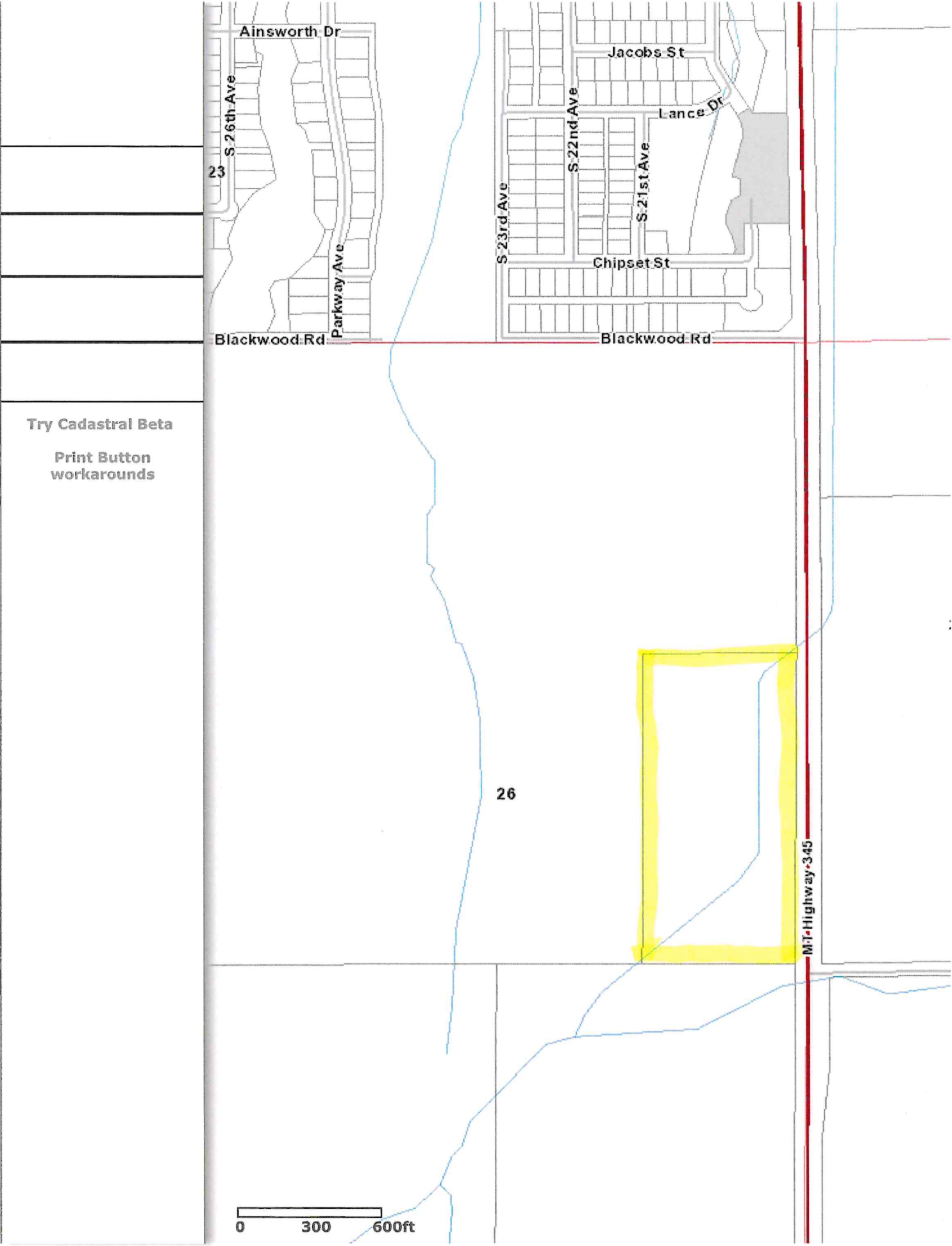


4999 S. 19th Avenue
Bozeman, MT

20.01 Acres



Try Cadastral Beta

Print Button
workarounds

0 300 600ft

Cross Property 360 Property View

4999 S 19th Avenue, Bozeman, MT 59718

Listing

CONFIDENTIAL DOCUMENT - BIG SKY COUNTRY MLS MEMBER USE ONLY ALL FIELDS DETAIL REPORT

MLS#: 389092
Status: Active
Asking Price: \$9,750,000
Original Price: \$9,750,000
Address: 4999 S 19th Avenue
City: Bozeman
State: MT
Zip: 59718
Area: 2SW - Boz S of City W of 19th
County: Gallatin
Subd/Complex: None
Legal: S26, T2S, R5E, COS 2177, Parcel 1, Acres 20.01
Directions: NW Corner of Goldenstein and S19th

Class: Land
Type: Commercial Land
of Acres: 20.010
Price/Acre: \$487,256



GENERAL LISTING INFORMATION

Input Date: 01/16/2024 04:59 PM	Update Date: 01/16/2024
Listing Date: 01/13/2024	Expiration Date: 01/13/2025
Agent 1: Laurita Green Ph:406-579-5076	Administrative Fee:
Office 1: RE/MAX Legacy Ph:406-586-3092	Selling Office Comm: 2.00 %
Agent 2:	Dual/Variable Comm: No
Office 2:	Listing Type: Exclusive Right to Sell
Agent 3:	REO/Short Sale/Foreclosure: Neither
Office 3:	

PROPERTY DETAILS

Parcel Tax ID#: 000RGG8290	HOA:
Additional Parcel Tax IDs	HOA Amount:
HOA Fee Includes:	HOA Pay Period:
Zoning: CALL - Call Listing Agent for Details	Livestock Permitted:
Possible Use: Development, Commercial	Flood Plain: No
Mobile Manufactured:	Public Land Adjacent:
Modular:	Covenant Y/N: No
Exceptions:	Covenant Description:
Conservation Easements: No	Ownership:
Showing Instructions: Call Laurita to show house. currently rented.	

MISCELLANEOUS

Days On Market: 30	Realtor.com: Yes
CDOM: 421	IDX Include: Yes
Owner Name: First Evangelical Lutheran Church of Bozeman	IDX Include Address: Yes
ListHub: Yes	VOW Comment: Yes
Automated Valuation: Yes	

FEATURES

Fencing:	Area Amenities:
Topography:	Buyer Responsibility:
View:	Utility Services: None, Private Well, Septic
Road Access:	Water Amenity On/Adj: None

AGENT INFORMATION

Agent Only Remarks

Farmhouse and accessory buildings are currently rented and under property management. All buildings and improvements are included in the sale. Tenants personal property and farm equipment are exclusions to the listing.

PUBLIC INFORMATION

Public Remarks

ATTENTION DEVELOPERS AND INVESTORS!!! OPORTUNITY ZONE!!! 20 ACRES PRIME DEVELOPMENT LAND IN BOZEMAN MONTANA. This parcel will be the epicenter of development for the Southwest quadrant of the City of Bozeman. Whoever develops this acreage will be able to SET THE STAGE FOR INNOVATIVE DEVELOPMENT of the last remaining undeveloped acreage adjacent to city limits. The sky is the limit. This parcel is currently pre-zoned for Commercial Mixed use in the Bozeman City Community Plan's Future Land Use Document. Look at associated docs for a comprehensive package on the property.

FINANCIALS

Tax Year: 2023	Terms Acceptable: 3rd Party Financing, Cash
-----------------------	--

Apx Tax Amt: \$3,000
Assumable:
SID/RID:
Possession: To Be Arranged

Preferred Title Company: Chicago
Owner Financing:

Financial Comments:

Prepared By: Laurita Green

Date Printed: 02/12/2024

Information provided by Big Sky Country MLS is compiled from miscellaneous sources. Neither the Association, listing brokers, agents or subagents are responsible for its accuracy. MLS users should be advised and should advise prospective purchasers to verify all information in regard to the property by their own independent investigation prior to submitting an offer to purchase the property. Copyright 2024 BSC MLS.

Property Record Card

Summary

Primary Information

Property Category: RP **Subcategory:** Non-Qualified Ag
Geocode: 06-0798-26-1-01-01-0000 **Assessment Code:** 000RGG8290
Primary Owner: **PropertyAddress:** 4999 S 19TH AVE
FIRST EVANGELICAL LUTHERAN CHURCH OF BOZ
225 S BLACK AVE **COS Parcel:** 1
BOZEMAN, MT 59715-4715
NOTE: See the Owner tab for all owner information

Certificate of Survey: 2177

Subdivision:

Legal Description:

S26, T02 S, R05 E, C.O.S. 2177, PARCEL 1, ACRES 20.01

Last Modified: 7/14/2022 4:23:18 AM

General Property Information

Neighborhood: 206.032 **Property Type:** IMP_R - Improved Property - Rural
Living Units: 1 **Levy District:** 06-235009-7R 09
Zoning: **Ownership %:** 100
Linked Property:

No linked properties exist for this property

Exemptions:

No exemptions exist for this property

Condo Ownership:

General: 0 **Limited:** 0

Property Factors

Topography: **Fronting:**
Utilities: **Parking Type:**
Access: **Parking Quantity:**
Location: **Parking Proximity:**

Land Summary

<u>Land Type</u>	<u>Acres</u>	<u>Value</u>
Grazing	0.000	00.00
Fallow	0.000	00.00
Irrigated	0.000	00.00
Continuous Crop	0.000	00.00
Wild Hay	0.000	00.00
Farmsite	0.000	00.00
ROW	0.000	00.00
NonQual Land	19.010	1,052.00
Total Ag Land	19.010	1,052.00
Total Forest Land	0.000	00.00
Total Market Land	1.000	219,500.00

Deed Information:

Deed Date	Book	Page	Recorded Date	Document Number	Document Type
1/15/2002	2058	174D			
8/8/2001	2044	496D			
1/16/2001	2028	508D			

4/20/1999 | 197 | 1265D |

Owners

Party #1

Default Information: FIRST EVANGELICAL LUTHERAN CHURCH OF BOZ
225 S BLACK AVE

Ownership %: 100

Primary Owner: "Yes"

Interest Type: Conversion

Last Modified: 11/15/2007 10:38:30 PM

Other Names

Other Addresses

Name

Type

Appraisals

Appraisal History

Tax Year	Land Value	Building Value	Total Value	Method
2022	220552	159450	380002	COST
2021	220552	159450	380002	COST
2020	163379	155250	318629	COST

Market Land

Market Land Item #1

Method: Acre **Type:** 1 Ac. beneath Improvements (for dwlg on NQ Ag Land)

Width: **Depth:**

Square Feet: 00 **Acres:** 1

Valuation

Class Code: 2002 **Value:** 219500

Dwellings

Existing Dwellings

Dwelling Type	Style	Year Built
SFR	08 - Conventional	1917

Dwelling Information

Residential Type: SFR **Style:** 08 - Conventional
Year Built: 1917 **Roof Material:** 10 - Asphalt Shingle
Effective Year: 1975 **Roof Type:** 3 - Gable
Story Height: 1.0 **Attic Type:** 0
Grade: 4 **Exterior Walls:** 1 - Frame
Class Code: 3301 **Exterior Wall Finish:** 6 - Wood Siding or Sheathing
Year Remodeled: 1972 **Degree Remodeled:**

Mobile Home Details

Manufacturer: **Serial #:** **Width:** 0
Model: **Length:** 0

Basement Information

Foundation: 2 - Concrete **Finished Area:** 0 **Daylight:** N
Basement Type: 2 - Part **Quality:**

Heating/Cooling Information

Type: Non-Central **System Type:** 7 - Electric Baseboard/Electric Radiant
Fuel Type: 4 - Electricity **Heated Area:** 0

Living Accomodations

Bedrooms: 3
Family Rooms: 0

Full Baths: 1
Half Baths: 0

Addl Fixtures: 3

Additional Information

Fireplaces:

Stacks: 0
Openings: 0
Cost & Design: 0
Description:

Stories:
Prefab/Stove: 0
Flat Add: 0
Description:

Garage Capacity: 0
% Complete: 0

Dwelling Amenities

View: **Access:**

Area Used In Cost

Basement: 956
First Floor: 1452
Second Floor: 0

Additional Floors: 0
Half Story: 0

Attic: 0
Unfinished Area: 0
SFLA: 1452

Depreciation Information

CDU: **Physical Condition:** Average (7) **Utility:** Average (7)
Desirability: **Property:** Average (7)
Location: Average (7)

Depreciation Calculation

Age: 45 **Pct Good:** 0.65 **RCNLD:** 131620

Additions / Other Features

Additions

Lower	First	Second	Third	Area	Year	Cost
	11 - Porch, Frame, Open			54	0	1459
	30 - Carport, Frame, Finished			552	0	11404
	33 - Deck, Wood			144	0	1951

There are no other features for this dwelling

Other Buildings/Improvements

Outbuilding/Yard Improvement #1

Type: Residential **Description:** RRG1 - Garage, frame, detached, finished
Quantity: 1 **Year Built:** 1959 **Grade:** 3
Condition: **Functional:** **Class Code:** 3301

Dimensions

Width/Diameter: 14 **Length:** 16 **Size/Area:**
Height: **Bushels:** **Circumference:**

Outbuilding/Yard Improvement #2

Type: Residential **Description:** AAG1 - Grain Bins w/o aerator < 60,000 BU
Quantity: 1 **Year Built:** 1959 **Grade:** A
Condition: **Functional:** **Class Code:** 3301

