



Department of Economic and  
Community Development

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## Opportunity Zone Application

### Purpose of Application

To invite eligible municipalities to share input and to solicit their prioritized nominations of low-income census tracts for designation as opportunity zones by Governor Malloy for approval by the U.S. Department of the Treasury under the newly established Opportunity Zone program.

### Opportunity Zone Background

A new community development program, Opportunity Zones are a creation of the Tax Cuts and Jobs Act of 2017 to induce long-term investments in low-income communities. The program provides a federal tax incentive for investors to re-invest unrealized capital gains into Opportunity Zones through Opportunity Funds. Each governor may designate up to 25% of the qualified census tracts in the state as Opportunity Zones – subject to certification by the Secretary of the Treasury by March 21, 2018 (though a 30-day extension may be granted). Qualified census tracts are those that have a poverty rate of at least 20% or a median income that does not exceed 80% of the area median income.

Opportunity Funds are private sector investment vehicles that invest in Opportunity Zones. These funds are intended to unlock new capital for economic development in areas often left behind. The Opportunity Fund model encourages investors to pool their resources in Opportunity Zones, increasing the scale of investments going to underserved areas. These funds may seed new businesses, expand existing firms, or undertake real estate development. Qualifying investments may include a broad range of commercial and residential investments such as transit-oriented development, affordable housing and mixed use development, and energy efficiency and renewable energy projects on public and private assets.

In exchange for their investments, Opportunity Fund investors are able to decrease their federal tax burden through the preferential treatment of capital gains. More information will be coming from Treasury on how to establish and manage these Funds in the coming weeks.

For more information on Opportunity Zones: <http://eig.org/opportunityzones>

For a map of eligible census tracts: <https://www.cdfifund.gov/pages/opportunity-zones.aspx>

**Nomination Requirements:** You are receiving this notification because you have one or more census tracts in your community that are eligible for designation as an Opportunity Zone. Since the state can only submit approximately 25% of the eligible tracts, we ask that you provide information to help the Governor determine which tracts are nominated. In the attached form, please provide the following information:

1. Name of Municipality
2. Contact Person
3. A prioritized ranking of eligible census tracts that the municipality wants to nominate on the spreadsheet provided. In addition, attach a map with census tract with boundaries clearly delineated.
4. An explanation of the rationale used to prioritize and rank the tracts.



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5. A description of each tract in terms of its commercial enterprise concentration or real estate development potential, with particular consideration given to the following:
  - a. Viability of real estate development within 2 years (existing interest, RFPs, etc.).
  - b. Existing business concentration that may spur new businesses development in that census tract.
  - c. Proposed new business licenses or building permits in the tract.
  - d. Zoning for commercial enterprise
  - e. Availability of building stock/open sites
  - f. Adjacencies to educational hubs, employers, existing businesses, existing housing
  - g. Accessibility to transit and commuter rail.
  - h. Potential to upgrade energy systems with clean energy and/or energy efficient features
  - i. An indication of whether the census tract overlaps with any other designations, e.g., Working Cities Challenge, Innovation Places, Enterprise Zones, and Federal Promise Zones.

**A conference call in which you can ask any questions you may have will be held on:**

***Monday, March 5, 2018 @ 9:00A.***

***Dial in number: 1-866-556-7983 Code: 8787887***

### **Submission**

A completed Nomination Form with the above items and cover letter on official municipality letterhead should be submitted by the chief elected or chief administrative official of the eligible municipality, signed by that official. Questions should be addressed to [Rob.Michalik@ct.gov](mailto:Rob.Michalik@ct.gov).

**An electronic version or hard copy of the Nomination Form must be received no later than 5:00PM EST on March 16, 2018.**

### **Hard copies can be sent to:**

Opportunity Zones  
Rob Michalik  
Department of Economic and Community Development  
450 Columbus Boulevard  
Hartford, CT 06103-1843

**Electronic submissions can be sent to: [Rob.Michalik@ct.gov](mailto:Rob.Michalik@ct.gov)**