6.2%	\$31,177	30.8%	24.9%	35.14%	18.6 %	11.3%
Hawthorne	595	1,862	47.7%	2.8%	\$37,500	29.0%	18.9%	58.3%	33.0%	12.0%
Gainesville	41,224	129,394	22.0%	10.7%	\$34,004	33.6%	43.1%	29.7%	12.5%	9.7%
Alachua County	620,160	266,944	20.6%	9.8%	\$45,478	21.2%	41.4%	30.0%	17.9%	13.6%

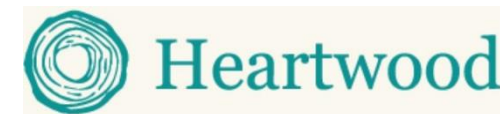
Capital Improvement Projects

Selected Projects	Selected Projects
City Tennis Court Resurfacing	Westside Pool PVC Liner
Senior Recreation Center	Technical Rescue Equipment
Forest Park Shade Installation	Fire Station Roof & Mechanical Systems - HVAC, Roofs, Plumbing, Mechanical, Electrical & Bay Concrete Aprons
Evergreen Cemetery Embankment Stabilization	Boulware Springs Watershed Management Plan
Evergreen Cemetery Office Remodel	Northeast Complex Building A
NW 31st Drive Reconstruction	Albert Ray Massey Westside Park Major Improvements
Duval Neighborhood Improvements	New Fuel Site
Emergency Medical Services Equipment Replacement - Suction & Charging Units, Narcotics Control Boxes	Land Management & Permitting Software
Community Services Office Layout Reconfigure	Public Works Office
Lexis-Nexis Software	Swift Water Gear & Response Boat for Tech Rescue
Woodland Park Improvements	Parking Garage Stair Tower Railings
SW 27th Street Reconstruction	Drug Task Force Site Building Rental
Various Multipurpose Field Lighting	Internal Affairs Site Building Rental
Renovate the Historic Thelma Bolton Center	Porters Model Block Housing

