



COLORADO

Office of Economic Development
& International Trade

Business Funding & Incentives

OZ 2.0 Convening on the Western Slope

May 11, 2026

GRAND JUNCTION economic
PARTNERSHIP



BUSINESS
INCUBATOR CENTER

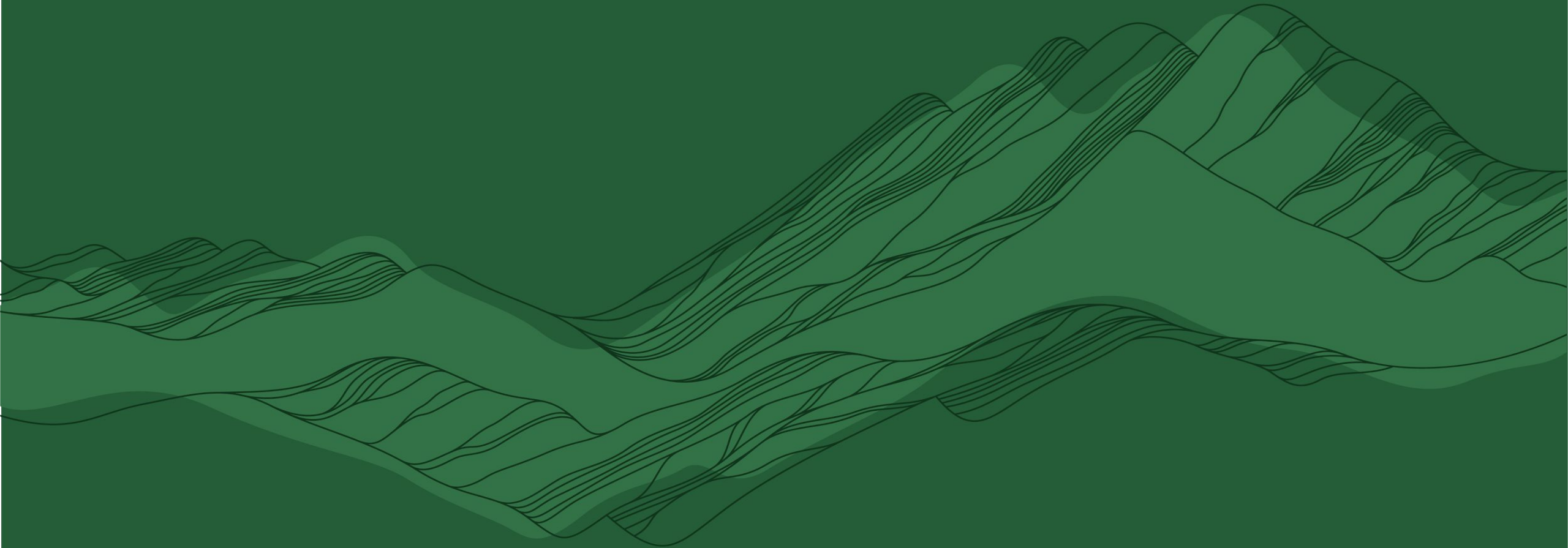
Expert Help • Targeted Resources • Tangible Results



Agenda

1. Welcome - *OEDIT, GJP, BIC*
2. Opportunity Zone Education
 - OZ from the State Perspective - *OEDIT*
 - OZ Education & Insight - *Novogradac*
 - OZ in Rural Colorado - *Four Points Funding*
 - Questions: OZ Policy
 - OZ 2.0 Designation Tools- *OEDIT*
3. Networking Lunch
4. Opportunity Zone 2.0 Designation
 - Remarks from Governor Polis
 - OZ 2.0 in the Region - *David Dragoo*
 - Workshop on Opportunity Zone 2.0 Designation

OZ from the State Perspective



Federal OZ 2.0 Eligibility & State's Role

The federal government establishes eligibility for opportunity zones, and states nominate up to 25% of eligible tracts for designation.

Federal OZ Eligibility Requirements:

Defines low-income communities as census tracts that have either

1. a median family income below 70% of the state (for non-metro areas) or metro (for metro areas) median or
2. a poverty rate of 20% or greater and a median family income below 125% of the state or metro median.

Eliminates the “contiguous tracts” exception from the first iteration of the program.

Recap of 1.0 Programming & State's Role

- 2017 - Federal Authorization
 - Governor charged OEDIT to support the CO nomination process
- April 2018 - OZ census tracts officially designated
- 2019 - OEDIT launched Colorado Opportunity Zone program
 - Grant Funding
 - Marketing grants for communities
 - Prep for OZ investment (accelerator program) for businesses
 - Technical assistance and education
 - Investment database for projects and investors

OZ 2.0 Designation Timeline in CO

April 6, 2026: US Treasury release lists of eligible tracts and OZ guidance

Current: Ongoing conversations with community leaders to determine zones

May 2026: OEDIT makes public:

1. Input form on where to designate zones - **due June 30, 2026**
2. Data index showing how eligible tracts score on variety of indicators
3. GIS map providing visual of eligible tracts and subset of indicators

July 1 - Sept. 30, 2026: 90-day designation period for Colorado to nominate OZ 2.0 designations to the US Treasury

July - Dec. 2026:

- OEDIT will establish OZ 2.0 implementation grants for designated OZs
- OEDIT will update Colorado OZ Investment Database

Oct. - Dec. 2026: US Treasury will release designated OZ 2.0 census tracts

January 1, 2027: New OZs are live for investment, designated for a 10 year period (2027-2036)

Brent Parker, Novogradac



Brent Parker is a partner of Novogradac & Company LLP. Brent is experienced in affordable housing and community development, working with for-profit and nonprofit organizations in a variety of tax incentivized real estate-oriented ventures at both the project and fund levels. He has a particular focus on investments in qualified opportunity funds and the low-income housing tax credit, in addition to serving private equity commercial/market-rate clients.

Novogradac Intro into Opportunity Zones

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Acronyms

OZ: Opportunity Zone

QOF: Qualified Opportunity Fund

QROF: Qualified Rural Opportunity Fund

QOZB: Qualified Opportunity Zone Business

QOZBP: Qualified Opportunity Zone Business Property

NQFP: Nonqualified Financial Property

TOB: Trade or Business

Taxpayers can
get
capital gains
tax deferral
(& more)



*for making
timely
investments in*

Qualified
Opportunity
Funds (QOFs)



*which
invest in*

Qualified
Opportunity
Zone Property

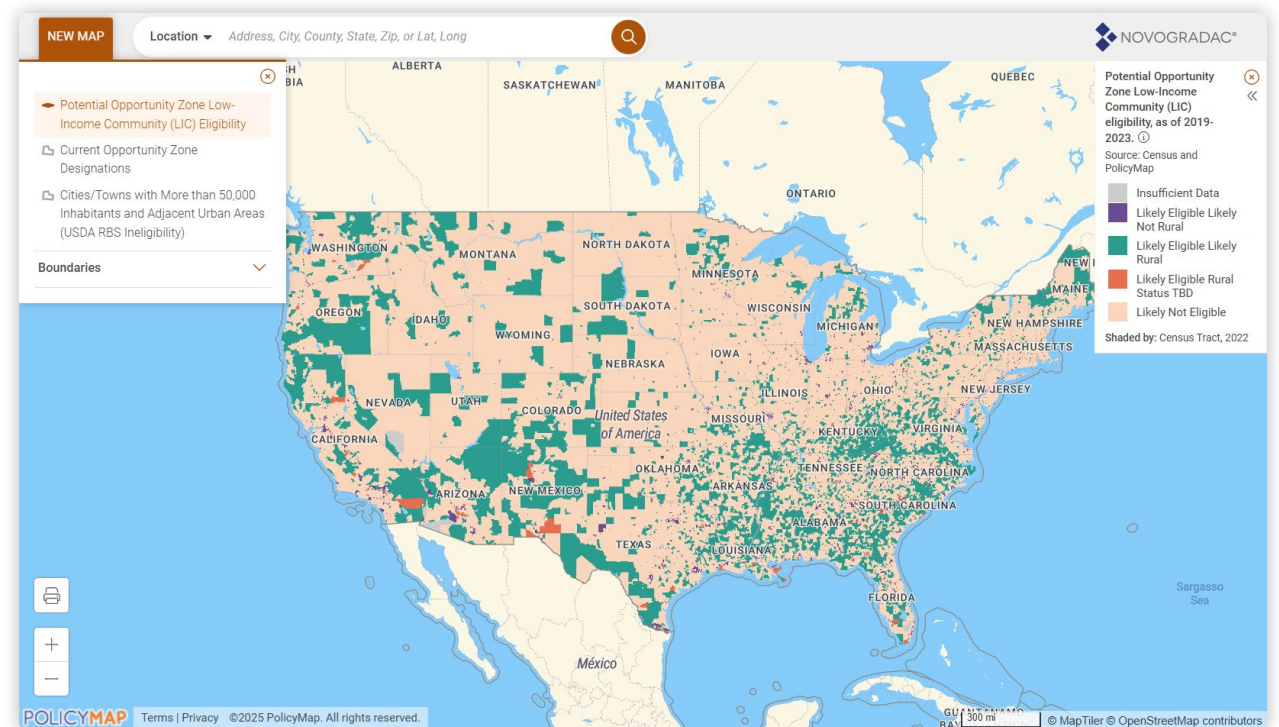


located in

Qualified
Opportunity Zones

Qualified Opportunity Zones

- Population census tract that is a low-income community (LIC)
 - Median family income of census tract is below 70% of state or metro median family income; or
 - Poverty rate of at least 20% combined with an income below 125% of state or metro median family income
- Timely nominated by each Governor
- 25% of eligible census tracts are nominated by each Governor
- Treasury ultimately certifies the Governor nominations



<https://www.novoco.com/resource-centers/opportunity-zones-resource-center>

Qualified Opportunity Zones

1. Off-list nominations will be allowed, with the burden of proof falling to the State.
2. Puerto Rico OZ 1.0 designations will end Dec. 31, 2027 and not Dec. 31, 2028.
3. States that submit during the Jul. 1 - Sep. 28 nomination period will all be treated as having submitted on Sep. 28, so early nominations will not be designated by Treasury until the end of the 90-day nomination window.
4. The 2020 census tract boundaries will be used for the entirety of an OZ's designation period, meaning any boundary changes to census tracts as a result of the 2030 census will be disregarded.

REMINDER: 3 Tax Incentive Benefits

1.

Gain
Deferral

2.

Partial
forgiveness

3.

Forgiveness of
additional
gains

Agenda

1. Gains, attributes of gains, taxpayers
2. Qualified opportunity funds and business structural components
3. Business and leasing considerations
4. Project level considerations
5. 1400Z-2 (OZ 2.0 Impact)
6. Reporting requirements (after 12/31/26)

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Eligible Taxpayer

A person that may recognize gains for purposes of federal income tax accounting. Includes:



Individual
s



C
corporations



Partnershi
ps



RIC
s



REIT
s



S

Corporations



Trusts and Estates

QOF Contributions

- Investments in QOFs must be cash, or property, and cannot include services
- Property contributions – deferral election is limited to tax basis of property contributed
 - Property contributions to a QOF would be full of potential landmines
- Value received by an investor for appreciated property or provision of services is treated as property contributed for which an election is not made
 - Could result in a mixed funds investment
- Distributions, especially within two years of a capital contribution, can be deemed disguised sales of partnership interests and not qualify for a deferral of gain or other opportunity zone benefit

Eligible Interests in QOFs

Only equity interests

- Including preferred stock or partnership interests with special allocations
- Excludes debt instruments

Eligible interests are not impaired if used as collateral for a loan

Gain Recognition

Attributes of Gains

- Deferred gains triggered have the same attributes in taxable year of inclusion that they would have had if tax on the gain had not been deferred
- For instance, if a short-term capital gain is deferred, originally, then at deferral ending date, the gain then recognized would be short-term capital
- Note that the rates associated with types of gains may change

Gain Recognition Inclusion Events

- Inclusion events prior to the end of deferral period
- Distributions in excess of basis: “an actual or deemed distribution of property (including cash) by a QOF partnership to a partner with respect to its qualifying investment is an inclusion event only to the extent that the distributed property has a fair market value in excess of the partner’s basis in its qualifying investment.”

