

BIG SKY ECONOMIC DEVELOPMENT AUTHORITY BOARD

BOARD NOTICE OF ELECTRONIC VOTE:

REQUEST: Approval to submit applications to Governor Bullock and the Department of Commerce Opportunity Zone Review Committee seeking local census tracts be designated as an Opportunity Zone.

Big Sky Economic Development along with community partners including Beartooth RC&D, Yellowstone County, City of Billings, Downtown TIFD, and South Billings Urban Renewal Agency met to determine the best approach to this new program.

There are eleven eligible Census tracts in Yellowstone County, ten of which are in the city of Billings. Big Sky Economic Development is collaborating with Yellowstone County, the City of Billings, the TIF districts, and Beartooth RC&D to identify the best tracts for nomination tracts which are best suited for development and redevelopment based on the program's criteria, rank those tracts in order of preference, and complete and submit the necessary proposals to the Governor and the Department of Commerce. Deadline to submit applications to Governor Bullock and the Department of Commerce is March 30, 2018.

The Opportunity Zones program is designed to encourage long-term private investment in low-income communities. It provides federal tax incentives for taxpayers who reinvest unrealized capital gains into "Opportunity Funds," which are specialized vehicles dedicated to investing in low-income areas designated "Opportunity Zones."

Eligibility for Opportunity Zone designation is determined at the Census tract level. Each governor may select only about a quarter of the eligible low-income community tracts in their state for this designation. Montana may select 25 tracts of the 106 eligible census tracts. Cities, towns, counties, tribes, Certified Regional Development Corporations or lead economic development organizations may nominate eligible Census tracts within their jurisdiction to the Montana Department of Commerce. Based on these proposals, the Department of Commerce will make recommendations to Governor Bullock, who will submit his final determination to the U.S. Treasury. Proposals will be evaluated based on the potential for development, demonstrated need, and the existing plans presented in each application. Since these Opportunity Zones must be able to attract the private capital invested in the Opportunity Fund, it is important that communities nominate the tracts most likely to realize development.