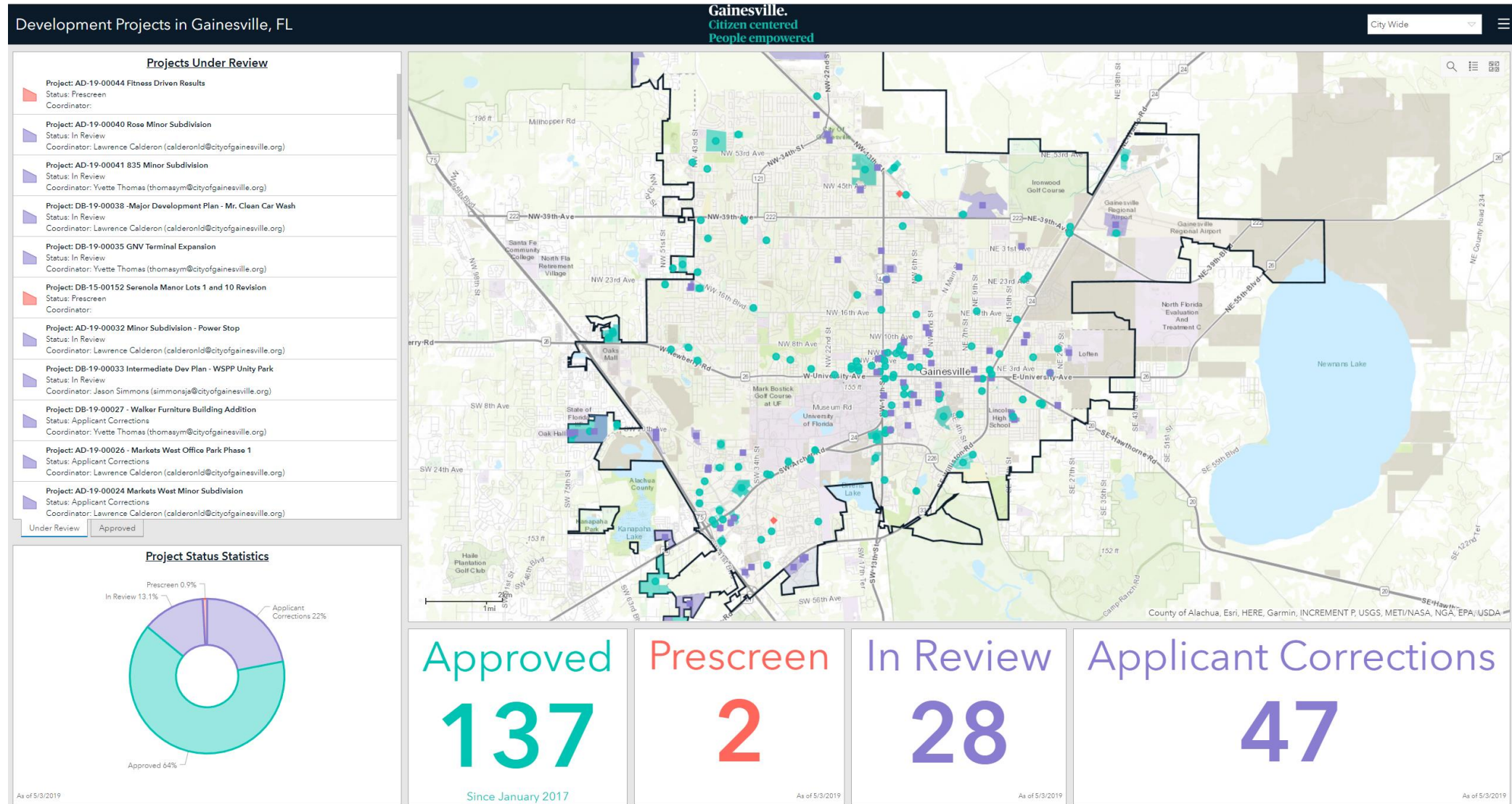


Major Development Projects In & Around Opportunity Zones

- **Innovation Square**
 - A 16-acre tech, science, and research oriented development transforming the live, work, play environment in the heart of Gainesville
- **Depot Park & Cade Museum**
 - Gainesville's "Central Park" and Museum for Creativity and Invention
- **Power District**
 - A 17-acre mixed-use redevelopment a few blocks south of downtown
- **Heartwood**
 - Mixed-income designed community with high quality housing, top level urban design, "green" features, and community connectedness
- **Gainesville Technology Entrepreneurship Center (GTEC)**
 - A business incubator located in southeast Gainesville
- **Santa Fe Blount Campus Expansion**
 - New three-story 86,311 sq ft academic building in downtown Gainesville
- **Cabot – Koppers Redevelopment**
 - Ongoing redevelopment of superfund site 2 miles north of downtown
- **Sweetwater Wetlands Park**
 - 125 acre man-made wetland habitat designed to improve water quality
- **Gainesville Regional Airport Improvements**
 - Expansion of terminal, parking expansion, and new routes
- **Hawthorne Industry Park**
 - 634-acre site ready for 3.5 million sq ft of industrial, manufacturing, and logistics development
- **Bo Diddley Plaza**
 - Enhancements to central plaza in downtown which hosts a variety of civic events