Dimensions

Width/Diameter: **Length:** **Size/Area:**
Height: 8 **Bushels:** **Circumference:** 43

Outbuilding/Yard Improvement #3

Type: Residential **Description:** AASM - Shed, agricultural, metal
Quantity: 1 **Year Built:** 1969 **Grade:** A
Condition: **Functional:** **Class Code:** 3301

Dimensions

Width/Diameter: 28 **Length:** 50 **Size/Area:**
Height: **Bushels:** **Circumference:**

Outbuilding/Yard Improvement #4

Type: Residential **Description:** AAP2 - Pole Frame Bldg, 4 sides closed, wood
Quantity: 1 **Year Built:** 1930 **Grade:** A
Condition: **Functional:** **Class Code:** 3301

Dimensions

Width/Diameter: 12 **Length:** 30 **Size/Area:**
Height: **Bushels:** **Circumference:**

Outbuilding/Yard Improvement #5

Type: Residential **Description:** AAP2 - Pole Frame Bldg, 4 sides closed, wood
Quantity: 1 **Year Built:** 1930 **Grade:** A
Condition: **Functional:** **Class Code:** 3301

Dimensions

Width/Diameter: 12 **Length:** 30 **Size/Area:**
Height: **Bushels:** **Circumference:**

Outbuilding/Yard Improvement #6

Type: Residential **Description:** AAP2 - Pole Frame Bldg, 4 sides closed, wood
Quantity: 1 **Year Built:** 1940 **Grade:** A
Condition: **Functional:** **Class Code:** 3301

Dimensions

Width/Diameter: 30 **Length:** 41 **Size/Area:**
Height: **Bushels:** **Circumference:**

Outbuilding/Yard Improvement #7

Type: Residential **Description:** AASM - Shed, agricultural, metal
Quantity: 1 **Year Built:** 1975 **Grade:** A
Condition: **Functional:** **Class Code:** 3301

Dimensions

Width/Diameter: 42 **Length:** 42 **Size/Area:**
Height: **Bushels:** **Circumference:**

Outbuilding/Yard Improvement #8

Type: Residential **Description:** AAP2 - Pole Frame Bldg, 4 sides closed, wood
Quantity: 1 **Year Built:** 1953 **Grade:** A
Condition: **Functional:** **Class Code:** 3301

Dimensions

Width/Diameter: 20 **Length:** 36 **Size/Area:**
Height: **Bushels:** **Circumference:**

Outbuilding/Yard Improvement #9

Type: Residential **Description:** AAG1 - Grain Bins w/o aerator < 60,000 BU
Quantity: 1 **Year Built:** 1960 **Grade:** A
Condition: **Functional:** **Class Code:** 3301

Dimensions

Width/Diameter: **Length:** **Size/Area:**
Height: 8 **Bushels:** **Circumference:** 43

Outbuilding/Yard Improvement #10

Type: Residential **Description:** AAG1 - Grain Bins w/o aerator < 60,000 BU
Quantity: 1 **Year Built:** 1987 **Grade:** A
Condition: **Functional:** **Class Code:** 3301

Dimensions

Width/Diameter: **Length:** **Size/Area:**
Height: 20 **Bushels:** **Circumference:** 50

Outbuilding/Yard Improvement #11

Type: Residential **Description:** AAG1 - Grain Bins w/o aerator < 60,000 BU
Quantity: 1 **Year Built:** 1987 **Grade:** A
Condition: **Functional:** **Class Code:** 3301

Dimensions

Width/Diameter: **Length:** **Size/Area:**
Height: 16 **Bushels:** **Circumference:** 53

Outbuilding/Yard Improvement #12

Type: Residential **Description:** RPA1 - Asphalt
Quantity: 1 **Year Built:** 1987 **Grade:** A
Condition: **Functional:** **Class Code:** 3301

Dimensions

Width/Diameter: **Length:** **Size/Area:** 4900
Height: **Bushels:** **Circumference:**

Commercial

Existing Commercial Buildings

No commercial buildings exist for this parcel

Ag/Forest Land

Ag/Forest Land Item #1

Acre Type: NQ - Non Qualified Ag Land **Irrigation Type:**
Class Code: 1701 **Timber Zone:**

Productivity

Quantity: 0 **Commodity:**

Units: Non Qual

Valuation

Acres: 19.01 **Per Acre Value:** 55.35
Value: 1052



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Amsterdam / Churchill + Belgrade + Big Sky + Bozeman + Four Corners + Gallatin Gateway + Manhattan + Three Forks + West Yellowstone

Shopping Cart: 0 items [\$0.00]

[New Search](#)

[History](#)

[Payoff](#)

[Pay Taxes](#)

[Help](#)

Property/Parcel TaxID: RGG8290

Status: Current

Receipt: 45137

2023 Owner(s):
FIRST EVANGELICAL LUTHERAN CHURCH OF BOZ

Mailing Address:
225 S BLACK AVE
BOZEMAN, MT 597154715

Levy District:
2350-09, 7R Bozeman(R)HF-GP

[Tax Comparison](#)

2023 Value:

Market: \$582,397
Taxable: \$8,007

[Detail](#)

2023 Taxes:

[View Pie Charts](#)

First Half: \$1,500.85 **Due:** 12/22/2023
Second Half: \$1,500.84 **Due:** 5/31/2024
Total: \$3,001.69

[Show Current Tax Bill](#)

[Detail](#)

2023 Payments:

First Half: \$1,500.85
Second Half: \$1,500.84
Total: \$3,001.69

(May include penalty & interest)

2023 Legal Records:

Geo Code: 06-0798-26-1-01-01-0000 **Deed Book:** 2058 **Page:** 174D **Date:** 2002-01-15

Property address: 4999 S 19TH AVE, BOZEMAN MT

TRS: T02 S, R05 E, Sec. 26

Legal: S26, T02 S, R05 E, C.O.S. 2177, PARCEL

1, ACRES 20.01

Acres: 20.01

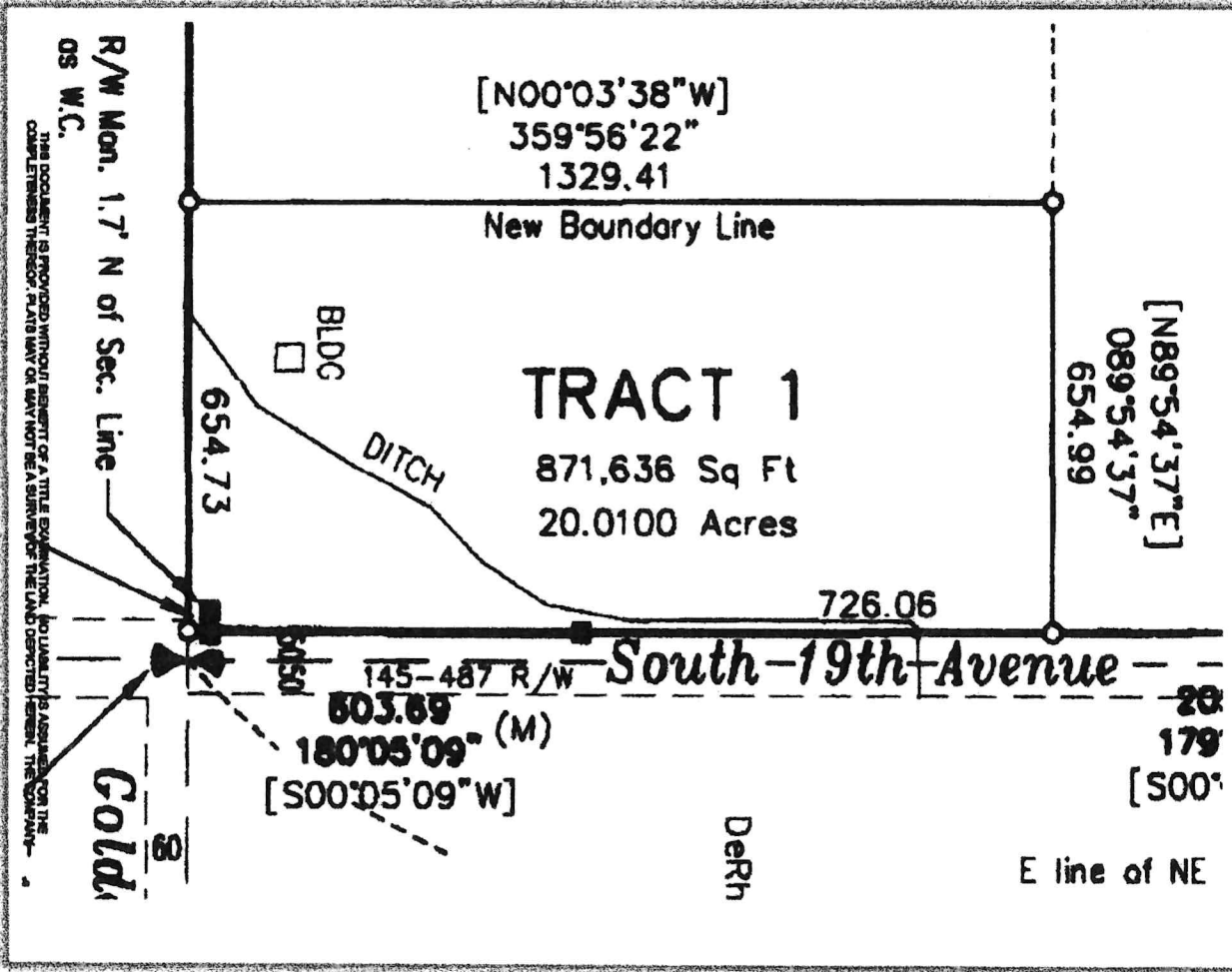
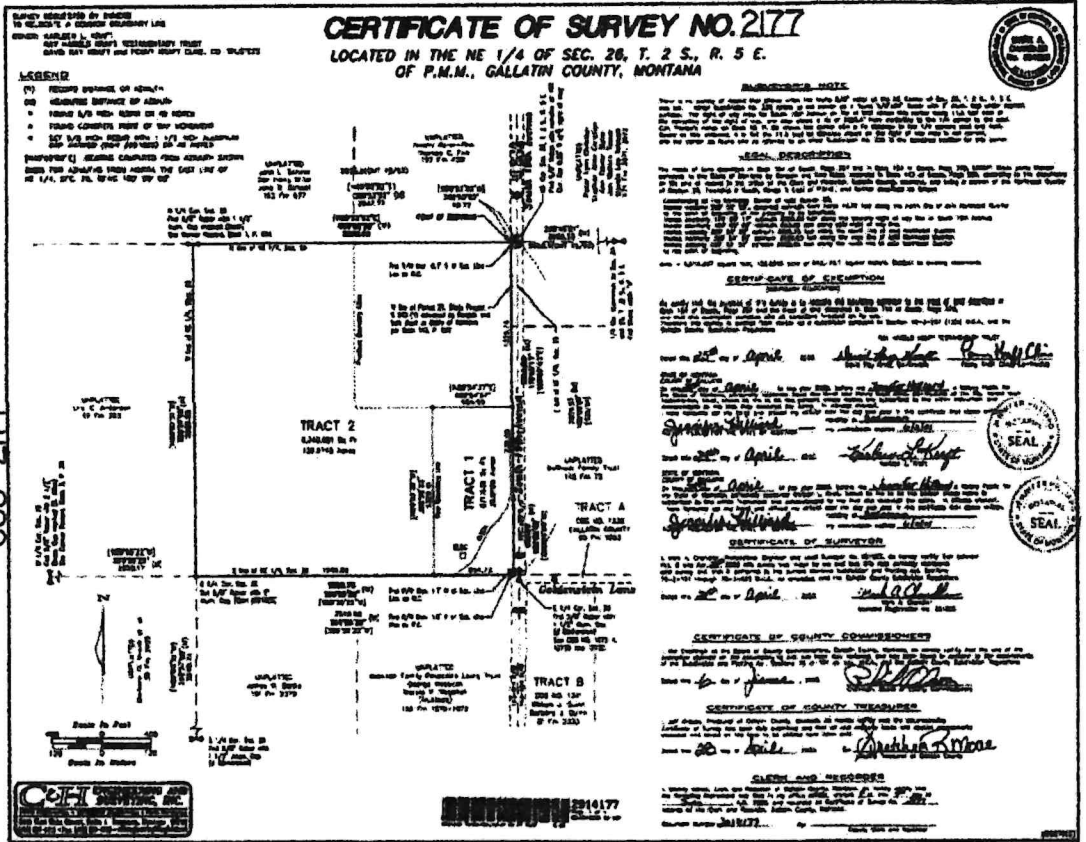
COS: 2177

Note:

