



The federal Opportunity Zone (OZ) program has become an impactful incentive for equity capital investment in low-income and distressed communities. It offers significant capital gains tax exemptions for taxpayers who invest in projects and businesses in low-income areas, allowing investors to delay, reduce and potentially eliminate capital gains taxes on Qualified Opportunity Zone (QOZ) investments.

Duane Morris oversees all types of tax-driven real estate investments, including structuring OZ investments and matching them with historic rehabilitation tax credits and federal and state low-income housing tax credits (NMTC and LIHTC). Our lawyers helped guide the early phases of this emerging investment class. We know how to help clients analyze and implement the OZ program. Our cross-practice team of corporate, real estate, finance, tax, private equity, family office, investment management and renewable energy lawyers collaborate to advise and provide full-service guidance to clients. We have closed more than 45 transactions to date representing developers, owners and investors.

WHO SHOULD CONSIDER OZ INVESTMENT OPPORTUNITIES?

- ▶ PRIVATE EQUITY AND VENTURE CAPITAL FUND/SPONSORS
- ▶ FAMILY OFFICES
- ▶ INSTITUTIONAL AND PRIVATE INVESTORS, BOTH DOMESTIC AND INTERNATIONAL
- ▶ NONPROFITS AND BUSINESSES WITH UNDERSERVED COMMUNITY INITIATIVES
- ▶ AFFORDABLE HOUSING, INDUSTRIAL, SENIOR HOUSING, GROCERY-ANCHORED RETAIL AND MEDICAL OFFICE BUILDINGS (MOBs)
- ▶ UNIVERSITIES AND HOSPITALS
- ▶ BANKS
- ▶ REAL ESTATE OWNERS, OPERATORS AND DEVELOPERS



RANGE OF SERVICES

- ▶ TAX GUIDANCE
- ▶ FUND/BUSINESS FORMATION
- ▶ INVESTMENT ADVICE
- ▶ REGULATORY COMPLIANCE
- ▶ CAPITAL MARKETS TRANSACTIONS
- ▶ SECURITIES COMPLIANCE

REPRESENTATIVE MATTERS

- ▶ Representing **TOWER AT HALSEY** and **WILLIAM URBAN RENEWAL COMPANY LLC**, developers of 250 units of market rate and affordable housing in Newark, New Jersey, serving as deal counsel, creating an OZ fund, and managing \$175 million in ongoing financing, leasing, design and development.
- ▶ Represented **2120 EAST YORK LLC**, the borrower/developer of 54 units of market rate housing in Philadelphia, in a transactional joint venture to create three separate, QOZ funds, which in turn invested in a Qualified Opportunity Zone Business (QOZB) where a lender to the transaction, PNC Bank, also invested equity in the QOZB.
- ▶ Representing **PHL NEXT STAGE MED** and **REPUBLIC FAMILY OF PROPERTIES** in financing and equity fund raising in connection with the ground lease of a parcel of land from SEPTA and the design and building of a 125,000 square foot office and wet lab production facility for bio-technically engineered materials located in an OZ.
- ▶ Represented an OZ investor group in forming a Qualified Opportunity Fund and in deployment of their funds in a QOZB, which will develop, own and operate a 406-unit, market rate, multifamily housing development in Alabama; the \$66 million development cost includes debt and OZ equity.
- ▶ Represented family office client in creation of an opportunity zone fund in furtherance of building a **\$190 MILLION** school.
- ▶ Counseling a Pennsylvania developer on forming an Opportunity Fund (OF) to be deployed for existing and new assisted living properties in Mississippi.
- ▶ Represented one of the nation's preeminent owners, operators and managers of shopping centers in the creation of its first OF and in the investment of **\$40 MILLION** into the fund to develop a **\$120 MILLION** school and multi-family property in Miami, Florida.
- ▶ Represented **LOVETT COMMERCIAL**, a Houston-based commercial real estate developer, in financing a \$150 million historic renovation of the former Houston Post Office Building, including a \$40 million OF investment.
- ▶ Represented an OF in formation and private placement offering in connection with developing a 127-unit apartment complex in Vancouver, Washington.

THOUGHT LEADERS

Duane Morris attorneys host events and speak at industry seminars on the OZ program. In 2020, Duane Morris is hosting monthly webinars to discuss the impact of the OZ program on investments and real estate, lessons learned, and strategies and solutions going forward.

Recent Webinars

- ▶ Lessons Learned from GPs and LPs
- ▶ Where Are the Deals and Why Have You Deployed Capital?
- ▶ Opportunity Zones and Social Impact Investing - Myth or Reality?
- ▶ How Deals Are Going - Lending and Construction Loans in the COVID-19 Era
- ▶ Closed Deals and Deals in Process

Our attorneys also regularly publish articles and updates informing clients on developments in this space and are quoted in publications. Highlights include:

Bylined Articles

- ▶ "Top 10 Opportunity Zone Clarification/Expansions of Final Regulations," *Mid Atlantic Real Estate Journal*
- ▶ "Opportunity Zones Heat Up in South Florida," *Commercial Property Executive*
- ▶ "Seeking to Capitalize on the Opportunity Zone Program? Move Quickly to Take Full Advantage," *Miami Herald*

Duane Morris Alerts

- ▶ "OZ Update - New Treasury Clarifications; IRS Extended Filing Deadlines and All 50 States Declared Disaster Areas"
- ▶ "Opportunity Knocks - Treasury Releases Second Set of Opportunity Zone Regulations"
- ▶ "Treasury Department Issues Much-Anticipated Opportunity Zone Regulations"
- ▶ "18 U.S. States and Territories Obtain Opportunity Zone Designations"

Media Coverage

- ▶ "QOZ Regs' Flexibility On 'Improvement' Could Attract Projects," *Law360*
- ▶ "Rethinking the Benefits of Opportunity Zone Investment," *South Florida Business & Wealth*
- ▶ "Market Remains Split On Opportunity Zones As First Major Deadline Approaches," *Bisnow*
- ▶ "New Federal Tax Program for Depressed Neighborhoods Stirs Hopes and Concerns," *City Limits*
- ▶ "State Touts Opportunity Zones to Investors," *Delaware State News*

ACCOLADES

Brad Molotsky's OZ work has garnered recognition, including as a:

- ▶ "Top 25 Opportunity Zone Influencer" by *Opportunity Zone Magazine*
- ▶ "Real Estate / Construction Law Trailblazer" by *National Law Journal*

OFFICE LOCATIONS & REACH



UNITED STATES

Atlanta Los Angeles
Austin Miami
Baltimore New York
Boca Raton Newark
Boston Philadelphia
Cherry Hill Pittsburgh
Chicago San Diego
Dallas San Francisco
Fort Worth Silicon Valley
Houston Washington, D.C.
Lake Tahoe Wilmington
Las Vegas

INTERNATIONAL

Hanoi Myanmar
Ho Chi Minh City Shanghai
London Singapore

- > Also satellite offices, including Bangor and Portland, Maine; and Seattle, Washington
- > Alliances in Mexico
- > Leadership position with international network of independent law firms

FOR MORE INFORMATION, PLEASE CONTACT:

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