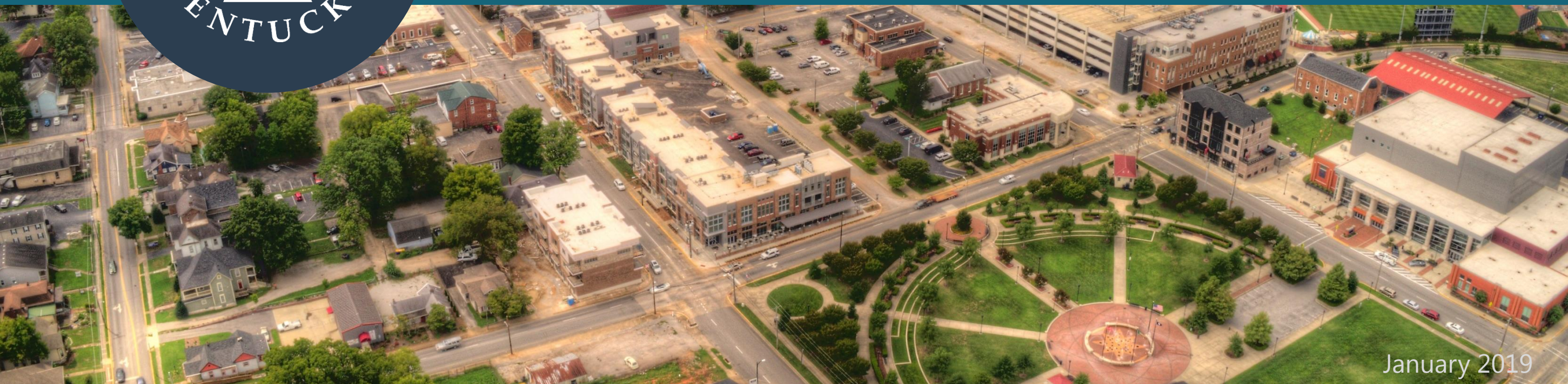




OPPORTUNITY ZONE PROSPECTUS

Prepared by the City of Bowling Green



Bowling Green - Fast Facts



Diverse economy, built on Healthcare, Education, Manufacturing and Business Services. Over 5,700 new jobs since 2010



\$1.3+ Billion invested in building construction and renovation in the past six years



One-stop contact for downtown and surrounding area redevelopment
Brent Childers
NCS Director
brent.childers@bgky.org



Fastest growing city in Kentucky



Committed to **public safety**, downtown development, walkability



Actively investing in redevelopment efforts in and around the Opportunity Zone



Brownfields Program assistance with environmental issues at distressed properties



Best place to live in Kentucky (Money Magazine, Dec 2018)



Multiple potential investments



Opportunity Zone Tax Incentives

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



TEMPORARY DEFERRAL

Investor can defer capital gains taxes **until 2026** by rolling their gains directly over into an Opportunity Fund.



STEP-UP IN BASIS

Deferred capital gains liability is effectively reduced by **10%** if the investment in the Opportunity Fund is held for **5 years** and another **5%** if held for **7 years**.

