

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING December 7, 2017

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:02 a.m. EST on December 7, 2017, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

Jean Hale, Chairman, received verification that the media had been notified of the KEDFA regular monthly board meeting.

Roll Call

Members Present: Jean Hale, Don Goodin, Secretary William M. Landrum, III, Dorsey Hall, Tucker Ballinger, Joe Kelly and Chad Miller

Staff Present: Bobby Aldridge, Tim Back, John Bevington, Anna Beth Bobbitt, Jessica Burke, Sarah Butler, Lynda Cunningham, Michelle Elder, Krista Harrod, Joe Lilly, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Taylor Sears, Tess Simon, Kristina Slattery, Katie Smith, Teresa Spreitzer and Lucas Witt

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Steve Scannell, Baptist Health; Jeff McKenzie, Bingham Greenebaum Doll; Bethany Couch, Finance & Administration Cabinet, Office of Financial Management; Jerimi Ullom, Hall Render; Brent Burchett, Kentucky Department of Agriculture; Skip Miller and Karen Scott, Louisville Regional Airport Authority; Ben Moore, Louisville/Jefferson County Metro Government; Mike Helton, McBrayer McGinnis Leslie & Kirkland; Charles Sexton, One East Kentucky; and Barry Lendrum, Paladin

Oath of Office

Chairman Hale called on Jessica Burke to administer the oath of office to each of the newly appointed and re-appointed board members.

Ms. Burke administered the oaths of office and each board member was sworn in.

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the October 26, 2017 regular and executive KEDFA board meetings and the November 16, 2017 special KEDFA board meeting.

Joe Kelly moved to approve the minutes, as presented; Dorsey Hall seconded the motion. Motion passed; unanimous.

Approved/Undisbursed Loan Report

Chairman Hale called on Kylee Palmer to review the approved/undisbursed loan report. After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports

Chairman Hale called on staff to review the financial statements and monthly monitoring reports as of October 31, 2017. Krista Harrod reviewed the financial statements and Katie Smith reviewed the monitoring reports. After review, the Authority accepted the statements and reports as presented.

Tax Increment Financing (TIF) Project (Amendment)

Chairman Hale called on Ms. Palmer to present a TIF project amendment to the Authority.

Louisville Renaissance Zone Pilot Program TIF Jefferson County

Ms. Palmer stated the Louisville Renaissance Zone Corporation (LRZC) was granted approval for a TIF project under the TIF Pilot Program statutes as they existed on December 8, 2003, and the Commonwealth entered into a Grant Agreement with LRZC. For the Renaissance Zone TIF, withholding, sales and property taxes are eligible for recovery over 20 years if they were generated within the 3,000 acre TIF district (Development Area) south of the Louisville International Airport, north of I-265 and bounded by I-65 to the east and CSX right-of-way to the west.

The Louisville Regional Airport Authority (LRAA) has identified additional projects that would be located in the Development Area. These projects would further improve public infrastructure, and otherwise promote capital investment in the redevelopment of the area. The Commonwealth previously found the Development Area was in need of public improvement and that the projects to be undertaken in the development area would result in an increase in the value of the property or result in increased employment.

The LRAA and the LRZC requested approval of the development of Project No. 2 within the TIF district and an amendment to the Amended and Restated Grant Contract to incorporate Project No. 2.

Staff recommended approval to amend the Amended and Restated Grant Contract to incorporate the development of Project No. 2 within the TIF district.

Ms. Palmer introduced Skip Miller, Karen Scott and Mike Helton and invited them to address the board regarding the project and answer any questions from the board.

After discussion, Don Goodin moved to approve the staff recommendation, as presented; Secretary William M. Landrum, III seconded the motion. Motion passed; unanimous.

KEDFA Industrial Revenue Bond (IRB) Project (Preliminary)

Chairman Hale called on Ms. Smith to present a KEDFA IRB preliminary project to the Authority.

Baptist Healthcare System Obligated Group

Ms. Smith referenced in the board material, a draft New Bond Issue Report relating to KEDFA's proposed issuance of hospital revenue bonds in an amount not to exceed \$80,000,000 on behalf of Baptist Healthcare System Obligated Group. The bond proceeds will be used to advance refund a portion of the Kentucky Economic Development Finance Authority Hospital Revenue Bonds, Series 2009A.

