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## Conant Thread to benefit from five opportunity zone designations - by Jan Brodie

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Conant Thread, a new 150-acre Transit-Oriented Development District in Pawtucket/Central Falls, is benefiting from recent Opportunity Zone U.S. Treasury Department certification for five census tracts. Three include the Conant Thread TOD district, and two more include adjacent districts in the downtown and waterfront. (See the map- for details).

As we move forward with the evolution of the new Conant Thread district the opportunity zones will provide valuable incentives to help fill the gap in the financing of new development.

Designed to spur investment in distressed communities, the federally designated opportunity zones offer preferential tax treatment. Investing in opportunity funds can provide the following three tax incentives to investors:

- Deferral of capital gain
- Reduction of realized gain through a basis adjustment if asset held greater than 5 years
- Possible permanent exclusion of gain on the appreciation for the interest in a Qualified Opportunity Fund.

The opportunity funds are readily created, flexible, hold no multi-layered state or federal review, and have no minimum size.

For Conant Thread the designations come at the perfect time. The new commuter rail station, and transit hub are scheduled to begin construction this fall. The opportunity zone designations provide a financing vehicle that allows investors to get involved in the early stages of the new mixed-use urban center and the robust exurban Greater Boston development opportunity.

The Pawtucket/Central Falls opportunity zones are located in key areas that score high on metrics of compactness and walkability, population and employment density, local street network density and

the presence of two mixed-use downtowns with vibrant creative populations. The cities boast over 500 commercial artists; over 300,000 s/f of renovated, entrepreneurial maker space and over a dozen restored historic mills.

The Conant Thread district has 2 million s/f of vacant or underutilized historic mill space and another 2 million s/f of development opportunity for new construction. Qualifying opportunity zone investments include a broad range of commercial and residential investments, such as affordable housing and mixed-use development, energy efficiency and renewable energy projects, start up new businesses or the expansion of existing businesses.

With its strategic location close to Providence and between Boston and NYC, Conant Thread is already growing to attract more residents and businesses and is expanding as an employment center. The federal opportunity zones are a chance to use transit-oriented development to create even more value in the district. Conant Thread and municipal leaders are committed to a joint planning process that streamline development strategies both in the district and in the opportunity zones. We look forward to maximizing the value of the new designations for investors who want to join us in building this new exciting district.

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