

Opportunity Zones FAQs

Q1. What is the role of the Economic Development Department?

A1. The NMEDD is working with the Office of the Governor to inform counties and their partner organizations about the Opportunity Zone program and to develop a structured process for receiving recommendations for the Governor's Office to consider for New Mexico's nomination to the US Treasury for Opportunity Zone designation.

Q2. Who makes the nominations to the New Mexico Economic Development Department?

A2. The County Manager or his/her designee is the only person who can submit a nomination form. Any other submittal from any other person, company, organization or city will not be accepted. Only one submittal from each county will be accepted. <https://gonm.biz/business-development/edd-programs-for-business/finance-development/opportunity-zones>.

Q3. How many tracts can a County Manager submit?

A3. A County Manager or the manager's designee may only submit the number of eligible census tracts within the county or up to 25 total for those counties whose eligible census tracts exceeds 25. The key to recommending tracts in each county is to ensure that there has been significant engagement with partners and that the tracts presented are as robust as they can be in terms of what will attract investment. Due to the federal limitations on the number of zones that the state can nominate for designation, some guidance was needed for counties to ensure tracts are presented that have reasonable opportunity for investment. A good opportunity will attract capital, the designation alone will not.

Q4. Is a county permitted to include multiple projects in a single census tract?

A4. Yes, counties are asked to prioritize their census tracts and if there are multiple future investment opportunities or projects within a tract to also prioritize those.

Q5. When will we know if the nominated census tracts are approved by the U.S. Treasury and designated as an Opportunity Zone?

A5. The U.S. Treasury has 30 days to designate the nominated census tracts as Opportunity Zones after it has received the official nomination from the Governor.

Q6. How do we know which census data to use in submitting tracts?

A6. The 2011-2015 American Community Survey serves as the basis for determining eligibility of census tracts. The U.S. Department of the Treasury has published a map and list of eligible census tracts, available at <https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx>.

Q7. How will the Governor prioritize New Mexico's nominations to the U.S. Treasury?

A7. Congress has given flexibility to Governors, however, all Governors are advised to give particular consideration to areas that:

1. Currently are the focus of initiatives to attract investment and/or foster startup activity

2. Demonstrated success with geographically targeted development such as New Markets Tax Credits or other development in low-income areas.

Other best-practice guidance includes: balancing need and opportunity, in other words look for places where this tool can be most catalytic. For example, an area's ability to absorb new capital, a good environment for local entrepreneurs, or connection to markets or anchor institutions.

Q8. What sorts of projects should counties focus on for their submittals?

A8. The program is extremely flexible in this instance. It is designed to attract a mix of investments: in the stocks of new or expanding businesses, infrastructure, real estate, rental housing, etc. For example, some counties might want to nominate census tracts on the edge of university campuses in order to encourage spin-offs and technology transfer. Some may be interested in ensuring the success of transit-oriented development projects in low-income urban settings. Others will want to focus on brownfield areas.

Q9. Why do the counties with the most need have the fewest tracts?

A9. To be eligible as an Opportunity Zone, census tracts must qualify as "low-income," and must meet one of the following qualifications as established by the U.S. Treasury: 1. The tract has a poverty rate of at least 20% OR (A) For a census tract in a metropolitan area, the tract's median family income does not exceed 80% of the greater of: the metropolitan area median family income or the statewide median family income; or (B) For a census tract in a non-metropolitan area, the tract does not exceed 80% of the statewide median family income. In general, qualified census tracts will be the same as those designated for the New Markets Tax Credit Program.

Q10. What if all eligible tracts in a county deserve an Opportunity Zone designation?

A10. This is a competitive process from the county level upward to the final designation by the US Treasury. Therefore, it is important that the counties prioritize their zones for consideration.

Q11. What if an identified project does not fall within an eligible tract? Is there a way to get it considered for nomination as an Opportunity Zone?

A11. Yes, the project or location would have to be located in a contiguous tract. The State of New Mexico is allowed to only nominate 4 contiguous tracts and it must be accompanied with one or more corresponding eligible tracts in the ranking form. Any contiguous tract that is included and not accompanied with the correct corresponding eligible tract CANNOT be considered. A list of all contiguous tracts as well as the corresponding eligible tracts that must accompany the contiguous tract is available on the New Mexico Economic Development Department's website. [Gonm.biz](http://gonm.biz)

Q12. Which entities should the County Manager work with to ensure they receive all the input necessary?

A12. The County Manager should work with all cities, local EDOs, regional EDOs, COGs, business leaders and tribal areas in the county. We also recommend discussions with neighboring counties to ensure that contiguous tracts are being utilized to their fullest potential. It is best to receive as much input as possible to determine the ranking of census tracts that will be submitted. By working with all parties in the county, the County Manager, will be able to fully understand all needs throughout the county.

Q13. Can the County Manager make a city the designee?

A13. The County Manager may designate another person to lead the process and submit the list of priorities. NMEDD will only accept one application per county from either the County Manager or his/her designee.

Q14. Does the development opportunity need to be a traditional economic base employer or project?

A14. No, the County Manager or his/her designee may submit any projects which attract investment and produce a positive return to the area.

Q15. Is the webinar provided by the New Mexico Economic Development Department available online?

A15. Yes, the webinar was uploaded to the New Mexico Economic Development Department's website. <https://gonm.biz/business-development/edd-programs-for-business/finance-development/opportunity-zones>

Q16. Are tribal lands eligible?

A16. Tribal lands are eligible as long as they are part of an eligible census tract.

Q17. What is the life of an investment for any particular project?

A17. The Opportunity Zones will be designated for 10 years by the U.S. Treasury.

Q18. I have seen a lot of information available on Opportunity Zones. Is there a source that is recommended?

A18. Yes, the program is being administered through the Department of the U.S. Treasury and we recommend that you use the data that it has provided. You can access the information by going to: <https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx>
Also, NMEDD has compiled the information for you and has uploaded it to its website.

Q19. How will investors learn of this Opportunity Zone program and the designated tracts in each state or county?

A19. The city, county and state will work to market the designated tracts as the best location for business attraction, and expansion opportunities.