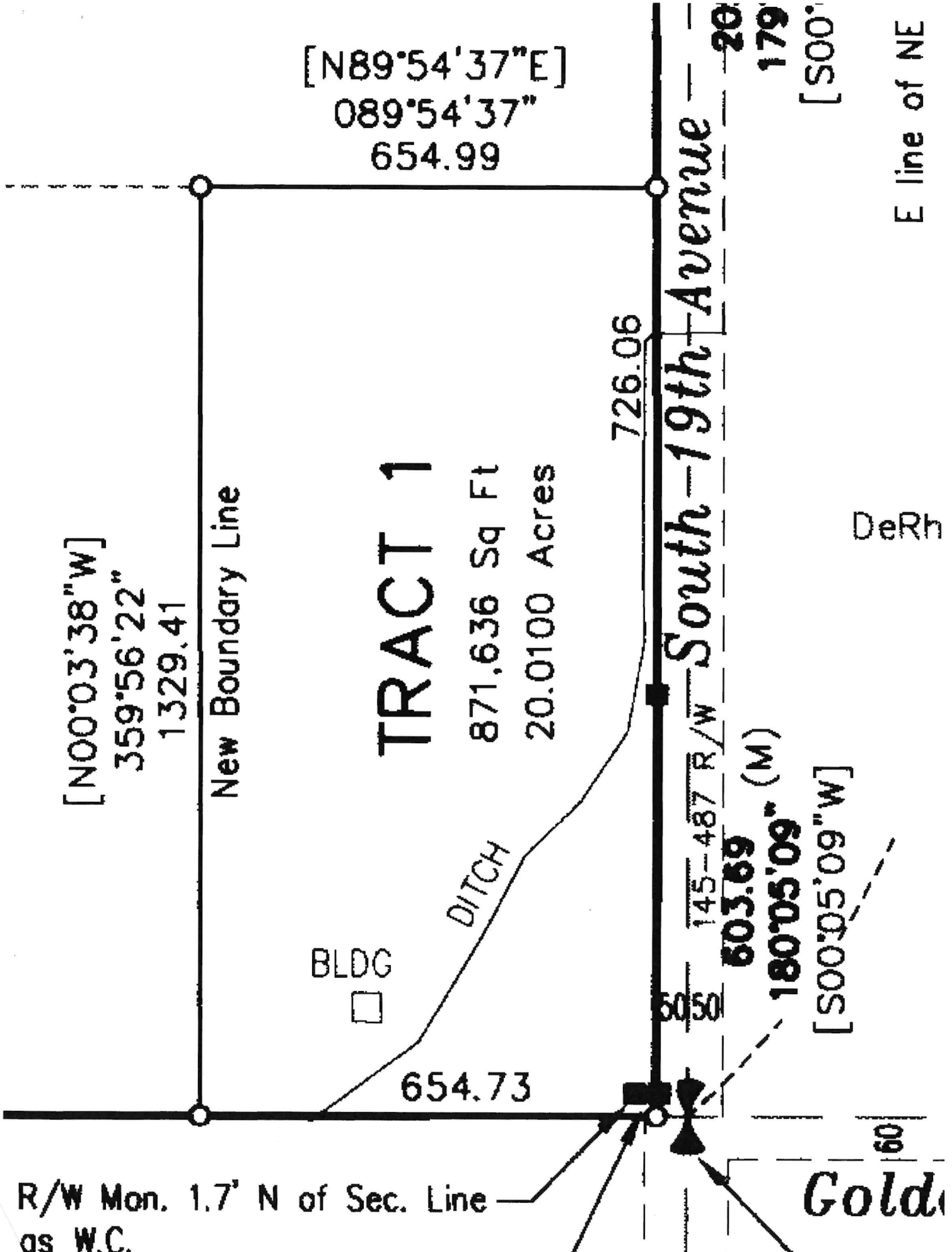
If you are having trouble using this search page, please contact our office at 406-582-3033.

If you believe there is an error on the property owner's name, geo-code, address, etc., or have questions regarding your market and/or taxable value, please contact the Montana Department of Revenue – Bozeman Office, at 406-582-3400.

*The accuracy of this data is not guaranteed. Property tax data was last updated 02/08/2024 09:00 AM.



THIS DOCUMENT IS PROVIDED WITHOUT BENEFIT OF A TITLE EXAMINATION. NO LIABILITY IS ASSUMED FOR THE COMPLETENESS THEREOF. PLATS MAY OR MAY NOT BE A SURVEY OF THE LAND DEPICTED HEREIN. THE COMPANY



[N00°03'38"W]
359°56'22"
1329.41

[N89°54'37"E]
089°54'37"
654.99

726.06

20
179
[S00°05'09"W]

BLDG
□

DITCH

654.73

145-487 R/W
603.69 (M)
180°05'09"
[S00°05'09"W]

6050

60



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workarounds
















Highway 345

Goldenstein



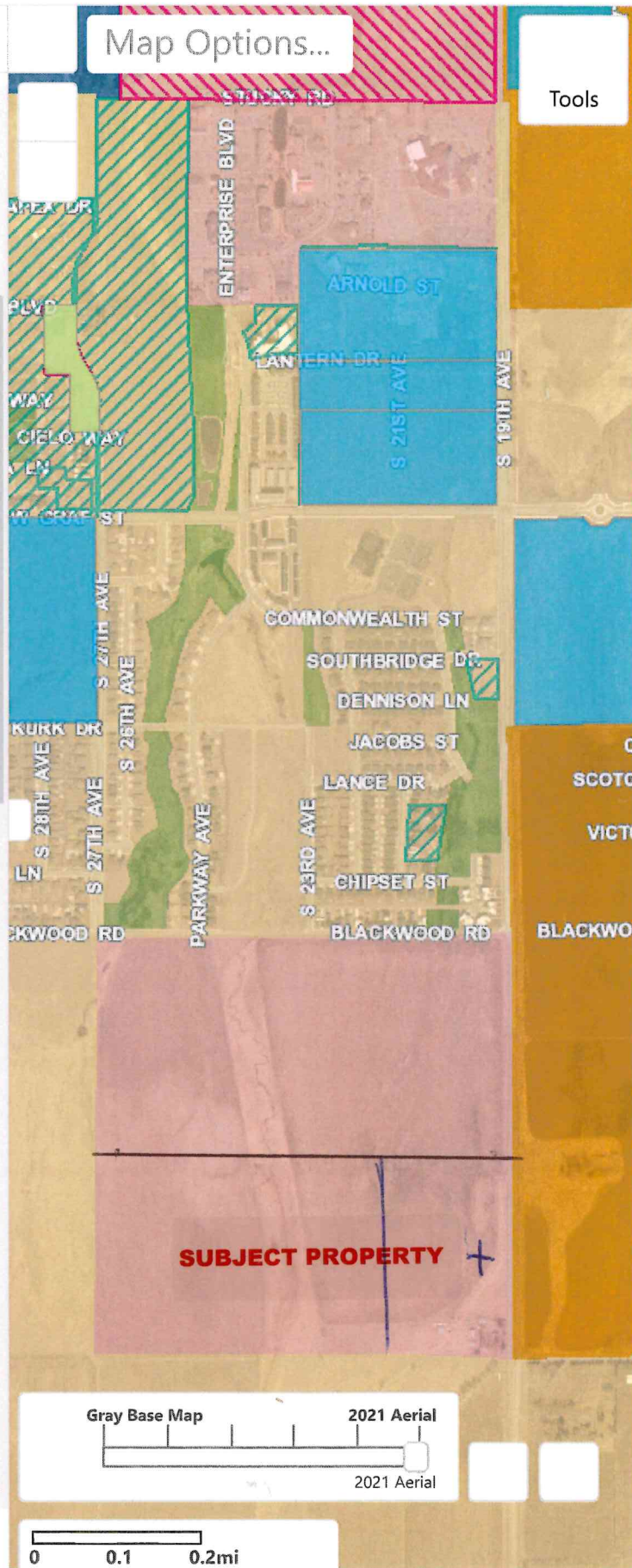


Layers

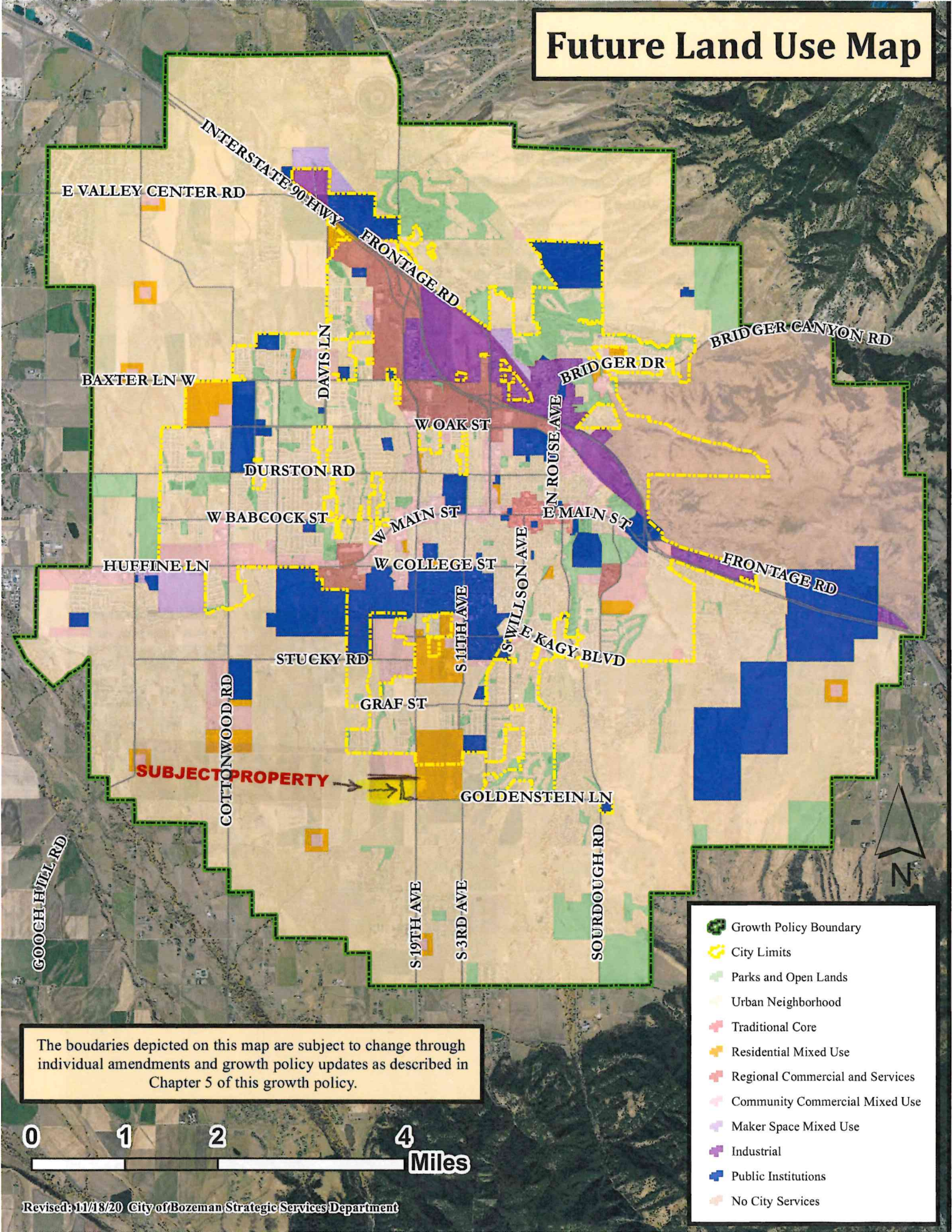
-  Approved
- Building Permits (Past Six Months)
-  City Limits
- Parcels
- Zoning (b&w)
- Zoning (color)
- Short Term Rentals (Type & Allowance)
- Conservation Overlay
- Historic Districts
- Land Use (1/1/21)
-  Community Plan Future Land Use
 -  Urban Neighborhood
 -  Traditional Core
 -  Residential Mixed Use
 -  Regional Commercial and Services
 -  Community Commercial Mixed Use
 -  Maker Space Mixed Use
 -  Industrial
 -  Public Institutions
 -  Parks and Open Lands
 -  No City Services
- FEMA Floodplain Layers
- Master Subdivisions

Map Options...

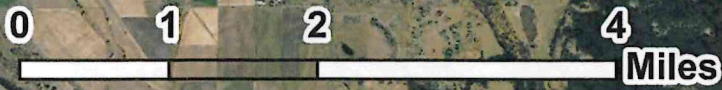
Tools



Future Land Use Map



The boundaries depicted on this map are subject to change through individual amendments and growth policy updates as described in Chapter 5 of this growth policy.



