



**ECONOMIC  
DEVELOPMENT**  
CITY OF SAN LUIS, ARIZONA

# **Opportunity Zone Recommendations for San Luis**

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City Council Update

# What Are Opportunity Zones (OZs)?

- Federal economic development tool created under the Tax Cuts and Jobs Act of 2017
- Provides capital gains tax incentives to investors who reinvest in designated low-income areas
- Designed to drive private investment into underserved communities
- Now OZ 2.0 (2026 reauthorization) with updated eligibility criteria from OBBB Act
- In Arizona, OZs have already generated \$2.65B+ in investment, one of the highest totals nationally (ACA)



# Nomination Process

- The Governor nominates up to 25% of eligible census tracts in the state
- The Arizona Commerce Authority (ACA) manages the process and submits to U.S. Treasury
- **Yuma County** leads the recommendation process regionally
- City of San Luis provide formal recommendations to the County, which are then forwarded to ACA
- ACA emphasizes local input and readiness for investment



# Eligible Census Tracts

- Eligible tracts:
  - **04027011403** – Severe distress, strong eligibility
  - **04027011601** – Severe distress, strong eligibility
  - **04027011407** – Eligible but less competitive relative to others
- **Selection Criteria**
  - Infrastructure readiness
  - Development potential and zoning
  - Access to workforce and population centers
  - Ability to attract **near-term private investment**



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**Tract 04027011403: Eligible - Rural**

2024 Median Family Income \$47,966

Percentage of Median Family Income Threshold 67.43%

Poverty Rate 23.20%

Census Tract 04027011403 is OZ 2.0 Eligible

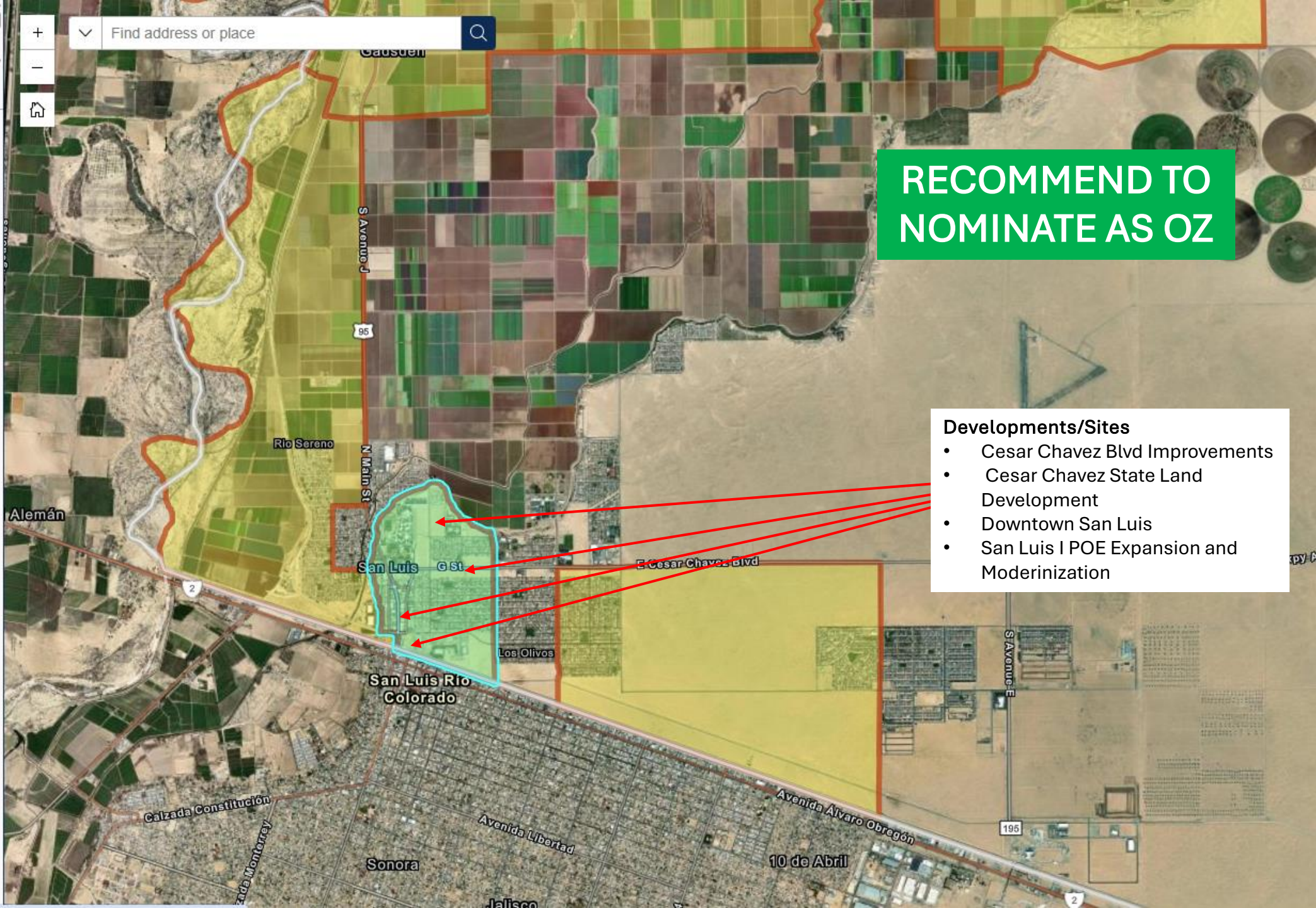
This tract is Rural for the purposes of Opportunity Zones.