Other Development Projects in Gainesville

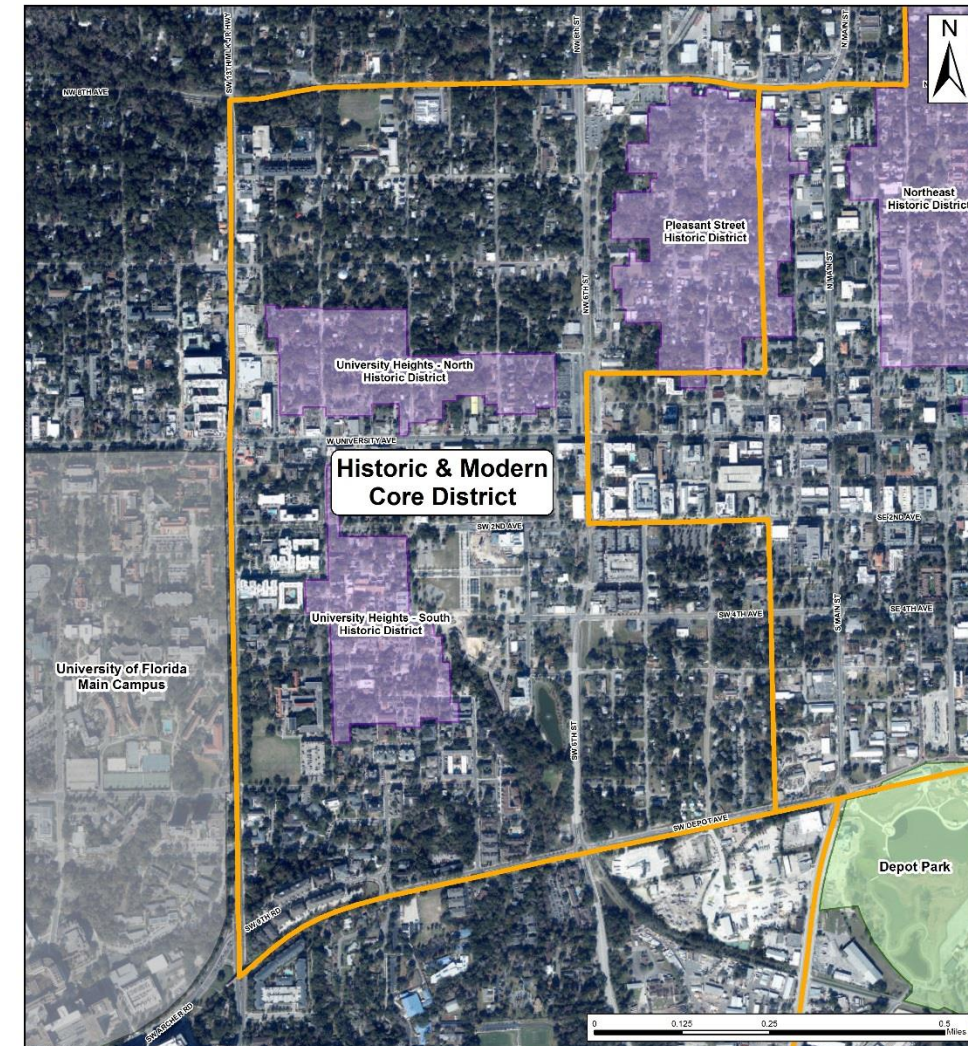


Historic & Modern Core District: Census Tract 2 (12001000200)

The Historic & Modern Core Opportunity Zone lies between the University of Florida and Downtown Gainesville. Three historic districts are contained in the zone and it overlaps with three community redevelopment areas. The zone contains entrepreneurial and tech sector business development as well as historic residential neighborhoods.

Area (acres)	2017 Population	Median Age	Median Household Income	% No College Education	% Population Below Poverty Line
515	6,834	24.5	7,362.33	35.14	60.21

Vacant Parcels	Area of Vacant Parcels (acres)	Mean Just Value of Parcels in Non-Res Zoning Districts	Mean Land Value of Parcels in Non-Res Zoning Districts
110	25.24	\$358,005	\$117,472



Historic & Modern Core District: Census Tract 2 (12001000200)

- Development opportunities in this zone are primarily redevelopment or infill in nature
- There are opportunities for entrepreneurial and technology related ventures in this zone, especially as Innovation Square continues building out
- Proximity to cultural attractions like the A Quinn Jones Museum, Depot Park, and the Hippodrome State Theatre
- The population in this zone represents an interesting mix of people, from college students who may only be in the area for a couple years to residents who have lived in the same area of the city for generations



Stephen Foster & NW 6th Street District: Census Tract 3.02 (12001000302)

The Stephen Foster & NW 6th Street Opportunity Zone is located approximately 2 miles north of Downtown Gainesville. The zone contains a Superfund site, Cabot – Koppers, currently being remediated and in the process of redevelopment. The zone has a mix of residential, commercial, and light industrial properties.

Area (acres)	2017 Population	Median Age	Median Household Income	% No College Education	% Population Below Poverty Line
943	2,374	35	37,976.66	41.06	23.35

Vacant Parcels	Area of Vacant Parcels (acres)	Mean Just Value of Parcels in Non-Res Zoning Districts	Mean Land Value of Parcels in Non-Res Zoning Districts
65	41.32	\$353,287	\$189,931



Stephen Foster & NW 6th Street District: Census Tract 3.02 (12001000302)

- Four major thoroughfares pass through this zone, each with a different character and commercial focus
- The Cabot – Koppers site is undergoing remediation and redevelopment and will likely become a destination in the community, attracting residents from around area
- The Stephen Foster area is an established single-family neighborhood
- Automobile dealerships have formed an economic cluster along North Main Street, which forms the eastern border of this zone
- This zone is adjacent to a prominent local business, Ward's Supermarket, which has been open and serving the community as a grocery and source of local produce for 65 years