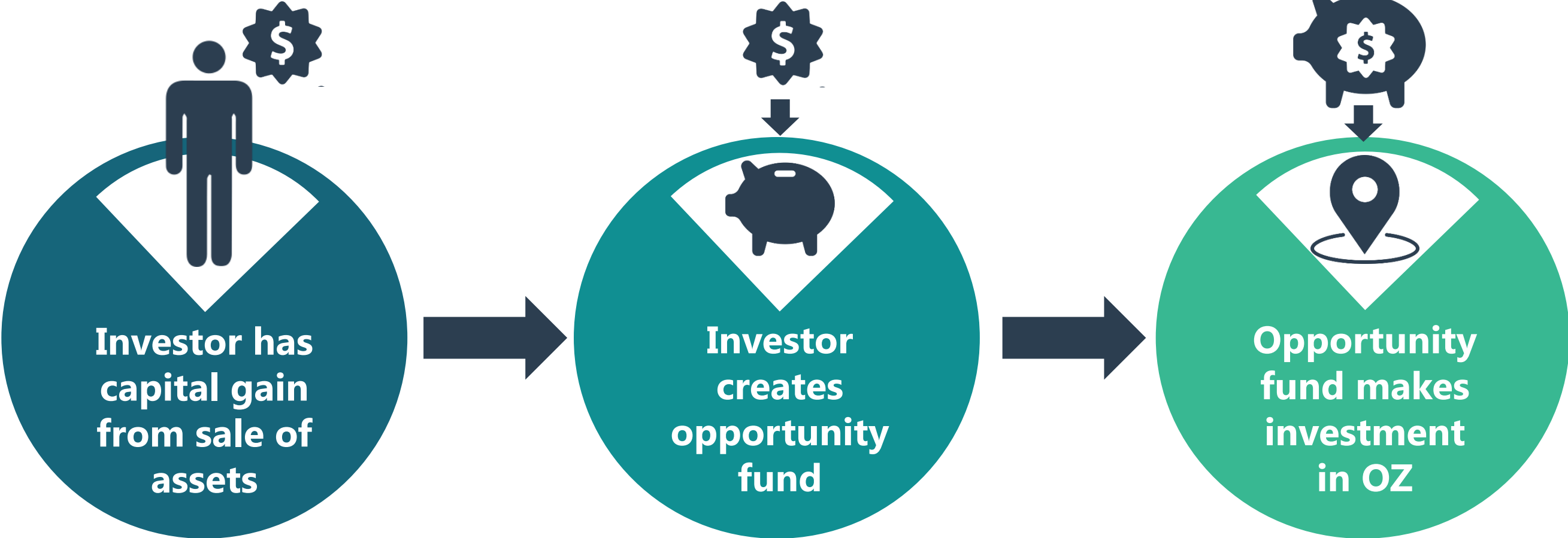


PERMANENT EXCLUSION

Capital gains on investments made through an Opportunity Fund accrue **tax-free** as long as the investor stays invested in the fund for at least **10 years**.

* Courtesy of the Economic Innovation Group

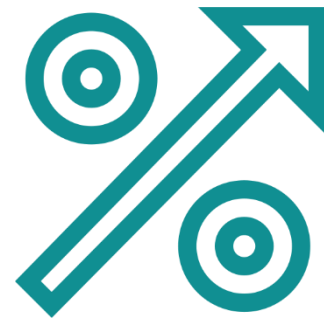
How does the Opportunity Zone Work?



Eligible Assets for Investments



STOCK of a
qualified
opportunity zone
CORPORATION



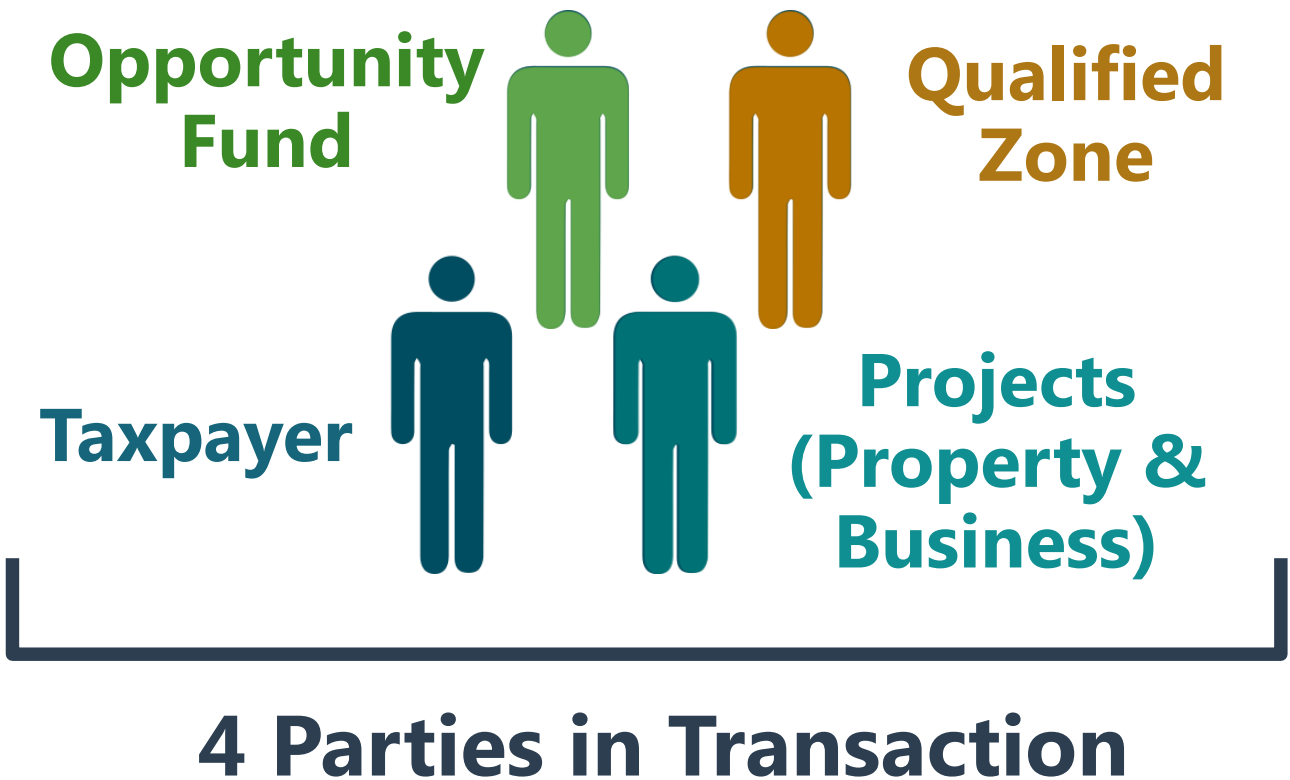
**PARTNERSHIP
INTEREST** in a
qualified
opportunity zone
partnership



