

Dear Interested Parties:

Thank you for taking an interest in the state's efforts to identify Opportunity Zones. While I have spoken and or corresponded with many of you, for others, this may be the first you're hearing about a great opportunity that has been afforded to Michigan under recently passed federal tax reform.

Pursuant to the changes made to the federal tax code, the Governor must nominate a portion of eligible low income census tracts as Opportunity Zones.

As a matter of background on Opportunity Zones:

- Michigan has some 1,158 eligible low income census tracts. A portion (25% or 288) of those census tracts can be nominated by the Governor as Opportunity Zones.
- Future capital gains tax liabilities can be deferred for eligible economic development activities in these Opportunity Zones.
- The Governor must complete an application to US Treasury nominating Opportunities Zones by March 21, 2018.
- A FAQ is attached to this email describing information about Opportunity Zones.

At the direction of the Governor's office, the Michigan State Housing Development Authority (MSHDA) and Michigan Economic Development Corporation (MEDC) have been working with the Talent and Economic Development (TED) Department to formulate census tract recommendations for Opportunity Zones in Michigan.

We have spent time researching the federal rules, criteria and regulations to identify potential economic variables to consider in selecting these opportunity zones. A list of those variables and the methodology used to identify and select the recommended opportunity zones is attached for your review.

Maps of the recommended opportunity zones by Michigan's ten geographical Regional Prosperity Initiative (RPI) areas can be viewed at the following [website](#).

You are welcome to share this correspondence with any and all interested parties. Feedback is welcome so we can appropriately consider your sentiments prior to submitting the application by March 20, 2018.

Sincerely,

Brian Mills  
Chief of Staff  
Michigan State Housing Development Authority (MSHDA)  
735 East Michigan Avenue  
PO Box 30044  
Lansing, MI 48909  
(517) 241-3155  
millsb7@michigan.gov