

## Now is the Time to Invest in Toledo

**By Lidia B. Ebersole & Daniel B. Waters**

Qualified Opportunity Zones allow investors to redevelop large portions of Toledo and receive significant tax benefits. It's time to turn passive gains into an active investment in the Toledo market.

The 2017 Tax Cuts and Jobs Act created Qualified Opportunity Zones (QOZs), which are areas of land in low-income, high-poverty census tracts that have been designated as investment opportunities. Those who have purchased or will purchase real property in a QOZ after December 31, 2017, and invest in economic development on that property, may be eligible to receive a 10-year federal tax break.

Since the creation of QOZs in the 2017 Tax Cuts and Jobs Act, the Ohio Development Services Agency published a map that identifies which areas of Ohio have been designated as opportunity zones. These include many areas in Toledo, as well as some parts of Bowling Green, Sandusky, Fremont, Fostoria, Tiffin, Napoleon, Defiance, and Bryan.

The designated areas of opportunity in Toledo include:

- A significant portion of the Toledo Downtown, including the areas surrounding Fifth Third Field, Promenade Park, the entire portion of Downtown from the Maumee River to Collingwood Blvd., between Monroe Street and Cherry;
- The areas surrounding Downtown, along Cherry St., Lagrange St., Monroe St., and continuing through Bancroft St, Central Ave, all the way to Ottawa River;
- Certain areas around Nebraska Ave., Dorr St., Summit St., and Anthony Wayne Trail;
- Areas surrounding Ottawa Park, from Douglas Rd. to N. Detroit;
- A large portion of Broadway St. and the surrounding areas that span between Anthony Wayne Trail, South Ave, and the Maumee River;
- A large portion of the Toledo East Side, from Main Street, all the way to Maumee Bay.

(A map of all Ohio Qualified Opportunity Zones is available [here](#) )

What it means for Toledo and its investors?

The QOZ tax laws are bipartisan supported provisions of the 2017 Tax Act meant to encourage investors to harvest current gains and reinvest those gains in areas to spur development. The QOZ benefits can work in tandem with other offerings such as property tax abatements, historic tax credits, and low-income housing tax credits. Whether alone or paired with other credits, the QOZ tax laws help developers see a better return on their investment in areas that would otherwise have been ignored. The present value of the tax deferral, the reduction in tax owed at 12/31/2016, and the step-up in basis

to fair market value after being held for 10 years, provide investors three strong avenues for turning current gain into additional gains.

If you have questions regarding this topic, please contact any of the attorneys listed below.

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