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Qualified Opportunity Funds (QOFs)

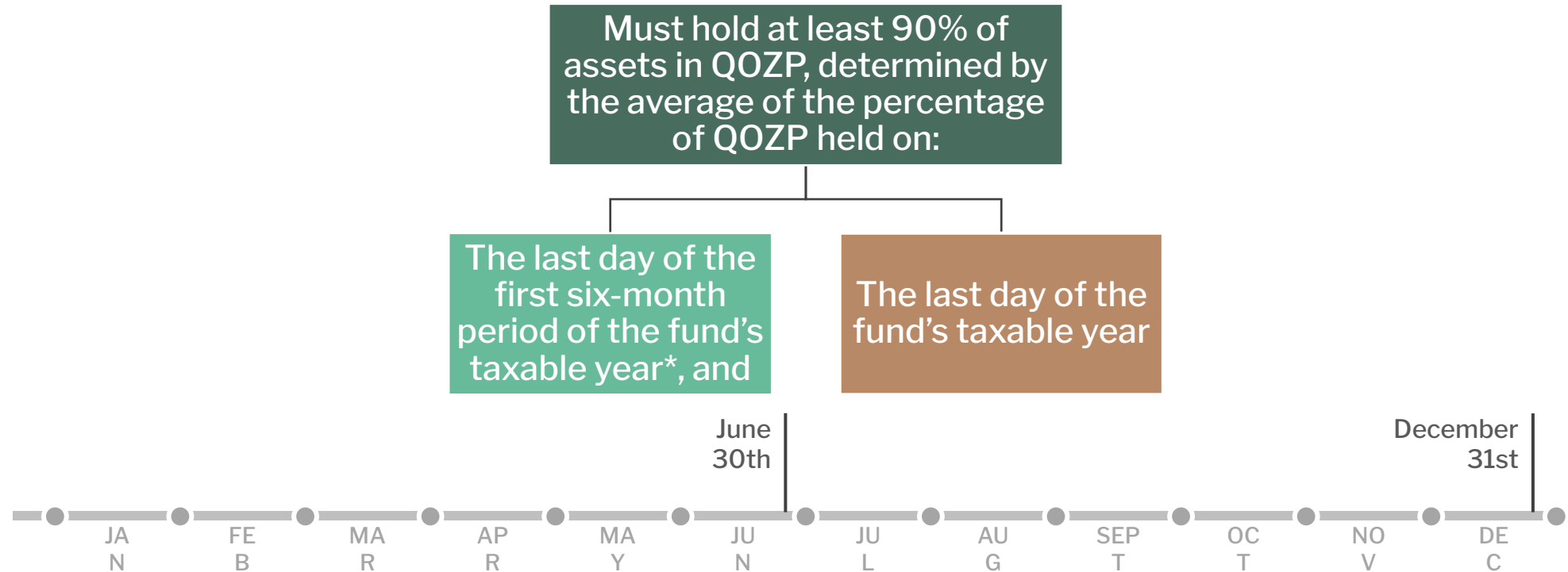
Two requirements for eligibility:

1. Investment vehicle to be organized as a corporation or a partnership for the purpose of investing in Qualified Opportunity Zone Property
2. At least 90 percent of its assets is held in Qualified Opportunity Zone Property

*Funds can be structured to invest in multiple assets, or as a single-asset special purpose vehicle. However, Opportunity Funds cannot be structured to invest in other funds, thereby prohibiting a 'fund-of-funds' model.

**Failure to meet 90% threshold causes a monthly penalty equal to the federal underpayment rate (6% for April – June) multiplied by the excess of 90% of fund assets over fund QOZP, subject to a reasonable cause exception – no penalty imposed if failure due to reasonable cause. Failure not covered by reasonable cause could result in penalty or possibly decertification.

Qualified Opportunity Fund – Assets Test



*If proceeds are held continuously as cash, cash equivalents, or debt instruments with a term of 18 months or less, QOFs may exclude from the 90% test calculation any contributions received within 6 months of the testing date.

**QOF has a reasonable time to reinvest interim gains from sale of QOZP. Reasonable time is defined as 12 months.

Qualified Opportunity Fund Issues

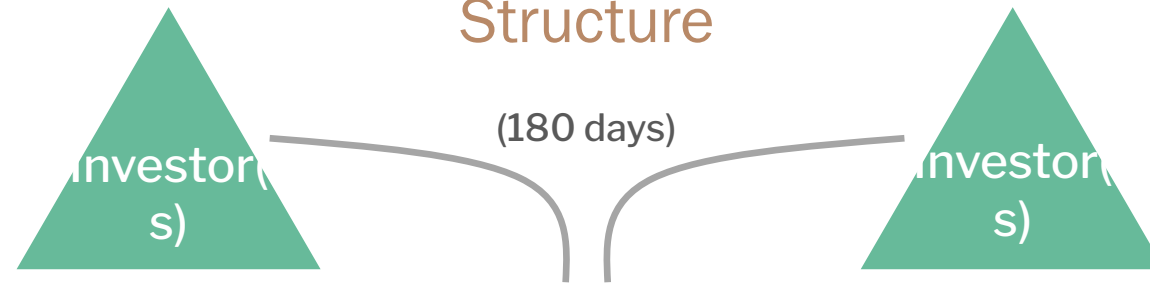
Debt Financed Distributions

- Confirmation that a debt-financed distribution of cash after 2 years is generally not an inclusion event.
- Reg. §1.1400Z2(a)-1(c) Example 4 - debt-financed distribution that is not a disguised sale.

Option to Disregard Recently Contributed Property to a QOF

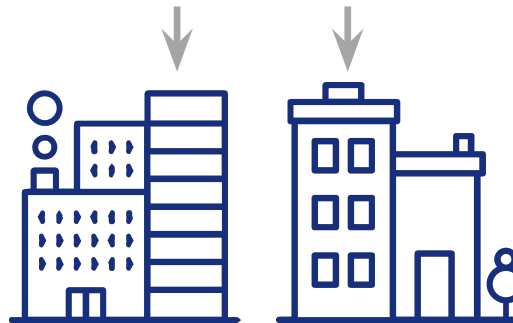
- Continue to provide a grace period to invest in QOZP.
- Qualifying contributions still excluded from the numerator and the denominator

Structure



Operating Business

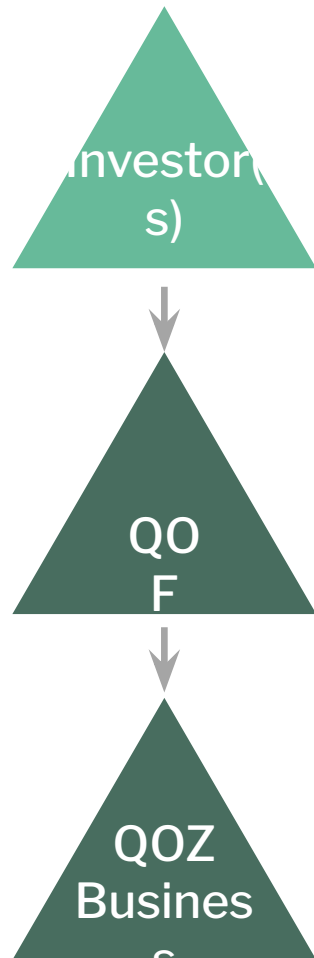
- New business
- Existing business expanding into Opp. Zone
- Improving existing business



Rental real estate

- New construction
- Substantial improvement
 - 100% of basis (50% if rural)

Structure Elements



Investor Level:

- Gains, attributes of gains and taxpayers
- Timing of 180-day investment period from investor to QOF

Qualified Opportunity Fund (QOF) Level:

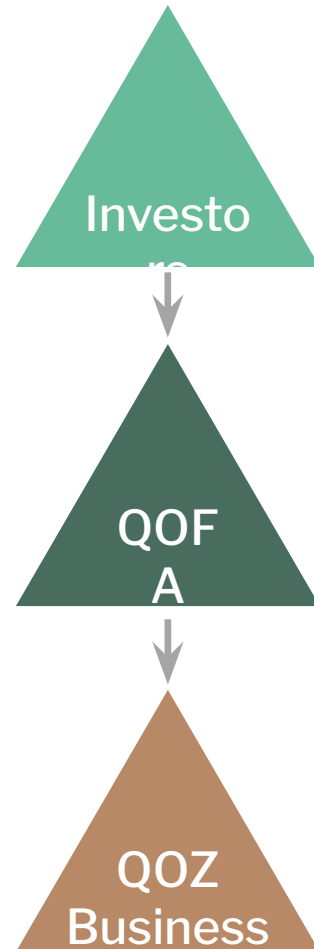
- Investments eligible as qualified OZ property (QOZP) and 90% requirement
- Certification and timing of 6-month / year-end 90% testing dates

Qualified OZ Business (QOZB) Level:

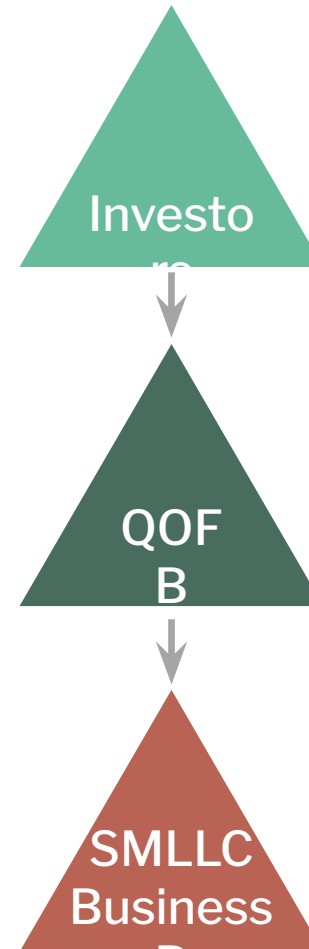
- Investments that qualify as QOZB Property (QOZBP) and 70% threshold
- QOZB requirements: 50% income in OZ, 40% intangible property, <5% Nonqualified Financial Property (NQFP)

