

OPPPORTUNITY ZONE STEERING COMMITTEE

February 9, 2021

11:00 a.m. – 11:30 a.m.

Meeting Date

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Participants: Karen Blumenstein, Jeff Kraft, Kim Woodworth, Trent Thompson, Wendell Pryor, David Drago, Kate Guibert, Carla Castedo

Staff: Jack Tiebout, Mike Landes

Meeting Summary: The meeting was called to order at 11:02 a.m.

A. Meeting Minutes – December 8, 2020

- a. Landes calls for a motion to approve, Blumenstein moves, Pryor seconds. Motion passed unanimously.

B. Introduction to new steering committee member, Carla Castedo

- a. Tiebout announced that the committee has added a member, Carla Castedo Ribero from the City of Denver's Neighborhood Equity and Stabilization (NEST) office. OEDIT is excited to have the City of Denver represented on the steering committee and look forward to working with her.
- b. Castedo introduced herself. She works closely with Denver's small businesses and is excited to work with the steering committee.

C. Program updates

a. Community engagement

- i. Landes updated the committee on the recent Opportunity Zone & Early Childhood Education event. Presentations included Four Points Funding discussing their OZ workforce housing project with childcare, EIG discussing their research on OZs and childcare, an accelerator participant in the childcare space in Morgan County, and a guest appearance from Governor Polis.
- ii. Landes also summarized the OZ economic development forum that OEDIT co-hosted with EDCC. Forum covered how OZs are being incorporated into economic development plans and what some common hurdles are across the state. Tiebout added that we met several new faces that we hadn't previously been in communication with, a benefit of cross-promoting through EDCC.
- iii. Tiebout previewed the OZ & Historic Preservation event he organized, which included a case study from a successful OZ/HPTC project in Alabama as well as presentations from Novogradac, Tax Credit Connection, the City of Durango, and Dana Crawford.

b. Opportunity Zone Capital Accelerator Program (OZCAP)

- i. Landes shared an update on the OZCAP program. We have begun the procurement process for a second round of the program, and were excited to see that one of our participants raised \$4.8M in Series A funding.

D. Grant updates

- a. Tiebout informed the committee that we received a mini-grant application from the Longmont Economic Development Partnership for design services for their OZ investment prospectus. The grant received preliminary internal approval, but we wanted to run it by the committee first. Committee expressed their support for the grant.
- b. Tiebout also shared updated on some past OZ grants for which he recently received reports. Highlights included the development of a prospectus and a local OZ fund in a western slope community, a completed feasibility study, and two large workforce housing projects currently in advanced talks with OZ investors.
- c. Blumenstein inquired as what internal rates of return we are typically seeing for viable OZ projects, to which Dragoo responded that they typically see 12% IRR not including the OZ benefit.

E. Further discussion

- a. Pryor asked about whether there are any updates on Opportunity Zones at the federal level. Thompson shared that there has not been much discussion about changes or updates to OZs at the Economic Development Administration yet, and that the agency is primarily focused on Covid recovery programs at the moment. Landes mentioned that we are also keeping an eye on potential removal of the 1031 exchange.
- b. Dragoo mentioned a recent Novogradac report indicating that 96 percent of OZ funding is going to real estate projects, with very little going to operating businesses.
- c. Blumenstein asked whether the OZ team had any updates on outreach to banks about using OZ investment to meet Community Reinvestment Act requirements. Landes mentioned that this is part of our broader plan to engage with more funders, but that we have not yet contacted banks.
- d. Landes asked for a motion to adjourn. Pryor moved, Kraft seconded. Motion passed unanimously. Meeting adjourned at 11:53 a.m.