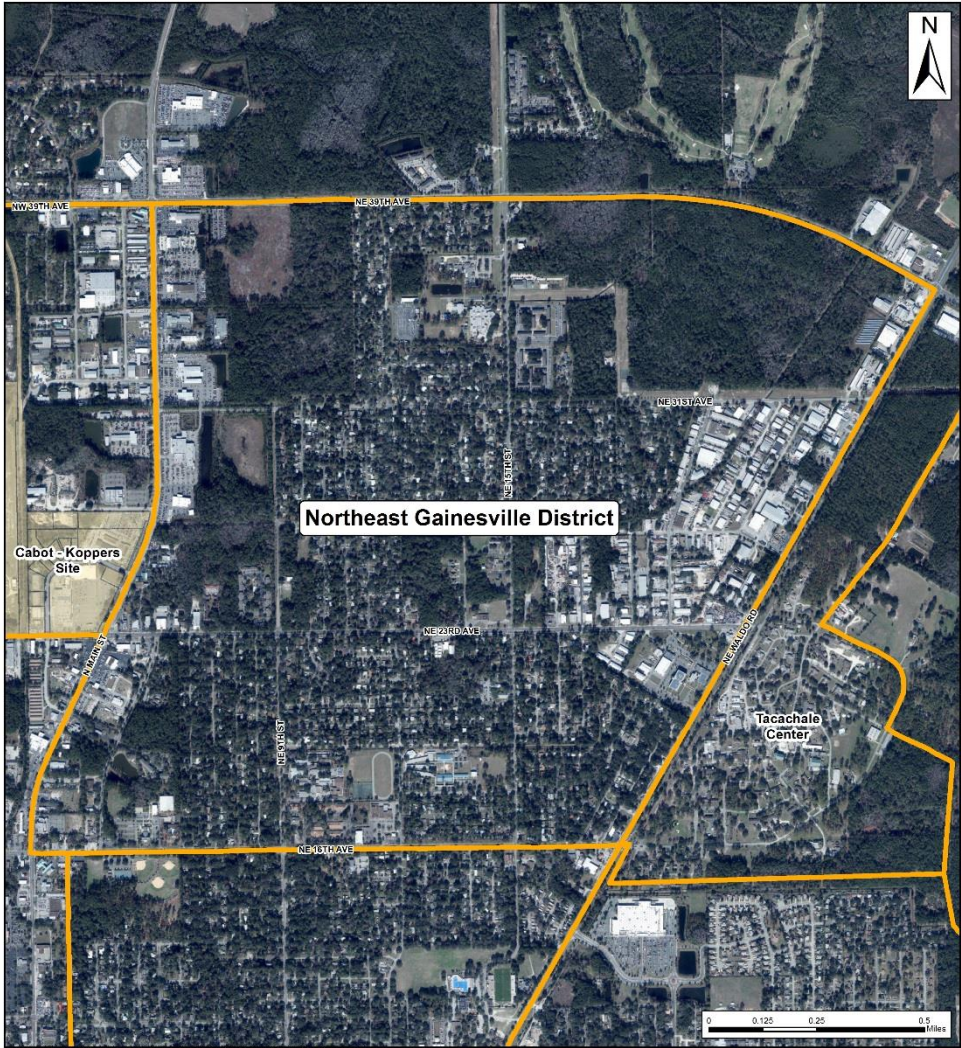


Northeast Gainesville District: Census Tract 4 (12001000400)

The Northeast Gainesville Opportunity Zone is located about 2 miles northeast of Downtown Gainesville. The zone contains a portion of a community redevelopment agency area and the University of Florida East Campus. The zone is primarily residential, but contains a cluster of automobile dealerships as well as some light industrial properties.

Area (acres)	2017 Population	Median Age	Median Household Income	% No College Education	% Population Below Poverty Line
1,493	5,996	33.25	34,424.75	46.81	28.04

Vacant Parcels	Area of Vacant Parcels (acres)	Mean Just Value of Parcels in Non-Res Zoning Districts	Mean Land Value of Parcels in Non-Res Zoning Districts
71	58.65	\$312,061	\$158,379



Northeast Gainesville District: Census Tract 4 (12001000400)

- The Northeast Opportunity Zone is bordered to the west by an automobile dealership economic cluster along North Main Street
- The University of Florida East Campus and Tacachale Center are two large employment centers in and near the zone
- A warehouse and light industrial district also contribute to the economic makeup of the zone
- The famous local business Satchel's Pizza is located here, drawing patrons from across the city to an area that was formerly passed over by many residents
- The zone has a close proximity to the Gainesville Regional Airport