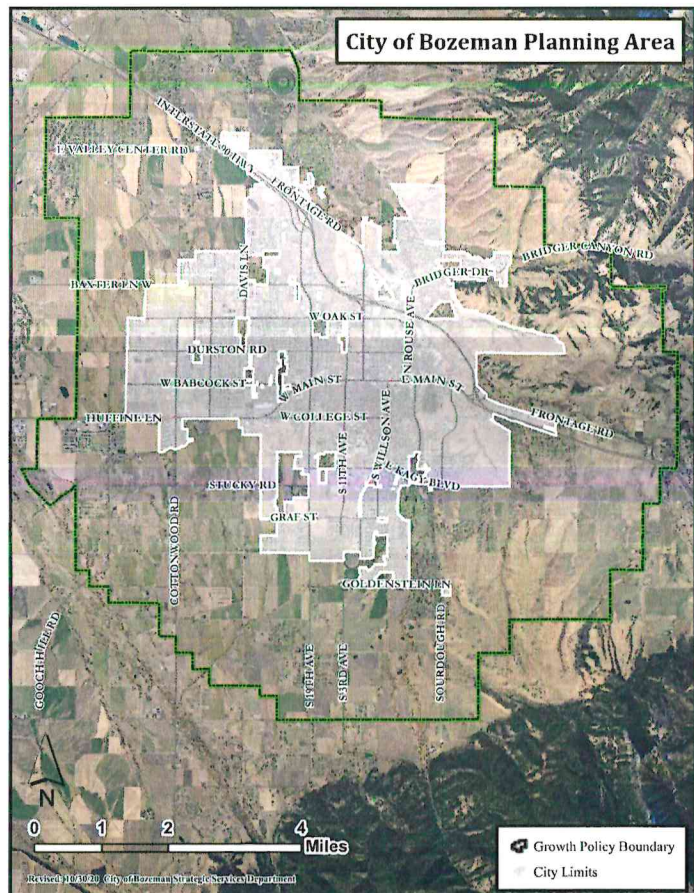
- Growth Policy Boundary
- City Limits
- Parks and Open Lands
- Urban Neighborhood
- Traditional Core
- Residential Mixed Use
- Regional Commercial and Services
- Community Commercial Mixed Use
- Maker Space Mixed Use
- Industrial
- Public Institutions
- No City Services

THE FUTURE LAND USE MAP

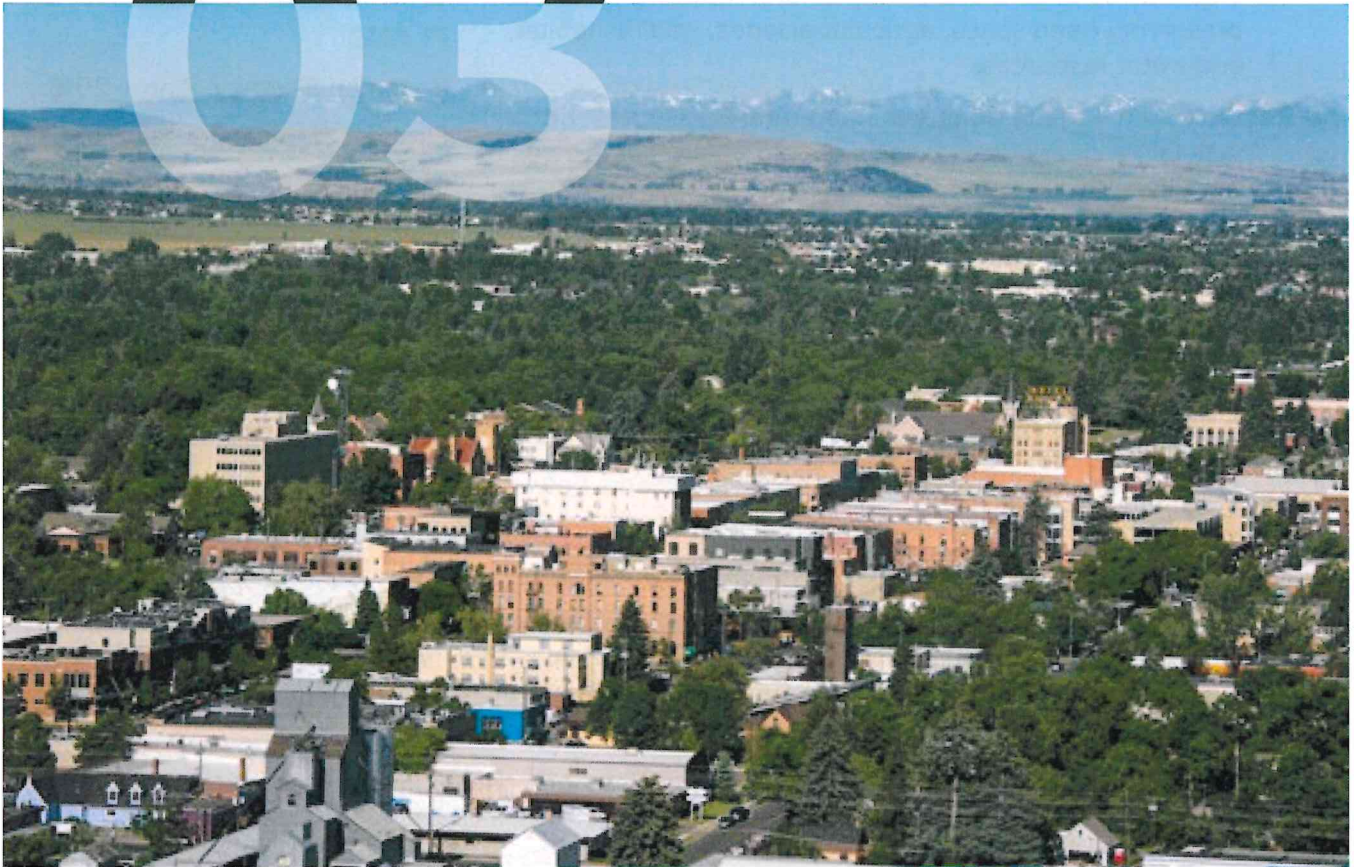
The Future Land Use Map on the following page identifies the land use categories that are detailed on the previous pages in Chapter 3. Due to the large scale of the map, any useful review will require access to its digital version, which can be expanded to show details. The City's web viewer displays the most current digital version of the map at all times. It is available at <https://gisweb.bozeman.net/Html5Viewer/?viewer=planning>.

Outward development of the City is strongly connected to locations of municipal water and sewer systems. The City has planned for eventual utility services to the Planning Area. The inset map at right shows the location of current City boundaries and where utility services are presently available. New development regularly expands this area.

Many mapping resources for utilities, land use, zoning, parks, transportation, floodplains, and other land use related subjects are available through the City's web portal at <https://www.bozeman.net/departments/strategic-services/gis-mapping>



03



03 | FUTURE LAND USE

IMPORTANCE

Future land use is the community's fundamental building block. It is an illustration of the City's desired outcome to accommodate the complex and diverse needs of its residents. Part of Bozeman's appeal is its distinct character. Its character comes from the natural setting and includes the sense of place created by constructed landmarks such as Downtown and the MSU campus. Continuing Bozeman's character as a unique place rather than "Anywhere, USA" is important. There is increasing evidence that sense of place is an important influence on economic development and overall community health.

Bozeman's physical landscape provides residents and visitors variety when moving amongst its streets, bike paths, and trails. This variety is often noted as an important part of Bozeman's unique character – to experience open, agricultural, and recreational spaces just minutes from dense, urban corridors from the seat of a bike or a car, a bus, or when walking. As Bozeman continues to evolve, promoting this landscape diversity will be important to maintaining the community character that people know and love.

Community development oriented on centers of employment and activity shorten travel distances and encourage multi-modal transportation, increase business synergies, and permit greater efficiencies in the delivery of public services.

efficient use of land and infrastructure, reducing sprawl and preserving open space, agricultural lands, wildlife habitat, and water resources.

- RC-3.2** Work with Gallatin County to keep rural areas rural and maintain a clear edge to urban development that evolves as the City expands outwards.
- RC-3.3** Prioritize annexations that enable the incremental expansion of the City and its utilities.
- RC-3.4** Encourage annexation of land adjacent to the City prior to development and encourage annexation of wholly surrounded areas.
- RC-3.5** Establish standard practices for sharing development application information and exchanging comments between the City and County.
- RC-3.6** Develop shared information on development processes.
- RC-3.7** Provide education and information on the value and benefits of annexation, including existing un-annexed pockets surrounding the City, to individual landowners and the community at large. Establish interlocal agreements, when appropriate, to formalize working relationships and procedures.
- RC-3.8** Coordinate with Gallatin County for siting, development, and redevelopment of regional parks, emergency services, fairgrounds, transportation facilities, interchanges, or other significant regional services.

THEME 7: OTHER RELEVANT PLANS

- [Bozeman Strategic Plan – 2018](#)
- [Fire and EMS Master Plan – 2017](#)
- [Gallatin County Hazard Mitigation Plan and Community Wildfire Protection Plan – 2019](#)
- [Triangle Community Plan – 2020](#)
- [Wastewater Collection Facilities Plan Update – 2015](#)
- [Water Facility Plan Update – 2017](#)

Goal RC-4: Ensure that all City actions support continued development of the City, consistent with its adopted Plans and standards.

- RC-4.1** Enhance collaboration between City agencies to ensure quality design and innovation across public and private areas.
- RC-4.2** Further develop reasonable and relevant metrics for community development within the City's Planning Area to determine whether the intent of this Plan is being accomplished.
- RC-4.3** Prioritize human well-being and health in the creation and implementation of land development standards.
- RC-4.4** Update the Unified Development Code (UDC) to:
 - Implement a twice-yearly code revision cycle. Identify and make revisions to optimize the UDC current conditions.
 - Incorporate development minimums in designated growth areas.
 - Revise the zoning map to harmonize with the future land use map.

City activities all require continuous thoughtfulness and planning. Capital improvements, maintenance programs, and plan implementation tools must be regularly evaluated and updated. Ensuring a consistent set of guiding principles provides a higher level of service to residents, minimizes contradictory or conflicting policies that waste resources, and enable a more accurate evaluation of public policies.

All of these are reflected in, and shaped by, the way land is used. The character of our well-planned City is defined by urban edges, a varied skyline, centers of employment and activity, pedestrian-friendly streetscapes, and easy access to the natural world.

The land use map sets generalized expectations for what goes where in the community. Each category has its own descriptions. Understanding the future land use map is not possible without understanding the category descriptions. Land use categories are not regulatory. Each category description can be implemented by multiple zoning districts. The land use categories and descriptions provide a guide for appropriate development and redevelopment locations for civic, residential, commercial, industrial, and other uses. The Future land use designations are important because they aim to further the vision and goals of the City through promoting sustainability, citizen and visitor safety, and a high quality of life that will shape Bozeman's future development.



FUTURE LAND USE MAP - LAND USE DESCRIPTIONS

The Future Land Use Map for the Planning Area is an indispensable part of this Plan. It utilizes ten land use categories to illustrate and guide the intent, type of use, density, and intensity of future development. The map does not always represent existing uses but does reflect the uses that are desired. Although Gallatin County has final approval authority on land development outside the City of Bozeman, land annexed by the City is under the City's authority. The City has adopted facility plans that enable coordination with Gallatin County. If one or more intergovernmental agreements are developed that address areas outside City limits, development would need to meet the terms of these agreements. Land use categories are not regulatory in and of themselves. The Correlation with Zoning table shows the existing zoning districts that implement the intent of each district.

The future land use map is not limited to conditions or needs expected within a certain number of years. It depicts what, at whatever time the land changes use, what the City sees as the best long term use. It may take many plan update cycles before the depicted conditions on the future land use map occur. The Planning Area boundary and development opportunities are coordinated with the City's water and sewer plans. These plans are periodically updated. The Planning Area boundary and capacity should be reviewed to accommodate changes in these plans. Amendments to the FLUM follow the procedures in Chapter 5. Due to limitations of scale and ability to predict the nuances of land development, the water bodies and streams are not depicted nor are the locations of future parks.

The categories are as follows:

1. URBAN NEIGHBORHOOD.

This category primarily includes urban density homes in a variety of types, shapes, sizes, and intensities. Large areas of any single type of housing are discouraged. In limited instances, an area may develop at a lower gross density due to site constraints and/or natural features such as floodplains or steep slopes. Complementary uses such as parks, home-based occupations, fire stations, churches, schools, and some neighborhood-serving commerce provide activity centers for community gathering and services. The Urban Neighborhood designation indicates that development is expected to occur within municipal boundaries. This may require annexation prior to development.

Applying a zoning district to specific parcels sets the required and allowed density. Higher density residential areas are encouraged to be, but are not required or restricted to, proximity to commercial mixed use areas to facilitate the provision of services and employment opportunities without requiring the use of a car.



Near Enterprise Blvd. and Graf St.



Near N. Black Ave. and E. Beall St.



Northeast Neighborhoods

2. RESIDENTIAL MIXED USE.

This category promotes neighborhoods substantially dominated by housing, yet integrated with small-scale commercial and civic uses. The housing can include single-attached and small single-detached dwellings, apartments, and live-work units. If buildings include ground floor commercial uses, residences should be located on upper floor. Variation in building mass, height, and other design characteristics should contribute to a complete and interesting streetscape.

Secondary supporting uses, such as retail, office, and civic uses, are permitted on the ground floor. All uses should complement existing and planned residential uses. Non-residential uses are expected to be pedestrian oriented and emphasize the human scale with modulation in larger structures. Stand alone, large, non-residential uses are discouraged. Non-residential spaces should provide an interesting pedestrian experience with quality urban design for buildings, sites, and open spaces.

This category is appropriate near commercial centers. Larger areas should be well served by multimodal transportation routes. Multi-unit, higher density, urban development is expected. Any development within this category should have a well-integrated transportation and open space network that encourages pedestrian activity and provides ready-access within and adjacent development.



Cannery District



Near Enterprise Blvd. and Graf St.



Northeast Neighborhoods

3. COMMUNITY COMMERCIAL MIXED USE. ✱

The Community Commercial Mixed Use category promotes commercial areas necessary for economic health and vibrancy. This includes professional and personal services, retail, education, health services, offices, public administration, and tourism establishments. Density is expected to be higher than it is currently in most commercial areas in Bozeman and should include multi-story buildings. Residences on upper floors, in appropriate circumstances, are encouraged. The urban character expected in this designation includes urban streetscapes, plazas, outdoor seating, public art, and hardscaped open space and park amenities. High density residential areas are expected in close proximity.

