



**TO:** Mayor Chuck Barney  
Members of the City Council

**FROM:** John R. Zakian, DR Grant Program Manager & Chief Resilience Officer

**DATE:** February 26, 2018

**SUBJECT:** **Submit Census Tract 38101010100 to Governor for Opportunity Zone Designation**

**I. RECOMMENDED ACTION**

Authorize submitting Census Tract 38101010100 to Governor for Opportunity Zone Designation

**II. DEPARTMENT CONTACT PERSONS**

John R. Zakian, DR Grant Program Manager & Chief Resilience Officer, 423-4528

**III. DESCRIPTION**

A. Background

One part of the tax reform legislation which was passed by Congress and signed by the President in late 2017 creates a new initiative called Opportunity Zones. This part of the law creates the opportunity for investments to be made in designated Opportunity Zones to promote growth and development. Opportunity Zones are determined by Census Tracts which have a majority population which is low and moderate income. The process to be designated Opportunity Zones starts with the Governor of each state submitting a list of Census Tracts identified to be Opportunity Zones to the US Department of the Treasury which has the final decision. The law limits a Governor to submitting no more than 25 per cent of LMI Census Tracts in the state to be approved as Opportunity Zones. The deadline for submitting the list is March 21, 2018 but a Governor may request an extension of 30 days. The basis being used by the US Department of Treasury is its LMI determination for its New Market Tax Credit Program. Minot has one Census Tract which should qualify for the Opportunity Zone. It is the one covering downtown Minot. While the current US Department of Treasury CDFI Fund New Market Tax Credit map does not show the Minot Census Tract as meeting LMI requirements, HUD data has determined it is a LMI Census Tract and an independent, well respected, one of the largest national Community Development Financial Institutions (Enterprise) also concurs that the downtown census tract qualifies for the Opportunity Zone designation.

B. Proposed Project

Submit the downtown census tract to the Governor's office with a request that it be included in the Governor's Opportunity Zone census tracts Opportunity Zone designation request and that the Governor support the city of Minot's efforts to accurately reflect the downtown district census tract's eligibility by the US Department of Treasury CDFI Fund New Market Tax Credit data base.

**IV. IMPACT:**

A. Strategic Impact:

Securing Opportunity Zone designation when combined with the Renaissance Zone will provide the city with a coordinated focus and effective tools to promote sustainable growth in downtown Minot.

B. Service/Delivery Impact:

Opportunity Zone designation will provide the city with an additional economic development incentive to encourage and support a cohesive, coordinated focus on continued revitalization and growth in the downtown and surrounding area.

C. Fiscal Impact:

None

**V. ALTERNATIVES**

N/A

**VI. TIME CONSTRAINTS**

NA

**VII. LIST OF ATTACHMENTS**

- A. Copy of Opportunity Zone statute
- B. Copy of Census Tract Map for downtown
- C. Copy of Email from Enterprise CDFI concurring census tract is eligible for Opportunity Zone