



## ***State & Commerce Committee - Board of Representatives***

Lindsey Miller, Chair

Robert Roqueta, Vice Chair

# **Committee Report**

**Date:** Thursday, September 19, 2019

**Time:** 7:00 p.m.

**Place:** Democratic Caucus Room, 4<sup>th</sup> Floor, Government Center, 888 Washington Boulevard, Stamford, CT

The State & Commerce Committee met as indicated above. In attendance were Chair Miller, and Committee Member Reps. Adams and Roqueta. Absent or excused were Reps. Graziosi and McGarry. Also present were Thomas Madden, Director of Economic Development; Frank Mahoney, Liberty Capital; Tyler Calvi-Rogers, Carmody Torrence; and Rachael Cain, BLT.

Chair Miller called the meeting to order at 7:00 p.m.

<b>Item No.</b>	<b>Description</b>	<b>Committee Action</b>
1. <a href="#">SC30.023</a>	REVIEW; Potentials of Five Opportunity Zones in Stamford and Potential of Starting a Stamford Opportunity Zone Fund. 08/12/19 – Submitted by Director Madden	<b>REPORT MADE</b>

Mr. Madden explained the background of this project:

- In March, Liberty Capital proposed a potential opportunity fund for Stamford in March
- The Federal Department of Commerce is excited about this
- This started over a year ago as a bipartisan way to spur development around the country that would empower neighborhoods while encouraging development
- One of the goals was to increase longer term investment
- There are three types of investments: real estate development, energy investment and investments into specific companies (there are specific limits on the types of businesses that can be invested in – they must promote development)
- Stamford has 10 districts that qualify for Opportunity Zones and 5 were designated based upon development potential
- They picked areas that were either being switched over under Master Plan categories or had potential projects that could be worked with: Waterside with the industrial parcel on West Avenue currently for sale; the old Stamford Hospital area; downtown Stamford (which has several vacant parcels or properties up for sale); the South End, which has just completed the South End Neighborhood Study) and has the TIF District around the train station; the industrial area around WWE

- The areas are designated by census block, even though the targeted areas are specific properties within the blocks
- There is no intention to rezone
- This only permits a funding mechanism for capital to come into a neighborhood; the City does not control the projects;

Mr. Mahoney and Mr. Madden reviewed the [attached presentation](#) with the Committee:

- The program is designed to bring new equity capital into areas that need project and job creation, with the intent to keep the money in for a long period
- This provides a capital gains investor with an alternative; by investing in an OZ fund within 6 months of realizing a capital gain, there is a deferment on the recognition of that gain (the deferment depends upon the length of the investment) and a reduction of the gain amount (a “step-up”)
- If the funds are kept in for more than 10 years, there is no tax on the original capital gain
- Half of the profits of the proposed fund will be given to the City of Stamford to go back into the census tract
- Investors will be investing at the project level
- This only defers federal taxes
- The City would be part of the parent fund and would receive part of the administration fee; which will be reinvesting into the fund
- The next step is to work with the Law Department re: how the City would participate

Chair Miller adjourned the meeting at 8:13 p.m.

Respectfully submitted,  
Lindsey Miller, Chair

This meeting is on [video](#).