



# M A R Y L A N D OPPORTUNITY ZONES

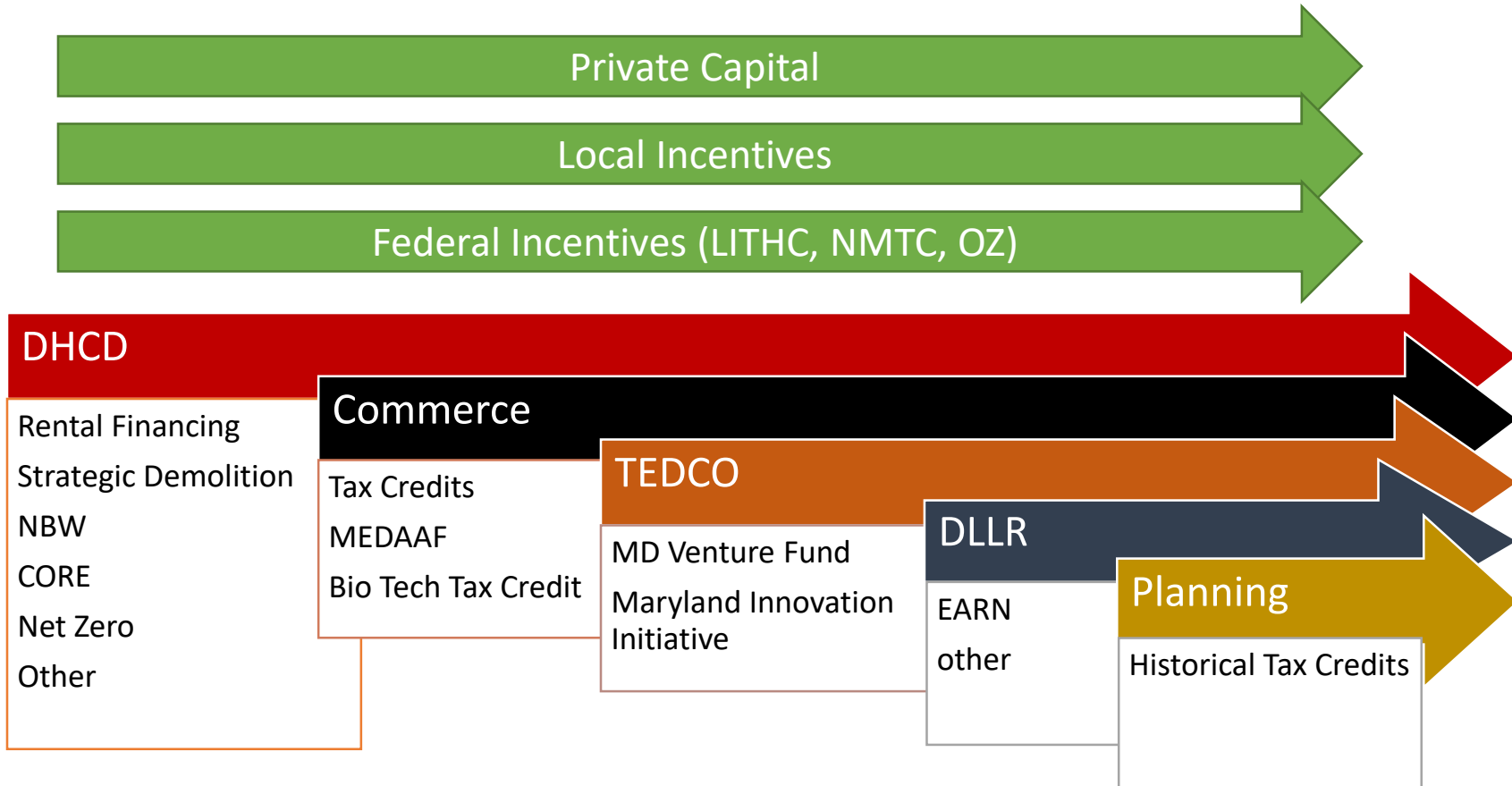


## **Economic Development Focus**

**Catalytic Capital from Public Organizations:  
Capital and Operating Loans and Grants in QOZs**

### **Goal:**

**Improve Investment Climate to Spur  
Private Equity Investment  
Leveraging Sustainable Debt Financing**



Project

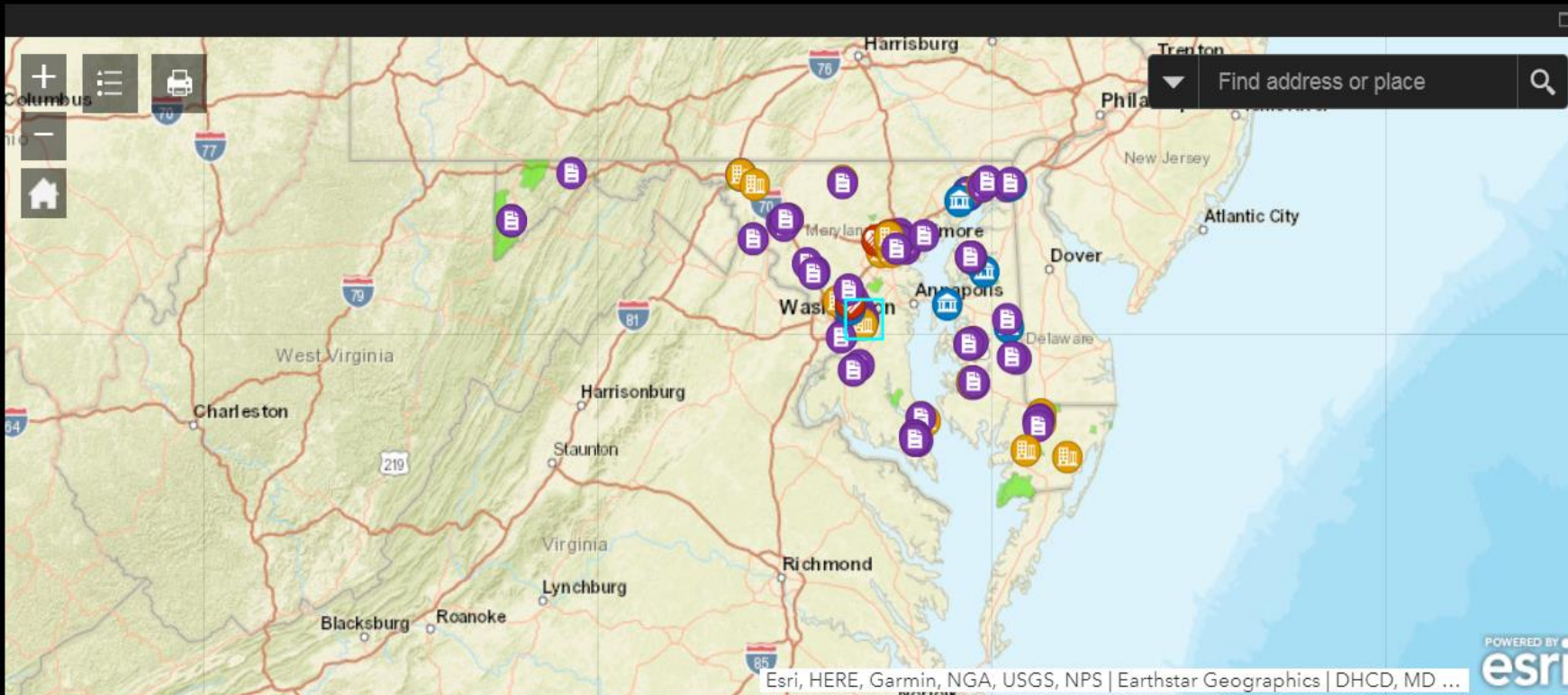


Hi-tech business

DHCD's multiple funding programs can make a concentrated impact in OZs when combined with other State agencies and the private marketplace.

# Opportunity Zones – Information Exchange

- A virtual meet up for investors, fund managers, property developers, new or expanding businesses, and local stakeholders
- A bulletin board tracking OZ news and investment activity
- A project / business locator for interested investors
- A search tool for financial incentives based on address and/or area



Esri, HERE, Garmin, NGA, USGS, NPS | Earthstar Geographics | DHCD, MD ...