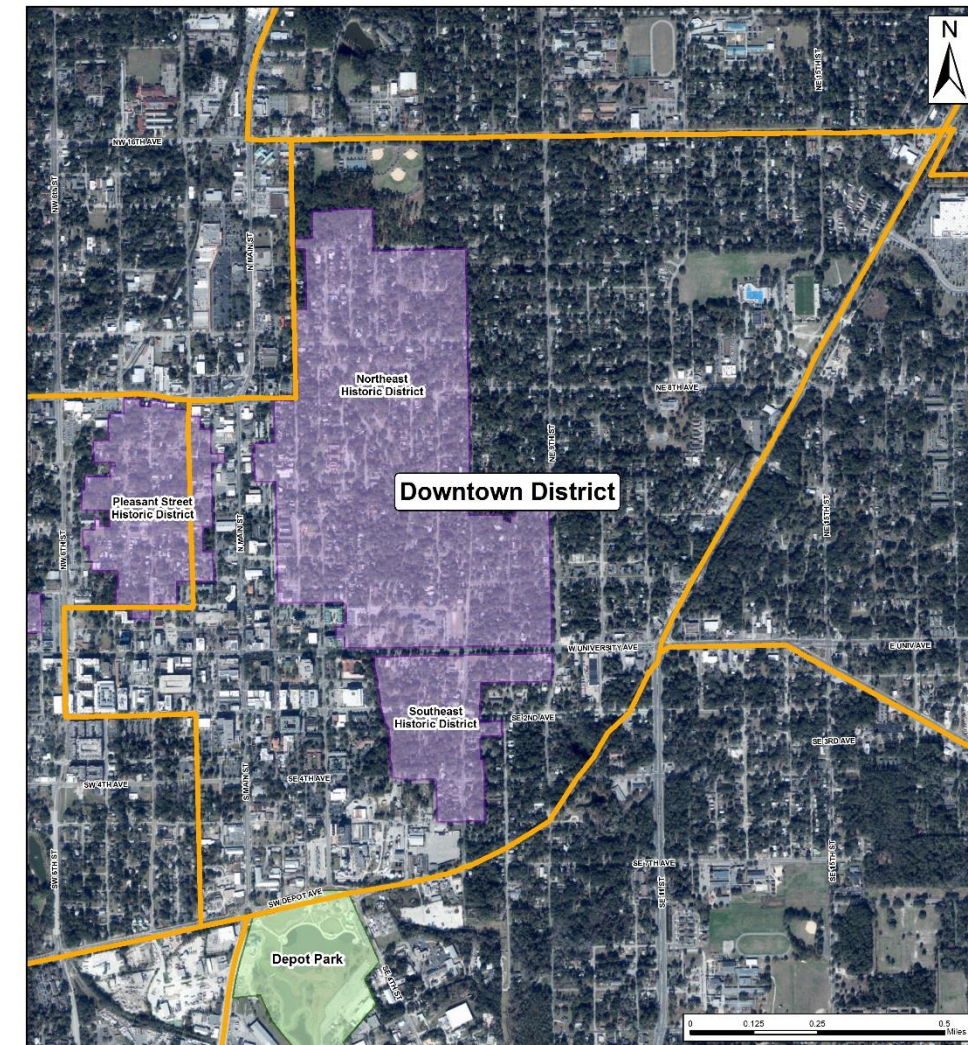


Downtown District: Census Tract 5 (12001000500)

The Downtown Opportunity Zone contains two historic districts and three community redevelopment districts overlap with the zone. Arts and entertainment centers, central business district, and residential neighborhoods are in the zone. Some institutional and light industrial sites are also located here.

Area (acres)	2017 Population	Median Age	Median Household Income	% No College Education	% Population Below Poverty Line
969	5,202	35.2	42,825.8	15.86	32.11

Vacant Parcels	Area of Vacant Parcels (acres)	Mean Just Value of Parcels in Non-Res Zoning Districts	Mean Land Value of Parcels in Non-Res Zoning Districts
17	13.44	\$414,885	\$117,421



Downtown District: Census Tract 5 (12001000500)

- The Downtown Opportunity Zone is in the heart of Gainesville, with a variety of businesses, restaurants, and local venues available to citizens
- Depot Park & the Cade Museum, completed in 2016, is a major attraction just south of the zone, drawing people from across the city to enjoy the outdoor amenities the park provides
- Bo Diddley Plaza, the Hippodrome State Theatre, Acrosstown Repertory Theatre, and Heartwood Soundstage are popular locations in the zone to enjoy live musical and theater performances
- Established single-family neighborhoods can also be found here like Northeast Neighbors and the historic Duckpond