The following local jurisdictions were previously impacted by the projects funded with the bond proceeds and have or will have resolutions adopted requesting KEDFA issue these bonds:

a) City of Corbin; b) City of LaGrange; c) Lexington-Fayette Urban County Government; d) City of Paducah and e) City of St. Matthews. KEDFA's approval will be contingent upon receipt of all required local resolutions.

A TEFRA public hearing pursuant to Section 147(f) of the U.S. Internal Revenue Code of 1986, as amended, is not required because (i) all of the prior bonds to be refunded by the issue of which the bonds are a part were approved as required by Section 147(f) of the U.S. Internal Revenue Code of 1986, (ii) the issue of which the bonds are a part is to be used exclusively to refund the prior bonds, and (iii) the average maturity date of the issue of which the bonds are a part is not later than the average maturity date of the prior bonds to be refunded by the issue of which the bonds are a part.

If the financing is approved, KEDFA would serve as the conduit issuer of the bonds. The bonds would not constitute a general obligation of KEDFA and KEDFA would not be obligated to pay principal or interest for the bonds from its own funds.

Staff recommended KEDFA's adoption of the bond resolution contingent upon receipt of all required local resolutions.

Ms. Smith introduced Steve Scannell and Jerimi Ullom and invited them to address the board regarding the project and answer any questions the board may have.

Mr. Hall moved to approve the staff recommendation, as presented; Tucker Ballinger seconded the motion. Motion passed; unanimous.

Local Industrial Revenue Bond (IRB) Projects (Final)

Chairman Hale called on Michelle Elder to present the Local IRB projects to the Authority.

Jim Beam Brands Co.

Bullitt County

Ms. Elder stated in accordance with KRS 103.210, Bullitt County requested KEDFA review and approve a one hundred percent (100%) reduction in the state ad valorem tax rate on the industrial building and equipment which Jim Beam Brands Co. proposes to be financed through the issuance of industrial revenue bonds by Bullitt County. The company proposed an expansion of its existing barrel storage and aging operations to include 15 new barrel warehouses as well as barrel replacements during the 30 year bond life in Shepherdsville. The principal amount of the IRB authorization is up to \$585,000,000 for a term of 30 years. A Payment in Lieu of Tax Agreement will be required with the school district for the company to pay the tangible property tax on the liquid (spirits) inventory.

Staff recommended approval of the requested percentage reduction in the state ad valorem tax rate on the land, industrial building and equipment proposed to be financed through the issuance of the industrial revenue bonds.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

Note: The KEDFA board did not make any type of determination as to the legality of the bonds to be issued by Bullitt County, but only approved the reduction on the ad valorem tax rate as provided by KRS 103.200 and KRS 132.020.

**WhiteRock Pigments, Inc.
Hancock County**

Ms. Elder stated in accordance with KRS 103.210, Hancock County Fiscal Court requested KEDFA review and approve a one hundred percent (100%) reduction in the state ad valorem tax rate on the land, industrial building and equipment which WhiteRock Pigments, Inc. proposes to be financed through the issuance of industrial revenue bonds by the Hancock County Fiscal Court. The company proposed the acquisition and retrofit of a new chemical process production plant in Hawesville. The principal amount of the IRB authorization is up to \$200,000,000 for a term of 30 years. A Payment in Lieu of Tax Agreement will be required with the school district.

Staff recommended approval of the requested percentage reduction in the state ad valorem tax rate on the land, industrial building and equipment proposed to be financed through the issuance of the industrial revenue bonds.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Hall seconded the motion. Motion passed; unanimous.

Note: The KEDFA board did not make any type of determination as to the legality of the bonds to be issued by the Hancock County Fiscal Court, but only approved the reduction on the ad valorem tax rate as provided by KRS 103.200 and KRS 132.020.

Local IRB Project (Amendment)

Chairman Hale called on Bobby Aldridge to present the Local IRB amendment to the Authority.

