

An aerial photograph of a city skyline at dusk or dawn. The city is densely packed with buildings, including a prominent skyscraper in the distance. The sky is a mix of orange and blue. In the foreground, there are parking lots, streets with cars, and some commercial buildings. A large white rectangular overlay is centered in the image, containing a stylized logo with a sunburst background.

CALIFORNIA

NATIONAL CITY

1887

INCORPORATED

Aerial map of San Diego, California, showing the city's layout and surrounding terrain. The map is overlaid with several text labels and distance markers. A red 'x' is placed at the top of the map, with a line extending to the downtown area. Another red 'x' is placed near the coast, with a line extending to the bay. A third red 'x' is placed at the bottom of the map, with a line extending to the US-Mexican border. The text 'national city' is underlined and placed near the center of the city. The text 'N D I E G O' is written in large, spaced-out letters at the bottom left. The text 'US MEXICAN BORDER' is written at the bottom right.

x 3.1 miles
DOWNTOWN

national city

x .1 miles
BAY

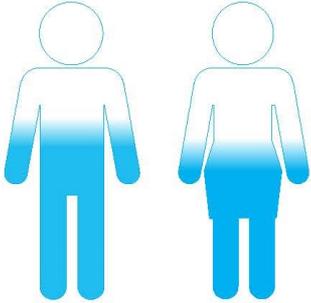
x 11 miles
US MEXICAN BORDER

N D I E G O

DEMOGRAPHICS

52%

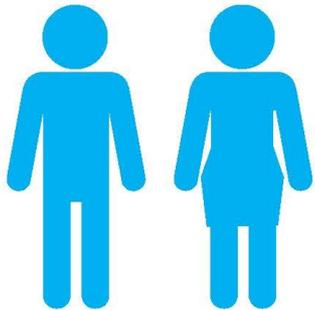
48%



Population
60,768

Median Age
31

SD: 35.5
US: 37.8

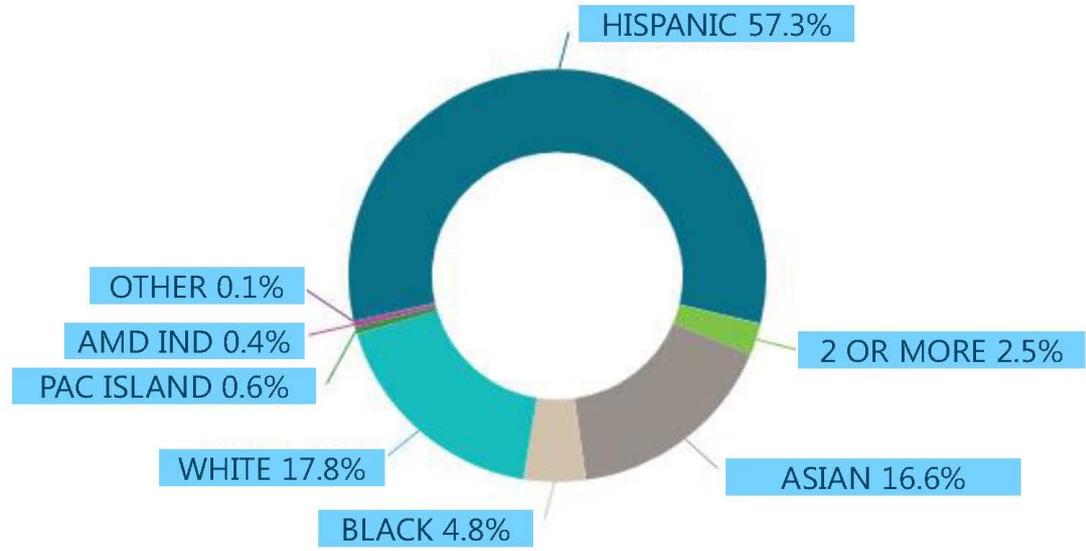


Residents

With in 1/2 of Downtown 18,700

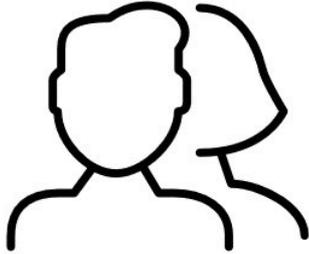
With in 1 Mile of Downtown 37,500

Ethnicity & Race



NAVAL BASE SAN DIEGO & SAN DIEGO MILITARY ECONOMIC IMPACT

Total Population



30,000

Active Duty Sailors

Expected Growth



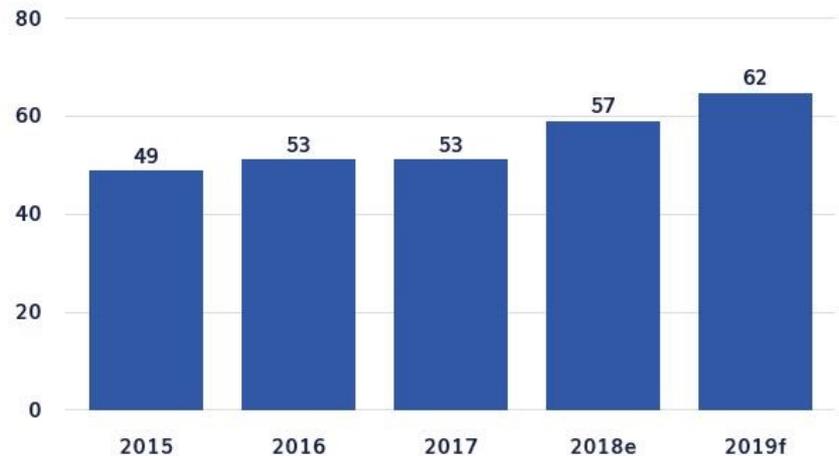
about 3000 2018-2023

2018 ECONOMIC IMPACT

		<i>Change from 2017 Report</i>
Direct Spending	\$26 Billion	+ 1 Billion
Jobs	337,000	+ 9 Thousand
Gross Regional Product (GRP)	\$50 Billion	+ 2 Billion

San Diego Ship Count Expands

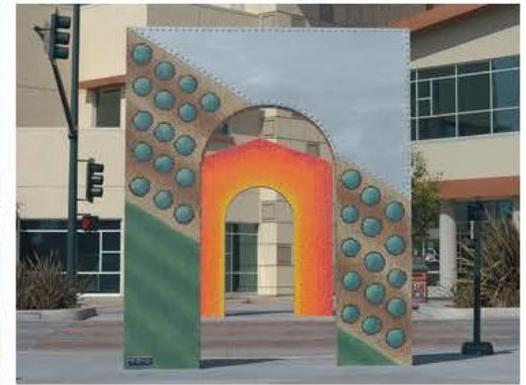
TOTAL NUMBER OF SHIPS BASED IN SAN DIEGO