Choice of Structure – Single Asset QOF

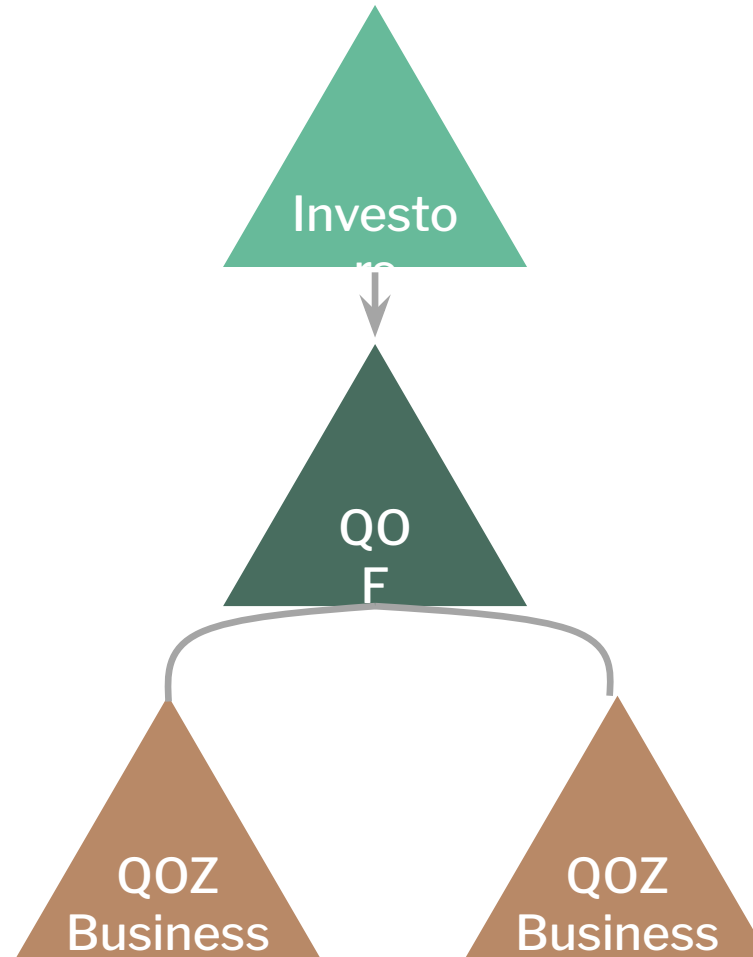
Structure 1



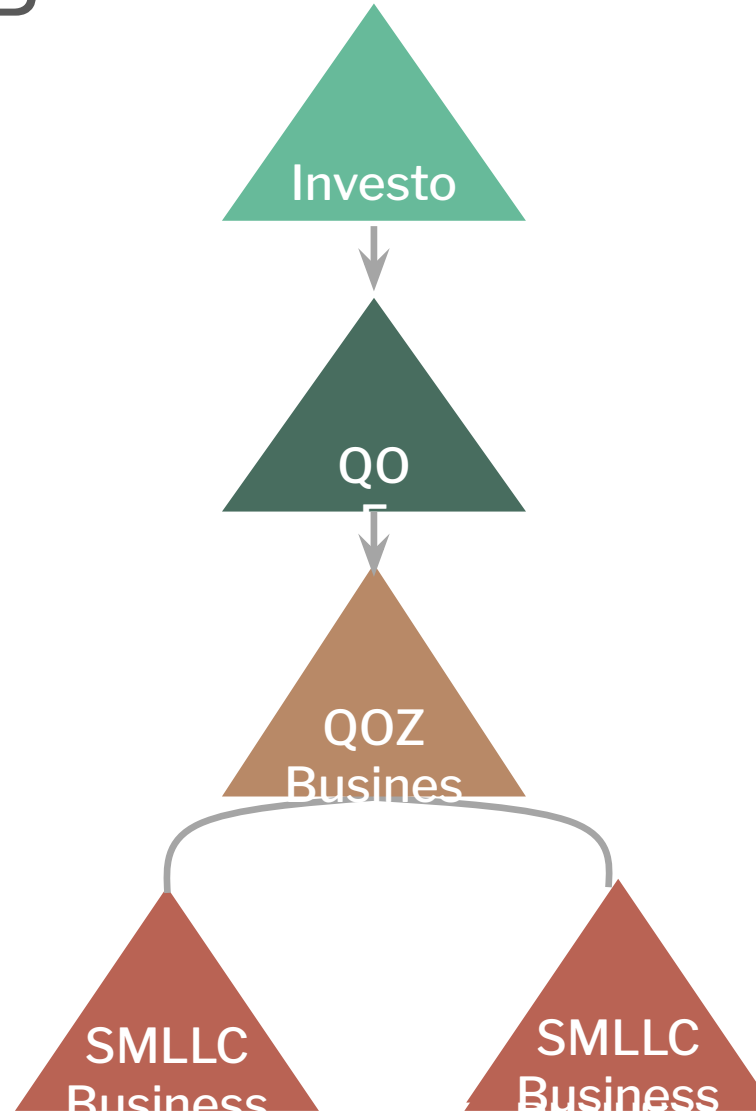
Structure 2



Choice of Structure – Multiple Asset QOF



Choice of Structure – Single Asset QOF / Multiple Asset QOZB



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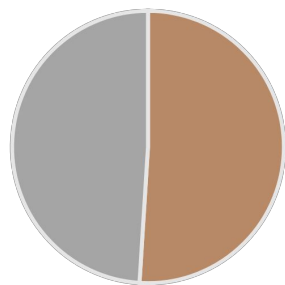
Qualified Opportunity Funds: Direct and Indirect Investments into Qualified Opportunity Zone Property



- The investment must be acquired after December 31, 2017 solely in exchange for cash;
- An investee business must be a qualified opportunity zone business, or is being organized for the purpose of being a qualified opportunity zone business;
- Must remain a qualified opportunity zone business for substantially all of the qualified opportunity fund's holding period
 - Substantially all defined by final regulations as 90% of the holding period

Qualified Opportunity Zone Businesses (QOZB)

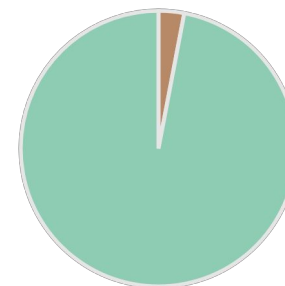
A trade or business in which substantially all (70% per Final Regulations) of the tangible property owned or leased by the taxpayer is qualified opportunity zone business property (QOZBP) and:



At least 50% of income derived from Active Conduct



Substantial portion, at least 40 percent, of intangible property used in active conduct of business



< 5 percent average aggregate unadjusted basis of property is nonqualified financial property

*Non-qualified financial property is, generally, cash and cash equivalents, debt, stock, partnership interests, options, futures contracts, forward contracts, warrants, etc. that do not relate to the OZ investment.

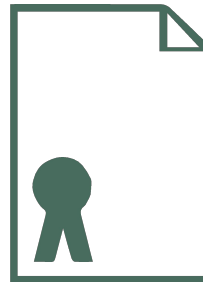
**Active conduct of business includes the ownership and operation (including leasing) of real property but merely entering into a NNN lease is not the active conduct of a business.

Operating Businesses - Non-qualifiers

- What types of operating businesses are NOT likely to qualify as either a Qualified Opportunity Fund (QOF) or a Qualified Opportunity Zone Business (QOZB)?



Businesses such as financial institutions - hold large amounts of NQFP



Businesses holding intangible property not actively used in the Trade or Business (TOB)



Sin businesses cannot be QOZBs

Sin Businesses

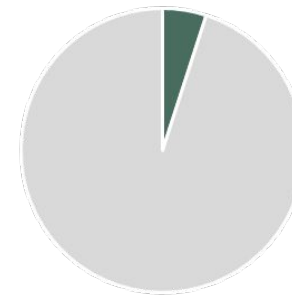
- Any private or commercial golf course
- Country club
- Massage parlor
- Hot tub facility
- Suntan facility
- Racetrack or other facility used for gambling
- Any store the principal business of which is the sale of alcoholic beverages for consumption off premises

Sin Businesses – cont.

Regulations provide de minimis rules for assessing compliance with a trade or business complying with the prohibition on sin businesses.



Prohibit a QOZB from leasing **five percent or more** of its **property** to sin businesses, or



Generating **five percent or more** of its **gross income** from sin businesses.

Qualified Opportunity Zone Business Property (QOZBP)

- ✓ Tangible property used in a trade or business
- ✓ Acquired by purchase from an unrelated party (20% standard) after December 31, 2017
- ✓ During substantially all of holding period, substantially all the use is in a QOZ – now defined as 70%
- ✓ Original use in the QOZ commences with the taxpayer (PIS date for depreciation or amortization purposes)

OR

- ✓ Taxpayer substantially improves the property



Qualified Opportunity Zone Business Property (QOZBP)

Substantial Improvement

Property has been substantially improved if during any **30-month period** after acquisition, additions to basis exceed an amount equal to the adjusted basis of such property at the beginning of such period



Leased Property – Original Use and Substantial Improvement

- Improvements made by a lessee to leased property satisfy the original use requirement and are considered purchased property
- Original use requirement does not apply to leased tangible property
- There is no “substantially improves” requirement for leased tangible property
- May have leases with related parties, subject to certain criteria

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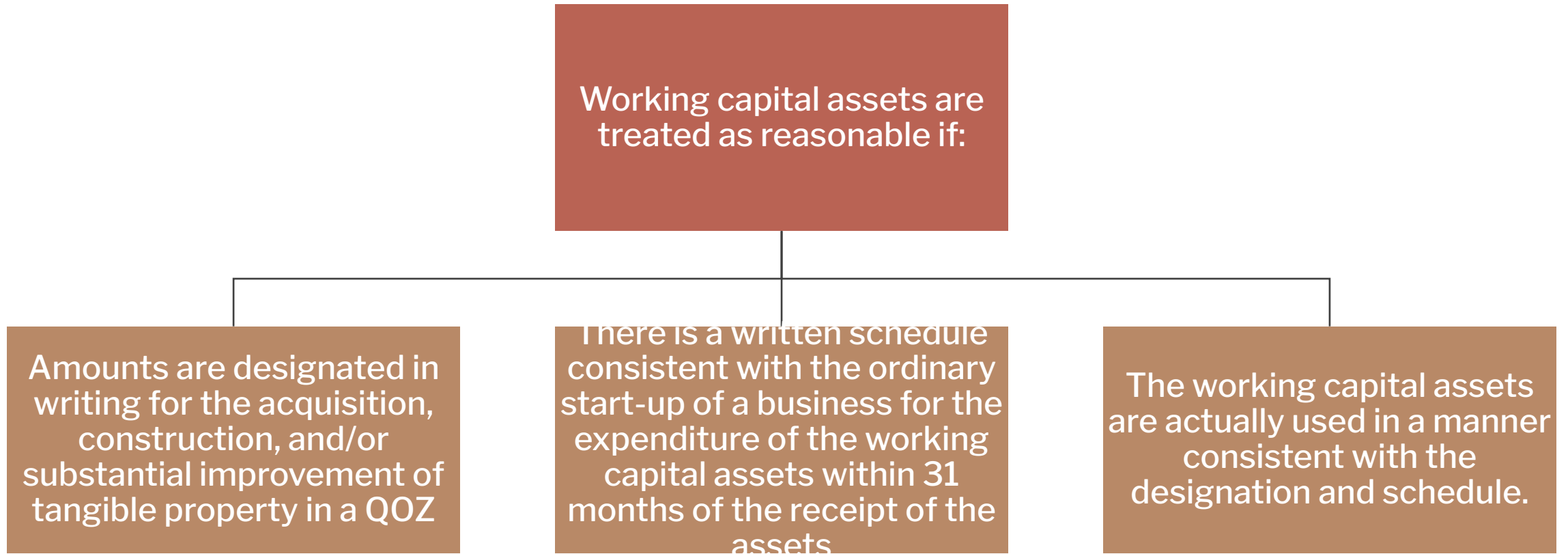
Working Capital Safe Harbor: Final Regulations

- Working Capital Safe Harbor 31 – 62 Months
 - Multiple or overlapping 31 month safe harbor periods permitted with respect to the same piece of tangible property
 - Each application independently must satisfy all of the working capital safe harbor requirements
 - Limited to 62 months
 - Subsequent infusions of working capital assets must form an integral part of the plan covered by the initial working capital safe harbor period
 - Must include a substantial amount of working capital assets
- Gross income earned on working capital during the reasonable working capital period is counted toward satisfaction of the 50% active conduct test
- Written designation for planned use of working capital includes the development of a trade or business in the qualified OZ as well as acquisition, construction, and/or substantial improvement of tangible property.

