

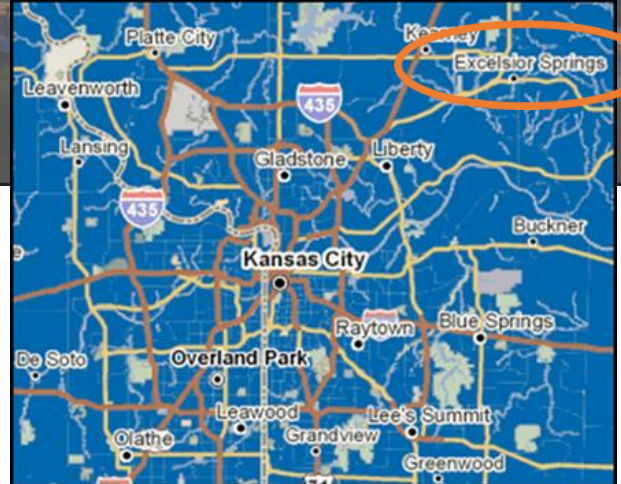
WELCOME TO EXCELSIOR SPRINGS, Missouri OPPORTUNITY ZONES

In 2018, Excelsior Springs, Missouri became one of the select few communities in the United States to receive not one but two federally designated Opportunity Zones. The City of Excelsior Springs has expanded its “Open for Business” attitude further to include land development, downtown re-development, multi-family and structured in-fill (land assemblage) housing, small business growth, and industrial expansion.

Established and named for its natural flowing springs with purported healing properties, Excelsior Springs has hosted Presidents, celebrities and everyday people who arrived for a respite from the ordinary. Today, Excelsior Springs is a vibrantly flowing community whose leadership is focused on creating an exceptional quality of life for its citizenry and sustainable, long-lasting economic growth.

The Excelsior Springs Opportunity Zones are two census tracts covering the majority of Excelsior Springs proper located in Clay County. (US Census Tract 217.01 and 217.02).

The City of Excelsior Springs works openly to encourage business growth and individual economic vitality. Developers and Business investors have the potential to leverage Opportunity Zones to help their return on investment and support the community’s sustainable quality of life.



WHAT IS AN OPPORTUNITY ZONE?

An Opportunity Zone is an economically distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service.

Opportunity Zones are designed to spur economic development by providing tax benefits to investors. The vehicle investors utilize to do so is called a Qualified Opportunity Fund. Taxpayers may defer tax on eligible capital gains by making an appropriate investment in a Qualified Opportunity Fund and meeting other requirements. The incentives are specific to the tax treatment of capital gains and are tied to the length of time the investment is held within the qualified Opportunity Fund.

*Source: <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>

WHAT IS THE POTENTIAL BENEFIT OF INVESTING IN EXCELSIOR SPRINGS OPPORTUNITY ZONES?

According to the Rockefeller Foundation, the Opportunity Zones program is designed to incentivize capital investments in low-income communities.

Opportunity Funds are the investment vehicle which can finance commercial and industrial real estate, housing, infrastructure, and current or start-up businesses located in the Opportunity Zones.

The Opportunity Zones program offers **THREE TAX INCENTIVES*** for investing in low-income communities through a qualified Opportunity Fund.

Temporary Deferral

A temporary deferral of inclusion in taxable income for capital gains reinvested into an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is disposed of or December 31, 2026.

Step-Up in Basis

A step-up in basis for capital gains reinvested in an Opportunity Fund. Max exclusion up to 15%. The basis is increased by 10% if the investment is held by the taxpayer for at least 5 years and by an additional 5% if held in the Opportunity Fund for at least 7 years.

Permanent Exclusion

A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.

*Incentive Benefit Information Source: Economic Innovation Group

WHAT IS THE CITY'S ROLE IN QUALIFYING AN INVESTMENT WITHIN THE DESIGNATED ZONE?

For the qualified Opportunity Fund and investor, reporting is self-directed. The benefit is tied specifically to IRS Rulings at the federal level. However, as with any development or substantial improvement within the City Limits, City Zoning and Code Enforcement do apply. Other state and federal program benefits may also apply. The City's leadership is ensuring its proactive role in educating about the Opportunity Zones benefit to:

- Local citizens to the direct and indirect benefits of continuing to invest in their community
- Aligned outside interests on the advantage [Excelsior Springs Opportunity Zones](#) provide for their return on investment
- Qualified real estate and business opportunity zone investments.

Contact the City of Excelsior Springs to learn more about the benefits, opportunities and parameters for building and re-development.

City of Excelsior Springs

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DISCLAIMER: The information contained herein is for educational purposes, to be utilized at the Discretion of the owner of information (City of Excelsior Springs, MO) for the express purposes of educating the public about federally designated Opportunity Zones and to provide examples of potential opportunities existing within the locally designated Excelsior Springs Opportunity Zones. This document is not intended to represent a solicitation of investment, nor is it an endorsement of a particular property or program. Any content contained herein is intended as strictly informational and should not be construed as an interpretation of IRSCode Rulings, endorsement of policy, or qualifier for investment. The Opportunity Zones program is governed by the IRS final regulatory rulings. As always, when considering Opportunity Zone or any other incentive program please consult the proper legal advisors and accounting vendors for advice regarding your individual or organizational requirements.