

Administration of Donald J. Trump, 2018

Remarks at a Working Session on Opportunity Zones and Tax Reform and an Exchange With Reporters

February 14, 2018

The President. Well, thank you very much, everybody. We have a great group of business leaders—tremendous leaders throughout the country, and even beyond. And we also have a tremendously talented and a good person, Senator—a friend of mine for a long time—Tim Scott.

And we're talking today about opportunity zones, putting people to work and getting businesses started and creating a lot of good things, and our tax plan, which has done so much. The "tax cuts," I call it. But it really is; it's tax cuts and reform. It really creates some really big advantages for these opportunity zones.

So I will ask Senator Scott to say a few words, and then I might ask a few of the folks gathered around to say something. And I know you're not concerned with the press, because you're very good with the press, Tim.

Senator Timothy E. Scott. Well, I wouldn't go that far, sir.

The President. So thank you. Thank you very much. I appreciate it.

Sen. Scott. Absolutely. Thank you.

Mr. President, as you will recall, hopefully, we spoke late last summer——

The President. That's right.

Sen. Scott. ——about legislation that I thought would be very helpful to distressed communities. As you recall, I grew up in a single-parent household, came from one of the distressed communities. And we sat in these very chairs and had a discussion about opportunity zones and what it could mean for the future of this country.

And within a couple of days, when you were on Air Force One, you were talking positively about this legislation. In part, because of your serious support of this legislation, I was able to get it included in the tax reform package.

And now we are sitting on opportunity. I think it's a goldmine, a goldmine for so many kids in so many communities that thus far have not had the access to opportunities. You're breathing in new hope into distressed communities around this country, and I want to say thank you for doing that.

The President. Thank you, Tim.

Sen. Scott. And we have leaders sitting around here, some investors, some mayors who all understand and appreciate the magnitude of opportunity that the Investing and Opportunity Act presents. And thank—we're very thankful for folks—like the EIG group, from the outside, initially brought the idea to us. And we had a great conversation. And now we're looking at ways, through the guidance provided by the Treasury, to start seeing these opportunity zones manifesting in every single State in this country.

The President. Well, it's going to be a great chance. And it really is—the best word is—"opportunity." It will be a great opportunity.

Maybe we could go around the room a little bit. You could say a little bit about the great job you've done. You have done a great job. Go ahead.

Mayor Kenneth C. Alexander of Norfolk, VA. Thank you, Mr. President. And on behalf of the city of Norfolk, I want to thank you for coming to commission the *Gerald R. Ford*.

The President. Right.

Mayor Alexander. And my Governor, Ralph Northam, who you had here on Monday sends his best wishes.

The President. That's right.

Mayor Alexander. This is a great opportunity. We're here to learn more about this opportunity for the city of Norfolk. We have the largest naval base in the world. And there is a community there, a segment of our community, that is high poverty, in St. Paul's Quadrant: three public housing communities, about 1,700 units, 4,500 people right next to downtown.

And we're looking forward to this opportunity fund being a tool to help us address, as we transform that community into an opportunity for all of our citizens and for the region.

The President. That's great. Say hello to the Governor.

Mayor Alexander. I'll tell him you said hello.

The President. Thank you very much.

Liberty Bank and Trust Co. Vice President of Strategy Todd O. McDonald. Mr. President, thank you for having me here. I represent community banks—minority community banks and also national community banks.

So what we would like clarification on and hope that you will help assist on is the guidelines in including community banks that serve not only urban communities, but also rural communities, to allow them to be approved to receive capital investments. And in doing that, you're already leveraging a platform that has been in existence, that has—have been providing mortgages, consumer loans, and business loans for decades. And so if the opportunity zone fund can support this initiative for community banks, it would be a tremendous victory for us.

The President. Very good. And we're looking at that, as you know.

Mr. McDonald. Great.

The President. Steve Case.

Revolution Chairman and Chief Executive Officer Stephen M. Case. Well, first of all, thank you for including the opportunity zones in the legislation and Senator Scott's leadership with Senator Booker. It was nice to see bipartisan support for this provision.

And it's critically important—as we were talking earlier in our meeting—last year, 75 percent of venture capital in the United States went to three States: California, New York, and Massachusetts. Seventy-five percent. The other, you know, 47 States fight over the other 25 percent. And since startups are the major job creators, if we're only backing startups in Silicon Valley or New York and Boston, and not in Des Moines or Detroit or Charleston, or other parts of the country, we shouldn't be surprised a lot of people feel, kind of, left out and left behind.

[At this point, Mr. Case continued his remarks, concluding as follows.]

So it's a very important provision. And hopefully, everybody in the administration will make a priority out of making sure that it's put in place quickly and the rules are written in a way that's very supportive of this next generation of startups all across the country. So thank you.

The President. Thank you. Great. Thank you very much.

Peachtree Providence Partners Holding Co., LLC, founding member Walter L. Davis. I'm Walter Davis—Charlotte, North Carolina. I'm a retired banker and now investor.

The President. That's great.

Mr. Davis. That's right next to being an attorney. [*Laughter*]

And so for us, I'm really excited because what this does is give us an opportunity to unleash capital in communities that have been left out. The flow of capital is the mother's milk of any great economy. And so when you don't have it in certain communities, you don't have the opportunities for economic mobility and for people to thrive.

And so what this does is to give a nontraditional way of capital to flow to these communities so that the people on the ground are truly impacted.

So thank you for your support for this, you and Senator Scott. We really appreciate it.

The President. Thank you, Walter. Great job you've done too. Okay, thank you. Thank you very much.

Sen. Scott. Gary.

