

Opportunity Investment Consortium of Indiana

Overview as of October 22nd, 2018

Goal: To drive long-term private capital investment in low-income communities across Indiana

Purpose: To champion the transformation of Opportunity Zone neighborhoods into vibrant places for residents and businesses. This will be accomplished through the creation of an online deal portal and investor consortium to support connectivity and rapid deal advancement.

Opportunity Zone Initiative Overview:

- The Opportunity Zones were recently launched as a bi-partisan effort of the White House
- The goal is to encourage long-term private capital investment in low-income urban and rural communities
- The program offers long-term tax deferral on capital gains for investors investing in Opportunity Zones throughout the United States and additional tax exclusion from new capital gains achieved from those Opportunity Zone investments.
- Opportunity Funds are an equity investment tool. Investments and funds will own full assets or a shared ownership position in real estate and operating businesses located in the zones.
- Deals in low income areas are not easily packaged nor immediately poised for equity infusions. Fund managers will be challenged by deploying equity capital and managing the risk of loss for investors.
- Greater needs exist around technical support, access to information, partner connectivity and early-stage assistance for deals in low income areas. These deals frequently need predevelopment funding, credit enhancement, brownfield hurdle clearing and other land acquisition or workforce assistance to truly land successfully at the finish line.

The Response: Form a hub for Indiana to propel deals to actualization more effectively through capacity building, technical assistance, information connectivity and ultimate investment matching

Incentive for the Consortium's Existence: Pool knowledge and assets in an effort to save costs and critical time to strategically build pipeline across all stages of a deal, then actively help broker investment pairing as OZ funds begin to flow

Incentive for Consortium Members: Access to immediate updates and clarifications from Washington DC; First look at deal pipeline; Shared risk; Cost savings

Outcomes: Transform places, support businesses and jobs and drive system innovation through smart collaboration and deployment

Timeline for Pilot: 2018 and 2019 / Two Year Commitment

- By launching now, impactful deals can be prepped and coordinated sooner with better information, as deals advance through various stages of their development timeline

- When hard OZ investments begin, projects are then able to immediately shop/pair with the appropriate investment vehicle at best price and terms for the project, ultimately saving costs and minimizing the steep learning curve for low income communities

Leadership and Management

- Advisory leadership group forming to guide effort and advance the best practice/lessons learned resulting from this initial two-year pilot
- Backbone entities then support the overall effort, working together to identify investable deals, nurture pipeline technical assistance and staff the consortium tables and committees
- Backbone commitments have been made to date from: Local Initiatives Support Corporation (LISC), Cinnaire, Indy Chamber and the State of Indiana

Member Partnership Opportunities:

- **Investor Members:** \$500 annually/\$250 for individuals
- **Training and Resource Partners:** Serve as a conduit to online portal; Work to jointly host and cross post ongoing informational workshops and provide technical assistance to potential investors, developers, local governments, neighborhoods, and nonprofits to build capacity and increase knowledge about this new federal incentive (In-kind)
- **Advisory Leadership Group, Backbone Entities and Government Partners:** Collectively provide coordinated assistance to help build pipeline by assisting deals as they clear milestones and ultimately prepare them for Opportunity Zone investment infusions (In-kind)
- **Professional Services Members:** This category comprises specialized firms that provide legal, accounting, deal structuring or other consultancy services. Partners agree to market the portal, help to provide/host trainings and receive logo on the website (\$250 annually)

For engagement or inquiries please begin by contacting:

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