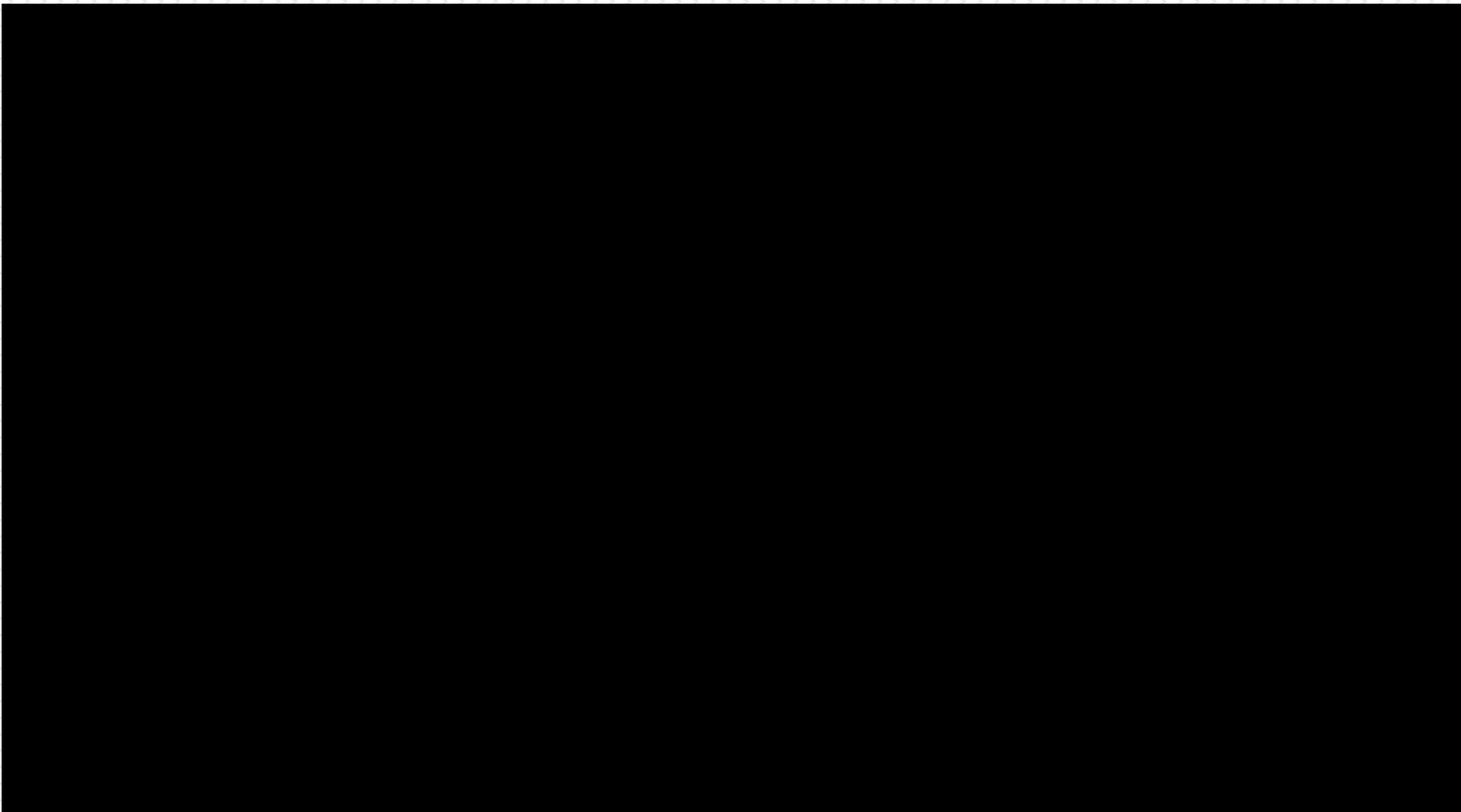


e=estimate f=forecast

SOURCE: FBI

COMMUNITY PARTNERS





THE OPPORTUNITY

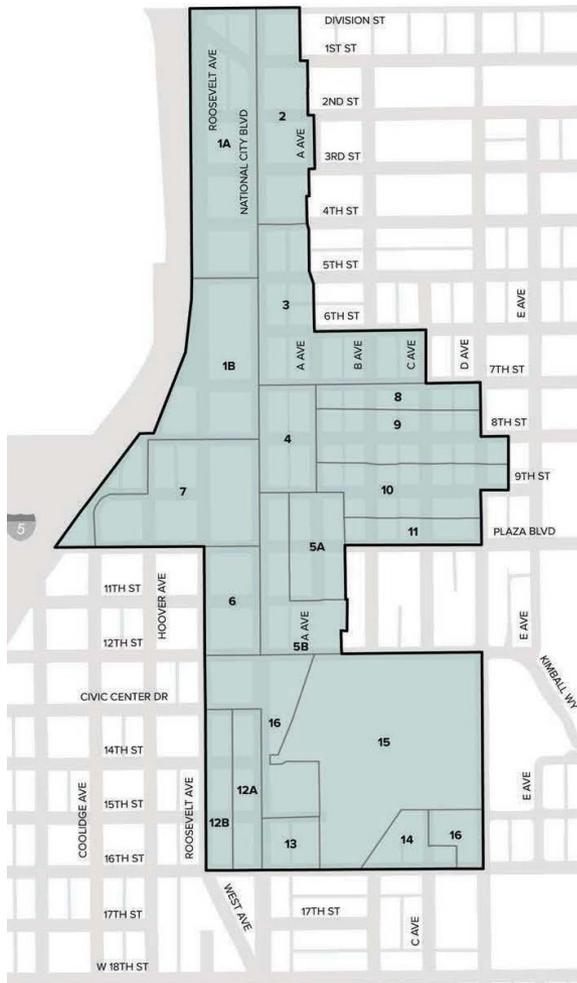


Opportunity Zone

National City



Goal: Significant Economic Investment and Revitalization in Downtown



Objectives:

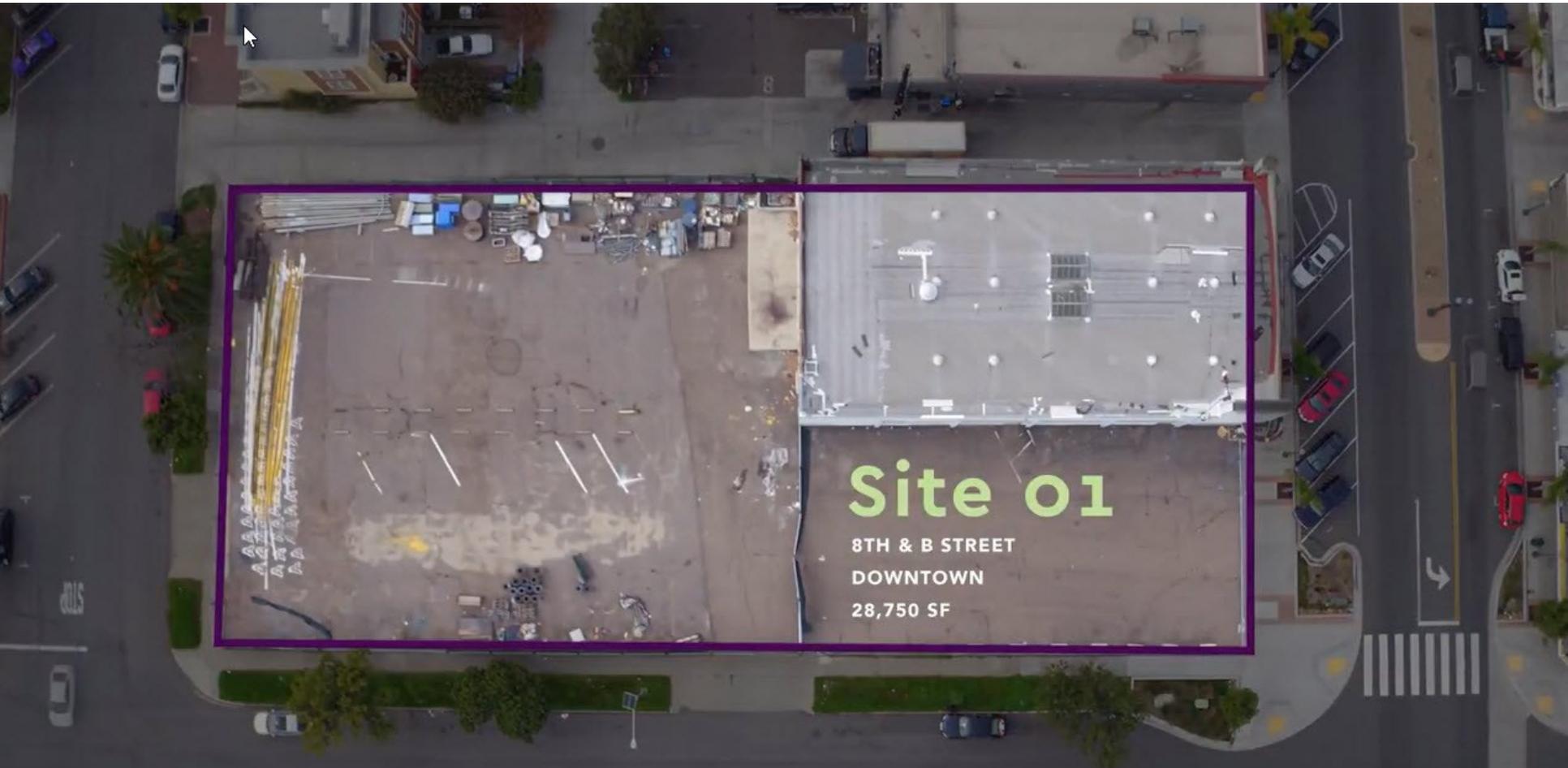
- A. A substantial increase of Navy personnel that live and shop in downtown.
- B. Housing densities that support local retail and service markets.
- C. Adequate affordable housing that increases housing ownership levels.
- D. Substantial local landowner and tenant involvement in development and real estate investments.
- E. An appropriate mixture of retail and service uses that support the local economy.