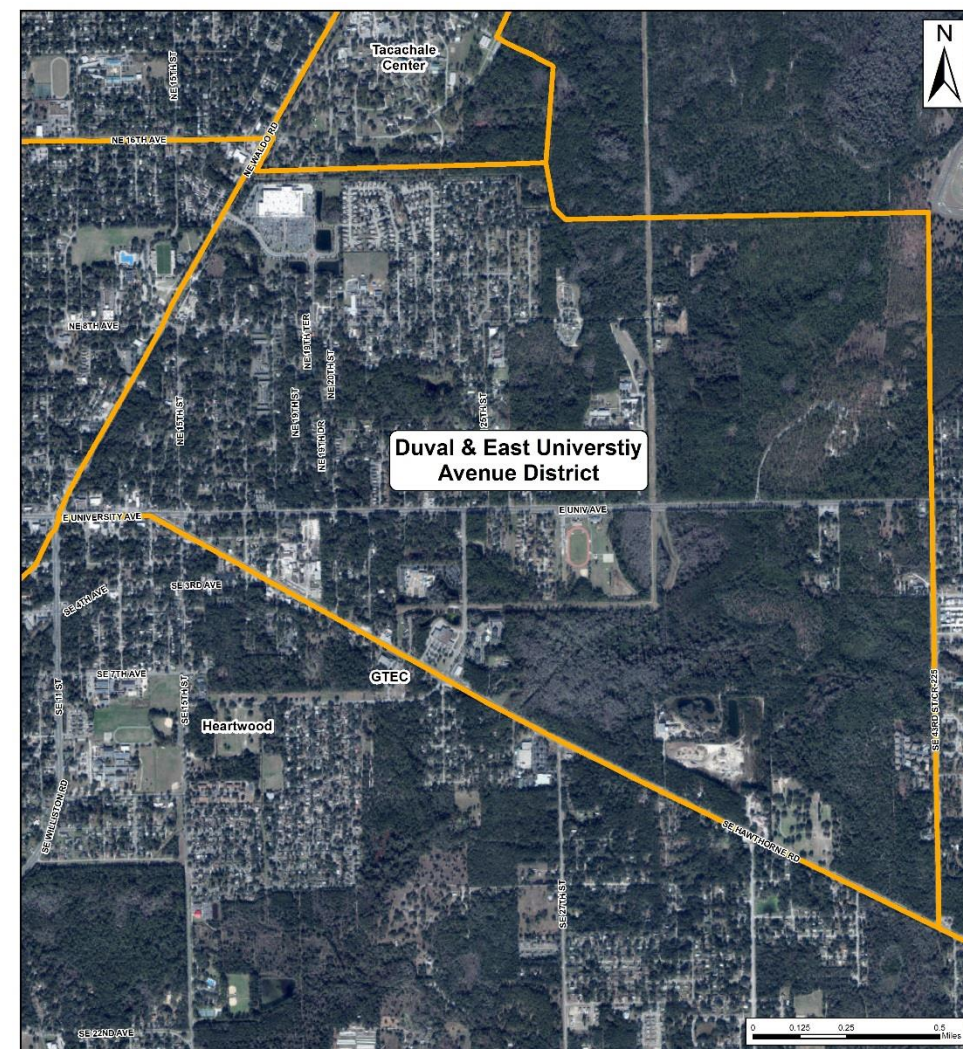


Duval & East University Avenue District: Census Tract 6 (12001000600)

The Duval & East University Avenue Opportunity Zone is largely in Gainesville, but the southeastern corner is outside of city limits. This is a transitional area from urban/suburban to rural. The zone contains one community redevelopment area. This zone largely contains residential areas and open space.

Area (acres)	2017 Population	Median Age	Median Household Income	% No College Education	% Population Below Poverty Line
1,923	4,689	27.67	32,781.66	51.91	32.76

Vacant Parcels	Area of Vacant Parcels (acres)	Mean Just Value of Parcels in Non-Res Zoning Districts	Mean Land Value of Parcels in Non-Res Zoning Districts
294	82.91	\$109,678	\$32,126



Duval & East University Avenue District: Census Tract 6 (12001000600)

- The Greater Duval neighborhood is the prominent residential area in this zone and is experiencing revitalization efforts as residents and the city government invest more time in the area
- Morningside Nature Center is a large natural area in the zone that offers hiking trails through a longleaf pine ecosystem and flatwoods environment as well as a living history farm to citizens seeking to experience historic Florida
- Large vacant parcels in the area offer opportunities for development on the eastern edge of Gainesville



Southeast Gainesville & Paynes Prairie District: Census Tract 7 (12001000700)

The Southeast Gainesville & Paynes Prairie Opportunity Zone is a transitional zone with about a third in city limits and two thirds in the county. The zone ranges from urban to rural. The zone overlaps with two community redevelopment areas. The zone has a small bit of industrial, but is largely made up of residential and open space.

Area (acres)	2017 Population	Median Age	Median Household Income	% No College Education	% Population Below Poverty Line
5,654	6,212	41.75	31,482.75	53.85	29.96

Vacant Parcels	Area of Vacant Parcels (acres)	Mean Just Value of Parcels in Non-Res Zoning Districts	Mean Land Value of Parcels in Non-Res Zoning Districts
292	300.76	\$101,583	\$27,393



Southeast Gainesville & Paynes Prairie District: Census Tract 7 (12001000700)

- Heartwood and Gainesville Technology Entrepreneurship Center are located in this zone, offering new, high-quality housing options and opportunities for residents to grow businesses with help and resources provided by Santa Fe College
- Numerous outdoor amenities are available in and around this zone including Depot Park, the Gainesville-Hawthorne multiuse trail, and Sweetwater Wetlands Park
- The zone is bordered to the south by Paynes Prairie State Park, offering a variety of natural amenities to the area
- The Power District redevelopment project is in progress in this zone and will be a major catalyst for additional development