Working Capital Safe Harbor – Extended Development Periods

- Extension of 31-Month Safe Harbor
 - Governmental permitting delays
 - Additional 24 months (for a total of 55 months) if a project is located within a QOZ designated as a part of a federally declared disaster area and the project is delayed due to that disaster
- Working Capital as Tangible Property
 - Regulatory language appears to suggest that cash held as working capital doesn't count as QOZBP until the cash is spent
 - Preamble suggests Treasury believes cash held as working capital does count as QOZBP:
 - “However, qualified opportunity zone businesses may avail themselves of the working capital safe harbor to enable proceeds to qualify as qualified opportunity zone business property.”

Safe Harbor for Reasonable Working Capital



Related Party Issues / Acquisitions

- In contrast to the 50% threshold used normally, the OZ incentive applies a 20% threshold for
 - a. capital gains transactions producing QOF contributions and
 - b. tangible property transactions producing QOZBP
- Step transaction doctrine (irrespective of size)
- Land and property purchased from related party (potential taint transaction?)
 - Impact of capitalized fees
 - Vertically integrated contractor?

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1400Z-2 (OZ 2.0)

- Basis step-up
- Qualified rural opportunity fund
- Gain elimination

1400Z-2

- **Basis step-up**

- Qualified rural opportunity fund
- Gain elimination

IRC 1400Z-2(b)(2)(B)

(i) IN GENERAL.—Except as otherwise provided in this subparagraph or subsection (c), the taxpayer's basis in the investment shall be zero.

(ii) INCREASE FOR GAIN RECOGNIZED UNDER SUBSECTION (a)(1)(B).— The basis in the investment shall be increased by the amount of gain recognized by reason of subsection (a)(1)(B) with respect to such investment.

(iii) INVESTMENTS HELD FOR 5 YEARS.—

(I) IN GENERAL.—In the case of any investment **held for at least 5 years**, the basis of such investment shall be increased by an amount equal to **10 percent (30 percent in the case of any investment in a qualified rural opportunity fund)** of the amount of gain deferred by reason of subsection (a)(1)(A).

1400Z-2

- Basis step-up
- **Qualified rural opportunity fund**
- Gain elimination

IRC 1400Z-2(b)(2)(C)(i) QUALIFIED RURAL OPPORTUNITY

FUND.—The term “qualified rural opportunity fund” means a qualified opportunity fund that holds at least **90 percent of its assets in qualified opportunity zone property** which—

(I) is qualified opportunity zone business property ***substantially all of the use*** of which, during ***substantially all*** of the fund’s holding period for such property, was in a qualified opportunity zone **comprised entirely of a rural area**, or

(II) is qualified opportunity zone stock, or a qualified opportunity zone partnership interest, in a qualified opportunity zone business in which ***substantially all of the tangible property owned or leased*** is qualified opportunity zone business property described in subsection (d)(3)(A)(i) and substantially all the use of which is in a qualified opportunity zone **comprised entirely of a rural area**. For purposes of the preceding sentence, property held in the fund shall be measured under rules similar to the rules of subsection (d)(1).

1400Z-2

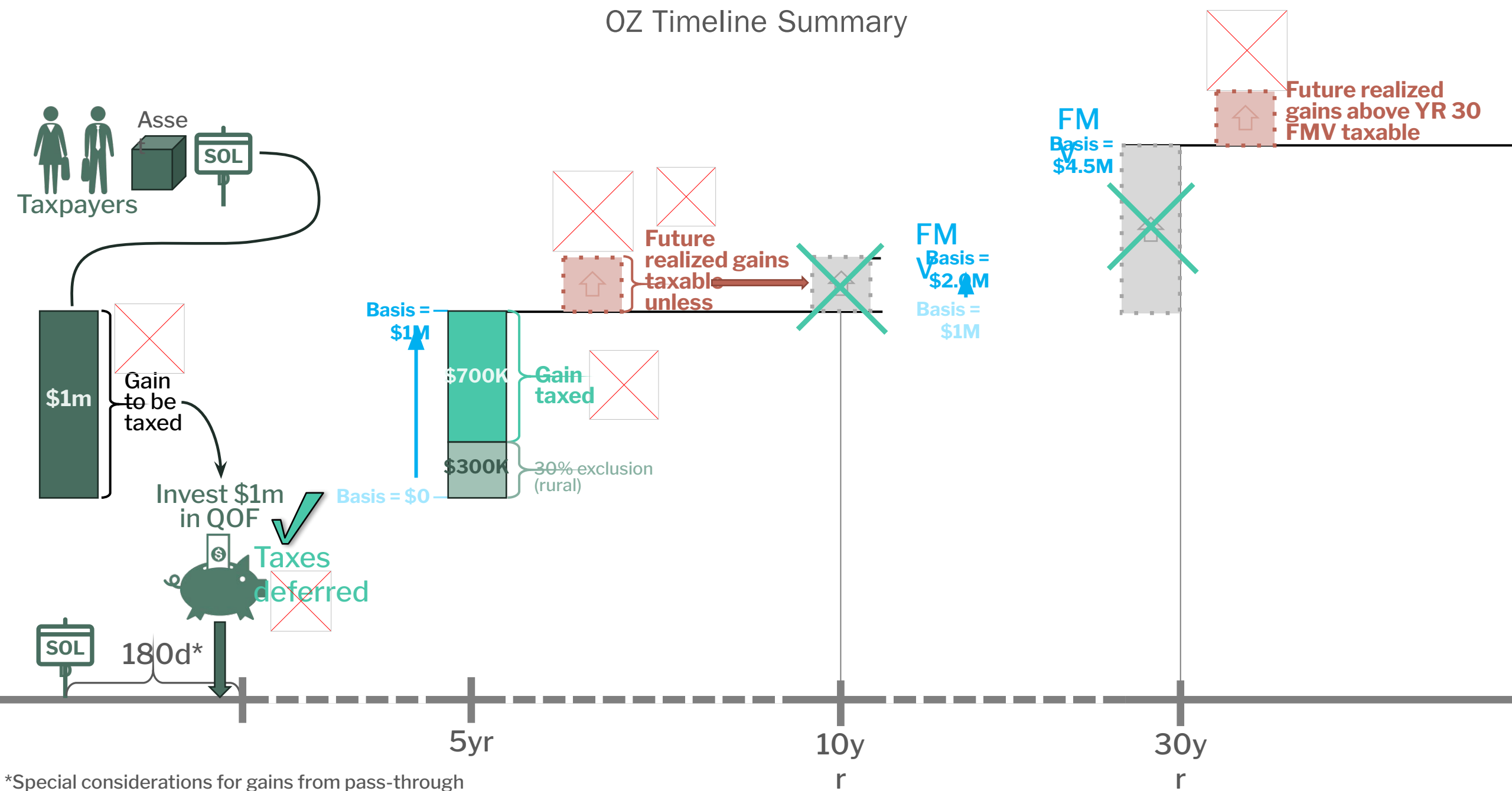
- Basis step-up
- Qualified rural opportunity fund
- **Gain elimination**

IRC 1400Z-2(c) Special rule for investments held for at least 10 years

In the case of any investment held by the taxpayer for **at least 10 years** and with respect to which the taxpayer makes an election under this subsection, the **basis of such investment shall be equal to—**

- (A) in the case of an investment sold ***before the date that is 30 years after the date of the investment***, the fair market value of such investment on the date such investment is sold or exchanged, or
- (B) in any other case, the fair market value of such investment on the date that is 30 years after the date of the investment.

OZ Timeline Summary



*Special considerations for gains from pass-through entities

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6. **Reporting requirements (after 12/31/26)**

Reporting Requirements

- With respect to QOZB investments held by the QOF
- Name, address, and taxpayer ID number of QOZB
- North American Industry Classification System (NAICS) code that applies to the trade or businesses of the entity
- Approximate number of residential units
- Approximate average monthly number of full-time equivalent employees of such corporation or partnership for the year
- Same type of information will be required for QOFs that directly own and operate business property

Reporting Requirements

- Qualified OZ Businesses and Rural OZ Businesses
- Required statement to QOFs containing the necessary information for the QOF to file its information return

Reporting Requirements

- Penalties for failure to comply with reporting requirements
- Unintentional failure to comply
 - QOFs with < \$10 million in gross assets as of last day of tax year
 - Failure to file a complete and correct return: \$500/day
 - Maximum penalty is \$10,000 per return
 - QOFs with > \$10 million in gross assets as of last day of tax year
 - Failure to file a complete and correct return: \$500/day
 - Maximum penalty is \$50,000 per return
- Intentional disregard
 - \$2,500/day
 - Maximum penalty is \$50,000 per return for small QOFs
 - Maximum penalty is \$250,000 per return for large QOFs

Reporting Requirements

- Secretary reporting of data on OZ and Rural OZ tax incentives
- Commences as soon as practical after enactment, and annually thereafter
- Public reporting
- Number of QOFs
- Aggregate dollar amount of assets held by QOFs
- Aggregate investments by NAICS code
- Percentage of OZs that have received QOF investments

Reporting Requirements

- For each OZ, average monthly number of full-time employees for the previous 12 months
- Percentage of total QOF investments into
 - Real property
 - Other property
- For each OZ,
 - aggregate approximate number of residential units
 - aggregate dollar amount of investments by QOFs

Reporting Requirements

- Beginning with the report submitted of the 6th year after enactment,
- Impacts and outcomes of a designation measured by economic indicators
- Job creation
- Poverty reduction
- New business starts
- Other metrics as determined by the Secretary

Reporting Requirements

- For the 6th year and 11th year after enactment
- For designations, a comparison between the 5-year period ending of the date of enactment and most recent 5-year period for which data is available
- Comparison between OZs and eligible census tracts that were not designated
- Factors to include
 - Unemployment rate
 - Number of persons working in the census tract, including nonresidents of the census tract
 - Individual, family, and household poverty rates
 - Median family income of residents

Reporting Requirements

- Demographic information (age, income, education, race, and employment)
- Average percentage of income residents spend on rent
- Number of residences
- Rate of homeownership
- Average value of residential property
- Number of affordable housing units
- Number of new business starts
- Distribution of employees across NAICS codes
- Safeguards (including aggregation) to prevent disclosure of taxpayer, competitive, or proprietary information
- IRS to receive \$15 million appropriation, available until September 30, 2028, to carry out the provisions of this bill

Chris Montgomery, Four Points Funding



Chris is a managing partner at Four Points Funding, and has led the investment of over \$105M in over 750 assets throughout Colorado and Texas. Chris leads the financial operations and serves as an expert on OZ regulations. Chris is a Steamboat local.



Four Points Funding
Connected. Colorado. Capital.