**BUSINESS
PROPERTY** used in
qualified
opportunity zones

*Courtesy of the Economic
Innovation Group

Opportunity Zone Tax Incentives



-  More market-oriented
 -  Residential or commercial real estate and business investments
 -  No benefit cap or minimum
 -  Can leverage other public benefits or tax credits
- Different Than Other Tax Credits**

Key Features of Opportunity Zones



1

Flexibility

Areas in the Opportunity Zone come in many different shapes and sizes and have different needs. OZ is capable of supporting a variety of mutually reinforcing activities within the same area.

2

Scalability

There is no statutory cap or minimum on the amount of capital that can flow into the Opportunity Zone.

3

Simplicity

No public sector financing or pre-approval necessary. Can move at the speed of the market.

Bowling Green Momentum



By the People

Growing population base in Bowling Green & Warren County

Growing Downtown with millions of dollars of capital construction since 2010



By the Community

Diverse employment opportunities across the community

City commitment to workforce and economic development



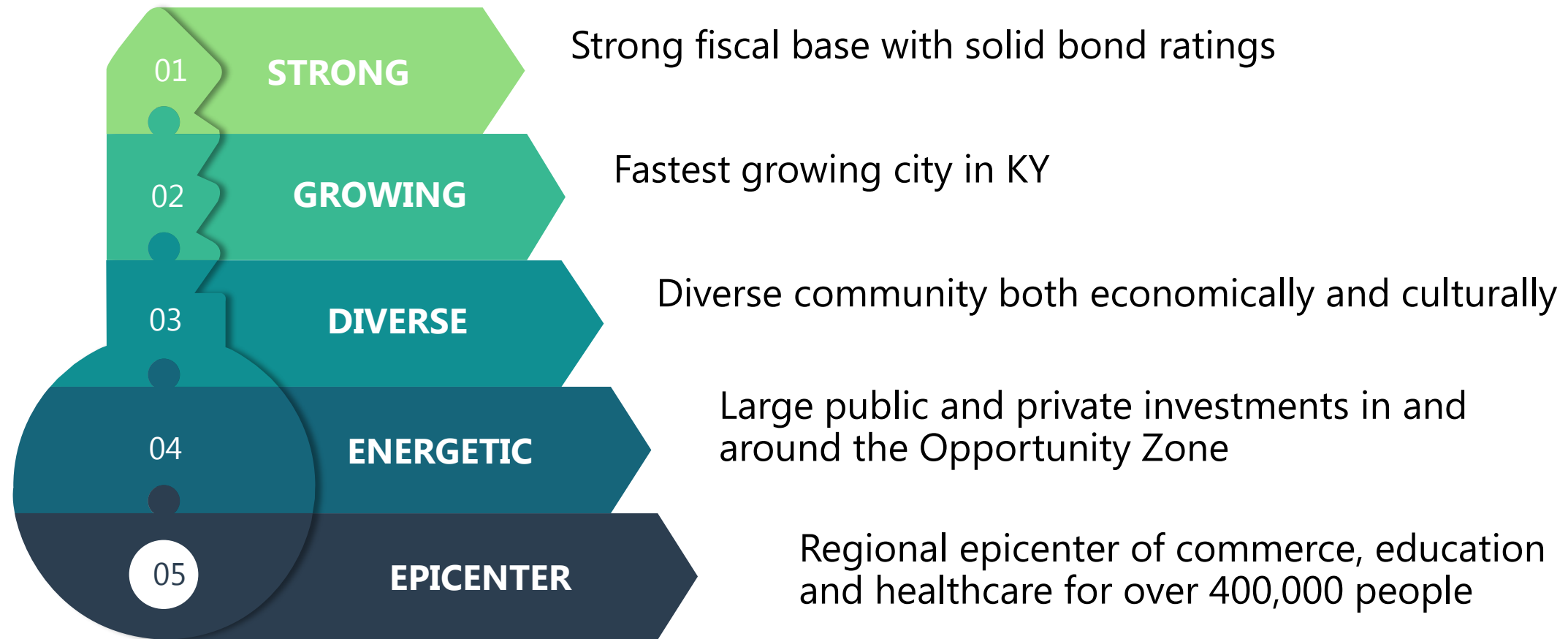
By the Opportunity Zones

Zone was selected based on City's targeted investment in BG Reinvestment Area

