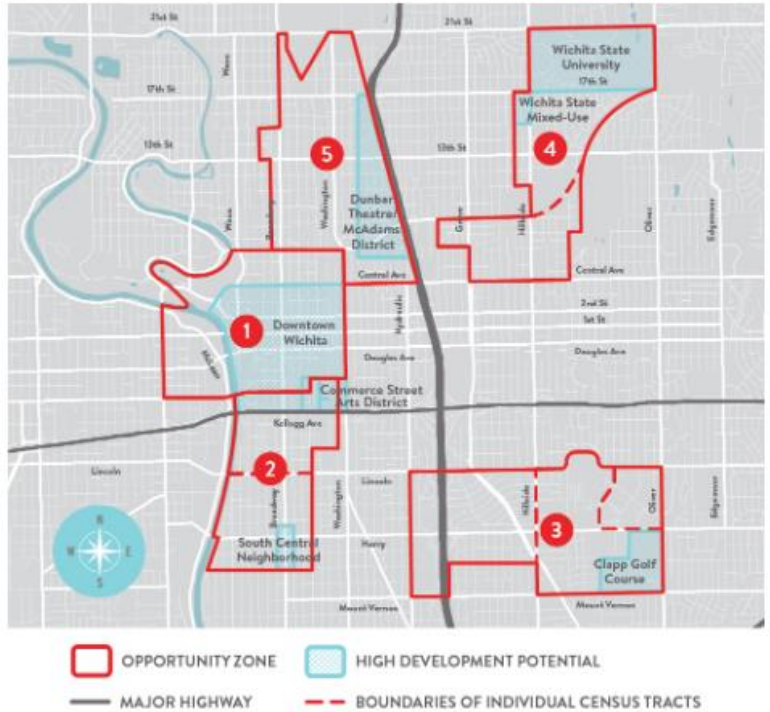


Opportunity Zones
The City of Wichita, Kansas
Housing and Community Services Department

Established in the Tax Cuts and Jobs Act of 2017, Opportunity Zones provide tax incentives for investment in designated census tracts supporting new investments and redevelopments in the community. In April of 2018, 74 census tracts across the state of Kansas were nominated to be designated Opportunity Zones by the U.S. Department of Treasury. The City of Wichita Housing & Community Services Department, Office of Economic Development and The Greater Wichita Partnership worked together on the Opportunity Zone designation of nine census tracts in the Wichita area, making up five contiguous zones, as shown by the map, courtesy of the Greater Wichita Partnership. There are currently 22,940 people living within the five Wichita Zones.



1. Downtown Wichita
2. South Wichita
3. South East Wichita
4. North East Wichita
5. North Wichita

For the investor, the Opportunity Zone program offers tax incentives including deferral and reduction of capital gains taxes when the gain is invested in a Qualified Opportunity Fund and maintained for a period of at least five years. Investors can defer tax on any prior gains invested in a Qualified Opportunity Fund (QOF) until the earlier of the date on which the investment is sold or exchanged or December 31, 2026. If the Qualified Opportunity Fund investment is held for longer than five years, there is a 10% exclusion of the deferred gain with that increasing to 15% after seven years. If the investor holds the QOF investment for at least 10 years, the investor is eligible for permanent exclusion from taxable income of capital gains accrued on the QOF investment.

Zone 1: Downtown Wichita has undergone a tremendous renaissance in recent years that has paved the way for additional investment opportunities. Significant development has occurred along Douglas Avenue, the main east-west corridor, and the Arkansas Riverfront. Projects ranging in size and scope are widespread across the core area with over \$650M in private sector investment since 2008. The downtown residential population continues to grow and enhance vitality with cultural amenities, restaurants and social offerings making downtown a destination for the region. First-ring neighborhoods surrounding downtown such as the Delano Neighborhood and the Douglas Design District are quickly becoming extensions of the core.

Zone 2: South Wichita is home to some of Wichita’s largest manufacturing businesses, employing thousands of workers in the area, including many aviation anchors and suppliers. Several of the Opportunity Zone census tracts are just outside of the downtown district and are prime for

redevelopment. Parts of areas like the Commerce Street Arts district and Arena neighborhood are highly visible from US 54-400/Kellogg highway that boasts over 104,000 vehicles each day, with easy access to and from Wichita's main east-west arterial.

Zone 3: Southeast Wichita boasts Wichita's largest employers with Spirit AeroSystems and McConnell Air Force Base. Thousands of workers commute to this quadrant of the city for employment each day. Included in the Opportunity Zone area is the Clapp Golf Course, which is a former public golf course that is planned for redevelopment. Working with local government, numerous mixed-use development scenarios are being considered for this site. Also adjacent to the former Clapp Golf Course is the Ascension Via Christi St. Joseph Campus and the Via Christi Village. Health care and emerging care also represent a dominant industry in the Wichita economy. Easy access from I-135 allows for connectivity to the region and is a major reason why this Opportunity Zone area is desirable for development. Development opportunities include multi-family residential, commercial, office, and health care development.

Zone 4: The Opportunity Zone areas in northeast Wichita are home to Wichita State University (WSU). WSU is a public research university with more than 60 undergraduate degree programs and more than 200 areas of study in six colleges. The student population of nearly 16,000 students make this a desirable location for development. WSU recently converted an existing golf course into a 120-acre Innovation Campus. The Innovation Campus boasts partnership buildings where companies and organizations can establish operations and reap the rewards of access to the University's vast resources, including laboratories, community makerspace and talented students for a future workforce. The Innovation Campus and surrounding areas include multiple development opportunities that benefit the university and build upon its momentum. Development opportunities include multi-family residential, student housing near WSU, commercial office and mixed-use development that provides an atmosphere to eat, sleep, play, shop and share.

Zone 5: The McAdams neighborhood is a predominantly mixed industrial and residential area located northeast of downtown Wichita and is the historical center of the city's African American community. Also nearby is the North End neighborhood, which is home to Wichita's Latino and Southeast Asian population. Today, this entire area is undergoing a transformation with plans to redevelop the Historic Dunbar and Nomar Theaters respectively, which were both anchors for entertainment and culture for their respective neighborhoods. Countless, successful small businesses and a rich tapestry of arts and culture are also represented in the area. The neighborhood is already home to many light industrial businesses and its adjacent access to both I-135 and I-235 make it a desirable location for development.

Source: Greater Wichita Partnership