Steamboat Springs, Colorado



Who we are

- Opportunity Zone Investor focusing on rural Colorado markets
- Raised five OZ Funds and deployed over \$90M of OZ capital over the past 6 years.
- We have established an internal housing development team and an internal hospitality management team to manage the portfolio across our funds
- **Multifamily Housing** developments are in communities with dire need for more rental inventory, adjacent to outdoor recreation, right-sized for demand
- **Outdoor Hospitality** developments are within proximity to outdoor attractions and recreation hubs

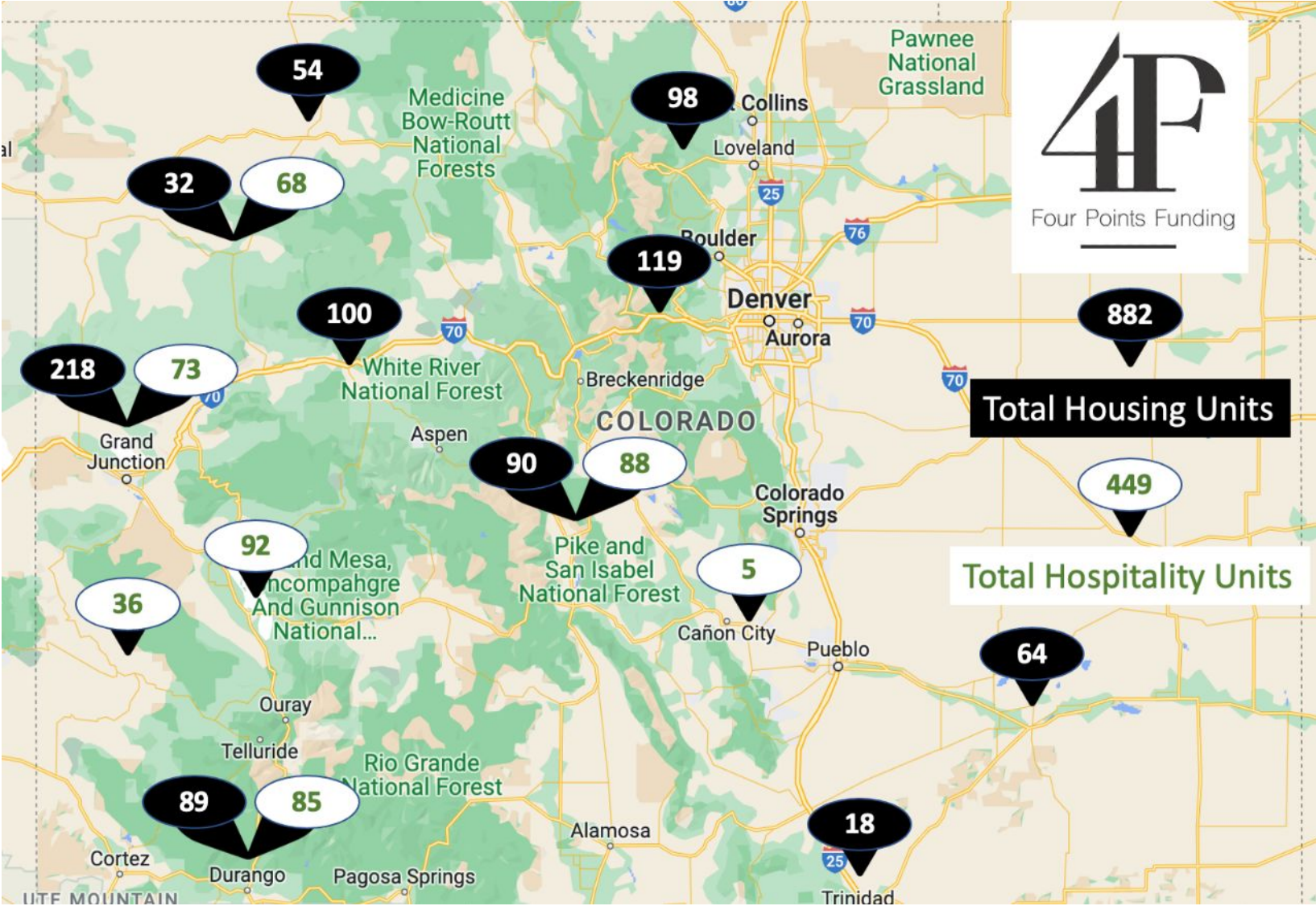
Named Top Opportunity Zone Fund By



“Experienced practitioners like Four Points prove that OZs can generate both impact and returns.”

FORTUNE

Four Points Funding Opportunity Zone Portfolio



Multifamily Residential – (Original Slide from first project)

Grand Junction, CO



Eddy Apartments

Groundbreaking occurred on 3/15/2021 and loan closed on 6/15/2021

Foundations complete and the building has gone vertical

Pre-leasing to begin in Spring 2022 and will open Summer 2022

Why Rural

- Investing exclusively across **Colorado communities *outside* of the Front Range** due to unmet demand and opportunity
- Impact – It's where we live
- Population growth trends – Remote Work. Lifestyle.
- Cost Basis – often relatively lower
- Less Competition
- Stakeholders willing to partner
- Investors want to know how to invest in these communities

Rural Benefits in OZ 2.0

- Designation of Rural Funds - below 50,000 residents
- 30% Step Up in Basis
- Substantial Improvement Requirement Lowered to 50%
 - Will allow for value-add investing to existing buildings
 - Combine with Enterprise Zone credits for vacant buildings

The new Rural benefits are expected to attract new capital and new investors into communities

Rural Challenges

- Access to Capital – Institutional capital doesn't understand rural
- Access to Debt
 - Lenders who understand the market
 - Challenge of finding non-recourse debt
- Competition for contractors and subs with resort areas
- Project Sizes – smaller projects often require the same level of work as larger project
- Lower Rents and slower Rent Growth
- Ability to Sell Assets after 10 year hold period
- Economic Development is often used to working with non-profit or LIHTC

- Challenge of meeting substantial improvement hurdle and still holding for 10 years.
 - Not unique to rural but can be a substantial obstacle

Community Solutions

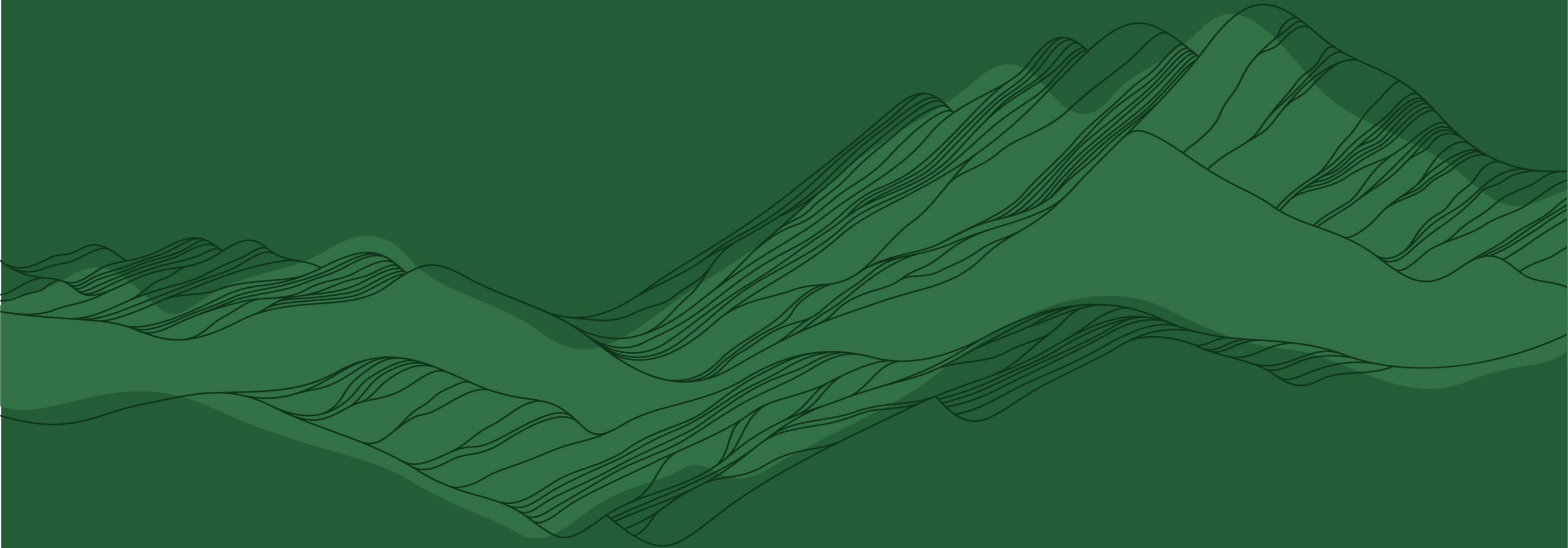
Communities are competing for capital. Some are easier to work in.

- Planning and Permits
- Utilities
- Tax Abatements
- Project Identification
- Community owned land
- Community Support
- Capital Stacking

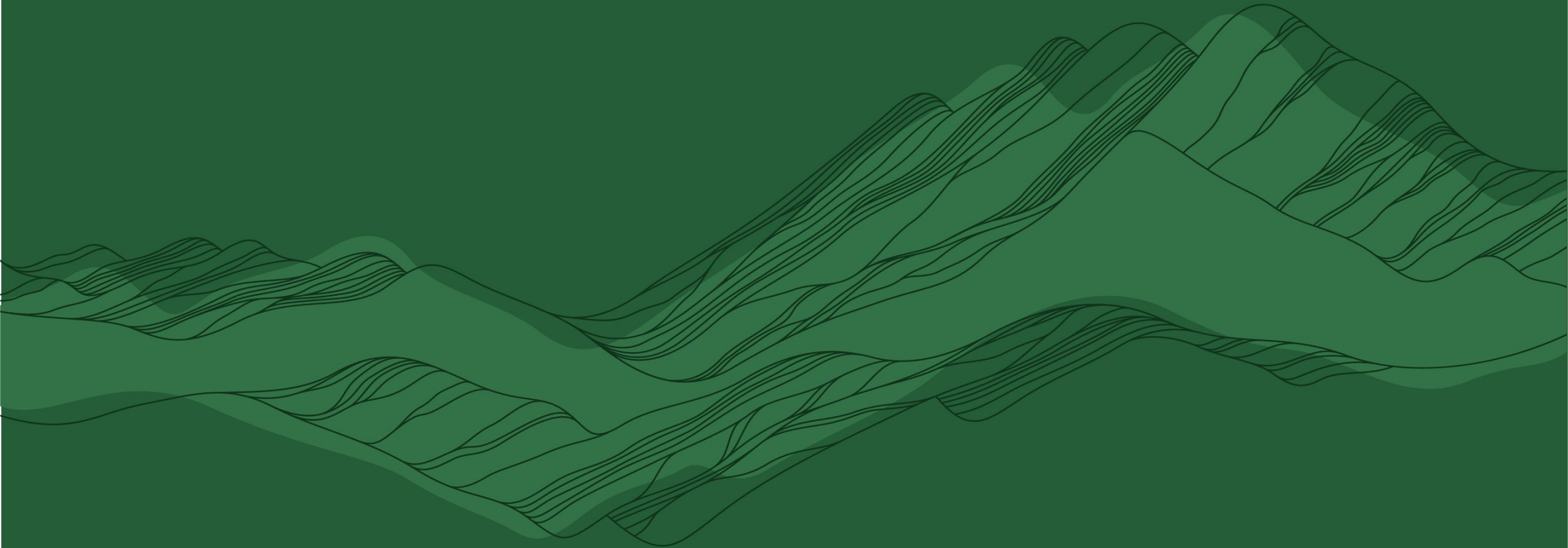
Challenges / Lessons Learned

- Hostile pre-development community meetings
- Resistance to change / outsiders – insular social media
- Building departments

Questions: OZ Policy



OZ 2.0 Designation Tools



Treasury Flexibility on Certain Tracts

“Data set limitations. While the Appendix to this revenue procedure and the Information Resource provide a list of population census tracts that are eligible for nomination as a QOZ, there may be population census tracts that could be eligible for nomination as a QOZ that do not appear on this list. The Secretary will consider a State CEO’s nomination of a population census tract not listed in the Appendix or Information Resource to the extent that the nomination is accompanied by a detailed analysis, including current data collected at the census tract level, demonstrating the nominated population census tract satisfies the requirements under § 1400Z-1(c)(1).”

