



City of Winston-Salem City Council
Council Agenda Item Summary

Title	Endorsement of Census Tracts to Nominate for Opportunity Zone 2.0
City Council Committee	Committee of the Whole
Staff Lead (Presenter)	Ken Millett, Economic Development Director
Department Head	Ken Millett, Office of Economic Development
City Manager/ACM	Ben Rowe, ACM

Agenda Item Summary

Recommended Council Action	Approval
Suggested Action/ Motion Options	Motion to approve the recommended Census Tracts to be submitted to the Department of Commerce
Strategic Focus Area	Economic Prosperity
Strategic Plan Objective	EP2: Improving Economic Mobility and Reducing Poverty
Anticipated Fiscal Impact	No Material Fiscal Impact

Summary of Information

The 2017 Tax Cuts and Jobs Act created the Opportunity Zones (OZ) program to spur investment by offering federal tax benefits for investing capital gains into designated, economically distressed communities. OZ tax incentives can be used for commercial and industrial real estate, housing, infrastructure, and existing or start-up business investments. Ten tracts in the City of Winston-Salem received the certified OZ designation in the first round of the program.

The state has started the certification process for a new round, Opportunity Zones 2.0. Beginning July 1, 2026, governors will have 90 days to nominate 25% of their state’s eligible low-income census tracts for inclusion in 2.0, which will take effect January 1, 2027 and run for 10 years. Governor Josh Stein designated the North Carolina Department of Commerce to lead the state’s process, and they are accepting recommendations from local governments, economic development organizations, and the general public.

North Carolina has developed three state-level guidelines that local communities should consider when evaluating eligible census tracts for their ability to support long-term economic competitiveness and community revitalization:



Vision: To be a premier city in the region providing world-class amenities while retaining a sense of charm and hospitality
Mission: To provide impactful services that enhance the quality of life for current and future generations
Values: Teamwork * Responsibility * Respect * Integrity * Customer Service

1. Business Development and Job Creation
2. Strategic Local Revitalization
3. Pathways to Increased Housing Supply in High Need Areas

In Winston-Salem and Forsyth County, a total of 26 tracts are eligible (map attached). It is anticipated that five tracts in Winston-Salem and Forsyth County can be nominated. City staff reviewed the eligible tracts to identify those areas that closely align with the three focus areas noted above and have potential for future projects that may benefit from OZ designation. Staff also consulted with Greater Winston-Salem Inc. for their feedback on this criteria.

Based on the Committee of the Whole’s discussion and subsequent feedback, staff are seeking endorsement to nominate the census tracts depicted on maps #1, #3, #4, #22, and #23 to the Department of Commerce. If there is an opportunity for the City to nominate an additional tract, map #11 will also be nominated.

Attachments

- OZ 2.0 – Maps of Eligible and Endorsed Tracts

Committee Action	
For:	Against:
Remarks:	