COUNTY OF SANTA CRUZ

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BOULDER CREEK RECEIVES OPPORTUNITY ZONE DESIGNATION

Boulder Creek has received a federal Opportunity Zone designation, opening new opportunities to attract private investment, support local businesses and strengthen the community's long-term economic future.

The U.S. Department of the Treasury confirmed State of California recommendations that census tracts covering downtown Boulder Creek, as well as tracts covering parts of downtown Watsonville and Santa Cruz, as part of the next generation of Qualified Opportunity Zones.

“Boulder Creek has faced more than its share of challenges, from the devastating CZU fires to the economic pressures facing our small businesses and mountain communities,” Fifth District Supervisor Monica Martinez said. “Through it all, this community has shown remarkable resilience and determination. This designation gives us an important new tool to attract investment, breathe new life into our historic downtown, support local businesses and create jobs. It's a meaningful opportunity to build on what makes Boulder Creek special and help ensure this community has the resources and opportunities it needs to thrive for generations to come.”

The Opportunity Zone program encourages private investment in economically distressed communities by providing federal tax incentives for qualifying investments. The new designations take effect January 1, 2027, and will remain in place for 10 years.

“Since the CZU Lightning Complex fires, the people of Boulder Creek have worked together to rebuild despite years of economic hardship, and they deserve a federal partner in that recovery,” U.S. Rep. Jimmy Panetta said. “I’m proud the federal government is doing its part through this Opportunity Zone designation, which can attract private investment to revitalize downtown, help local businesses grow and

create jobs, and support work that keeps our forests healthy. I'll keep working in Congress to bring federal investment home to Boulder Creek, the San Lorenzo Valley, and communities across California's 19th Congressional District."

The designation could help encourage investment in Boulder Creek's downtown commercial district, including the rehabilitation of existing buildings, new businesses, visitor accommodations and other projects that support the local economy. It may also create opportunities for investment in tourism and recreation associated with Big Basin Redwoods State Park, forest-related industries and infrastructure improvements.

For Boulder Creek, the designation is particularly significant as the community continues recovering from the devastating 2020 CZU Lightning Complex fires. By encouraging long-term private investment, the program could complement ongoing recovery efforts and help strengthen the community's economic resilience.

The County of Santa Cruz recommended local census tracts for consideration through California's Opportunity Zones 2.0 nomination process. The Governor's Office of Business and Economic Development and the California Department of Finance evaluated eligible areas before submitting nominations for federal approval.

Under the program, investors may receive federal capital gains tax benefits when they invest through Qualified Opportunity Funds in eligible businesses or real estate projects. The incentives are designed to encourage patient, long-term investment in communities that have historically faced barriers to attracting private capital.

While the designation does not provide direct federal funding to local governments or businesses, it creates a new financial incentive for private investment. Individual projects remain subject to applicable land-use regulations, zoning and permitting requirements.

The designation of three Santa Cruz County census tracts offers opportunities to strengthen local economies in both the San Lorenzo Valley and the cities of Santa Cruz and Watsonville.

For more information about the Opportunity Zone program and designated census tracts, visit: https://www.cdfifund.gov/opportunity-zones.

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