Zone includes other catalytic public and private projects



Bowling Green Opportunity Zone Lead



BOWLING GREEN BY THE NUMBERS



**Employment
is UP**

2011 - 2018
+17.5%



**Unemployment
is DOWN**

2011 2018
10.9% 3.5%



**Median Family
Income is UP**

2011 - 2017
+18%



**\$100K Income
Households is UP**

2011 - 2017
+40%

Bowling Green Economy



Site Selection Magazine's
**2014-2018 Five
Consecutive Years
Top 5 Market**



NewGeography.com's
**2018 Top 15 Best Small
Cities for Job Growth**



Money Magazine's
**2018 Best Place
to Live in KY**

Bowling Green Recognition

Jason Dority

Photo by Jason Dority

Bowling Green Employment

Strong growth across several industry sectors

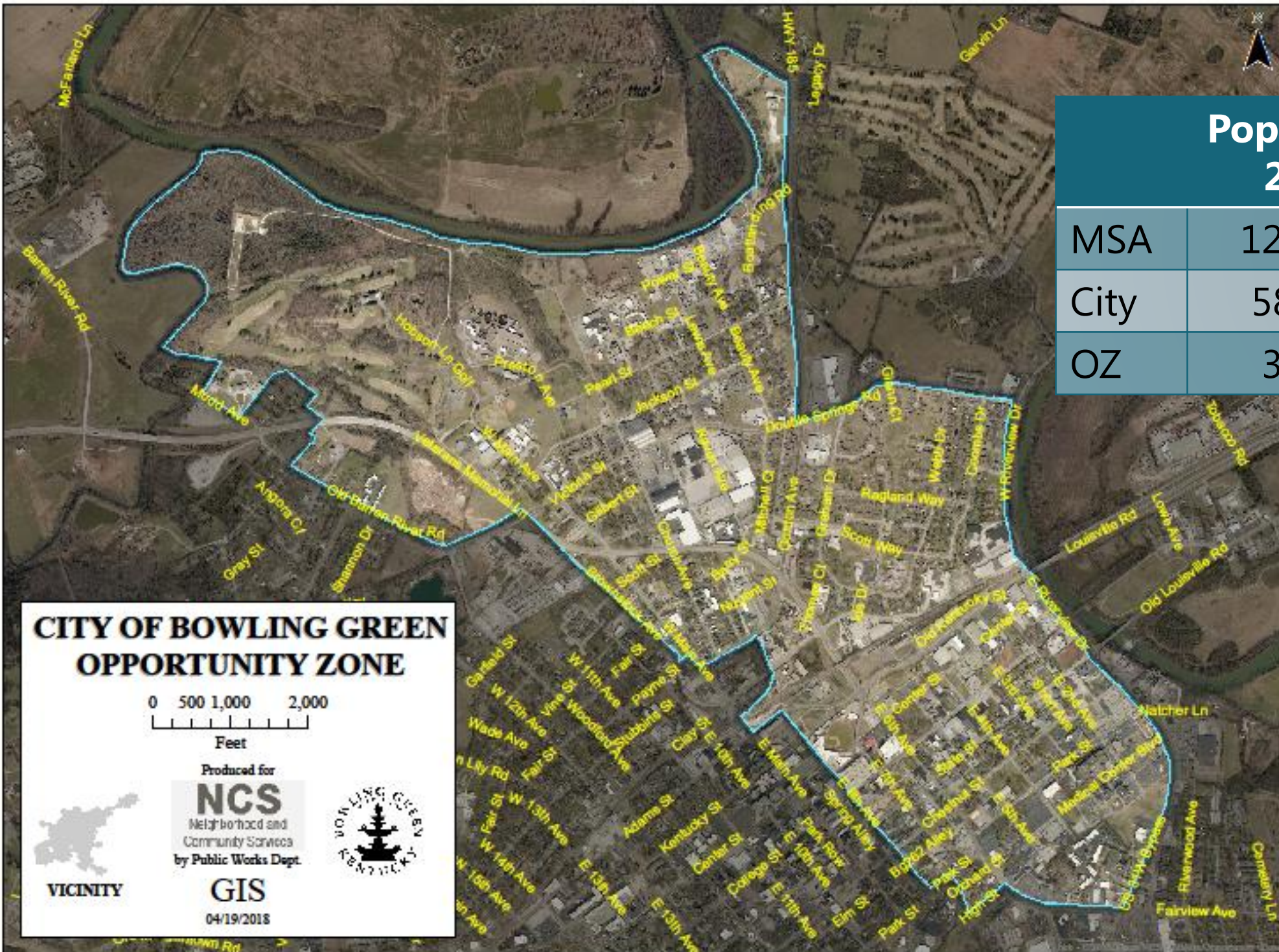
Industry Sectors	2010 Count	2017 Count	2010-2017 Growth	2010-2017 % Growth
Manufacturing	4,064	4,639	575	14%
Wholesale, Retail Trade	4,533	5,279	746	16%
Transportation, Warehousing	863	1,306	443	51%
Information	410	602	192	47%
Finance, Insurance & Real Estate	1,024	1,348	324	31%
Professional & Business Services	2,212	2,295	83	4%
Accommodations & Food Services	3,395	4,363	968	28%
Educational Services & Health Care	7,088	7,464	376	5%
Public Administration	559	565	6	1%