OEDIT Data Tools for Public Input

Links to all tools are available at oedit.colorado.gov/oz:

1. [OZ 2.0 Designation Input Form](#): The Input Form invites all interested parties to advocate for which OZ 2.0 eligible census tracts should be prioritized for OZ 2.0 status. **Submissions are due by June 30, 2026.**
2. [OZ 2.0 Designation Index](#): The Index provides a preliminary score of all OZ eligible tracts based on three tiers of State Strategic Priorities: a tract's 1) need and capacity for the creation of market-rate housing; 2) economic need; and 3) economic opportunity.
3. [OZ 2.0 Designation GIS Tool](#): The GIS Tool offers the ability to visualize the eligible tracts on a GIS map, as well as additional layers representing the State Strategic Priorities.

OZ 2.0 Designation Input Form

Four sections:

1. Form Overview
2. Contact & Geography
3. Recommendations for Inclusion
4. Recommendations for Exclusion



Opportunity Zone 2.0 Designation Input Form

Section 1: Input Form Overview

Welcome to the Opportunity Zone (OZ) 2.0 Designation Input Form for the State of Colorado. All responses will be reviewed and considered in the State's analysis of census tracts that are eligible for OZ status.

Please see the [Opportunity Zone Program webpage](#) for more information on the OZ incentive and the designation process. Please also review the [Opportunity Zone 2.0 Designation Index link] and the [Opportunity Zone 2.0 GIS Tool](#) before submitting your responses.

The Index provides a preliminary score of all OZ eligible tracts based on three tiers of State Strategic Priorities: a census tract's 1) need and capacity for the creation of market-rate housing; 2) economic need; and 3) economic opportunity. The GIS Tool offers the ability to visualize the eligible tracts on a GIS map, as well as additional layers representing the aforementioned tiers of strategic priorities.

Please keep in mind that federal rules limit the state to nominating 25% of the eligible census tracts. This means Colorado will be able to nominate a total of 90 census tracts for Opportunity Zone designation for the next 10 years. Your input on PRIORITIZATION of eligible census tracts is important.

Note: At this time, OEDIT is only asking for input on census tracts that were designated by the US Treasury and IRS on their official tract as eligible low-income census tracts. Federal guidance does allow nomination of off-list census tracts, if the nomination is accompanied by detailed analysis showing the census tract meets low-income requirements. OEDIT will provide guidance soon for what a detailed analysis must include.

All input form submissions are due on June 30, 2026.

[Sign in to Google](#) to save your progress. [Learn more](#)

* Indicates required question

	A	B	C
1	Information on Scoring		
2	Preliminary Composite Score		
3	<p>The Preliminary Composite Score is obtained by multiplying the weighted scores of three Priority Tier Scores:</p> <ol style="list-style-type: none"> 1. Opportunity & need for market-rate housing production score 2. Economic opportunity score 3. Economic need score 		
4	$\text{Preliminary Composite Score} = \text{Tier 1 Score}^{w_1} * \text{Tier 2 Score}^{w_2} * \text{Tier 3 Score}^{w_3}$ <p>The formula (which uses multiplication instead of addition of scores) favors balance among the different score categories.</p>		
5			
6	Tier Scores		
7	<p>Tier Scores are simple averages of their sub-score components:</p> <ol style="list-style-type: none"> 1. The Tier 1 Score is a simple average of the Tier 1 Need, Capacity, and Affordability sub-scores. 2. The Tier 2 Score is a simple average of the Tier 2 Strategic Assessts and Alignment sub-scores. 3. The Tier 3 Score is a simple average of the Tier 3 Economic Distress and Isolation sub-scores. 		
8	Tier Sub-scores		
9	<p>Tier sub-scores are a simple average of their respective indicator scores. For example, the Tier 1 Need sub-score is a simple average of vacancy rate indicator scores and the job accesibility score.</p>		
10	Indicator scores		
	<p>Each indicator is ordered and scored in such a way that a higher score results in a better composite score for the tract. Therefore, there are two versions of every indicator: its "raw" version and its "scored" version (which has the label "_score" attached to the indicator name in the Full Scores and Data tab). The raw version is the actual value of the indicator. For example: a value of 2 in the column ACS_Non_Seasonal_Vacancy_Rate_tract means that the tract's Non-seasonal Vacancy Rate is 2%. Additionally, a value of 85 in the ACS_Non_Seasonal_Vacancy_Rate_tract_score column means that the tract was assigned a score of 85 due to its Non-seasonal Vacancy Rate. In this example, a lower raw vacancy rate results in a higher vacancy rate score. The raw versions of indicators are included for reference and transparency, but are only indirectly used in calculating sub-scores. Their "scored" versions are what is directly used to calculate sub-scores.</p> <p>The scoring of indicators is computed using a percentile rank methodology. To make variables comparable, every raw data point is converted into a Percentile Rank (0–100) relative to other eligible tracts (scored separately for Front Range and Non-Front Range tracts). For example, if a Front Range census tract has a poverty rate of 26%, and that figure is higher than 81% of all other eligible Front Range tracts, its normalized score is 81. This approach ensures that single outliers do not skew the</p>		
	<p>Navigation: Tiers and Indicators Guide Inputs Tier Weights Full Scores and Data</p>		

OZ 2.0 Designation Index

Three tabs:

1. Tiers and Indicator Guide
2. Input Tier Weights
3. Full Scores and Data



OZ 2.0 Designation Index



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	
				Official_Treasury_	OEDIT_Classification_	Federal_Rural_St			ACS_Attainment_	ACS_University_E		Preliminary	Tier1_Score	Tier1_Subscore_	
	GEOID_TRAC	COUNTY	TRACT	Eligibility	Binary	atus	RUCA_Primar	ACS_Total_Population_t	Bachelors_Plus_tr	ACS_Median_I	rollment_Pct_tra	Composite_Scd		Need	
2	08001007801	Adams County	Census Tract 78.01	TRUE	Front Range	Non-rural		1	4108	11.797308	71510	1.362604088	57.7	68.84130622	65.256917
3	08001007802	Adams County	Census Tract 78.02	TRUE	Front Range	Non-rural		1	4323	7.816593886	60357	4.209150327	55.2	63.24931451	57.51826566
4	08001007900	Adams County	Census Tract 79	TRUE	Front Range	Non-rural		1	6735	20.40962134	80940	3.077889447	53.4	65.38990654	58.92442209
5	08001008000	Adams County	Census Tract 80	FALSE	Front Range			1	5597	31.67890605	107017	6.874884495			
6	08001008100	Adams County	Census Tract 81	TRUE	Front Range	Non-rural		1	1676	58.83211679	68472	41.46634615	50.1	58.49318752	50.81566655
7	08001008200	Adams County	Census Tract 82	FALSE	Front Range			1	6582	21.74661747	124386	7.620908647			
8	08001008308	Adams County	Census Tract 83.08	TRUE	Front Range	Non-rural		1	6518	9.626556017	67641	3.531326282	62.5	67.20281951	49.17954246
9	08001008309	Adams County	Census Tract 83.09	TRUE	Front Range	Non-rural		1	3865	6.533827618	75956	3.183468305	51.2	59.62739371	50.53778896
10	08001008354	Adams County	Census Tract 83.54	FALSE	Front Range			1	7963	32.58150114	142163	6.473505612			
11	08001008355	Adams County	Census Tract 83.55	FALSE	Front Range			1	4830	13.60874848	94002	4.468546638			
12	08001008401	Adams County	Census Tract 84.01	FALSE	Front Range			2	6005	24.61225528	112115	5.669481303			
13	08001008402	Adams County	Census Tract 84.02	FALSE	Front Range			2	5636	21.69700528	134821	4.162912236			
14	08001008505	Adams County	Census Tract 85.05	TRUE	Front Range	Non-rural		1	7106	25.89683719	92185	7.750716332	49.3	66.06517159	61.57863217
15	08001008506	Adams County	Census Tract 85.06	TRUE	Front Range	Non-rural		1	6154	30.90779806	74024	1.404494382	38.5	40.93570085	47.2859025
16	08001008507	Adams County	Census Tract 85.07	FALSE	Front Range			1	6320	19.07961719	113621	4.163224847			
17	08001008508	Adams County	Census Tract 85.08	TRUE	Front Range	Non-rural		1	5787	17.11006781	79045	3.857777778	46.1	63.24795105	60.70188046
18	08001008524	Adams County	Census Tract 85.24	FALSE	Front Range			1	8976	48.16815803	145507	5.545265108			
19	08001008526	Adams County	Census Tract 85.26	FALSE	Front Range			1	7537	47.52275025	140417	5.843454791			
20	08001008533	Adams County	Census Tract 85.33	TRUE	Front Range	Non-rural		1	8063	35.54618897	85330	3.509448515	47.3	49.13683036	29.67181698
21	08001008534	Adams County	Census Tract 85.34	FALSE	Front Range			1	4213	21.90211732	109960	8.296730112			
22	08001008535	Adams County	Census Tract 85.35	FALSE	Front Range			1	4774	23.58336063	128694	7.726269316			
23	08001008536	Adams County	Census Tract 85.36	FALSE	Front Range			1	5093	38.8606881	150485	4.845548153			
24	08001008538	Adams County	Census Tract 85.38	FALSE	Front Range			1	15073	44.16804294	162089	4.819193324			
25	08001008540	Adams County	Census Tract 85.40	FALSE	Front Range			1	10799	30.08524397	170233	2.799961513			
26	08001008544	Adams County	Census Tract 85.44	FALSE	Front Range			1	5998	53.47222222	150143	7.874552582			
27	08001008545	Adams County	Census Tract 85.45	FALSE	Front Range			1	6373	48.06292557	138409	4.071740184			
28	08001008546	Adams County	Census Tract 85.46	FALSE	Front Range			1	3468	27.15899919	100357	2.175911738			
29	08001008547	Adams County	Census Tract 85.47	FALSE	Front Range			1	3451	33.36306869	111852	4.689818937			
30	08001008548	Adams County	Census Tract 85.48	FALSE	Front Range			1	1604	46.78811122	111000	3.03030303			
31	08001008549	Adams County	Census Tract 85.49	FALSE	Front Range			1	5032	26.11362169	143125	6.208609272			
32	08001008550	Adams County	Census Tract 85.50	FALSE	Front Range			1	8191	35.02350571	129901	5.713906934			
33	08001008551	Adams County	Census Tract 85.51	FALSE	Front Range			1	1916	44.65049929	166964	2.876931273			
34	08001008552	Adams County	Census Tract 85.52	FALSE	Front Range			1	5493	30.3541782	94697	5.230650454			
35	08001008553	Adams County	Census Tract 85.53	FALSE	Front Range			2	5832	28.9975813	162308	6.522135179			

OZ 2.0 Designation Tool



Colorado Opportunity Zones 2.0 Designation
Office of Economic Development and International Trade



OZ 2.0 Designation GIS Tool

Opportunity Zone Program

Program Summary

The Opportunity Zone Program (OZ) is a federal incentive that encourages long-term private investments in designated low-income communities, known as opportunity zones. Investors in real estate projects and operating businesses in opportunity zones can receive benefits in the form of deferral, reduction, and elimination of capital gains taxes. Following the passage of federal legislation in 2025, we are now entering the second iteration of the OZ Program, which we refer to as OZ 2.0.

