

FRANKFORT, KY OPPORTUNITY ZONE INVESTMENT PROSPECTUS

A wealth of opportunities

Prepared by

Kentucky Capital Development Corporation

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Discover Frankfort, a pioneering powerhouse offering world-class innovation, accessibility and opportunity along with a small-town southern charm. Even as Frankfort is fueled by big ideas, it is powered by hard work and strong character. From start-ups to Fortune 500 companies, the region benefits from a community rich with investment, talent and experience. Beam Suntory, Buffalo Trace, Topy, Montaplast, DeLoitte and Lloyds of London are just a few of the businesses who call Frankfort home.

Business certainly benefits from its location in Frankfort. Being the seat of state government means educated citizens with great people skills. It means diversity and being close to where the most important decisions are being made for Kentuckians.

As surely as Frankfort is making modern history, the city is also deeply rooted in Kentucky's past. Legendary frontiersman Daniel Boone is buried in Frankfort. Historic architecture graces government buildings from the current Capitol to the old state Capitol, the Governor's mansions, the region's only Frank Lloyd Wright house and Liberty Hall, the home of John Brown, one of Kentucky's founding fathers.



With continual growth in business and industry development, high-quality job growth and competitive affordability the area consistently ranks as one of the best places to live, work and visit.

- Ranked in Top Micropolitans for Job Creation and Investment for last 5 years –*Site Selection Magazine*
- Among top 20 small cities – *The New Rating Guide to Life in America’s Small Cities*
- Named one of the Best Locations in the Louisville Area for Automotive Suppliers – *Southern Business & Development Magazine*
- Among Top 10 Cities for African Americans – *Livability.com*
- Ranked 8th Best City Where Social Security Goes Furthest – *SmartAsset.com*
- Ranked 5th Most Magical Christmas Town – *Only in Your State*
- Named one of the Top Best Places for Manufacturing – *Southern Business & Development Magazine*
- Ranked #8 in Top Destinations: Diamonds in the Rough – *Conde Nast Traveler*
- Named a “Place You Won’t Want to Miss” – *Hip Green Scene*
- Frankfort Regional Medical Center is only hospital in Central Kentucky to Receive Leapfrog Hospital Safety Grade A for 8 Consecutive Years
- Ranked Fifth Most Affordable City in Kentucky – *livability.com*
- “Frankfort blends warm Southern hospitality with a vibrant entrepreneurial spirit, making this a city on the rise. “
– *The Gazette*
- Named Top 30 Most Diverse Places to Live in Kentucky—*Niche.com*
- Frankfort High School Ranked 19th Best High School in Kentucky – *U.S. News*

A Region on the Move

The capital of Kentucky, Frankfort is the county seat of Franklin County. Seated in the middle of Kentucky's Bluegrass region, and located within 600 miles of 65 percent of the nation's population, Frankfort offers proximity to key markets and easy access to the world.

Located 20 minutes west of Lexington, 30 minutes east of Louisville and about an hour south of Cincinnati, Frankfort enjoys outstanding access to air, waterways, rail and major highways.

International airports are located in both Louisville and Northern Kentucky and the Bluegrass Airport, located in Lexington, is a regional airport serving over one million passengers each year.

Also at home in Louisville is UPS Worldport, the largest fully automated package handling facility in the world. DHL Worldwide Express, located in Northern Kentucky, is a state-of-the-art, fully automated sortation center. And Lexington is home to the largest UPS ground hub in Kentucky. These facilities provide Frankfort businesses with maximum flexibility for overnight air deliveries around the world.

Louisville is home to the Louisville-Jefferson County Riverport Authority which provides a competitive advantage in handling bulk products with access on the U.S. inland waterway system from the St. Lawrence Seaway to the Gulf of Mexico.

R. J. Corman Railroad Company provides Frankfort with direct rail service interchanging with CSX and Norfolk Southern to all markets east of the Mississippi River as well as connecting services.

The highway system in and around Frankfort provides one-day access to well over 60 percent of the major domestic markets via Interstates I-64, I-65, I-71 and I-75. "AAA" rated highways serving Frankfort include U.S. 60, 127 and 421.

