

# Vermont Opportunity Zones

Vermont Opportunity Zone Summit – Tuesday, June 12

## CONTEXT

The Tax Cuts and Jobs Act of 2017 created a new type of tax incentive to promote private investment in low income census tracts. The new law charged Governors with designating Opportunity Zones.

In February, the Agency of Commerce and Community Development began a public input process:

February 14<sup>th</sup> - Initial feedback on census tract selection

February 23<sup>rd</sup> - Draft recommendations published at [accd.Vermont.gov/Opportunity Zones](http://accd.Vermont.gov/OpportunityZones)

March 6<sup>th</sup> - Feedback on recommendations due

March 9<sup>th</sup> - Final draft recommendations published

March 16<sup>th</sup> - Feedback on recommendations due

March 20<sup>th</sup> - Final recommendation made to Governor

March 21<sup>st</sup> - Governor's recommendation made

April 9<sup>th</sup> - Treasury Department designated Vermont's Opportunity Zone

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**“Just four states—California, Colorado, Idaho, and Vermont—simultaneously met the four dimensions of inclusivity and transparency: (1) published a dedicated web site; (2) asked for structured input from the general public; (3) published at least a link to the eligible census tracts from which their governor was choosing; and (4) published their governor’s final choices recommended to Treasury.”**

“Maximizing the impact of new Opportunity Zones requires transparency and citizen engagement”

Anthony Pipa

Brookings Institute, April 16, 2018

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Vermont designated the maximum number of zones allowed by statute

- 25 percent of a state's eligible zones, or 25 minimum:
  - 23 Low Income Communities (as defined in 45D – same as New Market Tax Credit eligibility)
    - 20 Percent Poverty Rate
    - Non-metro – median family income does not exceed 80 percent median income
    - Metro – median family income does not exceed 80 percent of the greater of statewide or metro median family income
  - 2 Contiguous Tracts to Low Income Communities
    - Adjacent to a designated Opportunity Zone
    - Median family income of the tract does not exceed 125 percent of the median family income
    - Allowed no more than 5 percent of the state's designations (rounded up to two for Vermont)

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## Vermont's Opportunity Zones

- Geographic Diversity (12 of 14 counties)
- 17 different communities
- 85,000 Vermonters
- 18,000 people below the federal poverty line
- 7,470 businesses

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## Vermont's Methodology

The Agency used both 2011-2015 American Community Survey data and 2016 ACS data to inform decisions (in addition to geographic equity):

- Poverty Rates
- Unemployment Rates
- Population Counts
- Number of Businesses
- Number of Private Sector Jobs
- Available Infrastructure
- State Designation Programs
- Public Comment

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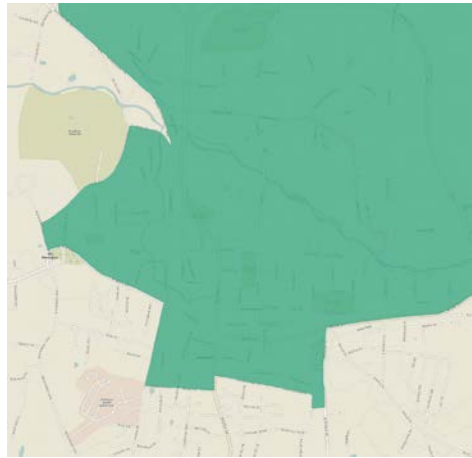
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- Barre City
- Bennington (2)
- Brattleboro
- Burlington (2)
- Johnson
- Lyndon
- Newport City (2)
- Randolph
- Rockingham
- Royalton
- Rutland City (3)
- St. Albans City
- St. Johnsbury (2)
- South Burlington
- Springfield (2)\*
- Vergennes
- Winooski (2)



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## Making the most out of Opportunity Zones

- Engage local Opportunity Zone citizenry and leadership
- Provide leadership and technical assistance to “fund creators”
- Create complimentary state policy and incentives to maximize impact
- Provide data and tools to municipal leaders within Opportunity Zones
- Measure investment and track success (or failure)

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## Questions and Answers

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