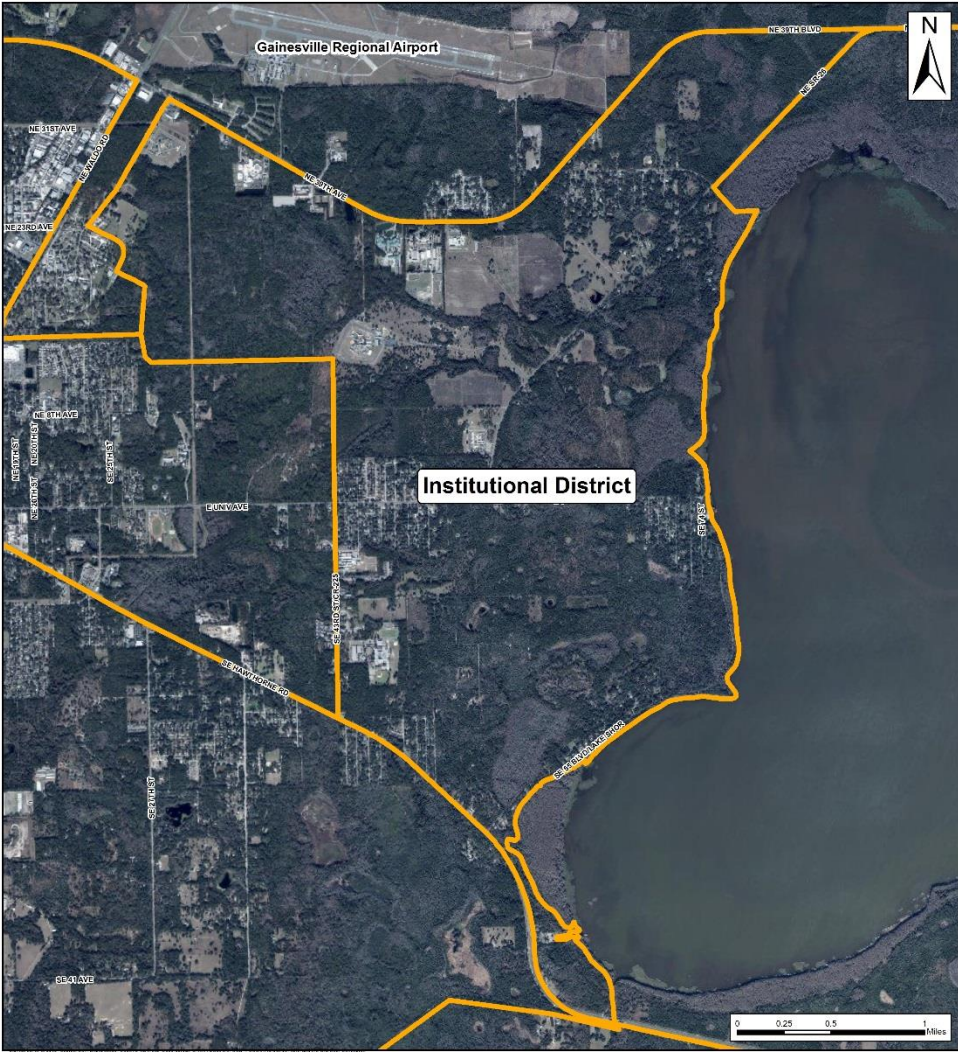


Institutional District: Census Tract 14 (12001001400)

The Institutional Opportunity Zone is east of Gainesville bordered to the west by Newnan’s Lake. The zone is mostly outside of city limits. This zone has residential areas, but largely contains multiple institutional properties.

Area (acres)	2017 Population	Median Age	Median Household Income	% No College Education	% Population Below Poverty Line
5,365	4,389	33	28,529.33	57.08	23.99

Vacant Parcels	Area of Vacant Parcels (acres)	Mean Just Value of Parcels in Non-Res Zoning Districts	Mean Land Value of Parcels in Non-Res Zoning Districts
34	36.6	\$49,468	\$28,126



Institutional District: Census Tract 14 (12001001400)

- Large institutional properties are found in this zone, including the Florida Department of Transportation Materials Research Center and Gainesville Operations Center, Alachua County Jail, and North Florida Evaluation and Treatment Center
- The zone is adjacent to the Gainesville Regional Airport, offering easy access to transportation and industrial activities at the Airport Industrial Park
- The eastern border of the zone is largely along the western shore of Newnans Lake, a popular location for fishing in the area