**LFL, LLC
Nelson County**

Mr. Aldridge stated KEDFA granted a Local IRB approval on March 31, 2016 to Luxco, Inc. (Luxco), a Missouri based company, to assist with the acquisition, expansion, construction, installation and equipping of a new distillery facility in Bardstown. Subsequent to KEDFA's approval, Luxco underwent certain corporate reorganization efforts. In connection with those activities, Luxco decided that its affiliate, LFL, LLC would take title to all real and personal property which comprises the entire Project approved for IRB incentives. Luxco requests approval of an amendment to the KEDFA Local IRB Resolution reflecting assignment of Luxco's rights, duties and obligations under the Project to LFL, LLC. All other aspects of the project remain the same.

Staff recommended approval of the amendment request.

Mr. Ballinger moved to approve the staff recommendation, as presented; Secretary Landrum seconded the motion. Motion passed; unanimous.

Kentucky Business Incentives (KBI) Project (Amendment)

Chairman Hale called on Mr. Aldridge to present a KBI project amendment to the Authority.

**Meggitt Aircraft Braking Systems KY Corp.
Boyle County**

Mr. Aldridge stated Meggitt Aircraft Braking Systems KY Corp. is requesting an Amended and Restated Tax Incentive Agreement to increase the approved cost from \$1,700,000 to \$2,500,000 due to the company's further expansion and increased investment from \$9,343,060 to \$14,888,969. In addition, the job target at activation increased from 45 to 73 full-time Kentucky resident employees with a gradual increase in job targets from 66 to an

annual average of 94 full-time Kentucky resident employees for the remainder of the 15 year term.

Staff recommended approval of the KBI amendment request.

Mr. Ballinger moved to approve the staff recommendation, as presented; Secretary Landrum seconded the motion. Motion passed; unanimous.

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

Chairman Hale called on Mr. Aldridge to present the KEIA project extension requests to the Authority.

Mr. Aldridge stated 12 companies requested additional time to complete the projects and asked that all 12 be presented as one motion.

Company	County	Extension
3M Company	Harrison	3 Month
Asahi Forge of America Corporation	Madison	3 Month
Bluegrass Stockyards	Fayette	6 Month
Zoeller Company	Jefferson	6 Month
Logan Aluminum Inc.	Logan	9 Month
Central Motor Wheel of America, Inc.	Bourbon	12 Month
Dr. Schneider Automotive Systems, Inc.	Russell	12 Month
Kindred Healthcare Operating, Inc.	Jefferson	12 Month
Performance Feeds, LLC	Warren	12 month
Piramal Pharma Solutions, Inc. fka Coldstream Laboratories	Fayette	12 Month
QSR Automations, Inc.	Jefferson	12 Month
United Parcel Service, Inc.	Fayette	12 Month

Staff recommended approval of the KEIA extension requests.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

KEIA Projects

Chairman Hale called on staff to present the KEIA projects to the Authority.

MGPI of Indiana, LLC Grant County

**Lindsey Ransdell
Michelle Elder**

Lindsey Ransdell stated MGP is headquartered in Kansas and also maintains a distillery production facility in Indiana (MGPI of Indiana, LLC). MGP began in 1941 as a small distillery operation in the heart of America's grain belt. Today, it is the source of some of the finest vodkas, gins, bourbons and whiskeys in the world. Because of the recent boom in the bourbon and whiskey business, the company has filled its storage warehouse in Indiana. This proposed project is to provide additional storage space to enable the company to continue to grow its production capability.

Ms. Elder stated the project investment is \$5,600,000 of which \$3,100,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

Mr. Ballinger moved to approve the staff recommendation, as presented; Chad Miller seconded the motion. Motion passed; unanimous.

Kentucky Business Investment (KBI) Projects (Preliminary) and KEIA Projects
Chairman Hale called on staff to present the KBI preliminary projects and KEIA projects to the Authority.

**DAE-IL USA Incorporated
Calloway County**

**Corky Peek
Michelle Elder**

Corky Peek stated DAE-IL USA Incorporated is a subsidiary of the South Korean-based company, DAE-IL Corporation, DIC. The company manufactures transmission gears for the automobile industry. Some of its customers include Hyundai, Kia and General Motors. The company is considering the construction of a manufacturing/distribution facility in Murray as well as the purchase of a large amount of new equipment.

