

## OPPPORTUNITY ZONE STEERING COMMITTEE

January 14, 2020

11:00 a.m. – 12:00 p.m.

### Meeting Date

January 14, 2020

Participants: Karen Blumenstein, Chantal Unfug, Kate Guibert, Kim Woodworth, Rob Brown, Benita Duran, Trent Thompson, Jeff Kraft

Staff: Jana Persky, Jack Tiebout

**Meeting Summary:** The meeting was called to order at 11:00am.

### A. Meeting Minutes – December 17

- a. Kraft motions to approve, Kim Woodworth seconds. Motion passed unanimously.

### B. Program updates

#### a. Previous and upcoming events

- i. Unfug shared an update about the Just Transitions Office (housed within Dept. of Labor and Employment), which will be doing research on best practices for communities transitioning from coal industry. They're interested in OZs.
- ii. Persky announced that Tiebout will be representing the State at an OZ Bootcamp on 2/4 and Sorenson Winter Innovation Summit in Salt Lake City on 2/5 and 2/6. OEDIT's OZ program and 4 Points Funding will be recognized by Forbes at the conference.
- iii. Persky shared an update that the Southern Colorado OZ Summit will be on February 12, cohosted by OEDIT and Dana Crawford. Event will be open for registration this week, with first round of invites going out this week. Steering Committee will be included in first round of invites.
- iv. Duran shared concern about 2020 census undercounting in Pueblo. Unfug suggested that DOLA bring some promotional materials on the census, and that they can continue to do this for programs to come in 2020.

#### b. Introduction to Jack Tiebout

- i. Tiebout introduced himself. He comes to OEDIT from ULI Colorado, where he planned events, managed professional development programs, and contributed to technical advisory services. He previously worked in economic development consulting, and is excited to get back into the field. As Opportunity Zone Program Manager, he will be focused on equitable development in urban opportunity zones.

#### c. Capital and Transaction Advisor updates

- i. Persky shared that OEDIT is interviewing for capital and transactions advisor position. Interviewing three applicants in the next week.

#### d. Other Updates

- i. Persky shared that her job will be posted and open for applications soon.
- ii. Persky shared that we received a Q4 grant update from Jefferson County, but that there are some delinquent reports from other communities. She has followed up with these communities for their updates.
- iii. Woodworth mentioned that grant applications seem to be slowing down, and asked what we can do to encourage more applications. Persky suggested that OEDIT may be able to get more applications by expanding beyond assistance with prospectuses. Persky also suggested that general marketing efforts could be a community need, and that OEDIT should consider doing another round of community needs outreach to see how grants can be best implemented.
- iv. Persky said that we will likely skip next month's meeting, and that Tiebout will send an invite for the next meeting in March, likely at the same time and day of the week.
- v. Thompson shared some additional updates:
  1. Communities throughout the state will be represented at the February 4 OZ boot camp in Salt Lake City.
  2. The US EDA, in partnership with Indiana University and StatsAmerica, released an opportunity zones mapping tool that displays economic and demographic data for each OZ census tract.
  3. Cheyenne County and UCCS are working with EDA on OZ prospectuses.

### **C. Overview of Final Regulations**

- i. Persky shared a high-level overview of her understanding of the final regulations, which were published on January 13. Overall, there were no significant changes to the program. Most of the final regulations were technical updates and clarifications on definitions. They were generally favorable for investors, and did not include reporting requirements that some were hoping for.
- ii. Persky and Kraft also shared that the final regulations have made it easier to qualify as vacant land, which does not need to be substantially improved to qualify for OZ investment.
- iii. Persky also shared that improvements through new assets can count towards the "substantial" (2x) improvement requirement, which could make OZ investment feasible for more businesses.
- iv. Persky shared a clarification on "sin" businesses. If less than 5% of business is sin-related, it can still qualify for OZ investment. For instance, a grocery store for which liquor sales are less than 5% of its business is qualified for OZ investment. Thompson added that the USDA will certify hemp businesses, and that once certified, they will also be eligible for OZ investment.
- v. Kraft shared the clarification that leases from state, local and tribal governments do not need to be at true market rate. This can make a significant difference in incentivizing OZ investment on plots of land that would otherwise be difficult to develop.