Developments in this land use area should be located on one or two quadrants of intersections of the arterial and/or collector streets and integrated with transit and non-automotive routes. Due to past development patterns, there are also areas along major streets where this category is organized as a corridor rather than a center. Although a broad range of uses may be appropriate in both types of locations, the size and scale is to be smaller within the local service areas. Building and site designs made to support easy reuse of the building and site over time is important. Mixed use areas should be developed in an integrated, pedestrian friendly manner and should not be overly dominated by any single use. Higher intensity uses are encouraged in the core of the area or adjacent to significant streets and intersections. Building height or other methods of transition may be required for compatibility with adjacent development.

Smaller neighborhood scale areas are intended to provide local service to an area of approximately one half-mile to one mile radius as well as passersby. These smaller centers support and help give identity to neighborhoods by providing a visible and distinct focal point as well as employment and services. Densities of nearby homes needed to support this scale are an average of 14 to 22 dwellings per net acre.



Northeast Neighborhoods



Cannery District



Ferguson Farms

4. TRADITIONAL CORE.

The traditional core of Bozeman is Downtown. This area exemplifies high quality urban design including an active streetscape supported by a mix of uses on multiple floors, a high level of walkability, and a rich architectural and local character. Additionally, essential government services and flexible spaces for events and festivals support opportunities for civic and social engagement. The intensity of development in this district is high with a Floor Area Ratio (FAR) well over 1. As Bozeman grows, continued evolution is necessary for long-term resilience. Challenges do exist, particularly around keeping local identity intact, balancing growth sensitively, and welcoming more transportation modes and residents. Underdevelopment and a lack of flexibility can threaten the viability of the land use designation. Future development should be intense while providing areas of transition to adjacent neighborhoods and preserving the character of the Main Street Historic District through context-sensitive development.



Main St.



Babcock St.



Main St.

5. REGIONAL COMMERCIAL AND SERVICES.

Regionally significant developments in this land use category may be developed with physically large and economically prominent facilities requiring substantial infrastructure and location near significant transportation facilities. Due to the scale of these developments, location, and transition between lower-density uses is important. Residential space should be located above the first floor to maintain land availability for necessary services. Development within this category needs well-integrated utilities, transportation, and open space networks that encourage pedestrian activity and provide ready-access within and adjacent to development. Large community scale areas in this land use category are generally 75 acres or larger and are activity centers for several surrounding square miles. These are intended to service the overall community as well as adjacent neighborhoods and are typically distributed by a one-to-two-mile separation.



1001 Oak Street



Kenyon Noble



Highland Blvd.

6. MAKER SPACE MIXED USE

This classification provides areas for dynamic mixed uses including technology industries, manufacturing, research and development, offices, and supportive uses to provide employment and services to the community. Opportunity for live/work may be provided or housing elements integrated on upper floors of mixed use buildings. Careful consideration is given to public policies supporting compatibility to enable mixed uses to coexist in harmony. Development within these areas is often intensive and the area is connected to significant transportation corridors. Although use in these areas may be intense, they are part of the larger community and standards for architecture and site design apply.



S&S Building



Offices



Employment with on site residential

7. INDUSTRIAL.

This classification provides areas for manufacturing, warehousing, technology industries, and transportation hubs. Development within these areas is intensive and is connected to significant transportation corridors. Uses that would be harmed by industrial activities are discouraged from locating in these areas. Although use in these areas is intense, they are part of the larger community and standards for architecture and site design apply. In some circumstances, uses other than those typically considered industrial have been historically present in areas that were given an industrial designation in prior growth policies. Careful consideration must be given to public policies to allow these mixed uses to coexist in harmony.



Multi-Modal Freight Terminal



Straightaway Motors



Northwestern Energy

8. PARKS AND OPEN LANDS.

All recreational lands, including parks, are included within this category, as well as certain private lands. These areas are generally open in character and may or may not be developed for active recreational purposes. This category includes conservation easements or other private property which may not be open for public use.



Story Mill Park



Sourdough Trail Area



Meyers Lake

9. PUBLIC INSTITUTIONS.

The land in this classification is owned by a public entity. A variety of activities are undertaken in this land use classification. Schools are a dominant use including Montana State University. Other typical uses are libraries, fire stations, and publicly operated utilities. A significant portion of Bozeman's employment occurs within this category.



Bozeman Public Library, Main St.



City Hall



Meadowlark Elementary School

10. NO CITY SERVICES.

This category designates areas where development is considered inappropriate over the 20-year planning horizon of this growth policy because of natural features, negative impacts on the desired development pattern, or difficulty providing urban services. As a result, the City does not anticipate building infrastructure to serve these lands at any time during the Planning Period. As the City's growth policy is updated, some areas currently classified as No City Services may be reclassified.

Suburban or rural density subdivisions in these areas are discouraged because they impede an orderly and cost effective expansion of the City.



CORRELATION WITH ZONING

The zoning districts which implement each future land use category are shown in relation to each future land use category in chart below. For zoning district intent, see 38.300. For permitted uses, see 38.310.

Urban Residential



R-S, R-1, R-2, R-3, R-4, R-5, R-O, REMU
RMH, B-1, PLI

Residential Mixed Use



R-3, R-4, R-5, R-O, REMU, B-1, PLI

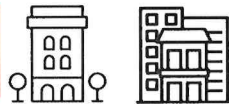


Community Commercial Mixed Use



R-O, REMU, B-1, B-2, B-2M, UMU, NEHMU
PLI

Traditional Core



B-2M, B-3, PLI

Regional Commercial & Services



B-2, B-2M, UMU, PLI

Maker Space Mixed Use



BP, M-1, NEHMU, PLI

Industrial



M-1, M-2, BP, PLI

Parks & Open Lands



PLI

Public Institutions



PLI

LEGEND

- Low Density Housing
- Moderate Density Housing
- Medium Density Housing
- High Density Housing & Mixed Use
- Neighborhood & Community Commercial & Business
- Office
- Downtown Business & Mixed Use
- Large Commercial & Business
- Maker Space
- Manufacturing & Artisan
- Public Lands, Parks, & Open Space
- Educational Facilities
- Civic Buildings & Institutions

Annexation
Information

WHAT IS THIS PROCESS FOR?

This flow chart visually describes the formal application process for **landowner initiated** annexation of property. Annexation is the process of expanding the boundaries of a city. Land is annexed so that city services, such as water and sewer, can be made available to the property. Providing for the future extension of services is an essential part of the annexation process.

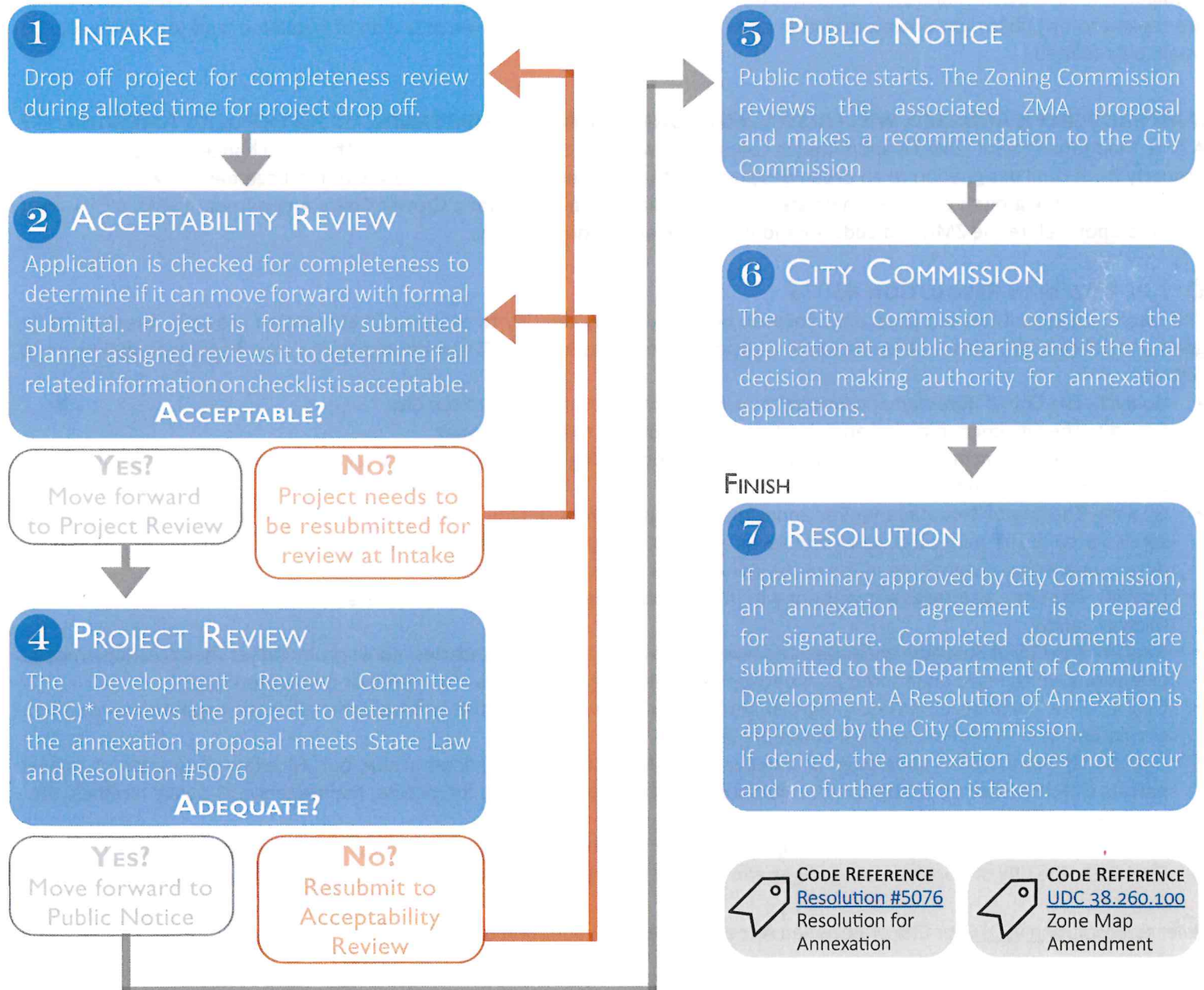
WHY ANNEX?

Annexation protects water quality, enables efficient transportation, protects the rural character of Gallatin County, enables more profitable development of land, supports new housing and enables better management of service demands.

PROCESS OVERVIEW

The purpose of this review is to identify the terms under which the City will annex the property. The City of Bozeman must follow Montana Code Section 7-2-4201 et seq. and the City of Bozeman Resolution #5076, which includes goals and policies when approving land of annexation. Timelines are approximate and subject to scheduling constraints. Annexations typically take 12-14 weeks from submittal to initial City Commission hearing to complete.

START HERE



FREQUENTLY ASKED QUESTIONS

The following are frequently asked questions on the annexation process and more information on Montana Code and City of Bozeman Resolution #5076.

CAN ANY LAND BE ANNEXED TO THE CITY?

The City of Bozeman must follow the Montana Code Annotated (MCA) [Section 7-2-4201 et seq.](#), which includes six different procedures for annexation and includes information on which lands can be annexed including:

- [Part 42 \(7-2-4201\)](#)- Addition to Municipalities
- [Part 43 \(7-2-4301\)](#) - Annexation of Contiguous Land
- [Part 44 \(7-2-4401\)](#)- Annexation of Contiguous Government Land
- [Part 45 \(7-2-4501\)](#)- Annexation of Wholly Surrounded Land
- [Part 46 \(7-2-4601\)](#)- Annexation by Petition (City's preferred method)

WHAT IS CONTIGUOUS LAND?

Contiguous land is a parcel or tract of land next to, abutting, adjoining or touching another individual parcel or tract of land which are separated by public right-of-way, irrigation ditch, drainage ditch, stream, river, or a strip of unplatted land too narrow or too small to be platted.

IF MY PROPERTY IS ANNEXED, WILL I ALSO NEED A ZONE MAP AMENDMENT AND A GROWTH POLICY AMENDMENT?

A Zone Map Amendment (ZMA) is submitted in conjunction with the annexation application. The ZMA changes the zoning of your property from rural designation to an urban designation. If your request does not comply with the Bozeman Growth Policy, or is not included in the growth policy planning area, you must file an application for a Growth Policy Amendment (GPA). A GPA must be acted upon before the ZMA and adds 3-6 months to the annexation process.

CITY OF BOZEMAN RESOLUTION #5076

The resolution establishes ten goals and nineteen policies used by the City to evaluate all annexation requests. Meeting these goals and policies helps ensure an annexation is good for the City as a whole. The annexation goals from Resolution #5076 are as follows:

- Goal #1- The City of Bozeman encourages annexations of land contiguous to the City.
- Goal #2- The City encourages all areas that are surrounded by the City to annex.
- Goal #3- The City encourages all properties currently contracting with the City or City services such as water, sanitary sewer, and/or fire protection to annex.
- Goal #4- The City of Bozeman requires annexation of all land proposed for development lying within the existing and planned service area of the municipal water and sewer systems as depicted in their respective facility plans, any land proposed for development that proposes to utilize municipal water or sewer systems.
- Goal #5- The City encourages annexations within the urban area identified on the future land use map in the current Bozeman Growth Policy.
- Goal #6- The City of Bozeman encourages annexations to make the City boundaries more regular rather than creating irregular extensions which leave unannexed gaps between annexed areas or islands of annexed or unannexed land.
- Goal #7- The City of Bozeman encourages annexations which will enhance the existing traffic circulation system or provide for circulation systems that do not exist at the present time.
- Goal #8- The City prefers annexation of parcels of land larger than five (5) acres in size, but will allow annexation of smaller parcels if factors such as topographic limitations, sanitary disposal needs, fire access, maintenance of public facilities, etc., justify a smaller annexation.
- Goal #9- The City seeks to obtain water rights adequate for future development of the property with annexation.
- Goal #10- The City of Bozeman encourages annexations for City provision of clean treated water and sanitary sewer.