Ms. Elder stated the project investment is \$50,000,000 of which \$20,200,000 qualifies as KBI eligible costs and \$11,050,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 120 with an average hourly wage of \$19.00 including benefits. The state wage assessment participation is 3.0% and the Murray Calloway Economic Development Corporation will participate by providing 40 acres of land valued at approximately \$1,000,000, relocation and startup costs of \$100,000 and a waiver of local permit and tap fees.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$3,000,000 and the KEIA approved recovery amount of \$500,000 for construction materials and building fixtures.

Mr. Hall moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

**Ironton Enterprises LLC
McCracken County**

**Corky Peek
Michelle Elder**

Mr. Peek stated Ironton Enterprises LLC was formed in 2016 for the purpose of developing a recycled based program to produce merchant pig iron for use in the steel manufacturing and foundry businesses. The company is considering locating its pig iron production facility in McCracken County to construct a mini blast furnace.

Ms. Elder stated the project investment is \$45,120,000 of which \$23,965,000 qualifies as KBI eligible costs and \$17,625,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 66 with an average hourly wage of \$36.00 including benefits. The state wage assessment participation is 3.0% and McCracken County will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,250,000 and the KEIA approved recovery amount of \$250,000 for construction materials and building fixtures.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

**Toyota Tsusho America, Inc.
Scott County**

**Anna Beth Bobbitt
Debbie Phillips**

Anna Beth Bobbitt stated Toyota Tsusho America, Inc., headquartered in New York, is a multi-market, multi-business enterprise which has operated in North America for over 50 years. The company manufactures steel products, non-ferrous products, waste management and recycling, transportation, warehousing and logistical management. The company is considering the expansion of its current facility in order to grow its overall capacity and product range.

Debbie Phillips stated the project investment is \$9,958,424 of which \$3,311,424 qualifies as KBI eligible costs and \$1,778,924 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 23 with an average hourly wage of \$21.00 including benefits. The state wage assessment participation is 1.5% and Scott County will participate at 0.5%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company will also be required to maintain 95% of the total countywide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000 and the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

KBI Projects (Preliminary)

Chairman Hale called on staff to present the KBI preliminary projects to the Authority.

**NX Development Corp.
Fayette County**

**Anna Beth Bobbitt
Debbie Phillips**

Ms. Bobbitt stated NX Development Corp. (NXDC) is a virtual pharmaceutical company with headquarters in Lexington. NXDC has licensed the right to 5-ALA, a compound that has been sold as Gliolan® in Europe and Asia for the isolation of brain tumors during surgery for over 20 years. The company is considering transitioning to a fully-staffed pharmaceutical company with Lexington being the center for sales, marketing and quality assurance operations.

Ms. Phillips stated the project investment is \$1,225,000 of which \$625,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 20 with an average hourly wage of \$30.00 including benefits. The state wage assessment participation is 3.0% and Lexington-Fayette Urban County Government will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

**Resolve Packaging, LLC
Boone County**

**Tess Simon
Debbie Phillips**

Tess Simon stated Resolve Packaging, LLC was developed to accommodate a growing need in the contract packaging industry with its primary base in the distilled spirits industry. The

company is considering locating its operations in Hebron to develop quality inspection opportunities in the automotive industry and co-packaging opportunities for retail consumer goods.

Ms. Phillips stated the project investment is \$12,464,100 of which \$6,464,100 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 76 with an average hourly wage of \$20.00 including benefits. The state wage assessment participation is 1.5% and Boone County will participate at 0.4%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$400,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

**Tru-Tone Finishing Inc.
Fayette County**

**Tess Simon
Debbie Phillips**

Ms. Simon stated Tru-Tone Finishing Inc. has been a successful and growing family run business for about 25 years with operations in Illinois and Texas. While its primary services are e-coating and powder coating of industrial parts, the company also offers tailored packaging or light assembly when required. The proposed project would include leasing a new facility in Lexington for its e-coat metal finishing process to provide service to customers in the surrounding region.

Ms. Phillips stated the project investment is \$4,600,000 of which \$1,800,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 120 with an average hourly wage of \$15.00 including benefits. The state wage assessment participation is 3.0% and Lexington-Fayette Urban County Government will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$500,000.