This tract is New Market Tax Credit Eligible - Severe Distress.

This tract is in Yuma County and Yuma, AZ Metro Area.

**RECOMMEND TO NOMINATE AS OZ**

- Developments/Sites**
- Cesar Chavez Blvd Improvements
  - Cesar Chavez State Land Development
  - Downtown San Luis
  - San Luis I POE Expansion and Modernization



**Tract 04027011601: Eligible - Rural**

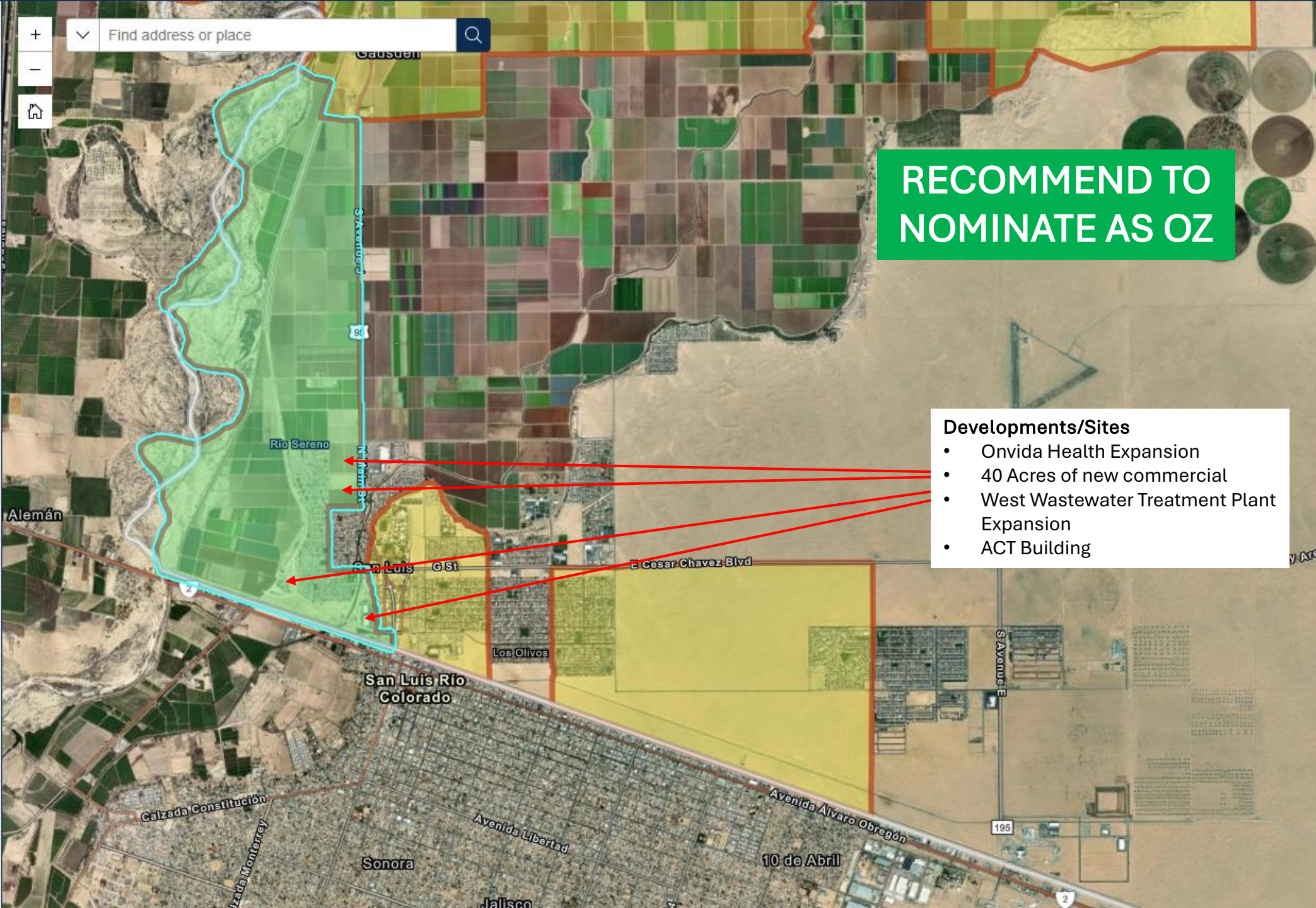
2024 Median Family Income	\$63,865
Percentage of Median Family Income Threshold	89.78%
Poverty Rate	25.80%

Census Tract 04027011601 is OZ 2.0 Eligible

This tract is Rural for the purposes of Opportunity Zones.

This tract is New Market Tax Credit Eligible - Severe Distress

This tract is in Yuma County and Yuma, AZ Metro Area.



**RECOMMEND TO NOMINATE AS OZ**

- Developments/Sites**
- Onvida Health Expansion
  - 40 Acres of new commercial
  - West Wastewater Treatment Plant Expansion
  - ACT Building

S Avenida 1st St

Río Sereno

N 1st St

San Luis G St

E Cesar Chavez Blvd

Los Olivos

San Luis Río Colorado

Calzada Constitución

Calzada Monterrey

Avenida Libertad

Sonora

Jalisco

Avenida Alvaro Obregón

10 de Abril

S Avenue E

195

2



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**Tract 04027011407: Eligible - Rural**

