

From: Brautigam, Jane <brautigamj@bouldercolorado.gov>

Sent: Thursday, November 29, 2018 6:44 PM

To: HOTLINE

Subject: Update on Opportunity Zone participation

Dear Council Members,

Boulder's participation in the federal Opportunity Zone program for Census Tract 122.03 (containing the Diagonal Plaza area) has raised several questions about the process and potential impacts within the zone.

Council will discuss the Opportunity Zone criteria and next steps at its Dec. 18, 2018 meeting. As part of the Dec. 18 Council Packet, the city's Community Vitality Department will provide a memo detailing the process and requirements for investments within the zone. Earlier today, staff also posted Opportunity Zone-related emails concerning the city's input to the Governor's Office. The emails relating to the Opportunity Zone designation are available at <https://bouldercolorado.gov/business/opportunity-zone-program-emails>.

On Dec. 18, the Community Vitality and the Planning Departments will:

- review the 12 Boulder tracts Gov. Hickenlooper considered for inclusion,
- criteria for inclusion,
- requirements to abide by local zoning ordinances,
- currently published IRS determined restrictions on Opportunity Zone fund creation and use, and
- the process for informing the community about potential projects through this program.

Although the Opportunity Zone program is one financing tool within a redevelopment tool box and does not alter local zoning requirements, there are opportunities as well as potential drawbacks for the city. For example, the program could provide needed investment to redevelop the Diagonal Plaza area or the 30th & Pearl project. The Census tract also includes a much larger land area that could attract redevelopment interest beyond these sites. Staff will address these pros and cons as well as if there are additional affordable housing options or other community desired outcomes to be gained through the program. Staff also will be available to address council questions about whether current development regulations meet community expectations for land use in the affected area.

Some members of council have requested additional background on Boulder's participation in the opportunity zone program.

On Feb. 15, 2018, the Colorado Office of Economic Development & International Trade issued a public notice to a standing distribution list, including subscriber Boulder Economic Council

(Boulder Chamber) for input on the program (including a link to eligible tracts in Colorado) that the governor was considering for nomination. The Boulder Economic Council then informed the Community Vitality Department and the Chamber's CEO that the governor was considering 500 eligible tracts across the state. On Feb. 28, the State held a phone meeting with the Boulder Chamber and Community Vitality that provided more information about the program. Through this process, staff learned that Boulder would not be able to decline a designation once the Governor's Office selected tracts to nominate. As city manager, I was asked on March 5 to make a decision on whether to submit information to the governor. This was the date the information was due. I made the decision to submit information on the Diagonal Plaza tract. Of the 12 potential Boulder sites, only for the Diagonal Plaza area (tract 122.03) was provided for the governor's consideration because the council has identified it as a priority for redevelopment. The governor did not include the other 11 Boulder tracts. His office announced on April 11 that this tract was accepted as one of Colorado's 126 Opportunity Zones.

Regards,

Jane

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