Goal: Desirable Land Use and Quality Urban Design

Objectives:

- A. Concentrated density closer to freeway on- ramps, lower volume roadways, and the trolley station.
- B. Street level activation through land use regulations, development standards, and design guidelines.
- C. The creation of micro-units with appropriate amenities.
- D. High quality, intense, and dense development through land use regulations, development standards, and design guidelines.
- E. The protection of public facilities, open space, and historic assets through land use regulations, development standards, and design guidelines.
- F. Excellence in design of gateways, nodes, and district treatments.
- G. An effective wayfinding system integrated with public amenities.
- H. Adaptive reuse of buildings that have a main street character through the transfer of development rights (TDR) to accommodate adaptive reuse.
- I. Increased connections to Paradise Creek and integration of other open space systems with parks and public realm spaces.
- J. Appropriate buffering between single family neighborhoods in/or adjacent to the Planning Area and higher density development

Downtown National City



Site 01

8TH & B STREET
DOWNTOWN
28,750 SF

Downtown National City



8th And B Project

8TH AND B
NATIONAL CITY, CA



Site Location
130 East 8th Street
National City, CA 91950

Development Team
Malick Infill Development
Protea Properties

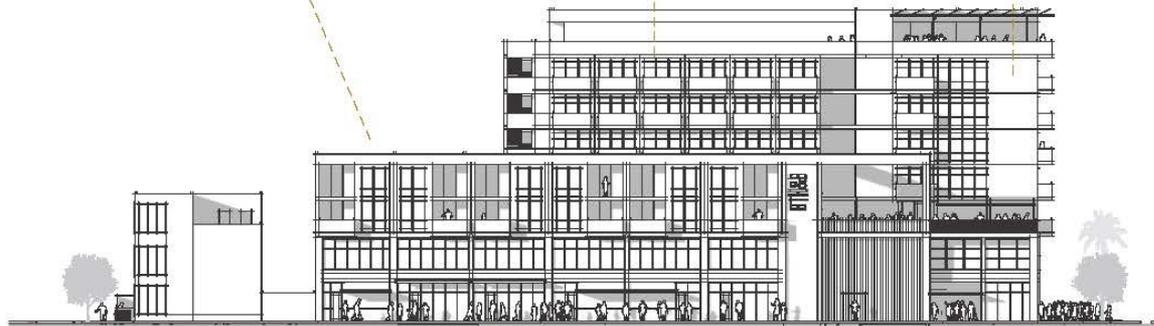
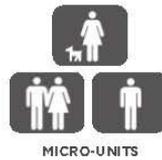
Principal Contact
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3262 Holiday Ct. #100
La Jolla, CA 92037





BIRD'S EYE VIEW FROM CORNER OF 8TH AND B



THE PROPOSED BUILDING, WILL ACT AS A CATALYST FOR THE DEVELOPMENT OF DOWNTOWN NATIONAL CITY.

8th and B will have a variety of residential unit types that will appeal to a wide ranging demographic. The Rowhomes along 8th street are ideal for families. The Terrace Townhomes are ideal for small families, couples, and singles. The micro units will ideally suit military personnel, singles, and minimalist couples. Co-Living suites will allow opportunities for roommates, live/work spaces, and students. By incorporating micro and shared living units into the building, the density will be increased beyond that of a typical market-rate project.

Additionally, the flexible micro-retail at the ground level will provide multitude of storefronts, with retail bays sized to support companies from start-up level to larger established vendors. Incorporating opportunities for local food vendors and smaller retailers will help to immediately activate 8th and B streets.

