

United States Senate

March 1, 2018

The Honorable Michelle Arnold
Mayor, Borough of Palmyra
20 West Broad Street
Palmyra, New Jersey 08065

Dear Mayor Arnold,

I am writing to inform you of a new economic development tool I co-authored with Senator Tim Scott (R-SC) as part of our legislation, the *Investing in Opportunity Act*. This new tax incentive, called the Opportunity Zones program, was recently signed into law and offers a powerful tool for local leaders to bring private capital off the sidelines and into distressed neighborhoods and communities across New Jersey.

In the coming weeks, the program will designate dozens of high-poverty census tracts in New Jersey as Opportunity Zones. These tracts will qualify for a set of tax preferences designed to incentivize private investors to roll over their unrealized capital gains into funds investing in Opportunity Zone-based projects.

The American economy would be far better off if every community could realize its full entrepreneurial potential. But barriers stand between too many communities and access to the capital needed to generate economic growth and opportunity. According to the Economic Innovation Group, over \$2 trillion in unrealized capital gains are currently sitting idle on balance sheets and eligible for investment in Opportunity Zones. In an era of capital moving overseas or going towards uses that don't maximize opportunity for most Americans, our bipartisan legislation will help lower these barriers and jumpstart economic development and entrepreneurship by stimulating the flow of investment into the communities that need it most.

As part of the legislation, Governors are charged with designating up to 25 percent of low-income census tracts in their states as Opportunity Zones by March 21, 2018. Eligible tracts are those with poverty rates of 20 percent or more, or in which the median family income does not exceed 80 percent of the statewide median family income. New Jersey has hundreds of census tracts that are eligible for designation.

I encourage you to take advantage of this opportunity to provide incentives for investors to make long term commitments to our communities. These capital investments have the potential to create jobs, increase wages, and spur economic development throughout New Jersey. Should you have any questions, please contact Charles Barker in my Newark office. Charles can be reached via email at charles_barker@booker.senate.gov or via phone at 973-639-8700.

Sincerely,



Cory A. Booker
United States Senator