Black and White Investments, LLC, Chief Executive Officer Gary Hobbs. Sure. Gary Hobbs. I own a small business in Indianapolis, Indiana. We focus on urban——

Sen. Scott. [*Inaudible*]

The President. Oh, good. Good.

Mr. Hobbs. The Vice President knows very well.

The President. He's a good man.

Sen. Scott. He is a great man, our Vice President.

Mr. Hobbs. But yes, we do a lot of urban development and construction, leveraging a lot of the great tools that we have already in the new market tax credits, low-income housing tax credits, and CDBG funds, home funds, and so forth.

[*Mr. Hobbs continued his remarks, concluding as follows.*]

So, grateful for this new tool and new law, and excited about leveraging, and, I'm sure, meeting other folks in our business sector see an opportunity to leverage this tool as well.

The President. Well, thank you. That's beautiful, and keep up the good work. It's very important work.

Our Secretary of the Treasury, Steve.

Secretary of the Treasury Steven T. Mnuchin. So we're thrilled that this was included in the tax plan, very, very important part of our economic development goal. And we're busy working at the IRS. We just sent out a letter for all the Governors to make sure that we

understand, in the States, where they want to put the money to work, and we're excited to get this going. So, big impact on all these areas and the economy.

Sen. Scott. Thank you, Steven, for your hard work. And you have been——

Secretary Mnuchin. Thank you, Senator.

Sen. Scott. ——the Treasury has responded very quickly with guidance to the Governors, which is key to seeing this actually manifest in communities throughout this country.

Jessie.

Knights Angels Founder Jessie J. Knight, Jr. Jessie Knight. I'm a former energy executive, and now a philanthropist and dedicated to giving back to this great country where my wife and I have been able to achieve.

[*Mr. Knight continued his remarks, concluding as follows.*]

And I'm very excited about being a part of this. And there are a number of conservative business—African American and other minority—executives who are making a contribution to make this come real so we can get the lift for our country.

The President. Thank you. Great job. Thank you very much.

Sorenson Impact Foundation Founder James L. Sorenson. Jim Sorenson. I'm an entrepreneur, I'm an investor, but most recently, an impact investor. We invest in businesses that we think help to benefit society, and we see this as a tremendous new policy that is really unknown in the tax reform act.

Not many people knew about this, but it has tremendous benefits to 50 million people that live in these distressed areas, and it does this by providing them with economic opportunity to be able to help themselves through access to capital that will help create new startups that create jobs. And we think this is a tremendous opportunity to build on. We look forward to this really being great thing in the country.

Sen. Scott. Thank you, Jim.

The President. Thank you, Jim.

Sen. Scott. Mayor.

Mayor Erin E. Stewart of New Britain, CT. Mr. President. Erin Stewart, Mayor of New Britain, Connecticut, the youngest female Republican mayor in the country.

The President. Whoa, that's very impressive. [*Laughter*] That's very good.

Mayor Stewart. I represent a community of about 77,000 people.

The President. Right.

Mayor Stewart. Very, very high poverty community. We get lost when it comes between Boston and New York. And as you can imagine, there's not much moving into Connecticut these days.

So this is an opportunity—and we keep using the word "opportunity," and it's so fitting. This is an opportunity to transform a community like mine, that is still—the poverty rate is high enough, but we're small enough that even an investment, even of a couple million dollars, would have the ability to transform lives and direct lives. And we're really grateful.

Thank you.

The President. How did you feel when Connecticut lost General Electric? That was not a good day.

Mayor Stewart. No.

The President. That's not supposed to happen.

Mayor Stewart. And only the first of many. It's not supposed to——

The President. Well, if you were Governor, that would not have happened, right? I think that would not have happened.

Mayor Stewart. It would not have, sir. [*Laughter*]

The President. You've done a great job.

Mayor Stewart. Thank you.

The President. Tim, anything further to say?

Sen. Scott. I just think the important key point is to realize that Treasury is working very hard on getting the guidance out. We have investors in the room who are very interested and engaged in the process.

[*Sen. Scott continued his remarks, concluding as follows.*]

I would love to see more opportunities, access to capital in South Carolina, starting on day one. And there have been some great ideas that I'm sure Ivanka and others will have an opportunity to discuss with you at a later time.

The President. Ivanka, would you like to say something? You've been pushing this very hard.

Assistant to the President Ivanka M. Trump. Yes, no, I've been tremendously pleased to be able to have such a robust discussion with so many in this room, today and prior to today. And, Senator Scott, your leadership on this has been incredible.

So, creating the incentive to bring capital into communities that are currently being overlooked is just a tremendous opportunity. And the fact that this was integrated into the tax bill—which is already proving to be so beneficial for people all over this country—is just another element as we start to rebuild those distressed communities, of which 60—or 53 million Americans live in them today. So this will target those areas and create a lot of investment opportunities.

So thank you all for your comments and your feedback. And, Senator, thank you for your leadership.

Sen. Scott. I will say, the success that we had on—over the child tax credit——

The President. Right.

Sen. Scott. ——if that is an example of what's possible, good things are coming our way.

The President. Thank you all very much. Thank you.

Domestic Violence

Q. Mr. President, why have you not spoken out against domestic violence? Do you believe the women——

Q. The House Oversight Committee wants to look into——

The President. Thank you. I am totally opposed to domestic violence, and everybody here knows that. I am totally opposed to domestic violence of any kind. Everyone knows that. And it almost wouldn't even have to be said. So now you hear it. But you all know it.

Thank you all very much. I appreciate it.

Sen. Scott. Thank you, Mr. President, for your time. Appreciate it very much.

The President. Thank you.

NOTE: The President spoke at 2:20 p.m. in the Oval Office at the White House. In his remarks, he referred to Vice President Michael R. Pence. Mr. Knight referred to his wife Joye D. Blount

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