The density of the development provides much needed foot traffic to support local retail. Activation of the street with the use of landscaping, public art, and streetside dining will also help to create a vibrant street life.

DOWNTOWN IN ONE BUILDING

THANK YOU

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An aerial photograph of the San Diego city skyline, showing a dense cluster of skyscrapers and buildings. A prominent feature is a tall, modern skyscraper with a yellow and grey facade on the right side. In the center, there is a large, spherical, metallic structure. The city extends to the water in the background under a clear sky.

Bryndan Stueve

Program Officer

Local Initiatives Support Corporation (LISC)



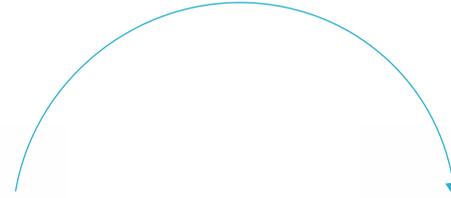
Who we are

With residents and partners, LISC forges resilient and inclusive communities of opportunity across America—great places to live, work, visit, do business and raise families.

Our Model

LISC is an investor,
capacity builder,
advisor, convener
and innovator.

\$+\$+\$



Our Vision

Every resident should have access to:

Safe and
Affordable
Housing

Clear &
Achievable
Pathways to
Financial
Stability

Safe,
Walkable, &
Thriving
Commercial
Districts

What We Do



Affordable Housing

- Pre-Development Loans and Technical Assistance
 - \$50M Neighborhood Catalyst Fund
-

Financial Opportunity Centers

- Career and personal financial service centers for LMI residents
-

Neighborhood Economic Development

- Capacity Building Grants and Training
- Small Business Loans and Counseling
- Commercial Corridor Revitalization

Opportunity Zones

Opportunity Funds

U.S. investors hold \$3.8 trillion of unrealized capital gains in stocks and mutual funds, and corporations hold another \$2.3 trillion.

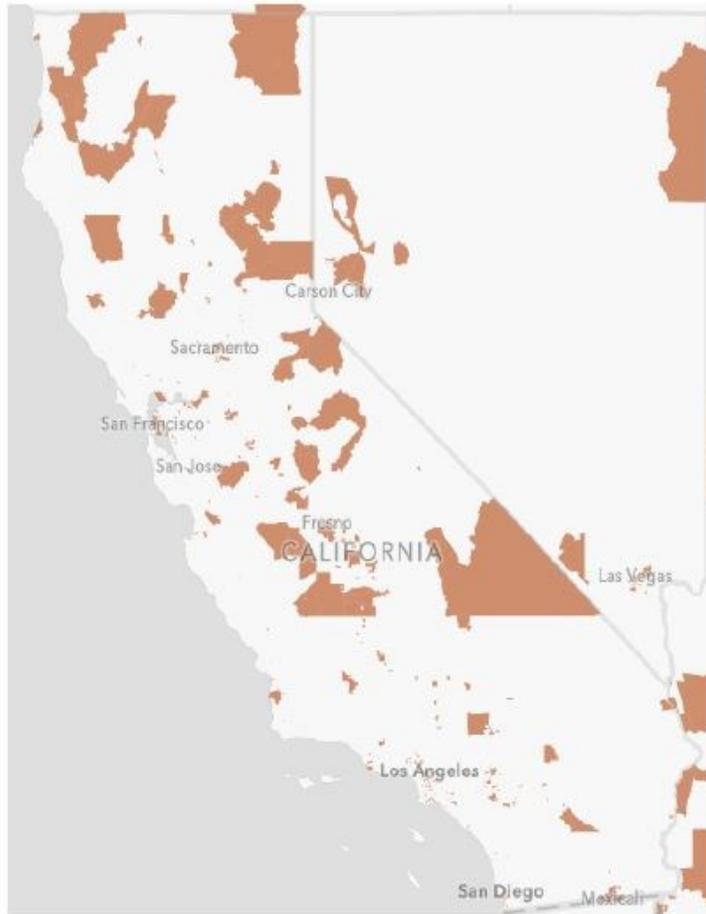
Opportunity Funds provide investors the chance to put that money to work rebuilding communities.

Opportunity Funds can invest in operating businesses, equipment, and real property, financing new infrastructure and affordable housing, promote job growth, and support workforce development.