2024 Median Family Income \$56,012

Percentage of Median Family Income Threshold 78.74%

Poverty Rate 27.30%

Census Tract 04027011407 is OZ 2.0 Eligible

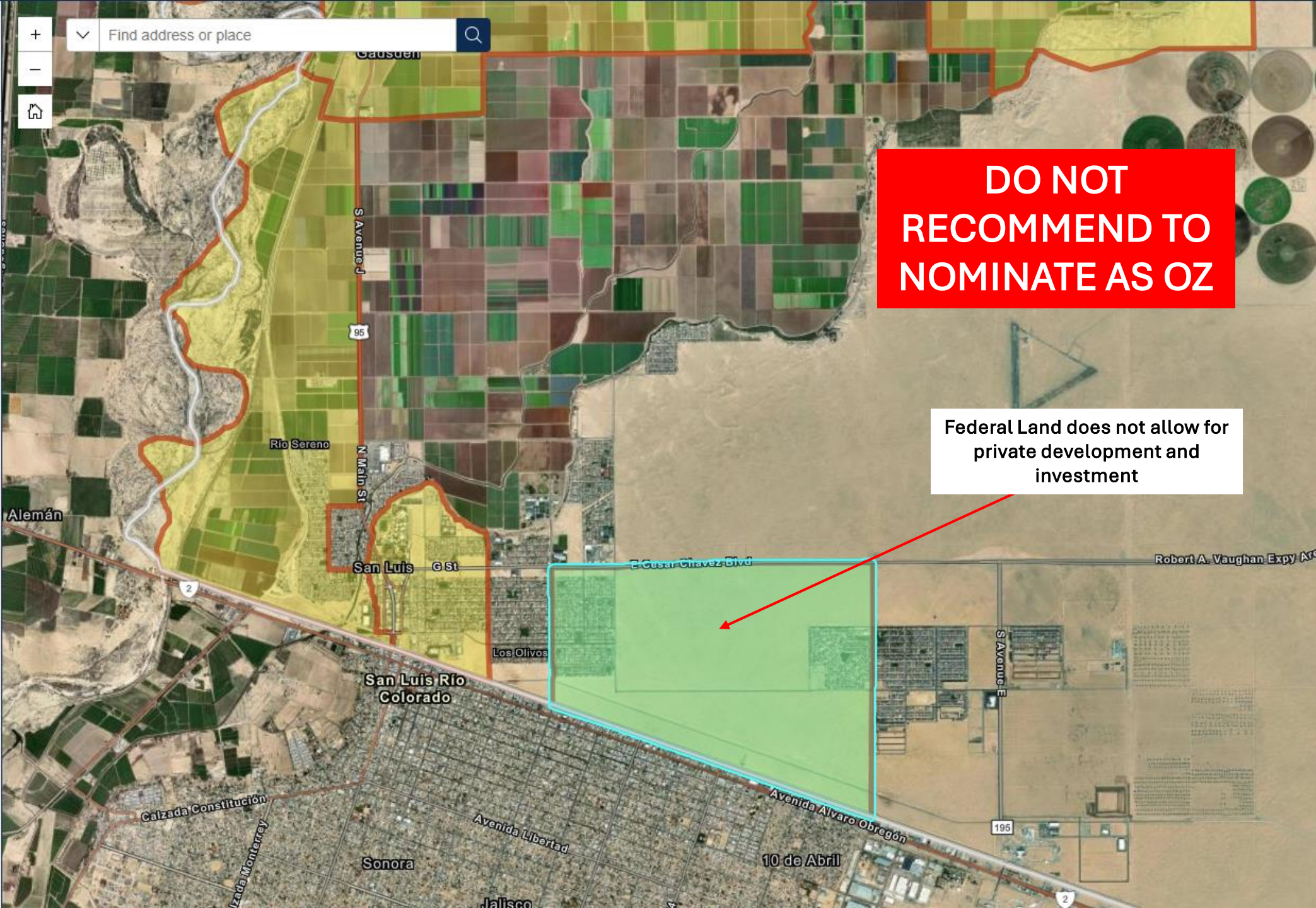
This tract is Rural for the purposes of Opportunity Zones.

This tract is New Market Tax Credit Eligible - Severe Distress

This tract is in Yuma County and Yuma, AZ Metro Area.

**DO NOT RECOMMEND TO NOMINATE AS OZ**

Federal Land does not allow for private development and investment



# Recommendations

- Prioritize **04027011403** and **04027011601**
- These tracts align with **existing and planned investment activities**
- Positions San Luis to capture private investment tied to border growth and POE expansion
- Supports state land development, healthcare expansion, and downtown revitalization
- Enhances competitiveness for:
  - Retail and commercial development
  - Workforce housing and mixed-use projects



**Questions?**