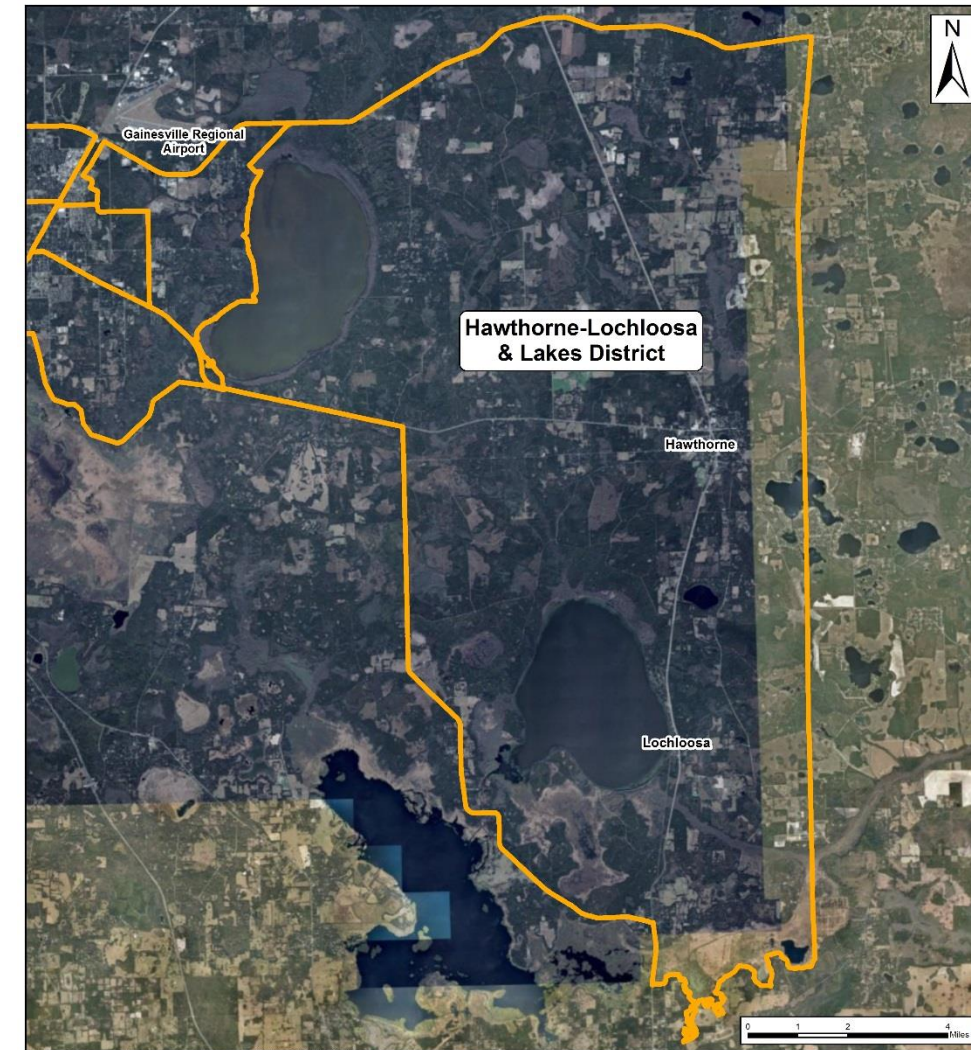


Hawthorne-Lochloosa & Lakes District: Census Tract 20 (12001002000)

The Hawthorne-Lochloosa & Lakes Opportunity Zone is located east of Gainesville in the southeastern quadrant of the county. This zone contains a few small settlements as well as the town of Hawthorne. The area is rural and has a variety of natural areas and lakes, but is still within a 30 minute drive of Downtown Gainesville.

Area (acres)	2017 Population	Median Age	Median Household Income	% No College Education	% Population Below Poverty Line
100,181	6,005	45.2	34,037.2	54.25	16.12

Vacant Parcels	Area of Vacant Parcels (acres)	Mean Just Value of Parcels in Non-Res Zoning Districts	Mean Land Value of Parcels in Non-Res Zoning Districts
169	321.03	\$112,273	\$58,749



Hawthorne-Lochloosa & Lakes District: Census Tract 20 (12001002000)

- This is the largest Opportunity Zone and comprises a large portion of the southeast quadrant of Alachua county
- There are multiple government owned natural areas offering opportunities for hiking, horseback riding, and hunting
- The City of Hawthorne is the most prominent developed area in this zone, offering a small-town setting 20 minutes east of Gainesville
- The rural character of this area is what draws many people to it, but the proximity to Gainesville offers opportunities for development, especially in the western portion of the zone



Contact us for Further Information on Taking Advantage of the Opportunities our Community Provides!

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