

Capital Plaza and Holmes Street Areas Designated as Opportunity Zone

FRANKFORT, Ky. (April 10, 2018) – The City of Frankfort was informed Monday, April 9 that Census Tract 712 which includes the Capital Plaza Area and the Holmes Street Corridor has been certified as an Opportunity Zone by the U.S. Department of the Treasury and the Internal Revenue Service. The announcement came from Governor Matt Bevin’s office yesterday and indicated Frankfort’s Opportunity Zone was one of 144 in 84 Kentucky counties.

The Tax Cuts and Jobs Act of 2017 created Opportunity Zones to spur investment in distressed communities to encourage long-term investments in low-income urban and rural communities throughout the country.

The designation offers significant federal tax breaks and deferrals to entities and individuals investing in Opportunity Funds, which support development projects within one or more zones. The Kentucky Cabinet for Economic Development will oversee the state’s program through the Kentucky Opportunity Zone Initiative and today launched KYOZ.org to provide information on this widespread and promising opening for economic development.

“This designation will give Frankfort the chance to attract new businesses and investors to some of our most distressed areas and give opportunities to our most vulnerable citizens. This will be just one tool the City can use to improve and grow our community,” said Mayor William I. May, Jr.

Qualified Opportunity Zones retain this designation for 10 years. Investors can defer tax on any prior gains until no later than December 31, 2026, so long as the gain is reinvested in a Qualified Opportunity Fund, an investment vehicle organized to make investments in Qualified Opportunity Zones.

“Designation as an Opportunity Zone was a key strategy of our legislative efforts to attract new investment in the city of Frankfort. We are appreciative to Governor Bevin and the Cabinet for Economic Development in securing this incentive tool for Frankfort, the Capital City,” said Cindy Steinhauser, City Manager.

Kentucky was among the first 18 states to have its zones certified by the U.S. Treasury and the Internal Revenue Service. The Kentucky Opportunity Zone Initiative presents a unique opportunity for regions that have not experienced the same economic development success as others to surge forward. It aims to encourage and attract significant institutional, corporate and individual investment in Kentucky’s Opportunity Zones.

Terri Bradshaw, President and CEO of the Kentucky Capital Development Corporation, Frankfort’s economic development organization, is excited about this new opportunity for the Capital City.

“Over the past several months local leaders have successfully brought together the most innovative minds in community development to foster collaborations between local, state and federal leaders to increase investment in our community. This announcement is more proof that those efforts have been extremely successful. This designation and the tax benefits it provides will encourage purchasing and rehabilitating residential property as well as expanding and creating local businesses in the economically distressed areas of our downtown,” Bradshaw said.

For more information on Opportunity Zones, including interactive maps, a full list of Kentucky Opportunity Zones, and more resources go to www.KYOZ.org.