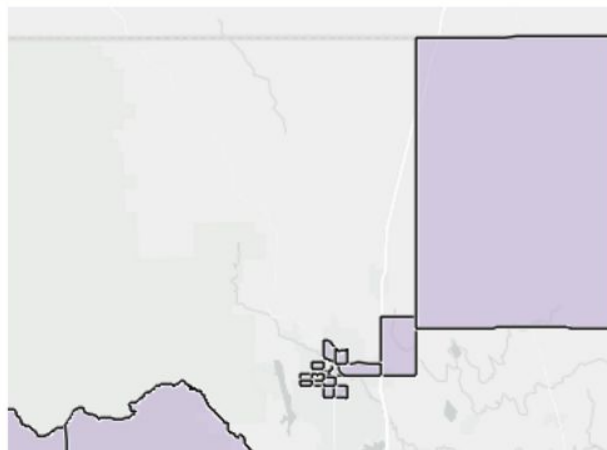
Federal law sets the eligibility requirements for opportunity zones but provides that states are ultimately responsible for nominating up to 25% of those eligible tracts for official designation. Specifically, the Opportunity Zone statute defines low-income communities as census tracts that have either:

1. a median family income below 70% of the state (for non-metro areas) or metro (for metro areas) median.
2. a poverty rate of 20% or greater **and** a median family income below 125% of the state or metro median.

The U.S. Treasury has identified 360 eligible tracts in Colorado, meaning the state may nominate up to 90 census tracts for OZ 2.0. In addition to displaying the tracts that are eligible, the Colorado OZ 2.0 Map overlays other economic indicators used to analyze a census tract's ability to leverage Opportunity Zone status. You can find more information on those overlays in the Data Sources & Citations section immediately below.

We understand that an analysis of the OZ eligible census tracts using indicators of economic distress and opportunity alone cannot provide a full or accurate picture of what is happening on the ground in our communities. As such, we are relying on the input of local leaders and community members to help fill in the gaps and correct any limitations in our analysis. Please provide your input on which census tracts the state should or should not designate as opportunity zones. [Link to input form.](#)

Scoring Information



The OZ 2.0 Designation GIS Tool provides a visual version of our [OZ 2.0 Designation Index](#). Please see the Index for preliminary scores of all OZ eligible tracts based on three tiers of State Strategic Priorities: a tract's 1) need and capacity for the creation of market-rate housing; 2) economic need; and 3) economic opportunity.

The Preliminary Composite Score is obtained by multiplying the weighted scores of three Priority Tier Scores:

1. Opportunity & need for market-rate housing production score
2. Economic opportunity score
3. Economic need score

$$\text{Preliminary Composite Score} = \text{Tier 1 Score}^{w_1} * \text{Tier 2 Score}^{w_2} * \text{Tier 3 Score}^{w_3}$$

The formula (which uses multiplication instead of addition of scores) favors balance among the different score categories.

Tier Scores

OZ 2.0 Designation Tool



Colorado Opportunity Zones 2.0 Designation
Office of Economic Development and International Trade

Home

Tool

Definitions

Help

Eligible Opportunity Zone 2.0 Designation Views

- All Eligible Tracts
- Preliminary Composite Score
- Tier 1: Market-rate housing
- Tier 2: Economic opportunity
- Tier 3: Economic need

NOT Eligible Opportunity Zone 2.0 Designation Tracts

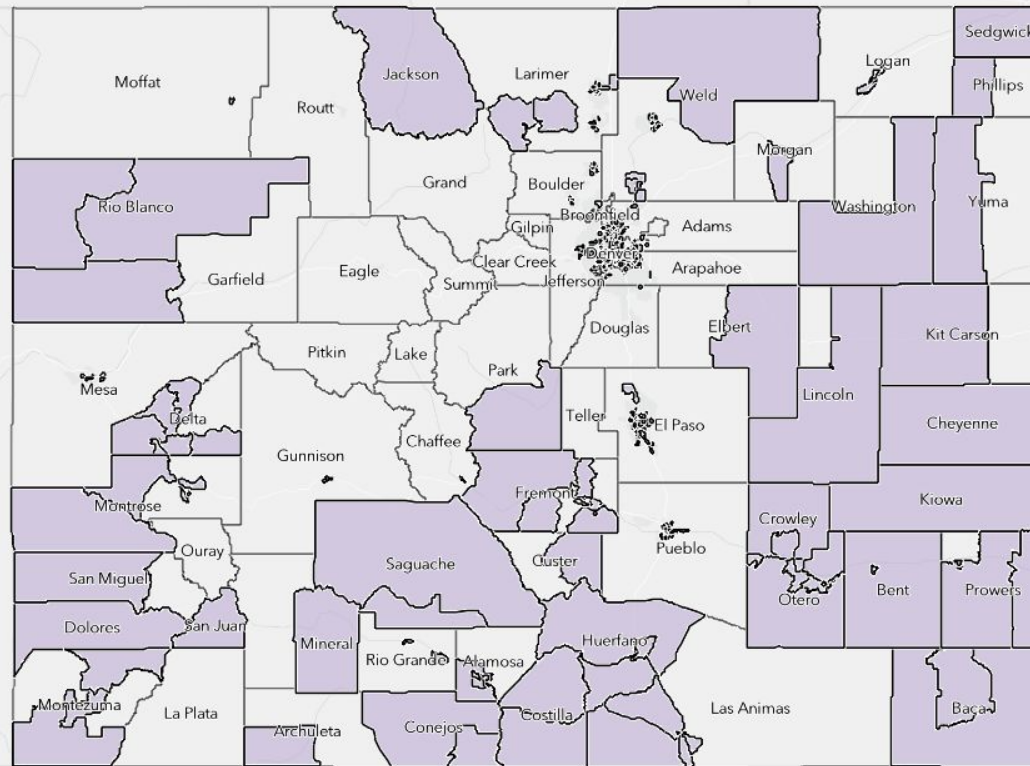
Reference Layers

- Opportunity Zones 1.0
- Current Enterprise Zones
- Innovation Hubs
- CHIP Zones
- Rural Jump Start Counties
- Tier 1 & Tier 2 Coal Transition Communities
- Main Street Communities
- Creative Districts



Eligible Opportunity Zone 2.0 Designation Views

All Eligible Tracts



50 mi

OZ 2.0 Designation Tool



Colorado Opportunity Zones 2.0 Designation
Office of Economic Development and International Trade