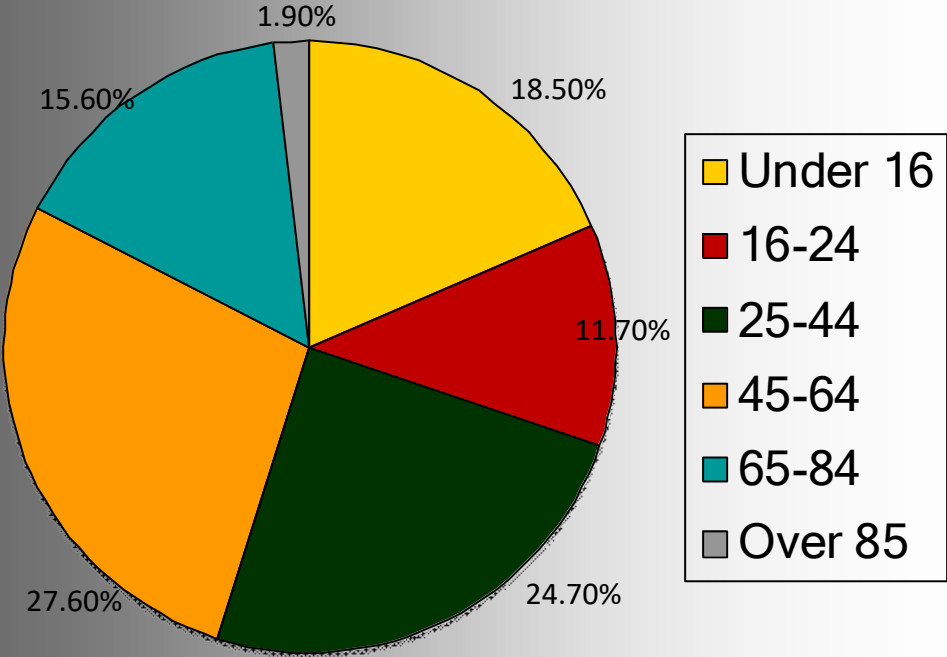
Our central location and excellent transportation systems make our region a prime site for industry.



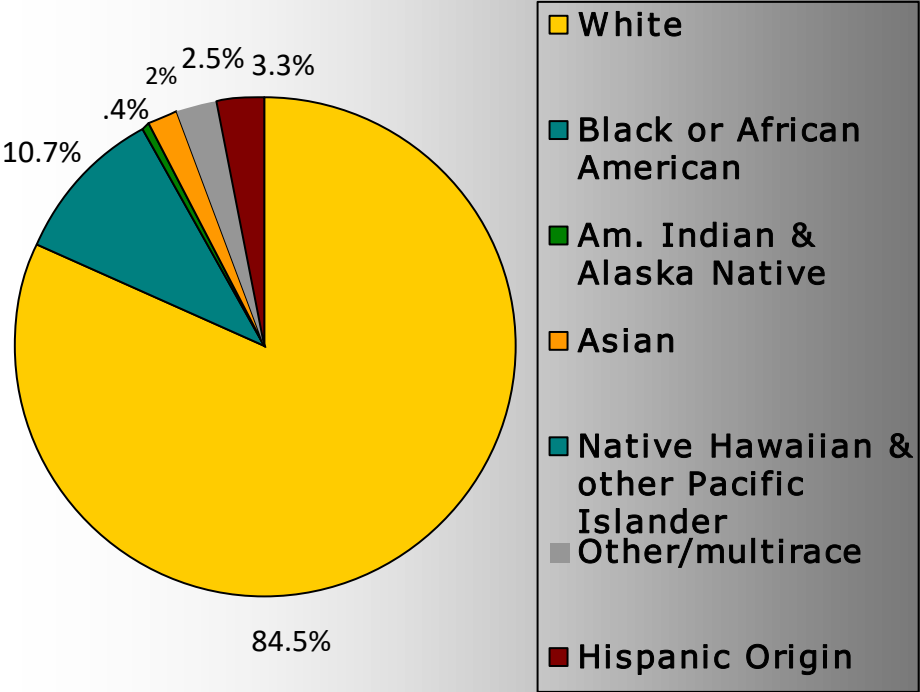
Demographics:

Population of Franklin County

50,485



Population by Race and Hispanic Origin



Unemployment Rate

4.1%

Median Household Income

\$53,198



Significant Growth and Investment

2019 looks to be another strong year for Frankfort in commercial and residential real estate. The region is positioned to see continued growth and downtown Frankfort is picking up steam with investments for building renovations and new business investments. These properties will soon be the new home of a variety of residential and commercial customers including a hotel, restaurants, brew pubs, apartments, bakery and a sound studio.

