

# Opportunity Zones + Funds

Kegler Brown's Opportunity Zones (OZ) team advises clients on how to tailor their business plans to achieve the tax-preferred treatment authorized under 26 U.S.C. § 1400Z-2 (the "OZ Act"). We advise entrepreneurs, developers, investors and fund managers on business entity formation and structuring, capitalization, acquisition, development, management, and disposition of OZ property in compliance with the spectrum of corporate, tax, real estate, and securities laws.

Kegler Brown's attorneys have been at the leading edge of OZ compliance since its creation in the 2017 Tax Cuts and Jobs Act. We were among the first to structure real estate and venture capital OZ funds in Ohio and have since been recognized as national experts in this area. Kegler Brown also informs state and local public policy decisions by contributing to our growing network of private and public economic development forums.

## Our Services

- + **OZ Compliance:** The operative term in "qualified opportunity zones" is "qualified." The OZ regime contains many examples of ambiguous language that are subject to interpretation, and the proposed regulations contain many qualifiers as to what type of taxpayers are eligible for investment and what type of gains are eligible for preferential treatment, as well as specific rules related to the creation, timing, and reporting requirements. Our OZ team advises on compliance and strategies designed to mitigate the risk of regulatory uncertainty.
- + **Corporate Structuring + Capitalization:** The OZ regime contains many specific rules on business entity formation, capitalization, and management for both OZ funds and OZ businesses. We advise on how to structure and capitalize these business entities to maximize business outcomes.
- + **Real Estate:** Location plays a significant role in the OZ regime, but merely being located in an OZ is not enough. We advise clients on how to acquire, finance, develop, manage, and dispose of real estate projects while preserving investors' intended income tax treatment.
- + **Securities Compliance:** As investment vehicles, OZ funds are generally subject to state and federal securities laws. Our OZ team advises clients on available federal and state exemptions and we structure private placements to safeguard from the risk of liability under the securities laws.

## Our Clients

Our attorneys work with clients from across the OZ ecosystem. We advise investors on how to achieve the income tax benefits provided by OZ investments, including temporary deferral and partial exclusion of their capital gain contribution, as well as a 100% tax-free capital profits interest. We also advise fund managers on how to form an OZ fund, satisfy the timing and reporting requirements, and conduct private placement under an exemption from state and federal securities laws.

Whether business or real estate, we advise entrepreneurs and OZ property owners on how to position their property to attract investment capital from OZ funds.

## Contact Us

For more information on our services related to Opportunity Zones + Funds, contact Andrew Doup.

### Our Team

Andrew P. Doup, Associate (614-462-5488)  
Steve Barsotti, Director  
Erin C. Herbst, Director  
Adam C. Miller, Director  
Michael L. Schottenstein, Director  
Jaden C. Cleland, Associate