Mr. Hall moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

**ABB/CON-CISE Optical Group LLC
Boone County**

**Kristina Slattery
Lynda Cunningham**

Kristina Slattery stated ABB Optical Group is the nation's premier, independent distributor of optical products, which include contact lenses, ophthalmic lenses, frames and sunglasses, accessories and contact lens solutions. The company is considering Boone County to expand capacity and solidify its competitive position to better serve its customers.

Lynda Cunningham stated the project investment is \$27,000,000 of which \$10,800,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 223 with an average hourly wage of \$15.00 including benefits. The state wage assessment participation is 1.5% and the City of Florence will participate at 0.5%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,000,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Secretary Landrum seconded the motion. Motion passed; unanimous.

**Kentuckiana Curb Company, Inc.
Jefferson County**

**Taylor Sears
Lynda Cunningham**

Taylor Sears stated Kentuckiana Curb Company, Inc. opened in Jefferson County in 1979, establishing a world class HVAC manufacturing facility. The company is considering an expansion of its production capabilities to capture an emerging market for 100% outside air HVAC products.

Ms. Cunningham stated the project investment is \$24,500,000 of which \$7,190,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 135 with an average hourly wage of \$29.00 including benefits. The state wage assessment participation is 3.0% and Louisville/Jefferson County Metro Government will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The project will include multiple locations within Louisville/Jefferson County. Only investment costs incurred at 2621 Technology Drive will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,500,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

**Takigawa Corporation America
Nelson County**

**Kristina Slattery
Lynda Cunningham**

Ms. Slattery stated Takigawa Corporation Japan has been a leader in flexible packaging since 1950 when it first began extruding high performance films for the packaging industry. Since its inception in 1907, this family owned company has grown into the global pouching technology leader it is today as recognized by some of the most successful consumer brands in the world. In order to meet the growing demands of its products, Takigawa is now planning to establish a new manufacturing facility in the USA and is considering Bardstown for this operation.

Ms. Cunningham stated the project investment is \$45,927,000 of which \$28,307,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 180 with an average hourly wage of \$36.00 including benefits. The state wage assessment participation is 1.5% and the City of Bardstown will participate at 0.5%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,000,000.

Mr. Kelly moved to approve the staff recommendation, as presented; Secretary Landrum seconded the motion. Motion passed; unanimous.

**EnerBlu, Inc.
Fayette and Pike Counties**

**Lindsey Ransdell
Michelle Elder**

Ms. Ransdell stated EnerBlu, Inc. is an American owned, advanced, high power solution company that is focused on energy storage for high power military and commercial vehicle applications. The company is considering relocating its headquarters to Lexington and the construction of a facility in Pikeville for its power battery production.

Ms. Elder stated the project investment for Fayette County is \$40,000,000 of which \$20,500,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 110 with an average hourly wage of \$52.00 including benefits. The state wage assessment participation is 3.0% and Lexington-Fayette Urban County Government will participate at 1.0%.

Ms. Elder stated the project investment for Pike County is \$372,000,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 875 with an average hourly wage of \$39.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amounts of \$2,500,000 for the Fayette County project and \$27,500,000 for the Pike County project.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Hall seconded the motion. Motion passed; Chairman Hale abstained.

**Federal-Mogul Motorparts LLC
Barren County**

**Corky Peek
Michelle Elder**

Mr. Peek stated Federal-Mogul Motorparts LLC sells and distributes a broad portfolio of products through some of the world's most recognized brands in the global vehicle aftermarket, while also serving original equipment vehicle manufacturers with products. The company's Glasgow location produces drum brake friction for the original equipment and aftermarket commercial vehicle market. With the current market shifting to air disc pads, this creates the need for an expansion and acquisition of production equipment.

Ms. Elder stated the project investment is \$8,681,000 of which \$3,200,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 25 with an average hourly wage of \$31.00 including benefits. The state wage assessment participation is 3.0% and the City of Glasgow will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$600,000.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Goodin seconded the motion. Motion passed; unanimous.

**Homecare Products, Inc. dba EZ-Access
Union County**

**Corky Peek
Michelle Elder**

Mr. Peek stated Homecare Products Inc. dba EZ-Access is based in Algona, Washington and produces portable and modular ramp systems for those requiring assistance with mobility. The company is considering leasing additional space in Morganfield as well as purchasing new equipment for additional manufacturing capacity.