Refer to [Resolution #5076](#) for City of Bozeman Annexation Policies, adoption date, and further information.



RESOLUTION 5076

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF BOZEMAN, MONTANA, REVISING AND RE-ESTABLISHING GOALS AND POLICIES FOR LANDOWNER INITIATED ANNEXATION OF PROPERTIES TO THE CITY OF BOZEMAN, AND SUPERSEDING RESOLUTION 4400.

WHEREAS, the City of Bozeman wishes to establish updated comprehensive annexation goals and policies for landowner initiated annexations to provide for orderly, well-planned growth of the City; and

WHEREAS, adoption of such goals and policies will provide our community with clear guidelines for informed annexation proposals; and

WHEREAS, the City establishes these goals and policies in accordance with annexation statutes as set forth in Title 7, Chapter 2, Parts 43, 45, 46 and 47, MCA.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Bozeman, Montana, to wit:

Section 1

The following goals are hereby established for the consideration of annexations to the City of Bozeman.

1. The City of Bozeman encourages annexations of land contiguous to the City.
2. The City encourages all areas that are totally surrounded by the City to annex.

3. The City encourages all properties currently contracting with the City for City services such as water, sanitary sewer, and/or fire protection to annex.
4. The City of Bozeman requires annexation of all land proposed for development lying within the existing and planned service area of the municipal water and sewer systems as depicted in their respective facility plans, any land proposed for development that proposes to utilize municipal water or sewer systems.
5. The City encourages annexations within the urban area identified on the future land use map in the current Bozeman Growth Policy.
6. The City of Bozeman encourages annexations to make the City boundaries more regular rather than creating irregular extensions which leave unannexed gaps between annexed areas or islands of annexed or unannexed land.
7. The City of Bozeman encourages annexations which will enhance the existing traffic circulation system or provide for circulation systems that do not exist at the presenttime.
8. The City prefers annexation of parcels of land larger than five (5) acres in size, but will allow annexation of smaller parcels if factors such as topographic limitations, sanitary disposal needs, fire access, maintenance of public facilities, etc., justify a smaller annexation.
9. The City seeks to obtain water rights adequate for future development of the property with annexation.
10. The City of Bozeman encourages annexations for City provision of clean treated water and sanitary sewer.

Section 2

The City establishes the following policies for the consideration of all future landowner initiated annexations to the City of Bozeman.

1. Annexations must include dedication of all easements for rights-of-way for collector and arterial streets, adjacent local streets, public water, sanitary sewer, or storm or sewer mains, and Class I public trails not within the right of way for arterial or collector streets. Annexations must also include waivers of right to protest the creation of special or improvement districts necessary to provide the essential services for future development of the City.
2. Issues pertaining to master planning and zoning must be addressed prior to or in conjunction with the application for annexation.

3. The application for annexation must be in conformance with the current Bozeman Growth Policy. If a Growth Policy Amendment is necessary to accommodate anticipated uses, the amendment process must be initiated by the property owner and completed prior to any action for approval of the application for annexation.
4. Initial zoning classification of the property to be annexed will be determined by the City Commission, in compliance with the Bozeman Growth Policy and upon a recommendation of the City Zoning Commission, simultaneously with review of the annexation petition.
5. The applicant must indicate their preferred zoning classification as part of the annexation petition.
6. Fees for annexation processing will be established by the City Commission.
7. It is the policy of the City that annexations will not be approved where unpaved county roads will be the most commonly used route to gain access to the property unless the landowner proposes a method to provide for construction of the road to the City's street standards.
8. Prior to annexation of property, the City will require the property owner to acquire adequate and usable water rights, or an appropriate fee in lieu thereof, in accordance with Section 38.410.130 of the municipal code, as amended.
9. Infrastructure and emergency services for an area proposed for annexation will be reviewed for the health, safety and welfare of the public and conformance with the City's adopted facility plans. If the City determines adequate services cannot be provided to ensure public health, safety and welfare, the City may require the property owner to provide a written plan for accommodation of these services, or the City may reject the petition for annexation. Additionally, the parcel to be annexed may only be provided sanitary sewer service via the applicable drainage basin defined in the City Wastewater Collection Facilities Plan.
10. The City may require annexation of any contiguous property for which city services are requested or for which city services are currently being provided. In addition, any person, firm, or corporation receiving water or sewer service outside of the City limits is required as a condition of initiating or continuing such service, to consent to annexation of the property serviced by the City. The City Manager may enter into an agreement with a property owner for connection to the City's sanitary sewer or water system in an emergency conditioned upon the submittal by the property owner of a petition for annexation and filing of a notice of consent to annexation with the Gallatin County Clerk and Recorder's Office. The contract for connection to city sewer and/or water must require the property owner to annex or consent to

disconnection of the services. Connection for purposes of obtaining City sewer services in an emergency requires, when feasible as determined by the City, the connection to City water services.

11. The annexation application shall be accompanied by mapping to meet the requirements of the Director of Public Works. Where an area to be annexed can be entirely described by reference to a certificate of survey or subdivision plat on file with the Gallatin County Clerk and

12. Recorder the mapping may be waived by the Director of Public Works.

13. The City will assess system development/ impact fees in accordance with Montana law and Chapter 2, Article 6, Division 9, Bozeman Municipal Code.

14. Public notice requirements: Notice for annexation of property must be coordinated with the required notice for the zone map amendment required with all annexation. The zone map amendment notice must contain the materials required by 38.220.410, BMC.

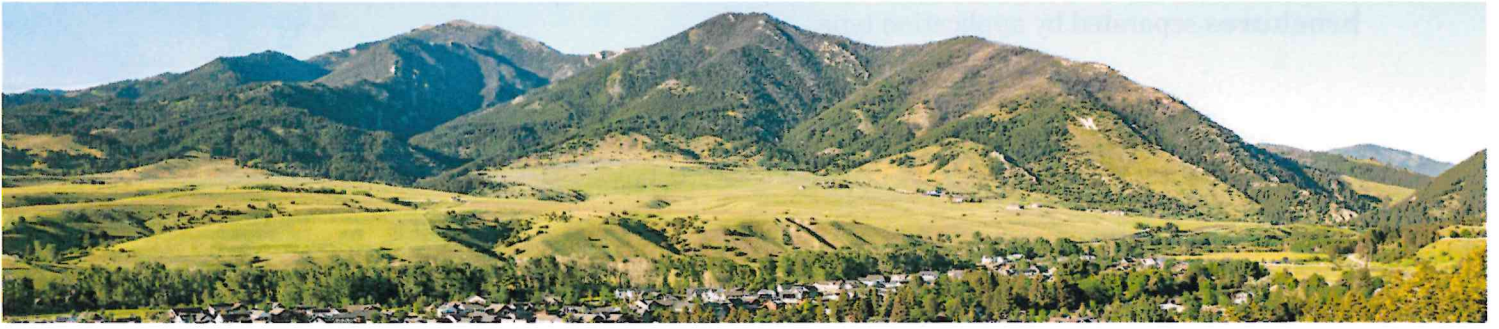
15. Annexation agreements must be executed and returned to the City within 60 days of distribution of the annexation agreement by the City, unless another time is specifically identified by the City Commission.

16. When possible, the use of Part 46 annexations is preferred.

17. Where a road improvement district has been created, the annexation does not repeal the creation of the district. The City will not assume operations of the district until the entirety of the district has been annexed. Any funds held in trust for the district will be used to benefit the district after transfer to the City. Inclusion within a district does not lessen the obligation to participate in general city programs that address the same subject.

18. The City will notify the Gallatin County Planning Department and Fire District providing service to the area of applications for annexation.

19. The City will require connection to and use of all City services upon development of annexed properties. The City may establish a fixed time frame for connection to municipal utilities. Upon development, unless otherwise approved by the City, septic systems must be properly abandoned and the development connected to the City sanitary sewer system. Upon development, unless otherwise approved by the City, water wells on the subject property may be used for irrigation, but any potable uses must be supplied from the City water distribution system and any wells disconnected from structures. The property owner must contact the City Water and Sewer Superintendent to verify disconnects of wells and septic systems.



Planning Checklists, Guides, & Brochures

ProjectDox is now LIVE for Planning applications!

Visit the [Development Center](#) and click on the [ProjectDox Portal](#) link to submit applications and to access your other PDox projects, including Building and Fire permits.

Development Review

The Development Review process ensures that proposed developments meet the requirements of the Unified Development Code (UDC) to promote public health, safety, and general welfare, and contribute to a high quality of life for Bozeman's citizens.

Learn more about Development Review Process:

- [Project Timeline Summary](#)
- [Development Review Process and Timeline](#)
- [FY 2023 Fee Schedule for Planning Review Applications - Effective July 25th, 2022](#)

For assistance in determining if a development review application is required, or which application(s) to submit, please email planningtech@bozeman.net or call the Planning Division at [\(406\)582-2260](tel:(406)582-2260), Option #5

WHAT TO DO BEFORE YOU APPLY

1. **Locate the property** on Bozeman's [Community Development Map Viewer](#). Instructions on how to use the map are available on the [Project Information Portal page](#). This tool provides zoning information as well as helpful links to the [Unified Development Code \(UDC\)](#), the guiding document for the Planning Division.
2. **Determine if your project is permitted** per the UDC's [Bozeman's Zoning Districts and Land Uses](#)
3. **Identify your Application Type** - Once you have determined that the project is permitted in your zone, check this webpage (below) for the appropriate **checklists, forms, and**

brochures separated by application type.

HOW TO SUBMIT AN APPLICATION

+

APPEALS

+

ANNEXATION, ZONE MAP AND TEXT AMENDMENTS

-

Text and Zone Map Amendments

An amendment may be initiated by the city commission, city manager, zoning commission, planning board or upon petition from an owner of property within the city per Bozeman [MuniCode Division 38.260](#).

Info Sheets

- [Annexation of Property Info Sheet](#)
- [Growth Policy Amendments Info Sheet](#)
- [Zoning Text and Map Amendments Info Sheet](#)

Forms and Checklists

- [Annexation & Initial Zone Map Amendment \(ANNX\)](#)
- [Growth Policy Amendment \(GPA\)](#)
- [Zone Map Amendment \(ZMA\)](#)
- [Zone Text Amendment \(ZTA\)](#)

CONCEPTUAL & INFORMAL APPLICATIONS

+

HISTORIC PRESERVATION

+

IMPROVEMENT AGREEMENT & FINANCIAL GUARANTEE +

NOTICING FOR DEVELOPMENT PROJECTS +

PLANNED UNIT DEVELOPMENT +

SIGN APPLICATIONS +

**SUBDIVISION & SUBDIVISION EXEMPTION APPLICATIONS &
CHECKLISTS** +

USE PERMITS - CONDITIONAL, SPECIAL, AND TEMPORARY +

ZONING APPLICATIONS AND SITE DEVELOPMENT +

Opportunity Zone
Information

26 USC 1400Z-2: Special rules for capital gains invested in opportunity zones

Text contains those laws in effect on May 11, 2023

From Title 26-INTERNAL REVENUE CODE

Subtitle A-Income Taxes

CHAPTER 1-NORMAL TAXES AND SURTAXES

Subchapter Z-Opportunity Zones

Jump To:

[Source Credit](#)

[Miscellaneous](#)

[Effective Date](#)

§1400Z–2. Special rules for capital gains invested in opportunity zones

(a) In general

(1) Treatment of gains

In the case of gain from the sale to, or exchange with, an unrelated person of any property held by the taxpayer, at the election of the taxpayer-

(A) gross income for the taxable year shall not include so much of such gain as does not exceed the aggregate amount invested by the taxpayer in a qualified opportunity fund during the 180-day period beginning on the date of such sale or exchange,

(B) the amount of gain excluded by subparagraph (A) shall be included in gross income as provided by subsection (b), and

(C) subsection (c) shall apply.

(2) Election

No election may be made under paragraph (1)-

(A) with respect to a sale or exchange if an election previously made with respect to such sale or exchange is in effect, or

(B) with respect to any sale or exchange after December 31, 2026.

(b) Deferral of gain invested in opportunity zone property

(1) Year of inclusion

Gain to which subsection (a)(1)(B) applies shall be included in income in the taxable year which includes the earlier of-

(A) the date on which such investment is sold or exchanged, or

(B) December 31, 2026.

(2) Amount includible

(A) In general

The amount of gain included in gross income under subsection (a)(1)(A) shall be the excess of-

(i) the lesser of the amount of gain excluded under paragraph (1) or the fair market value of the investment as determined as of the date described in paragraph (1), over

(ii) the taxpayer's basis in the investment.

