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## Article on Opportunity Zones with Katherine Noll in San Antonio Business Journal

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### "Great Expectations: A Local Perspective on Opportunity Zones" article with Katherine Noll in San Antonio Business Journal

Interest in Opportunity Zones is building in the San Antonio region, along with enthusiasm for their potential to spur development, business creation and positive growth in economically challenged areas. While investment in Opportunity Zones has yet to become ubiquitous locally, San Antonio is home to some early adopters of the program. Meanwhile, the rising number of legal and tax professionals who are intently studying the rules for them suggests there is a growing demand to at least explore Opportunity Zones.

For local perspective on what the federal Opportunity Zone program could mean to the San Antonio community and its investors, the Business Journal consulted with Katherine Noll, a lawyer in the local office of Chamberlain Hrdlicka. She is among those who have dug deep into understanding qualified Opportunity Zones, particularly regarding how investors can take advantage of the long-term tax breaks the program offers. She has spoken frequently around San Antonio to educate residents and professional organizations about the program.

### Where are opportunities strongest?

With 24 designated qualified Opportunity Zone tracts in Bexar County, San Antonio offers significant urban, suburban and rural investment [opportunities]. There are nine distinct areas within San Antonio that qualify for Opportunity Zone investment, with downtown, the East Side, Brooks City Base and World Heritage areas amongst the zones in San Antonio presenting promising growth potential.

### Do you have any concerns?

The program is complex and designed with numerous deadlines and quantitative tests that must be satisfied in order to qualify for the tax benefits. The proposed treasury regulations have answered many questions and are generally taxpayer friendly, but some issues remain outstanding, as one would expect with any new tax provision. Some investors have been reluctant to take advantage of the program due to technical concerns; however, taxpayers need to be mindful that the deadline to receive the greatest total tax benefit requires investment by the end of 2019.

### Will this be a net-positive for affected communities?

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Yes. The program is designed to bring long-term investment into distressed areas and foster economic growth to underserved communities. Through this tax-based platform, capital is aligned with meaningful investment that finances local startups, builds small businesses, and develops commercial and residential properties in areas typically underserved and overlooked.

### What's your long-term prediction?

San Antonio is already seeing projects inside qualified Opportunity Zones initiated or expanded due to the tremendous tax incentives of capital gain deferral, capital gain elimination and exclusion of post-acquisition gains from taxable income. And the city of San Antonio is doing a good job of supporting the program by coordinating local incentives through the Economic Development Department. Across the state, there is a mix of rural and urban zones, some of which are prime for business investment and revitalization. Areas of Houston that are still recovering from Hurricane Harvey represent a great example where capital is being deployed in a way that will lead to economic growth. The Qualified Opportunity Zone program is structured to benefit those who stay committed to these projects through 2026. By design, the program encourages creation of long-term, lasting benefits to these communities.

The article is located at this link for subscribers to the San Antonio Business Journal.