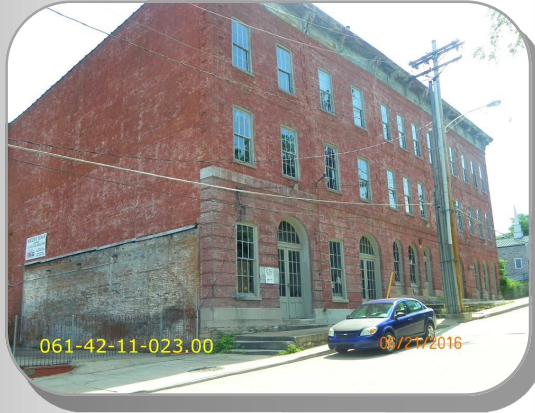


237-239 Main Street

Original Assessed Value: \$80,000

106 Broadway 38,000 SF

Original Assessed Value: \$130,000



300 Washington Street

Original Assessed Value:

\$360,000

325 Broadway 2,535.75 SF



235 Main Street

Original Assessed Value: \$55,000



309-311 St. Clair 13,650 SF

Original Assessed Value:

\$170,000



306 Wapping Street

Original Assessed Value: \$500,000



245 Main Street

Original Assessed Value:

\$84,000



The Purpose of the Opportunity Zone


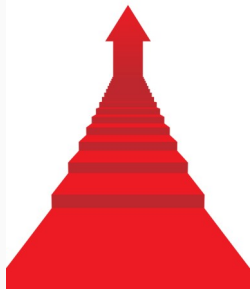
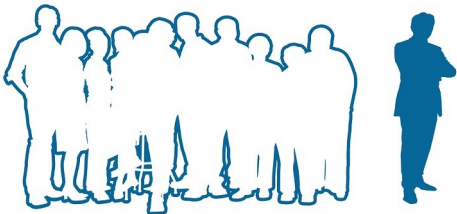
To help Frankfort organize its assets to have maximum economic and social impact.

To help Frankfort market its Opportunity Zone to local, regional and national investors.

To help Frankfort organize stakeholders around a unified vision of inclusive growth.

Opportunity Zone Tax Incentives

The Opportunity Zones program offers three tax incentives for investing in low-income communities through a qualified Opportunity Fund.

<p>Temporary Deferral</p> 	<p>Step-Up In Basis</p> 	<p>Permanent Exclusion</p> 
<p>A temporary deferral of inclusion in taxable income for capital gains reinvested into an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is disposed of or December 31, 2026.</p>	<p>A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.</p>	<p>A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.</p>

The 2017 Tax Cuts and Jobs Act established new Internal Revenue Code Section 1400Z-Opportunity Zones.