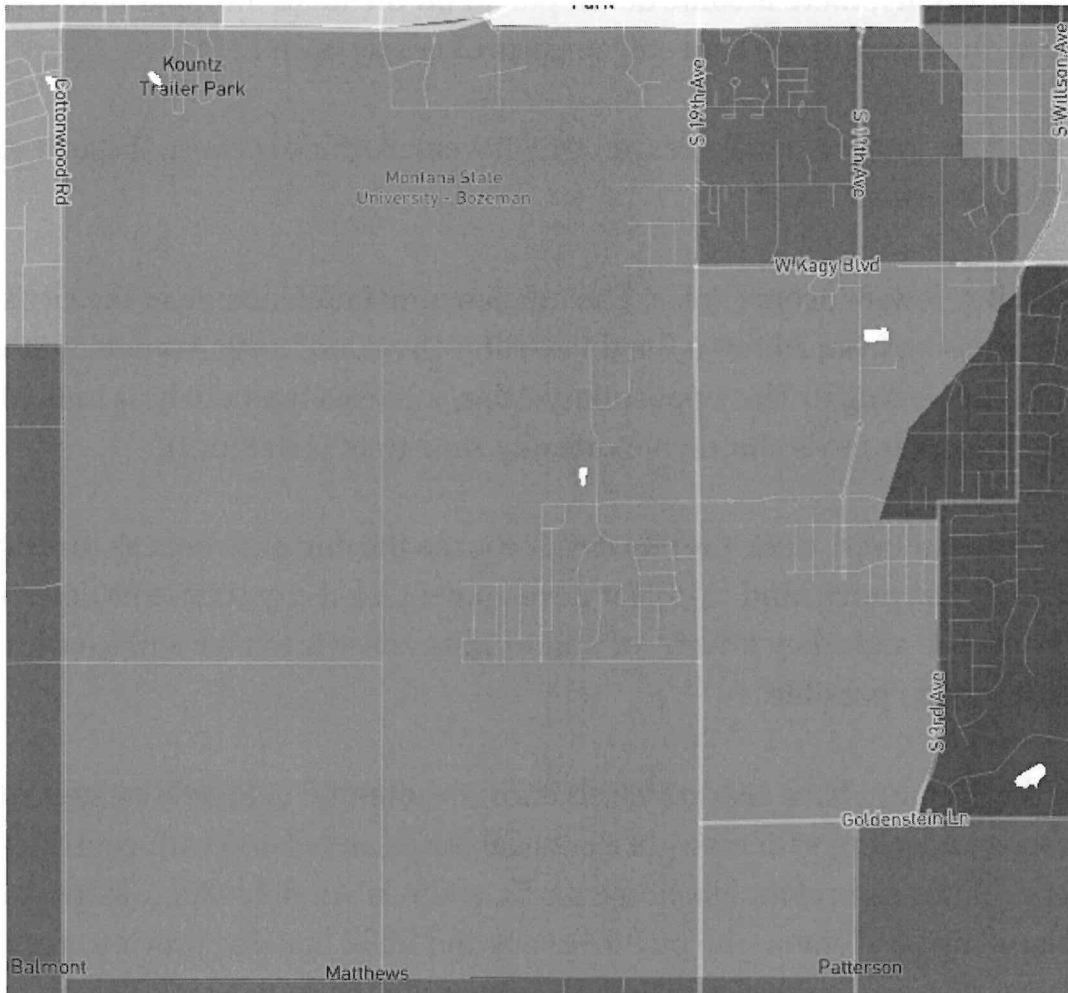
(B) Determination of basis

(i) In general

Except as otherwise provided in this clause or subsection (c), the taxpayer's basis in the investment shall be zero.

Opportunity knocking? New government tax breaks could bring jobs, more housing to Bozeman

By Abby Lynes Chronicle Staff Writer Dec 2, 2018



Bozeman's opportunity zone is shown in green, forming a peninsula around much of MSU's campus.

Map by Opportunity Atlas.

A new federal tax break could help accelerate Bozeman's plans for job growth and incentivize sorely needed housing development in the southwestern part of town, turning empty fields into new infrastructure.

Opportunity zones, part of President Donald Trump's tax overhaul bill, provide tax breaks and other benefits for developers and investors who build in designated places. A key aim of the bill is to help rural areas and low- to middle-income regions.

In April, Gov. Steve Bullock nominated 25 census tracts across Montana for the program, and all were accepted by the federal government. Some of the approved tracts are in cities; others are in rural areas.

While small compared to sparsely populated rural counties, the city's opportunity zone covers most of southwest Bozeman, minus much of Montana State University's campus. Located adjacent to the university, there is some development off the main thoroughfares that pass through the area, but much of the land still consists of grassy open fields.

It's already poised for growth, a main reason why Bozeman officials chose the area as the city's No. 1 pick for the program.

There were certainly lower-income areas. The median individual income in the city's No. 2 pick, the northern tract going from Durston Road to Griffin Drive, and 19th Avenue to Story Mill Park, is about \$21,000, according to The Opportunity Atlas, a census tract analysis tool. Meanwhile, the median income in the city's chosen opportunity zone tract is \$28,000.

Even though it is the poorest tract, the city didn't choose the northern area as its first pick because there wasn't as much land ready for development, said city economic development director Brit Fontenot, and a key priority of opportunity zones is to pick a place with as much readily available land as possible.

Watchdogs of the program have also criticized it for its potential to accelerate gentrification. While Bozeman isn't dealing with many of the racial issues associated with gentrification, the northern tract contains several mobile home parks, and it is possible that low-income residents could be displaced by developers who buy them out and build housing previous residents could never afford. Just this year, a developer bought out a trailer park on North Wilson to build a series of duplexes two blocks south of the northern tract.

There are a few mobile home parks in the approved opportunity zone, but there's far more open land than in the northern tract.

Private investment is already happening in the opportunity zone — it contains a growing shopping center that includes Rosauers Super Market, plenty of office buildings and some newer housing.

Driving down College Street, an opportunity zone sign also announces MSU's Innovation Campus and its big plans for the area. The innovation campus includes 42 acres and plans call for specialized labs, research offices and manufacturing spaces.

“The opportunity zone is, if it plays out the way we think it can, one of the greatest economic development tools created by the government,” said Adam Friedman, a developer with Charter Realty and Development, a company the innovation campus is partnering with.

Land is expensive and there aren't very many incentives for developers to build outside of the city's urban renewal districts, Fontenot said.

Opportunity zones could help because they're designed with long-term investment in mind, Friedman said, and much of it is based at the local level.

The federal government is still rolling out regulations, but some of the biggest benefits include tax deferral, capital gain reduction and appreciation exclusions. If someone invests in an opportunity zone for 10 years, all appreciation in the investment will be tax-free, Friedman said.

In the long run, the main benefit of the innovation campus will be job creation, he said. MSU broke ground on its applied research lab earlier this year, and it hopes to sell the Trump administration on Bozeman as a base for the nation's Economic Research Service and the National Institute for Food and Agriculture, which could bring more than 600 new jobs to the city.

The opportunity zone could also help with Bozeman's housing shortage. Shari Eslinger, housing director for HRDC, said that while the opportunity zone program is so new it hasn't been discussed in great length, there are some investors interested in it for affordable housing.

“Anything that can provide more housing stock will be good for our community,” she said.

Located near MSU's campus, the opportunity zone could also provide incentives for developers to build higher-density, student-focused housing.

As the city updates its growth policy, zoning changes will make a difference in what the opportunity zone looks like. Since many investment benefits will only last 10 years, it's important that builders are able to start construction in a timely manner to cut down on costs and potentially make housing more affordable.

“The longer it takes to get something off the ground, the less opportunity there is for people to take advantage of the zone,” Friedman said.

Zoning is just one part of the puzzle, though, he said. Landowners and sellers need to be on board if opportunity zones are going to help Bozeman's housing problem.

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Opportunity Zones in 2023: A Look Back, a Look Forward

Is now the perfect storm for investors? Don't take your eye off the ball — investing in opportunity zones is well situated to offer meaningful tax benefits to knowledgeable investors.



Newsletter



CLOSE

PLAY SOUND

(Image credit: Getty Images)



BY DANIEL GOODWIN
PUBLISHED FEBRUARY 28, 2023

As 2023 is now well under way, it's a good time to take a look at what [investing in opportunity zones](#) holds for us in the coming year and beyond.

What Are Opportunity Zones?

The [opportunity zone](#) incentive was enacted in 2017 as part of the [Tax Cuts and Jobs Act](#). If you're not a student of arcane trivia of the inner workings of the U.S. Senate, you may not know that it wasn't passed following the usual path of a bill, which is generally drafted and passed by both the Senate and the House and signed into law by the president. While the Tax Cuts and Jobs Act enjoyed the support of a majority of the Senate, it lacked the magic number of 60 votes to avoid a [filibuster](#).

■ [Three Deadly Sins of Delaware Statutory Trusts](#)

In such cases, the Senate allows for a budget-related item to pass with a simple majority using a process called budget reconciliation, which requires only the simple majority that was in place for the Tax Cuts and Jobs Act. And so it was that the TCJA became the law of the land in 2017. But because of the process involved, non-budgetary items — like the opportunity zone reporting requirements that were contained in the original draft of both bills — had to be dropped from the Senate bill before it was passed.

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SIGN UP

Fast-Forward to 2022

Fast-forward to 2022, and the House and Senate drafted a piece of bipartisan legislation that would have been the restoration of the OZ reporting requirements, but also an extension date, from 2026 to 2028.

PLAY SOUND

Introduced in April as the [Opportunity Zones Transparency, Extension and Improvement Act](#), it would have provided a 15% [step-ups in cost basis](#) that expired last year. It also would have removed the opportunity zone designation from some of the higher-income census tracts and replaced them with lower-income tracts, and also modified the definition of [qualified opportunity funds](#) (QOFs) to allow for investment from feeder funds.

Would Have, Could Have, Should Have

Would have, could have, should have — unfortunately, the bill failed to come to a vote in 2022, and as the 118th Congress is now in session, hopes are high that it will come back in some form in 2023. A glance at the political realities in our country right now might cast a pall of pessimism over the bill's chances in the currently divided Congress.

Nevertheless, the bill enjoyed co-sponsors from both parties in both the House and Senate versions in 2022 and would undoubtedly be bipartisan again in a new incarnation.

With the dual benefits of tax incentives for investors, and a flood of potential new investment in areas that sorely need it, there appears to be a good chance that the legislation will eventually move forward. And for all involved, the sooner the better.

Perfect Storm for Investors

The other adverse development in 2022 with regard to opportunity zone investing was the neg and stocks in particular. Last year represented a perfect storm for investors. There was nowher virtually every sector of the stock market, ravaged bonds, destroyed cryptocurrencies and ever though avoiding the full real estate crash that some had feared.

PLAY SOUND

-
- **Opportunity Zones and Inflation: What Investors Want to Know**
-

Regardless, the fact is that a market that struggled in so many ways is a market that produced far fewer capital gains. And fewer capital gains, while not necessarily translating into a reduced desire for OZ investments in 2022, poses potential problems moving forward if fears of an imminent [recession](#) prove to be true.

So What Should We Expect for 2023 in Opportunity Zones?

As always, the key word here is **opportunity**.

Whether or not the expired step-ups in basis are restored, whether or not QO funds are extended past their currently planned 2026 expiration, whether or not new legislation (currently under discussion) expands OZ investments to disaster-affected areas, or enacts rolling seven-year periods of tax deferral, or modifies the law to expand investments into existing businesses, the simple fact is that despite a lackluster investing year in 2022, **almost \$10 billion in new QOZ investments were made last year**. This raised the total of new investments since the program began in 2017 to over \$100 billion.

For context, the Treasury Department's stated goal for the projected 10-year life of the program was \$100 billion, and it has achieved that goal in half the time it had hoped!

High-net-worth investors, including family offices and [registered investment advisers](#), are clearly aware of the extraordinary benefits offered by the existing federal OZ incentive, **namely, the opportunity to defer capital gains taxes indefinitely, or eliminate them entirely, by holding a qualified OZ investment for 10 years.**

Capital Gains Tax Deferral

Tax deferment is a powerful and rare incentive, tax elimination is even more so. And while the array of possible legislative adjustments stands to make opportunity zone investing even more valuable in the future, it's impossible to overstate the existing value of [capital gains tax](#) deferral to current investors right now.

Don't Take Your Eye Off the Ball

Investors focused on worries of a recession, troubled about the expiration of the short-term step-up benefits in 2022 or concerned about the program's potential expiration in 2026 are taking their eye off the ball — and missing a unique and extremely valuable chance to defer or even eliminate capital gains taxes on an appreciated investment.

The existing program enjoys broad bipartisan support and is therefore uniquely positioned to be one of a small handful of federal programs that could be extended or even strengthened despite the current polarized political climate. Even if those legislative goals are not realized, however, opportunity zone investing is well situated to offer meaningful tax benefits for at least the next four years to knowledgeable investors.

■ How to Invest in Qualified Opportunity Zones: Step-By-Step

Let me invite you to my [newest masterclass](#) on qualified opportunity zones, in which I cover:

- The rules and regulations of QOZs.
- Opportunity zone case studies.
- Features and benefits of investing in opportunity zones.
- Drawbacks of investing in QOZs.
- When to utilize the QOZ vs. the 1031 exchange.