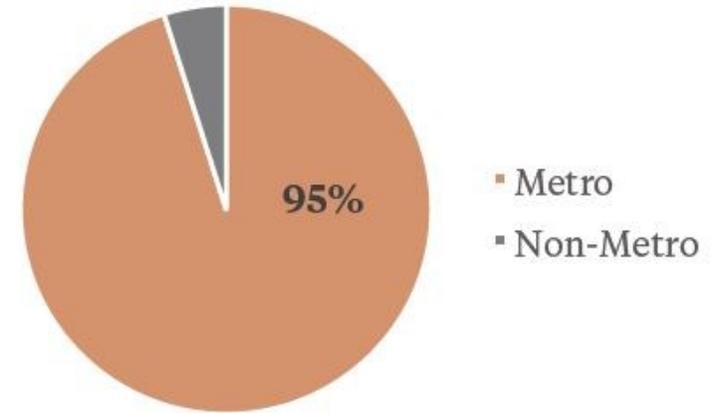


Opportunity Zones

California Opportunity Zones

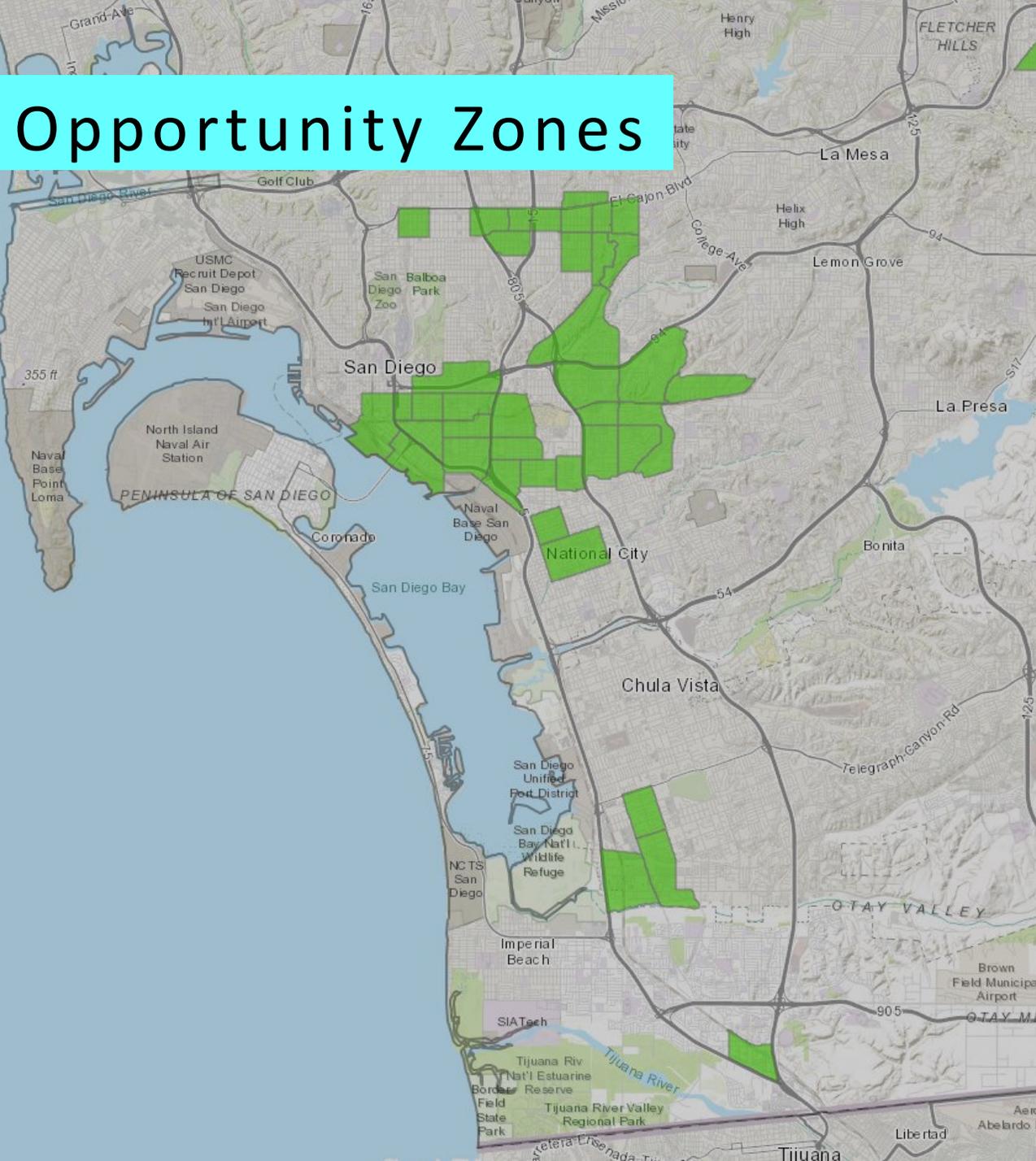


879 Total Opportunity Zones
4.1 M Zone Residents
2.1 M Zone Jobs
169 k Zone Businesses



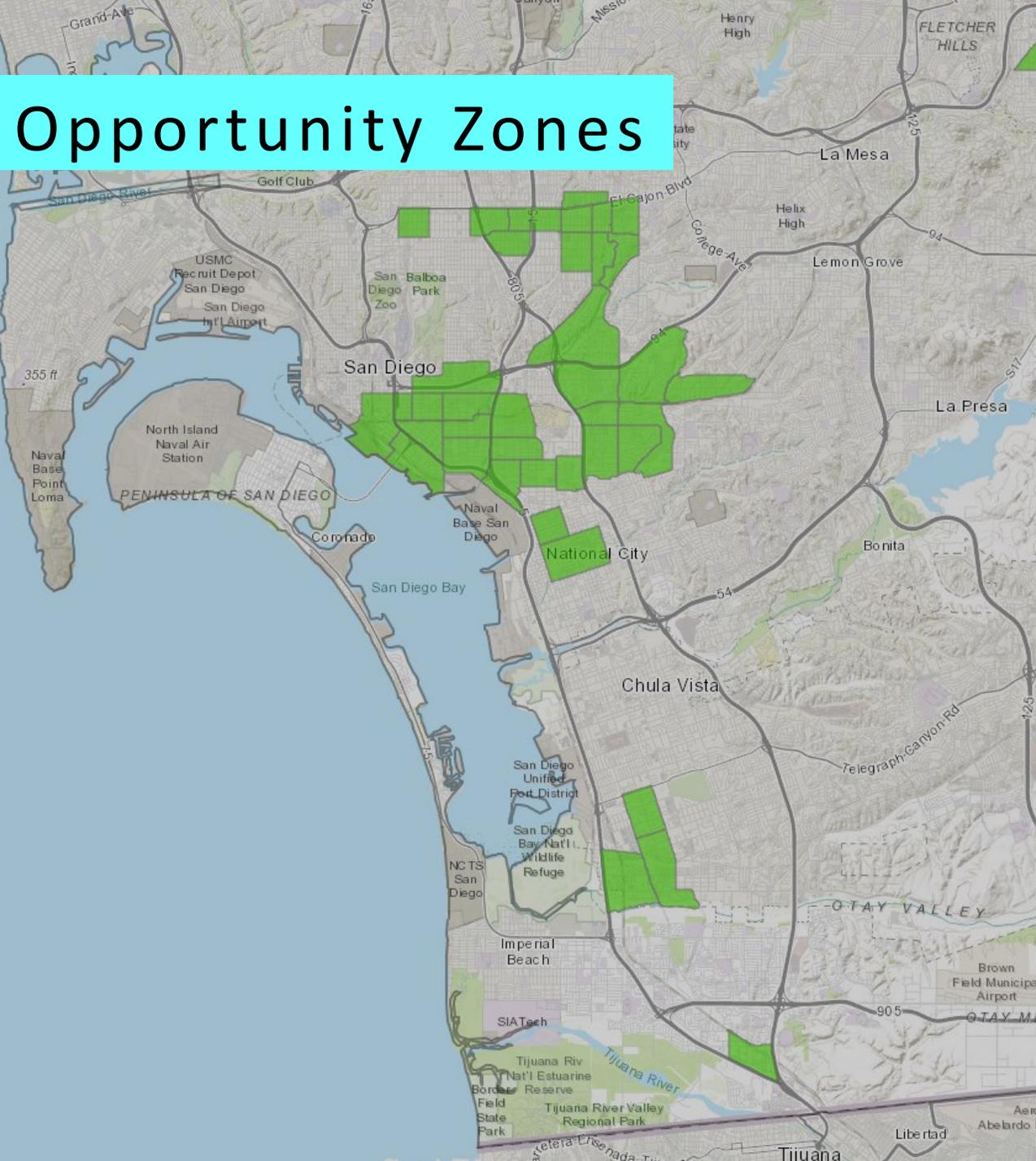
	 Majority Minority	 Poverty Rate	 Median Income	 Bachelor Degree +	 Adults Not Working	 Median Home Age	 Rent Burdened
California	60%	16%	\$76,786	31%	30%	45	91%
Opportunity Zones	88%	34%	\$37,252	14%	37%	49	88%

Opportunity Zones



Opportunity Zone investors may seek out, but are **not** incented to maximize the community impact from their investment.

Opportunity Zones



Securing Community Benefit

Engage Residents

- Grassroots organizing to set priorities

Prioritize High Community Benefit Projects

- Promote projects that support equitable growth and healthy outcomes

Assess Impacts

- Track quality jobs and investments in minority and women owned business

Example: Little Saigon District



LISC
San Diego

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South County Economic Development Council Opportunity Zone Forum