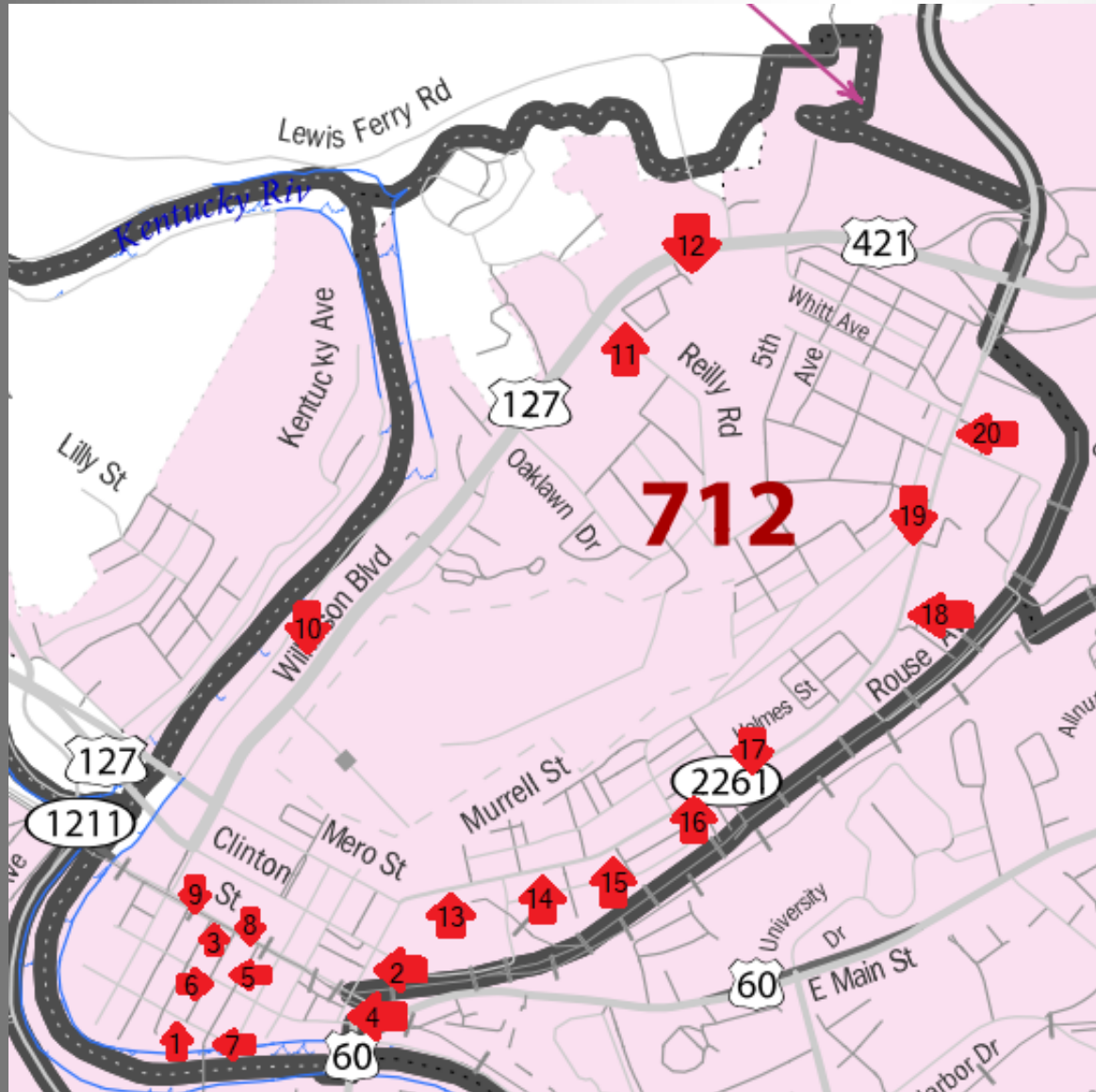
10 Guiding Principles of Development in the Opportunity Zone

- 1.) Improve traffic and circulation
- 2.) Provide mix of uses and conference business
- 3.) Strengthen a sense of identity
- 4.) Better engage with the riverfront
- 5.) Encourage walkability
- 6.) Foster greater connectivity
- 7.) Establish a range of housing options
- 8.) Increase bourbon/cultural tourism
- 9.) Respect the historic scale of downtown
- 10.) Create more usable public



To learn more about Frankfort's Downtown Master Plan, Go to <https://spiritofdowntownfrankfort.com/>

Geography and Available Properties in Frankfort's Opportunity Zone



- 1.) 316 Wapping Street
- 2.) 100 East Broadway
- 3.) 333 West Broadway
- 4.) 112 East Main
- 5.) 306 West Main
- 6.) 314 West Main
- 7.) 101 St. Clair
- 8.) 336 St. Clair
- 9.) 318 Washington
- 10.) 780-870 Wilkinson Boulevard
- 11.) 7 Reilly Road
- 12.) 1216 Wilkinson Boulevard
- 13.) 133-133.5 Holmes Street
- 14.) 209 Holmes Street
- 15.) 227 Holmes Street
- 16.) 411-413 Holmes Street
- 17.) 501 Holmes Street
- 18.) 709-711-731 Holmes Street
- 19.) 716 Holmes Street
- 20.) 915 Holmes Street