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Daniel C. Goodwin, [Provident Wealth Advisors](#) and [AAG Capital, Inc.](#) are not attorneys and do not provide legal advice. Nothing in this infographic should be construed as legal or tax advice. An investor would always be advised to seek competent legal and tax counsel for his or her own unique situation and state-specific laws. Visit our website at [provident1031.com](#).

Overview of the Opportunity Zones Program

On December 22, 2017, the Tax Cuts and Jobs Act created a new section of the Tax Code (26 U.S. Code § 1400Z) that provides tax incentives for investments in targeted areas in the United States through investment vehicles called Opportunity Funds. The purpose of Opportunity Funds is to promote economic development in these select communities, known as Opportunity Zones, by offering investors substantial federal tax advantages that are only available through the new program.

By investing into an Opportunity Fund, investors can not only defer and reduce their existing capital gains tax liability, but also eliminate future capital gains tax on returns earned from the Opportunity Fund.

The key aspects of the Opportunity Zone program are:

Opportunity Zones

Opportunity Zones are census tracts, nominated by governors and certified by the U.S. Department of the Treasury, into which investors can invest in new projects intended to spur economic development in exchange for certain federal tax benefits.

Opportunity Funds

Opportunity Funds are investment vehicles that invest at least 90% of their capital in Qualified Opportunity Zones. The fund model enables investors to pool their resources in Opportunity Zones, increasing the scale of capital going to investments selected by the manager.

To capture the potential tax benefits offered by an Opportunity Fund, an investor must invest the gains from a sale of a prior investment (e.g., stock, bonds, real estate, a company) into an Opportunity Fund within 180 days of the sale of that investment. The investor only has to roll in the gain or profits from the sale of the investment, not the original principal of the investment. Moreover, only the taxable gains rolled over into an Opportunity Fund are eligible to receive the tax incentives.

Investing in Opportunity Funds can provide three substantial potential tax advantages to investors:

- 1 Deferral of capital gain**
A tax deferral for any capital gains rolled over in an Opportunity Fund. The deferred gain would be recognized on the earlier of December 31, 2026 or the date on which the investment in the Fund is sold.
- 2 Reduction of the capital gains tax realized**
A step-up in basis for capital gains rolled into an Opportunity Fund. The basis of the original investment is increased by 10% if the investment is held by the taxpayer for at least 5 years, and by an additional 5% if held for at least 7 years. In other words, if by December 31, 2026 an investor has held an investment in an Opportunity Fund for 7 years, then the tax on the initially deferred gain is expected to be reduced by 15%, or reduced by 10% if by then held for only five years.
- 3 No tax on any capital gains from an investment in Opportunity Fund**
In the case of any investment in an Opportunity Fund held by a taxpayer for at least 10 years, the basis of such property shall be equal to the fair market value of such investment on the date that the investment is sold or exchanged. In short, after 10 years, thereafter there would be zero federal capital gains tax on profits from the sale of an investment in an Opportunity Fund.

Example Investor's Step-by-Step Process

Below are the steps an investor would need to follow to reap the maximum benefits offered through the Opportunity Fund program.

1. December 31, 2018: Invest in Opportunity Fund (Day 1)
2. April 15, 2019: Make election on your tax filing showing capital gain rollover into an Opportunity Fund
3. April 15, 2027: Pay deferred capital gains tax
4. December 31, 2028: Opportunity Fund now becomes eligible for tax-free sale (10-year hold)

Fundrise Opportunity Fund Business Plan

The Fundrise Opportunity Fund intends to acquire, improve, and manage a portfolio of real estate properties, but in order to qualify must follow clearly circumscribed requirements:

- At least 90% of assets must be located and invested in qualified opportunity zone property;
- Properties only qualify if acquired after December 31, 2017
- Qualifying assets must be equity investments, not debt; and
- The original use of such property must commence with the Opportunity Fund, or the fund must substantially improve the property within 30 months of acquisition — which we believe in practice means a focus on value-add renovations and ground-up development.

Over the coming months, the IRS and Treasury Department plan to release guidance on the implementation of the new program. The manager of the Fundrise Opportunity Fund intends to follow these updates closely and refine the business plan to take advantage of the incentives offered under the program to the fullest extent possible. However, given such uncertainty, as with any business plan, there can be no guarantee of success.

For more information, please contact investments@fundrise.com.

About Fundrise

- Founded in 2012, Fundrise's experienced team of 64 professionals manages eight real estate investment vehicles publicly reporting to the SEC.
- Board members and key institutional backers include Silverstein Properties (World Trade Center owner-developer), Oak Pacific Investments, and Guggenheim Partners.
- Fundrise invested in, manages or owns over \$2.3 billion in real estate nationwide with over \$426 million in aggregate funds raised across our programs.

\$2.3B

Total real estate
originated

\$426M

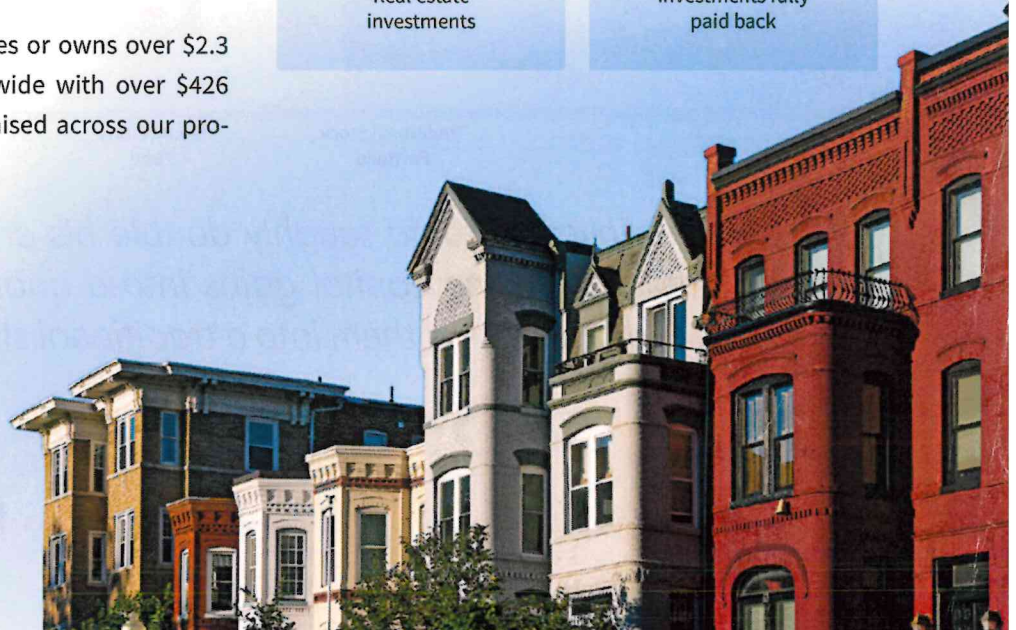
Aggregate funds raised
across our programs

181

Real estate
investments

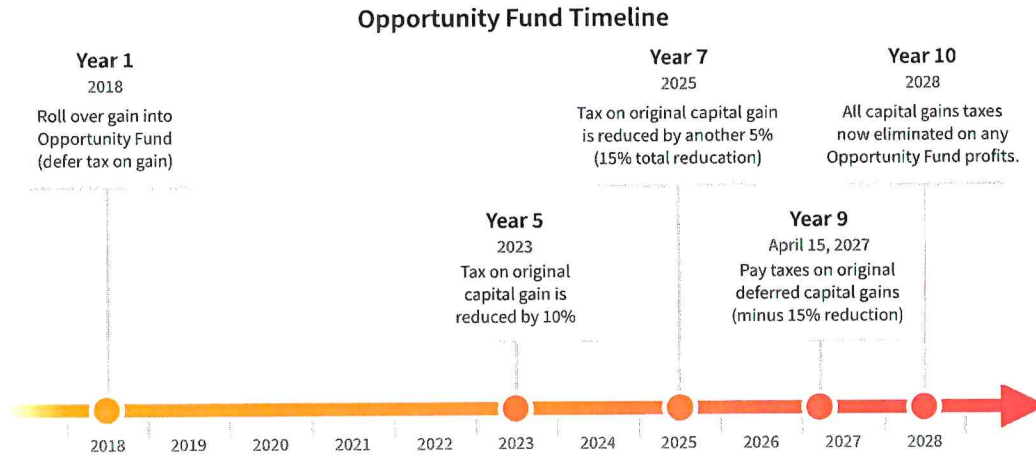
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Investments fully
paid back



How Investing in an Opportunity Fund Works

To receive the most favorable tax treatment on their investment, investors are incentivized to hold their stakes in an Opportunity Fund over the long term, with the program providing the most potential upside to those who hold their investment for 10 years or even more.



The figure above illustrates how an investor's potential after-tax returns compare assuming a 10-year holding period, annual investment appreciation of 7%, and a long-term capital gains tax rate of 23.8% (federal capital gains tax of 20% and net investment income tax of 3.8%). For example, after 10 years an investor would see an additional \$44,000 for every \$100,000 of capital gains reinvested into an Opportunity Fund on December 31, 2018 compared to an equivalent investment in a more traditional stock portfolio generating the same annual appreciation. Note, however, that the performance assumptions shown are for illustrative purposes only, and are not intended to reflect the actual experience of any individual investor.

Illustrative Scenario: After-Tax Potential Net Returns
\$100,000 investment over 10-year hold (assuming 7% annual appreciation)



A long-term investor could roughly double his or her potential after-tax return by rolling capital gains into a qualified Opportunity Fund instead of investing them into a traditional stock portfolio.

Disclaimers

General Disclaimer

As of July 2, 2018, there is uncertainty regarding the Opportunity Zone program, as the US Department of the Treasury has not released guidance on many of the questions left open by the Tax Cuts and Jobs Act of 2017. These open questions include, but are not limited to: (a) what kinds of gains, other than capital gains, if any, can be properly rolled into an Opportunity Fund, (b) how much time an opportunity fund will have to deploy the capital it has raised, (c) tax treatment of gains in an opportunity fund pass-through partnership, etc. Accordingly, the foregoing discussion of the various aspects of the Opportunity Zone program is based upon positions that we believe to be reasonable given the statute as currently written and prior Treasury and IRS precedent; however, there can be no assurance that the foregoing discussion will ultimately prove to be correct as Treasury begins issuing guidance and regulations on the Opportunity Zone program. Given such uncertainty, each prospective investor should consult with their personal tax advisors before making any investment into an opportunity fund, including the Fundrise Opportunity Fund.

Overview

The Tax Cuts and Jobs Act (TCJA) provides that, for investors who have rolled capital gains into an opportunity fund and hold that investment in the opportunity fund for a period of ten years or more, that any additional gain realized by such investor from liquidating such investment will not incur additional federal capital gains taxes. However, please note that, given the uncertainty regarding future Treasury Department guidance, each prospective investor should consult with their personal tax advisors before making any investment into an opportunity fund, including the Fundrise Opportunity Fund.

Defer Capital Gains

Section 1400Z-2(b)(1) states that capital gains rolled into an opportunity fund within 180 days of being realized shall be included in taxable income for the year ended December 31, 2026.

Reduce Tax You Owe

Section 1400Z-2(b)(2)(B) states that an investor's basis in the capital gain rolled into an opportunity fund will have a step-up in basis of 10% if held for at least five years, and a step-up in basis of an additional 5% if held for at least seven years. Note, however, that as the deferred capital gain will be taxed on December 31, 2026, we expect that these holding periods would need to be satisfied prior to that date in order to receive the benefits described herein.

Disclaimer on Illustrative Scenario on Potential After Tax Returns

The TCJA provides that, for investors who have rolled capital gains into an opportunity fund and hold that investment in the opportunity fund for a period of ten years or more, that any additional gain realized by such investor from liquidating such investment will not incur additional federal capital gains tax. However, please note that, given the uncertainty regarding future Treasury Department guidance, prospective investors should consult with their tax advisor before making any investment into an opportunity fund, including the Fundrise Opportunity Fund.

*The calculations show an investor's potential after-tax returns under different scenarios, assuming an investment of capital gains prior to December 31, 2019, a 10 year holding, annual investment appreciation of 7%, and a long-term capital gains tax rate of 23.8% (federal capital gains tax of 20% and net investment income tax of 3.8%), only taking into account tax at a federal level (not state). Note, however, that the performance assumptions shown are for illustrative purposes only, and are not intended to reflect the actual experience of any individual investor. The calculations for the standard stock portfolio are based on rolling over capital gains equal to \$100,000, at an initial tax of 23.8% (using the same assumptions described above), into a standard stock portfolio, the remaining \$76,200 of which then appreciates at a compounding return of 7%. At the end of each holding period, the investment in the standard stock portfolio is assumed to be sold and long-term capital gains at a tax rate of 23.8% paid on the capital gains from the investment in the standard stock portfolio. The ten-year hold calculations for the Opportunity Fund are based on rolling over gains of \$100,000, at an initially deferred tax of 0%, into an Opportunity Fund, with the entirety of the \$100,000 then appreciating at a compounding return of 7%, until December 31, 2026, at which time the initially deferred tax is reduced by 15% and the net amount is taxed at a rate of 23.8%, effectively reducing the principal invested in the opportunity fund accordingly. Thereafter, returns continue to compound at the same initial rate selected by the user of 7%. At the end of the tenth year of the holding period, the investment in the Opportunity Fund is sold and the capital gains on the investment in the Opportunity Fund itself is taxed at a rate of 0%.