Bowling Green Area Largest Employers

Diverse Economy

EMPLOYER	TYPE OF BUSINESS	APPROXIMATE NUMBER OF EMPLOYEES
Houchens Industries	Employee Owned Holding Company	5,000
Western Kentucky University	4 year State University	3,455
Commonwealth Health Corporation	Hospital & Medical Services	3,400
Warren County Public Schools	K-12 Public Schools	2,583
Bowling Green Metalforming	Manufacturing	1,618
Fruit of the Loom	Textiles	1,050
Henkel AG & Co	Manufacturing	930
GM Corvette Assembly Plant	Manufacturing	887

Bowling Green Opportunity Zone



	Population 2010	Population 2017	% Change
MSA	125,953	169,250	34%
City	58,067	64,302	10%
OZ	3,928	3,854	(1.8%)

Bowling Green Opportunity Zone Geography

Bowling Green Opportunity Zone



Downtown District

- ★ Vibrant mixed-use developments
- ★ State approved TIF District
- ★ Large public & private investments
- ★ Active healthcare investments
- ★ Numerous public park facilities



Riverview District

- ★ Variety of investment opportunities including residential, industrial and commercial
- ★ Tracts of vacant land
- ★ Potential for City Brownfields Program partnership



Bowling Green Opportunity Zone Downtown District



BG Ballpark

Historic Depot

Nursing College

The Medical Center

Performing Arts Center

Circus Square Park

Medical School

The Vue

Lenox Place

Downtown District

Past Investments



Downtown District

Past Investments



**Bowling
Green
Opportunity
Zone
Riverview
District**



**Hobson
Grove Park**

Potential Commercial

Potential Residential

Potential
Commercial

**West End
Park**

Riverview District

Past Investments



Bowling Green

Socio-Economic Data

	Black	Hispanic	Foreign Born	Median Income	% w/ Bachelor's	% HS Diploma	% under 18	% over 65	Unemployment
MSA	7%	4%	7%	\$46,716	25%	85%	22%	11%	3.7%
City	13%	6%	13%	\$39,901	30%	86%	21%	13%	4.5%
OZ	36%	3%	23%	\$15,814	14%	70%	29%	20%	5.5%

Invest and Grow



Opportunity Zone
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