316 Wapping Street (Old Good Shephard School)

Current Owner: Inspirational Grounds LLC

Size of Parcel: 21,000 SF

Assessed Value: \$150,000

Asking Price: \$625,000

Current Zoning: Central Business District

Current Use: Dance Studio

Tax District: 03—Old City



100 East Broadway

Current Owner: Jobi Properties, LLC

Size of Parcel: 2,000 SF

Assessed Value: \$115,000

Asking Price: \$295,000

Current Zoning: Central Business District

Current Use: Retail

Tax District: 03-Old City



333 West Broadway

Current Owner: T-Square Land Company LLC

Size of Parcel: 1,563 SF

Assessed Value: **\$89,000**

Asking Price: **\$218,000**

Current Zoning: Central Business District

Current Use: Retail

Tax District: 03—Old City



112 East Main

Current Owner: New Rope LLC

Size of Parcel: 20,000 SF

Assessed Value: \$365,000

Asking Price: \$1,600,000

Current Zoning: Central Business

District

Current Use: Office

Tax District: 03-Old City



306 West Main

Current Owner: Dunn & Son, LLC

Size of Parcel: 36,765 SF

Assessed Value: \$520,000

Asking Price: \$3,200,000

Current Zoning: Commercial

Current Use: Office

Tax District: 03-Old City



314 West Main

Current Owner: Zigurds E Grigalis

Size of Parcel: 2,836 SF

Assessed Value: \$190,000

Asking Price: \$389,000

Current Zoning: Central Business

District

Current Use: Office

Tax District: 03—Old City



101 St. Clair

Current Owner: Restore Frankfort LLC

Size of Parcel: 9,118 SF

Assessed Value: \$200,000

Asking Price: \$425,000

Current Zoning: Central Business District

Current Use: Rental Property for Offices

Tax District: 03—Old City



336 St. Clair

Current Owner: St. Clair Properties

Size of Parcel: 2,250 SF

Assessed Value: \$125,000

Asking Price: \$187,900

Current Zoning: Central Business District

Current Use: Retail

Tax District: 03—Old City



318 Washington Street

Current Owner: American Red Cross

Size of Parcel: 4,604 SF

Assessed Value: \$250,000

Asking Price: \$265,000

Current Zoning: Exempt Other

Current Use: Vacant

Tax District: 03—Old City



780-870 Wilkinson Boulevard (Tourism Property)

Current Owner: Frankfort-Franklin County Tourist & Convention Commission and Taylor Marshall

Size of Parcel: 7 Acres, can be divided into smaller parcels

Current Zoning: General Industrial and Planned Commercial

Current Use: Vacant/public park/trail

Tax District: 03—Old City



7 Reilly Road

Current Owner: 7 Reilly Road LLC

Size of Parcel: 1.725 Acres

Assessed Value: \$225,000

Asking Price: \$700,000

Current Zoning: Commercial

Current Use: Vacant

Tax District: 02-Annex



1216 Wilkinson Boulevard

Current Owner: Frankfort Newsmedia LLC

Size of Parcel: 19,145 SF, 3.24 Acres

Assessed Value: \$1,634,680

Asking Price: \$1,500,000

Current Zoning: Industrial Commercial

Current Use: Magazine/Newspaper

Publication and Sales

Tax District: 02—Annex



133-133.5 Holmes St.

