

Opportunity Zones Program

Inbox

Rick Dunne <RDunne@nvcogct.org>	Fri, Feb 23, 2018, 10:33 AM	
To Jeff Manville, John Monteleone, John DiCarlo		

First Selectman Manville:

A number of municipal CEOs have contacted me regarding the above-captioned program and asked if the COG could be of assistance. I have also been approached by regional Community Foundations who have investors interested in setting up qualified Opportunity Funds to make development investments in certain qualified communities, also seeking guidance from the NVCOG.

Therefore I write to you today to provide as much information as our NVCOG Team, led by our very capable Transportation Planner Ben Muller, has been able to assemble regarding your specific municipality's potential to benefit from a special tax treatment available to certain investors under the recent federal tax reform bill. You must act quickly as the Governor must use his authority by March 21 to designate eligible census tracts to the Secretary of the Treasury for his confirmation. I suggest you customize and send the attached sample letter to the Governor by overnight mail immediately.

Under the Opportunity Zones Program, states designate eligible census tracts as Qualified Opportunity Zones (QOZ). A QOZ becomes eligible for investment by federally-approved Opportunity Funds, which serve as vehicles to reduce taxes on capital gains by using unrealized gains to fund investments in low-income communities. If investments are held for 10 years, gains on the Opportunity Fund investment also have a permanent tax exclusion. **While Connecticut has 285 eligible Census tracts, the Governor's Office is limited to nominate up to 72 tracts and up to 4 partially-eligible contiguous tracts statewide.**

Southbury has one census tract eligible for nomination as a QOZ, and three partially-eligible tracts. Our team has also prepared the attached maps of all eligible and contiguous Census tracts in the NVCOG and statewide for context, using CDFI data from the US Treasury. While you may be interested in obtaining a nomination for all census tracts in your municipality, keep in mind that this program is limited. Any tracts listed as "contiguous" are partially-eligible, however they may not be designated by the state unless an adjacent fully-eligible census tract is designated.

Eligible Tract · Tract 3481.11	Contiguous Tract · Tract 3481.23 · Tract 3481.24 · Tract 3481.25
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I understand that your community may already be working with the Governor's Office to nominate particular tracts. We now also understand that the Governor's staff will send out an application process for QOZ designation by the Governor. However, I would strongly advise getting a letter of interest like the attached sample into the Governor's hand's immediately to formally express your community's interest in program qualification even if you still must file a forthcoming application issued by the Governor's staff.

When advocating for your census tracts in your letter to the Governor, you should focus on current private development interest in these zones, current local, state or federal investments such as brownfield assessment and cleanup grants, Urban Act and/or EDA investments in infrastructure, existing transit and utility infrastructure, TOD development and planning, approved or planned real estate developments, zoning changes to support sustainable development, the presence of anchor institutions, or any other programs or initiatives that would complement designation and future investment in the particular tracts. In particular, it is our impression that the Governor's Office hopes to prioritize the nomination of tracts that contain projects and initiatives ready to accept immediate investment. Brownfields that have been assessed and master plans or zoning changes that have already been implemented are likely to increase the likelihood of selection. Further, federal program guidance encourages states to give particular consideration to areas with easy access to markets and population centers.

Enclosed is a sample letter you may use as a guide in preparing your letter of interest to the Governor's Office. If you are interested in submitting a letter of interest for this program, please customize the language to fit your particular situation and submit on municipal letter head in your own hand.

Should you desire any assistance in preparing a letter or completing any upcoming application process, do not hesitate to contact us at the COG. You or your staff should contact Ben Muller directly at bmuller@nvcogct.org, or over the phone at (203) 489-0368. Ben is the in-house expert on this program, but of course you can always reach out directly to me at any time to discuss this or any other matter.

Be Well,

Rick Dunne
Executive Director



**Naugatuck Valley
Council of Governments**

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