



To: Mayor and Council

From: Brie L. Franco, Intergovernmental Relations Office  
Rebecca Giello, Economic Development Department

Date: April 9, 2018

RE: Opportunity Zone Designations by Governor Abbott to the U.S. Treasury Department

This memorandum serves to update Mayor and Council on the issue of Opportunity Zones, as a follow up to the communications on March 9, 2018. The Opportunity Zone program was created by the 2017 federal Tax Cuts and Jobs Act. Each state may designate up to 25 percent of its eligible low-income census tracts as Opportunity Zones.

### **Texas Designated Opportunity Zones**

Governor Greg Abbott submitted the State's eligible Opportunity Zone Census Tract recommendations to the U.S. Treasury Department by designating 628 census tracts in 145 counties as Opportunity Zones. See the complete list the state's Opportunity Zone designations at [https://gov.texas.gov/uploads/files/press/Opportunity\\_Zone\\_Designations.pdf](https://gov.texas.gov/uploads/files/press/Opportunity_Zone_Designations.pdf). Within the corporate boundaries of the City Limits, the Governor nominated 21 Census Tracts, including the four (4) the City of Austin submitted by the March 21 deadline. A map of the Governor's nomination for Austin can be found at <http://austin.maps.arcgis.com/apps/webappviewer/index.html?id=e49000a25cf749b88c4be0c6730fe621>. Public and private entities could provide nominations to the Governor.

### **City of Austin Submission**

The submission by the Governor includes the tracts recommended by the City of Austin consisting of four Census Tracts in District 2: 24.32, 24.33, 24.35, and 24.36. The City's nomination was based on Council feedback following meetings with Council Members and Council staff. The City-nominated Census Tracts have a population that is approximately 70% Hispanic and more than 25% of the residents in these tracts live at or below the poverty line. These census tracts are located near the Austin Bergstrom International Airport, major road ways, and there is an abundance of undeveloped and affordable land. The submission was made to the Governor's Office in collaboration with Council Member Delia Garza's input.

### **Next Steps**

The Secretary of the Treasury certifies the nominated Census Tracts. No further Treasury guidance has been issued about post certification process. As noted in the communications to Mayor and Council on March 9, 2018, more information is still required about this Federal program. As of now, cities would have no identified role in in the creation or management of these private, tax-sheltered funds. Staff will forward information to you as it is available that is impactful to municipalities.

Please do not hesitate to contact Christine Maguire, 512.974-7131; or Brie Franco, 512-974-2285 for more information.

cc: Spencer Cronk, City Manager  
Elaine Hart, Chief Financial Officer  
Greg Canally, Deputy Chief Financial Officer