



CABINET FOR ECONOMIC DEVELOPMENT

Steven L. Beshear
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601
ThinkKentucky.com

Larry M. Hayes
Secretary

MEMORANDUM

TO: KEDFA Members & Interested Parties

FROM: Jean Hale, Chairman
Kentucky Economic Development Finance Authority

DATE: June 6, 2014

SUBJECT: June 12, 2014 KEDFA Special Board Meeting

A special board meeting of the Kentucky Economic Development Finance Authority is called for **10:00 a.m., EST, on Thursday, June 12, 2014**, via video conference. Meeting locations are as follows:

- Frankfort - Kentucky Cabinet for Economic Development, 300 West Broadway, 1st Floor, Board of Director's Conference Room;
- Louisville - Kentucky Transportation Cabinet, Department of Highways - District 5, Design Conference Room, 8310 Westport Road;
- Edgewood - Northern Kentucky Health Department, 610 Medical Village Drive; Lower Level Conference Room; and
- Pikeville - University of Pikeville, 119 College Street, 1st Floor, Room 134

The purpose of the meeting is to consider a Kentucky Reinvestment Act (KRA) and Kentucky Enterprise Initiative Act (KEIA) project in Hancock County. The agenda is attached for your review.

Members, please notify Victoria Fowler at (502) 782-1979 or via e-mail to Victoria.Fowler@ky.gov as soon as possible, if you are unable to attend the meeting.

If you have any questions, please call.

Attachment

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

A G E N D A Special Board Meeting

June 12, 2014
Time: 10:00a.m. EST

Kentucky Cabinet for Economic Development
Old State Capitol Annex
Board of Director's Conference Room, 1st Floor
300 West Broadway Street
Frankfort, Kentucky 40601

- 1 Call to Order
- 2 **KRA (PRELIMINARY) & KEIA PROJECT:** (Hancock) – Presented by John Bevington/Debbie Phillips

ADJOURNMENT

Additional video conference sites:

Kentucky Transportation Cabinet
Department of Highways – District 5
Construction Conference Room
8310 Westport Road
Louisville, Kentucky

University of Pikeville
119 College Street
Community Technology Center, 1st Floor, Room 134
Pikeville, Kentucky

Northern Kentucky Health Department
610 Medical Village Drive
Lower Level Conference Room
Edgewood, Kentucky

Revised

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KRA REPORT - PRELIMINARY APPROVAL**

Date: June 12, 2014
Approved Company: Aleris Rolled Products, Inc./Aleris Rolled Products Manufacturing, Inc.
City: Lewisport **County:** Hancock
Prelim Resolution #: KRA-I-14-19922
Bus. Dev. Contact: J. Bevington **OFS Staff:** D. Phillips

Project Description: Aleris Rolled Products, Inc. utilizes direct-chill casting technology to produce aluminum rolled sheets for a variety of industries. A significant amount of investment has been invested in the Lewisport facility to maintain plant assets and to improve equipment reliability. The facility operates continuously to produce high quality aluminum coating and bare products. However, reinvestment is needed to upgrade and modernize to accommodate new capabilities.

The proposed project includes a new line which produces heat treated products. The company states the project would not be economically feasible without the incentives. The company is also considering other states as a potential site for the project.

Number of full-time jobs at the project location as of the application date:
paying average hourly wages, excluding benefits, of:

775
\$22.31

Negotiated job retention percentage:

95%

(Required to be at least 85% of employment as of preliminary approval)

Anticipated Equipment and Related Costs

Land
Building/Improvements
Equipment and related costs (including installation costs)
Other related costs
TOTAL

Eligible Costs (50% eligible)	Total Investment
\$0	\$0
\$32,500,000	\$65,000,000
\$142,500,000	\$285,000,000
\$0	\$0
\$175,000,000	\$350,000,000

Maximum Amount of Eligible Costs:

\$175,000,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$11,000,000

Financing:

Source	Amount
Bank Loan Equity	\$350,000,000
TOTAL	\$350,000,000

Ownership (20% or more):

Aleris International, Inc. Beachwood, OH

Other State Participation: None

Unemployment Rate

County: 6.6%

Kentucky: 7.2%

Special Conditions: None

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: June 12, 2014
Approved Company: Aleris Rolled Products, Inc./Aleris Rolled Products Manufacturing, Inc.
City: Lewisport **County:** Hancock
Activity: Manufacturing **Resolution #:** KEIA-14-19923
Bus. Dev. Contact: J. Bevington **OFS Staff:** D. Phillips

Project Description: Aleris Rolled Products, Inc. utilizes direct-chill casting technology to produce aluminum rolled sheets for a variety of industries. A significant amount of investment has been invested in the Lewisport facility to maintain plant assets and to improve equipment reliability. The facility operates continuously to produce high quality aluminum coating and bare products. However, reinvestment is needed to upgrade and modernize to accommodate new capabilities.

The proposed project includes a new line which produces heat treated products. The company states the project would not be economically feasible without the incentives. The company is also considering other states as a potential site for the project.

Facility Details: Expanding existing operations

Anticipated Project Investment

Land
 Building Construction
 Electronic Processing Equipment
 Research & Development Equipment
 Other Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$51,000,000	\$65,000,000
\$0	\$0
\$0	\$0
\$0	\$285,000,000
\$0	\$0
\$51,000,000	\$350,000,000

Ownership (20% or more):

Aleris International, Inc. Beachwood, OH

Other State Participation: None

Unemployment Rate

County: 7.5%

Kentucky: 8.4%

Existing Presence in Kentucky:

Hancock County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$750,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$750,000