Current Owner: Rodney R Ratliff Trust A

Size of Parcel: 5,700 SF

Assessed Value: \$275,000

Asking Price: \$140,000

Current Zoning: Industrial Commercial

Current Use: Vacant

Tax District: 03—Old City



209 Holmes St.

Current Owner: Rodney R Ratliff Trust A

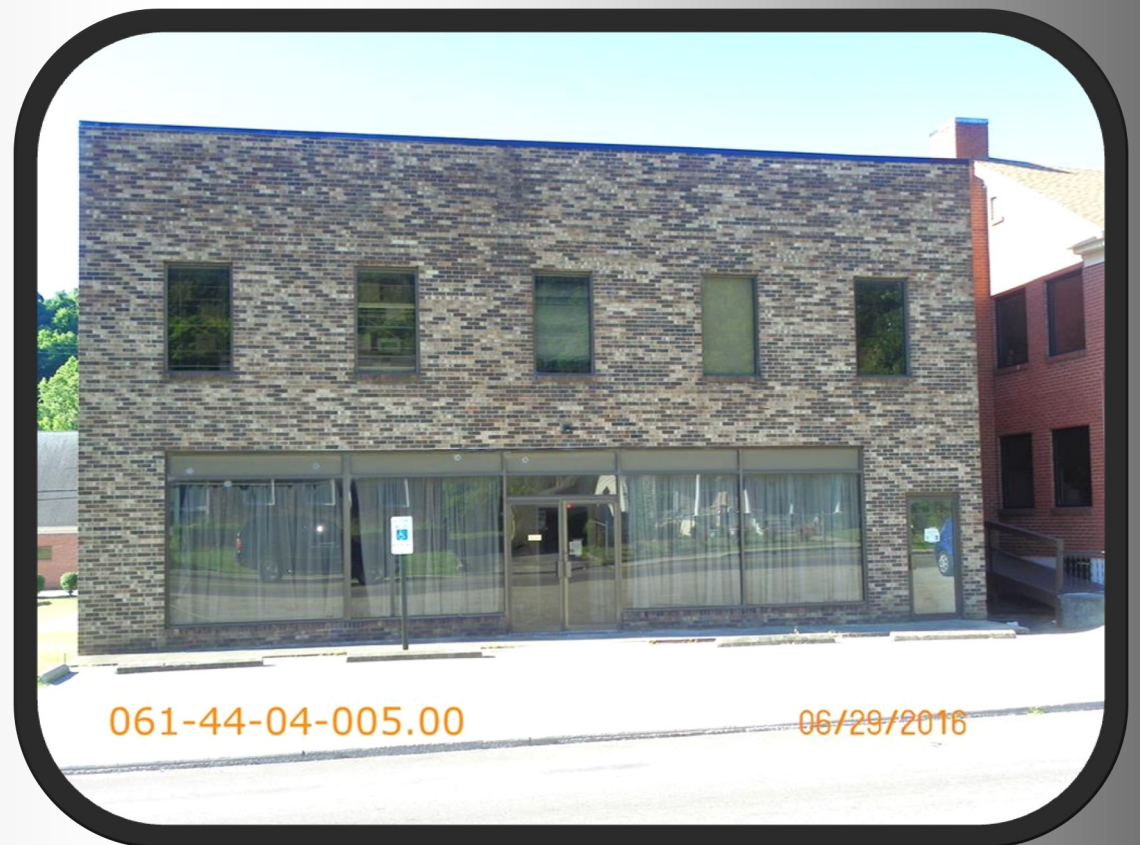
Size of Parcel: 9,675 SF

Assessed Value: \$130,000

Current Zoning: Industrial Commercial

Current Use: Storage

Tax District: 03—Old City



227 Holmes St.

Current Owner: Roy Gene Mullins

Size of Parcel: 7,700 SF

Assessed Value: \$125,000

Current Zoning: Industrial Commercial
and General Commercial

Current Use: Vacant

Tax District: 03—Old City



411-413 Holmes St.

Current Owner: Art Montfort

Size of Parcel: 42,200 SF

Building 1: 25,000 SF

Building 2: 8,200 SF

Building 3: 4,500 SF

Building 4: 4,500 SF

Assessed Value: \$1,000,000

Asking Price: \$2,000,000

Current Zoning: Light Industrial

Current Use: Vacant

Tax District: 03—Old City



501 Holmes St. (County Property)

Current Owner: Franklin County Fiscal Court

Size of Parcel: 2.01 Acres

Assessed Value: \$100,000

Asking Price: Property is being appraised

Current Zoning: Special Government

Current Use: Vacant/Underutilized

Tax District: 03—Old City



709-711-731 Holmes St. (Old Drive-In)

Current Owner: Roger M Crall

Garage: 1,620 SF

Commercial: 6,704 SF

Storage: 96 SF

Lot size: 16 Acres

Assessed Value: \$210,000

Current Zoning: General Commercial

Current Use: Vacant/Underutilized

Tax District: 02-Annex



716 Holmes St.

Current Owner: Roger M Crall

Size of Parcel: 5,430 SF

Assessed Value: \$40,000

Current Zoning: General Commercial

Current Use: Vacant

Tax District: 02-Annex



915 Holmes Street

Current Owner: Curtiss Vickers

Size of Parcel: 5,992 Square Feet

Assessed Value: \$45,000

Asking Price: \$75,000

Current Zoning: Commercial

Current Use: Vacant/Underutilized

Tax District: 02—Annex



Additional Incentives Available

- Frankfort Historic Preservation Grant
- City of Frankfort Property Tax Moratorium
- Franklin County Property Assessment/Reassessment Moratorium Program
- Frankfort Downtown Reinvestment Grant
- Energy Project Assessment District (EPAD) Designation
- Kentucky Small Business Credit Initiative
- KEDFA Small Business Loan Program
- Tax Increment Financing
- Historic Tax Credits
- The Kentucky Historic Preservation Tax Credit
- Kentucky Low Income Housing Credit Program
- Bluegrass Trust for Historic Preservation Paint Partnership