### Opportunity Zone

Listing type is

- empty -

Listing Industry is

- empty -

Listing Jurisdiction is

- empty -

### Listing Description

(1 of 16)

Clear

## Largo Senior Living - (Project)

### Contact Info:

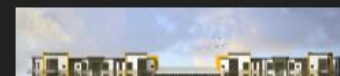
Sally Ludwig  
sludwig@naimichael.com  
[Website](#)

### Listing Financials:

Project Size: \$100,000,000  
Debt Opportunity: \$65,000,000  
Equity Investment Opportunity: \$35,000,000

### Description:

*Shovel ready development site for 3 Senior Living buildings*



### Info. Summary



Listings

180

- Business - emocha Mobile Health - Baltimore City
- Business - Tissue Analytics - Baltimore City
- Business - Clene Nanomedicine, Inc. - Cecil
- Business - Next in Line - Baltimore City
- Business - Grey Ops - Calvert
- Business - Analytical Informatics, Inc. - Baltimore City



# M A R Y L A N D OPPORTUNITY ZONES



## **Case Study 1: Strategic Demolition Fund - Creating Opportunities for Renewal and Enterprise, C.O.R.E.**

**Baltimore City: 42 out of 149 QOZs State-wide**

**\$75 Million of State Funds → \$49 million in Baltimore City Funds**

**Outcomes:**

**\$187 million in Private Capital**

**Target Scope: 4024 Units of Blight, 50% in QOZ**

**Catalytic Effect on Redevelopment, Right-sizing of Housing Stock**



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## Case Study 2: Neighborhood Business Works Program

**Unsecured Loan to Start-up Biotech Company in QOZ**

**\$500,000, 15 Years at 8%, Deferred with Built-in Stock Warrant**

**\$100 Million of Private Equity Funds → 100+ Patents, R&D**

### **Outcomes:**

**Pharmaceutical Manufacturing Operation, Scaled Up**

**Local Educational Institution Workforce Training**

**FDA Phase 2 Multiple Indications: MS, ALS, etc**



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## Case Study 3: Rental Housing Works Program/HOME

