



MEMO TO: Board of Trustees
FROM: Garrett Scott, Town Planner
CC: Michael Brack, Town Manager
Sarah Catanzarite, Assistant Town Manager
DATE: February 4, 2026
SUBJECT: Opportunity Zone Designation

Matter before the Board of Trustees:

Discussion of how Colorado is implementing the federal Opportunity Zone incentive program and provide direction to staff on whether to advocate for designating eligible census tracts in which Fraser is located as an Opportunity Zone.

Background:

The Opportunity Zones (OZ) program is a federal incentive that is meant to support designated low-income / economically distressed communities through long-term equity investments in businesses and real estate. The incentive is a deferral, reduction, and potential elimination of certain state and federal capital gains taxes for qualified investments that are geographically located within a designated Opportunity Zone.

The program was originally created by the 2017 Tax Cuts and Jobs Act, and the Opportunity Zones that were designated as part of that first iteration of the program will be sunsetting in 2028. However, the passage of the federal bill H.R. 1 (commonly referred to as the One Big Beautiful Bill Act) in July 2025 made the Opportunity Zone program permanent and updated various aspects of the program, including eligibility requirements and the benefits/incentives that are given the qualified investments. The state's Office of Economic Development and International Trade (OEDIT) is tasked with implementing this program in Colorado, and they have a website with more information and resources linked here: [Colorado Opportunity Zone Program](#).

Per OEDIT, Colorado has been very successful in implementing "round 1" of the OZ program, stating that 75% of the Census Tracts that were designated as an Opportunity Zone received some level of investment. Market-rate rental housing is a particularly attractive type of investment within an OZ because of the way the incentive is structured, and OEDIT asserts that approximately 12,000 new housing units were causally induced in the state by the OZ program. However, the OZ program is compatible with a range of types of developments/investments, including outdoor tourism assets, retail space, small business incubators, and manufacturing operations.

Analysis:

On the OEDIT webpage linked above, there is a map of the census tracts that were originally designated as opportunity zones. There is a wide geographic diversity in the areas that received OZ designation, and areas of note that could be viewed as comparable to Fraser are as follows:

- The west side of Craig in Moffat County
- Areas in Estes Park south of US 36 in Larimer County
- Glenwood Springs and Silt in Garfield County
- Paonia and Delta in Delta County



- Silverton in San Juan County
- The southern portion of Durango in La Plata County
- The north and east portions of Pagosa Springs in Archuleta County
- Buena Vista in Chaffee County
- All of Lake County except for Leadville
- Idaho Springs in Clear Creek County
- Avon in Eagle County

In the first round of the Opportunity Zone program, no census tracts in Grand County received the OZ designation. Based on staff's research and the map of "low-income communities" [linked here](#), it appears that only the census tract covering the western portion of Grand County (i.e., Kremmling and Parshall) was eligible to be designated as an opportunity zone; Fraser was not likely eligible in the initial OZ program.

At this time, there is **not an official map or list of eligible census tracts** for the forthcoming iteration of the Opportunity Zone program. The U.S. Treasury Department should be releasing this official list sometime early this year. However, in advance of the official release of this list from the federal government, two economic consulting companies (as well as OEDIT) have produced unofficial/preliminary maps of which census tracts **may** be eligible as based on the language in H.R. 1 and the most current economic data from the Census Bureau. These maps are accessible via the links below:

- [Novogradac PolicyMap - Potential Opportunity Zone 2.0 Eligibility](#)
- [Economic Innovation Group - Eligible Opportunity Zones 2025](#)
- [OEDIT - Colorado Opportunity Zones with New 2025 Eligible Zones](#)

As shown in the three maps linked above, the census tract that is generally bounded by US 40, County Road 8, and the southeastern border of Grand County appears to likely be eligible for designation as an Opportunity Zone. This census tract covers all areas of Fraser, as well as all areas of Winter Park and portions of unincorporated Grand County, located east of US 40. This appears to be the only census tract in Grand County that could receive Opportunity Zone designation.

Benefits:

If this census tract were to receive designation as an Opportunity Zone, it would likely help to spur investment and development within areas of Fraser to the east of US 40 that may otherwise develop more gradually. Some of the development that could be induced with OZ designation is in alignment with current Town goals, visions, and policies, such as:

- Realization of the Downtown Vision Plan in the Clayton Court area / Riverwalk zone



- Increasing assessed property values within the boundaries of the Fraser Downtown Development Authority (DDA), thereby increasing the revenues that the DDA receives and expanding the projects/initiatives that it can support
- Greater residential density and other supportive uses that help bolster the viability of increased passenger rail service to/from Fraser
- Completion of future phases of St. Louis Landing and constructing more deed-restricted housing on the property through potential access to new equity financing sources

Next Steps:

Because Colorado (through the Governor) can only nominate/designate 25% of the census tracts that are eligible, OEDIT is engaging with local governments, economic development organizations, other community leaders, and the public at large, to ensure that the State's Opportunity Zone nominations match local priorities. Essentially, the Town must advocate for OZ designation for the census tract(s) that may be eligible. Additionally, because the census tract(s) expand beyond the Town's boundaries, this advocacy will likely be more impactful if it is done in conjunction with the Town of Winter Park and Grand County.

Tentatively, OEDIT is planning to solicit and gather local feedback on OZ designation starting in March 2026, and the State anticipates a "late Spring 2026" deadline for providing feedback. If directed by the Board to do so, staff will work with relevant staff from the Town of Winter Park and Grand County to determine their interest in pursuing the Opportunity Zone designation, and if interested, develop a coordinated strategy to advocate for the OZ designation by the Governor.