Overview: Federal Opportunity Zones

The 2nd & Hansen Site is located within a designated Federal OZ, specifically Opportunity Zone Census Tract 16083001100 (Idaho), created under the federal *Tax Cuts and Jobs Act of 2017*. The Site's designation may further enhance the feasibility of high-quality mixed-use development by enabling participation from Qualified Opportunity Funds and reaffirmed in the One Big, Beautiful, Bill, 2025.

As a Qualified Opportunity Zone ("QOZ"), this area may offer significant federal tax benefits to investors who reinvest capital gains into Qualified Opportunity Funds ("QOFs"), including:

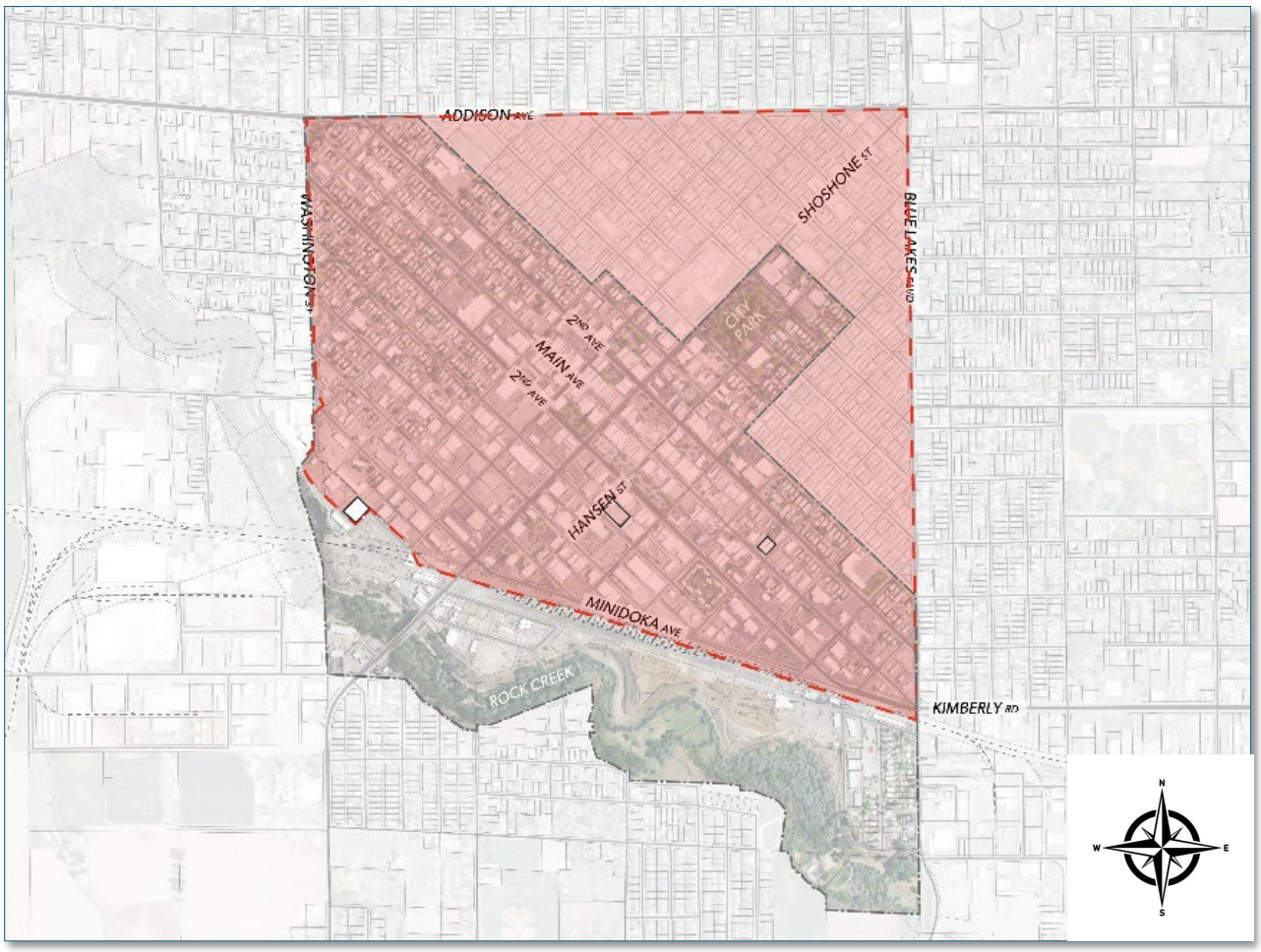
- Deferral of federal capital gains tax until the earlier of the QOF sale or December 31, 2026;
- Reduction of capital gains tax through basis adjustments (if applicable under current federal law);
- Permanent exclusion of tax on capital gains from the appreciation of the QOF's investment in the project if held for at least 10 years; and
- Flexibility for project sponsors to pair Opportunity Zone equity with other public financing tools, including tax increment financing (TIF), public infrastructure reimbursement, and structured parking participation, provided compliance with all federal rules is maintained.

The URA does not administer the OZ program and does not provide legal or tax advice regarding QOZ or QOF requirements. Developers and investors are solely responsible for determining eligibility, compliance, and structuring of any QOF investment.

Respondents are encouraged to evaluate whether the OZ designation can enhance the project's capital stack, improve feasibility, or attract additional equity partners. Proposals may describe how Opportunity Zone financing will be incorporated, if applicable.

Overview: Federal Opportunity Zones

Opportunity Zone



Opportunity Zone Map. Source: [Downtown Master Plan]