November 15, 2018

Eric D. Tetrault, Esq.
Higgs Fletcher & Mack LLP

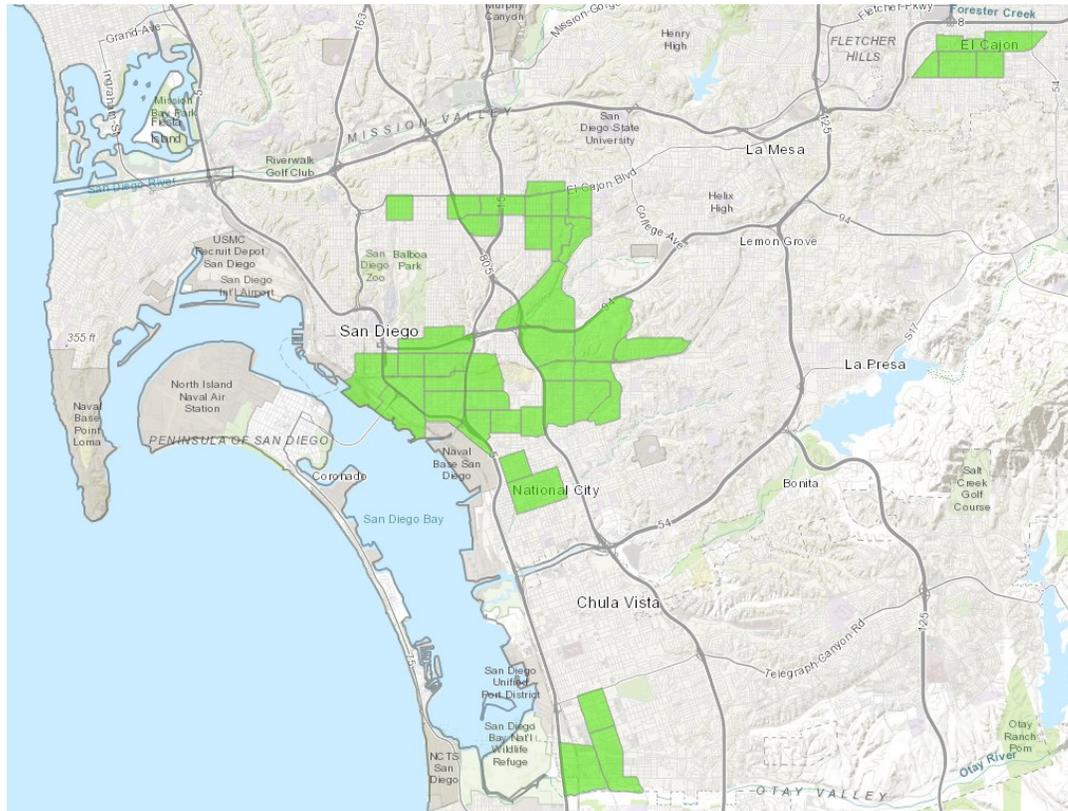
Introduction to Opportunity Zones

- ▶ Brand new law, enacted as part of the Tax Cut and Jobs Act, effective December 22, 2017
- ▶ The stated goal of the new law is to designate opportunity zones in low-income communities and to provide tax incentives for investments in the zones, including deferring recognition of capital gains that are reinvested in the zones
- ▶ Opportunity zones have generated positive reviews in the press
 - ▶ WSJ article 11/14/2018 - new law projected to generate \$100 billion of investment in opportunity zones
- ▶ Attractive to institutional investors and “impact investors” - those with a stake in their community

Designation of Qualified Opportunity Zone

- ▶ IRC § 1400Z-1: Governor of each State charged with designating qualified opportunity zones
- ▶ Gov. Jerry Brown has already designated all of the opportunity zones in the California, including in San Diego County

San Diego County Qualified Opportunity Zones



Special Rules for Capital Gains Invested in Opportunity Zones - Overview

- ▶ IRC § 1400Z-2: critical definitions and operational rules to take advantage of tax benefits
- ▶ An investor is eligible to: (1) defer tax on capital gains invested in a qualified opportunity fund (“QOF”), and, (2) if those capital gains are held in the QOF for at least ten years, may elect to increase the basis of investment to FMV when sold, which eliminates all gain
 - ▶ 5 year rule: capital gains held in QOF for 5 years eligible to increase basis in investment by 10% of gain deferred
 - ▶ 7 year rule: capital gains held in QOF for 7 years eligible to increase basis in investment by additional 5% of gain deferred

Special Rules for Capital Gains Invested in Opportunity Zones

- ▶ 180-day rule: In order to be eligible to take advantage of the tax benefits of opportunity zones, capital gains must be invested in a QOF within 180 days of the capital gain event
- ▶ Capital gains = short-term and long-term, increasing opportunities for investment
 - ▶ STCG = capital asset held for less than one year
 - ▶ LTCG = capital asset held for more than one year
- ▶ Capital gain event must be from sale to unrelated person

Special Rules for Capital Gains Invested in Opportunity Zones

- ▶ A QOF is an investment vehicle organized for the purpose of investing in Qualified Opportunity Zone Property (“QOZP”)
- ▶ A QOF must be either a corporation or a partnership for tax purposes (i.e., Corporation, LLC, LP)
- ▶ A QOF must invest at least 90% of its assets in QOZP, tested semi-annually
- ▶ A QOF self-certifies on IRS Form 8996

Special Rules for Capital Gains Invested in Opportunity Zones

- ▶ Qualified Opportunity Zone Property - 3 options
 - ▶ Qualified Opportunity Zone Stock: new stock in a corporation organized as a Qualified Opportunity Zone Business (“QOZB”)
 - ▶ Qualified Opportunity Zone Partnership Interest: capital or profits interest in a partnership organized as a QOZB
 - ▶ Qualified Opportunity Zone Business Property: property used in the trade or business of the QOF
 - ▶ “Original use” of property must commence with use by QOF, or
 - ▶ QOF must “substantially improve” the property
- ▶ Qualified Opportunity Zone Business: using qualified opportunity zone business property in a trade or business within a qualified opportunity zone

Putting the Opportunity in Opportunity Zone

- ▶ Opportunity zones create very attractive opportunities for owners and investors to make an impact in their community, while also taking advantage of favorable tax benefits
- ▶ Alternative to 1031 exchange: step-up in basis allows exit strategy to 1031 exchange investors
- ▶ Both short-term and long-term capital gains eligible to invest in QOFs, increasing options for investment

Thank you for attending!

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