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Help

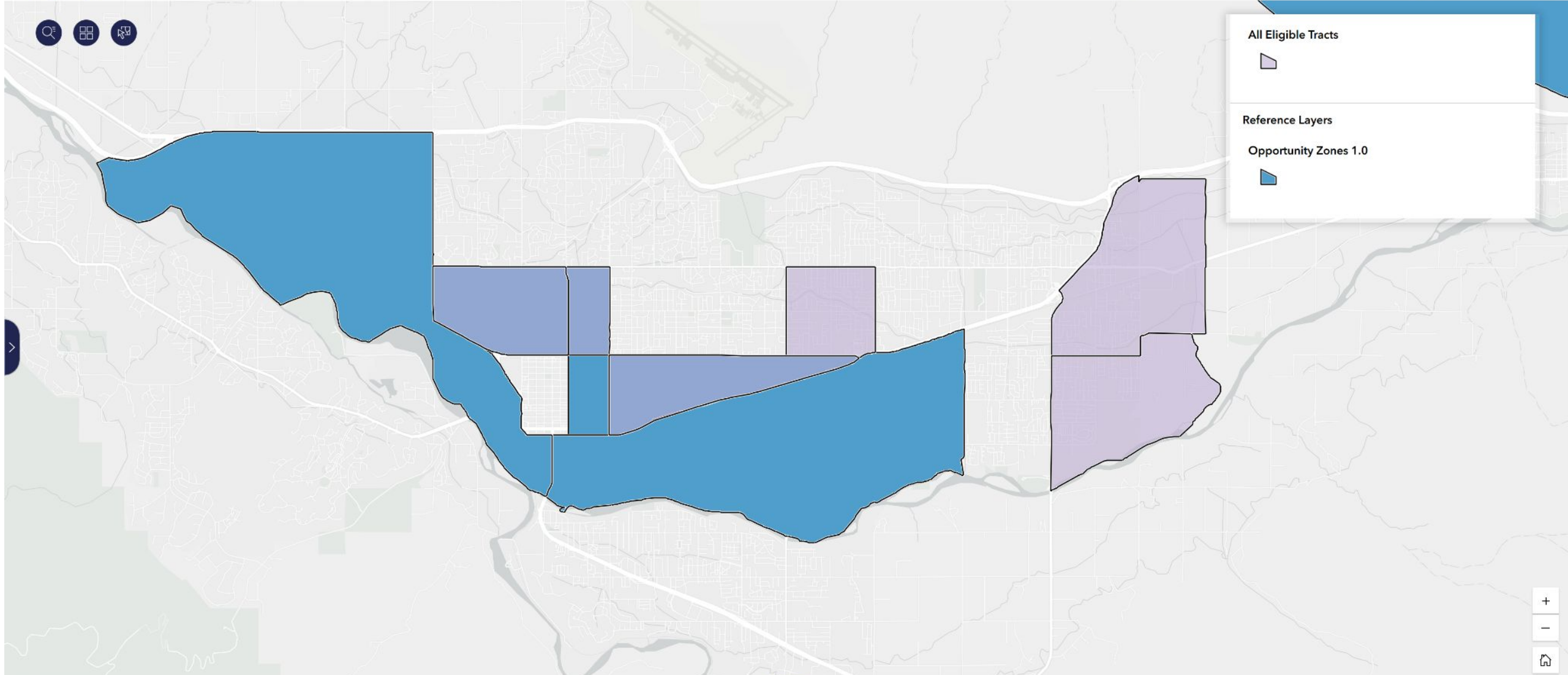


All Eligible Tracts

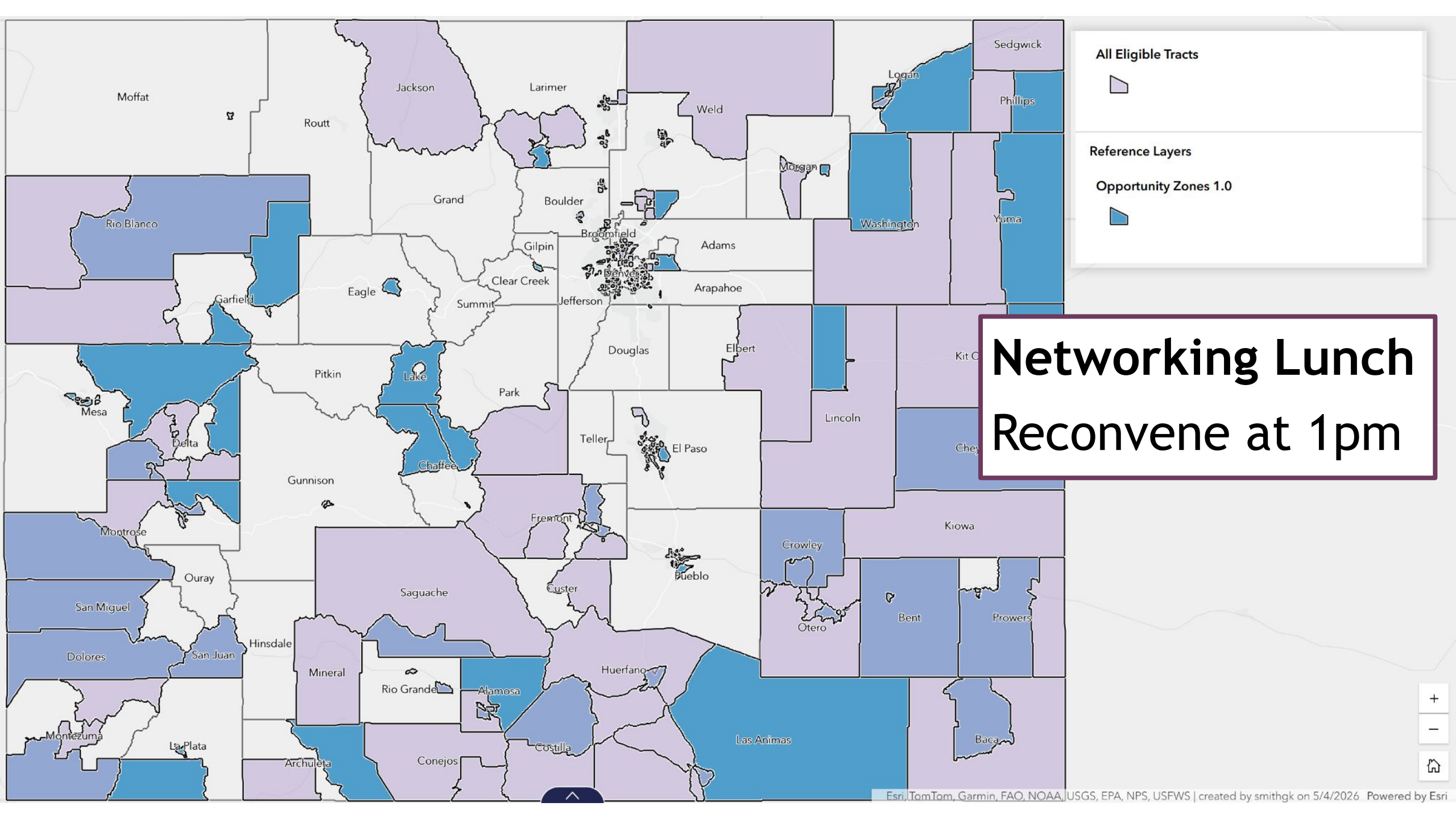


Reference Layers


Opportunity Zones 1.0



5,000 ft




All Eligible Tracts



Reference Layers

Opportunity Zones 1.0



**Networking Lunch
Reconvene at 1pm**



Governor Jared Polis



David Dragoo, Mayfly Outdoors & EDC Commissioner



David Dragoo is a Colorado born entrepreneur, and founder of several businesses with a background specializing in manufacturing and real estate. David is the President of Mayfly, an outdoor products company and Certified B® Corporation proudly based in Montrose, Colorado. Additionally, David leads the Colorado Outdoors project in Montrose, Colorado, a 164-acre public-private partnership aimed to revitalize the community and restore the local riverway. In his capacity as an EDC board member, David serves on the Public Private Partnership, P3 Subcommittee.

QOZ's in the Region

1.0



SHELTER
DISTILLING

SHELTER
DISTILLING











COLORADO OUTDOORS

Fairfield
BY MARRIOTT

TAX REVENUES • 2025 YEAR

\$1,597,451

TOTAL 2025 TAX REVENUE

\$895,030

PROPERTY
(Buildings and Land)

\$390,162

SALES & USE
(Goods)

\$312,258

EXCISE USE
(Food, Liquor & Lodging)

PUBLIC DOLLARS DRIVING PRIVATE GROWTH

~11x

PRIVATE DOLLARS PER \$1 OF PUBLIC INVESTMENT

\$17.4M

PUBLIC INVESTMENT

\$113M

PRIVATE DEVELOPMENT — DELIVERED

\$78M

PRIVATE DEVELOPMENT — UNDERWAY

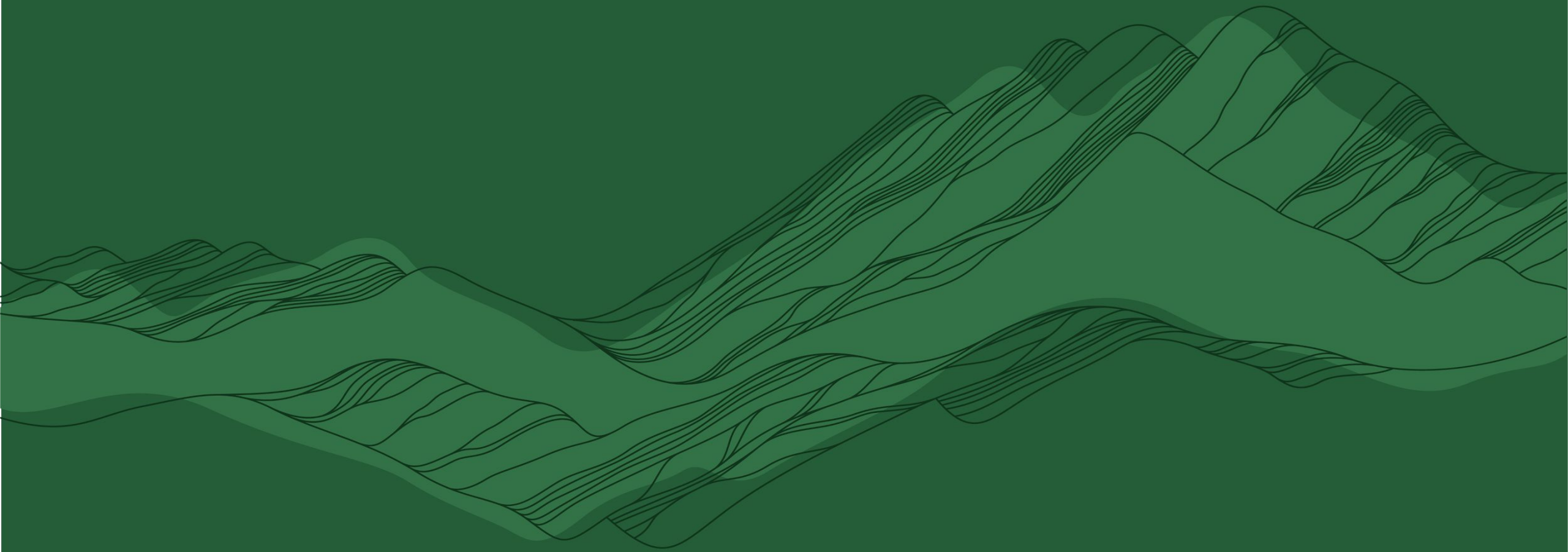
(Hampton Inn®, Rivers Edge, & Greenline)



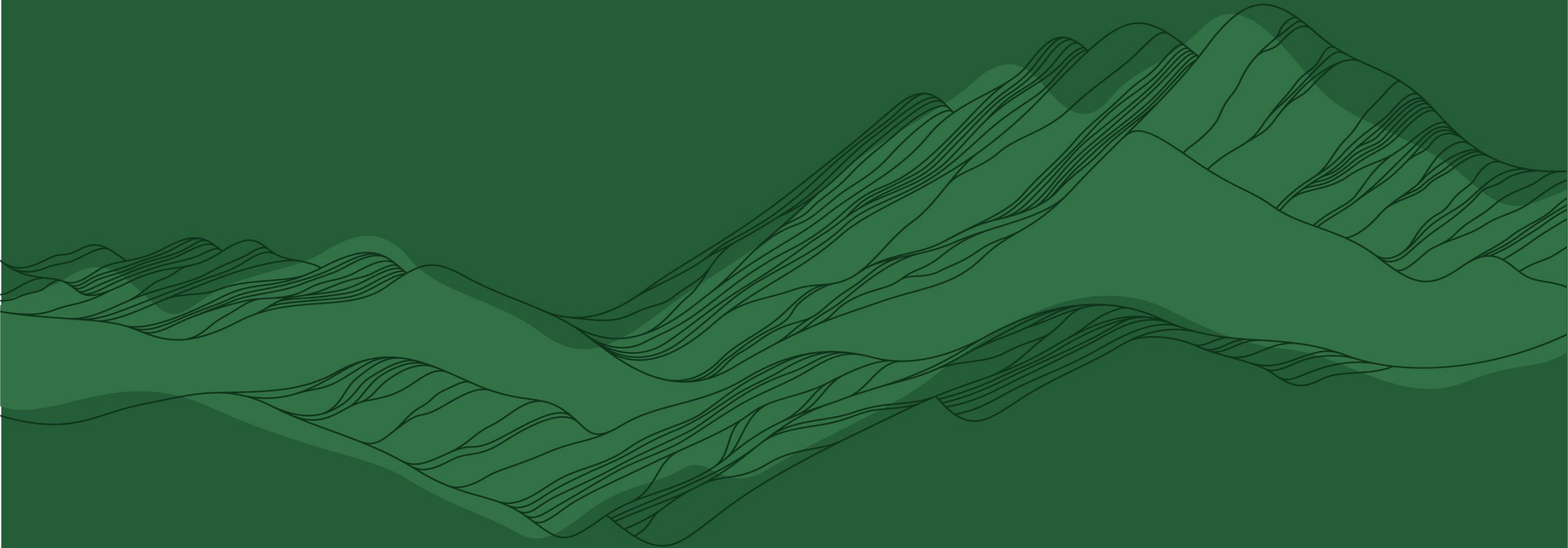
COLORADO

**Office of Economic Development
& International Trade**

Workshop & Public input on OZ 2.0 Designation



Regional Discussions



Regional Discussions:

Discussion Questions:

1. Which OZ 2.0 eligible census tracts do you recommend prioritizing for designation?
2. Are there any current or proposed projects for these census tracts?
3. What else is important to know about the broader community that is relevant to the OZ designation process?
4. Which census tracts do you recommend for exclusion from OZ designation? Why?

Links to all tools are available at oedit.colorado.gov/oz:

1. OZ 2.0 Designation Input Form
2. OZ 2.0 Designation Index
3. OZ 2.0 Designation GIS Tool

Calls to Action

Stay engaged with the OZ designation process in Colorado by:

1. Visiting the OEDIT Opportunity Zone webpage for more information:
oedit.colorado.gov/oz
2. Signing up for OZ email updates at bottom of OEDIT OZ webpage
3. Reaching out to OEDIT for questions and OZ discussion
4. Think about transformational projects in your community and think like an investor
5. **Provide your input via the Input Form and your local gov't, EDO, business community leadership**

Thank you!

Leslie Hylton-Hinga
leslie.hylton-hinga@state.co.us

Quina Weber-Shirk
quina.webershirk@state.co.us