**\$3,000,000, 40 Year Second Lien Loans Surplus Cash Flow**

**\$10.5 Million of Tax Exempt Bonds → \$6.8 million 4% LIHTC Equity,**

**\$4.3 Million HTC Equity,**

**\$0.8 Million QOZ Equity, 1% Member (4% preferred return after  
developer fee + 65% of LIHTC exit proceeds)**

### **Outcomes:**

**Historic Reuse of Paint Brush Factory into 83 Affordable Rental Units**

**Est. \$1.9 Million in Payments to QOZ Investor Over 15 Years**

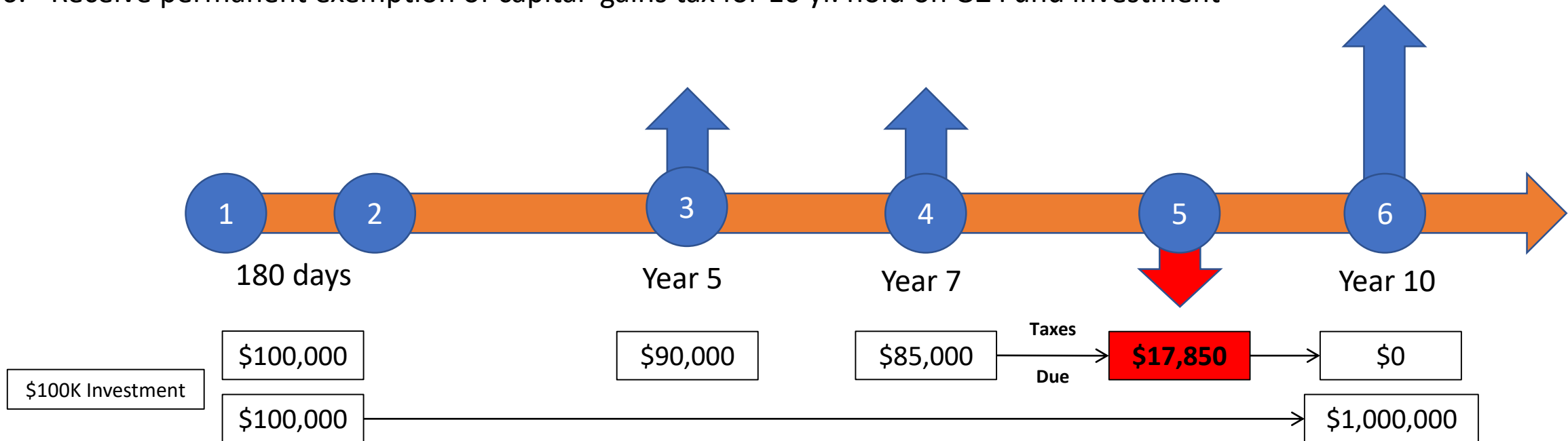
**(8% post-tax IRR)**



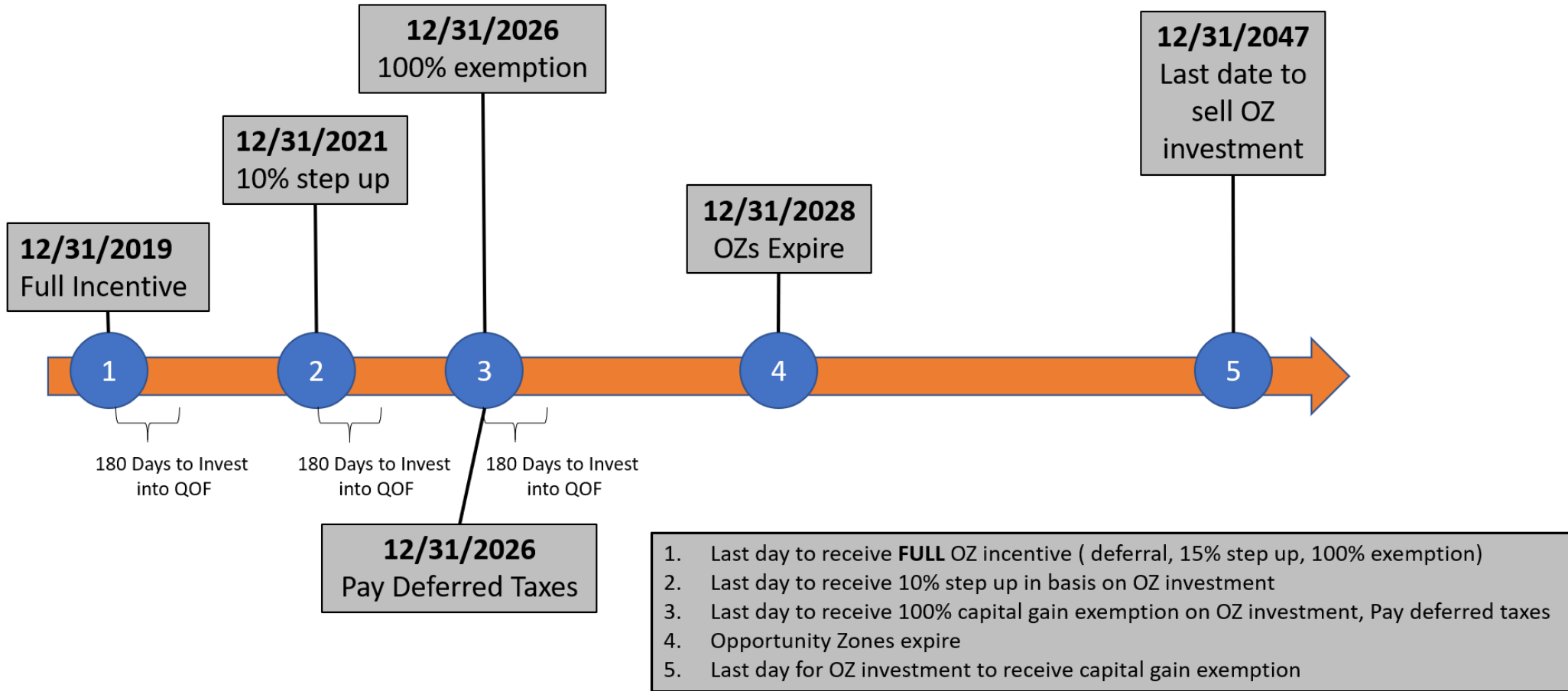


# Opportunity Zones Fundamentals

1. Realize gain from any capital gain triggering event
2. Invest in OZ Fund within 180 days
3. Receive 10% step up basis for 5 yr. hold of OZ Fund investment
4. Receive additional 5% step up basis for 7 yr. hold of OZ Fund investment
5. Pay deferred capital gain taxes due for Step 1(85% of original ) by 12/31/2026
6. Receive permanent exemption of capital gains tax for 10 yr. hold on OZ Fund investment



# OZ Incentive Timeline





# M A R Y L A N D OPPORTUNITY ZONES



## **Contact:**

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