Ms. Elder stated the project investment is \$650,000 of which \$410,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 10 with an average hourly wage of \$18.00 including benefits. The state wage assessment participation is 3.0% and Union County will participate at 0.5%. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval. Only investment costs incurred by the approved company will be considered toward calculating eligible

costs. Only the approved company may participate in the corporate income tax credit incentive (no affiliate is eligible). The jobs creation/maintenance and wage requirements will be satisfied collectively by the approved company and the affiliate, Kindred Holdings, LLC. The company acknowledges that the Project is to be located in a county currently certified as an enhanced incentive county, and further acknowledges that it does not wish to proceed under the KBI program provisions applicable to such projects, and instead waives the enhanced county benefits.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$120,000.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

**Lynx Labeling, Inc.
Barren County**

**Corky Peek
Michelle Elder**

Mr. Peek stated Lynx Labeling, Inc., incorporated in 2016, provides custom software and hardware solutions primarily for the meat and poultry industry. The company also has expertise in weighing, checking, sorting and counting solutions, performing data collection and developing user applications leading the industry in simplicity and practicality. Lynx Labeling, Inc. is considering the construction of a new facility to meet its growing business demands.

Ms. Elder stated the project investment is \$590,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 10 with an average hourly wage of \$16.00 including benefits. The state wage assessment participation is 3.0% and the City of Glasgow will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$125,000.

Mr. Ballinger moved to approve the staff recommendation, as presented; Secretary Landrum seconded the motion. Motion passed; unanimous.

KBI Projects (Extension)

Chairman Hale called on Ms. Elder to present the KBI extension requests to the Authority.

Ms. Elder stated 7 companies requested additional time to complete the projects and asked that all 7 be presented as one motion.

Company	County	Extension
Corrosion Resistant Reinforcing	Boone	6 Month
FreshChoice Complete Diet Products, LLC	Gallatin	6 Month
Louisville Plate Glass Company, Inc.	Jefferson	6 Month
Archer-Daniels-Midland Company	Kenton	12 Month
Bilstein Cold Rolled Steel, LP	Warren	12 Month
Kelley Beekeeping Company	Grayson	12 Month
TMM (USA), Inc.	Simpson	12 Month

Staff recommended approval of the KBI extension requests.

pace to benefit its employees and the community. The company plans for the project to be complete and in full production no later than August 2018.

The company states the proposed investment in the facility will enhance and expand the output and allow continued growth by increasing the capacity, efficiency and productivity and retain the existing full-time jobs. The company states the reinvestment would not be economically feasible, if not for the KRA incentives.

Ms. Phillips stated the project investment is \$3,522,698 of which \$1,761,349 qualifies as KRA eligible costs. The job retention requirement over the term of the agreement is 90% of the number of full-time jobs at the project location as of preliminary approval.

Staff recommended preliminary approval of the KRA negotiated tax incentive amount of \$700,000

Mr. Goodin moved to approve the staff recommendation, as presented; Secretary Landrum seconded the motion. Motion passed; unanimous.

**Topy America, Inc.
Franklin County**

**Tess Simon
Debbie Phillips**

Ms. Simon stated TOPY America, Inc. founded in May 1985, is a world class supplier of steel road wheels for the automotive industry. The company's current facility is in desperate need of improvement to its manufacturing system and additional square footage is needed to improve operational efficiency. The proposed expansion project would include building upgrades and improvements, refurbishing of selected existing equipment, upgrading its engineering systems, adding a new product line and improving the environment in which its employees work by adding a new cooling system. The company has an aggressive timeline and hopes to be completed with this project by 2020.

The company states the proposed investment in the facility will enhance and expand the output and allow continued growth by increasing the capacity, efficiency and productivity and retain the existing full-time jobs. The company states the reinvestment would not be economically feasible, if not for the KRA incentives.

Ms. Phillips stated the project investment is \$37,000,000 of which \$18,500,000 qualifies as KRA eligible costs. The job retention requirement over the term of the agreement is 90% of the number of full-time jobs at the project location as of preliminary approval.

Staff recommended preliminary approval of the KRA negotiated tax incentive amount of \$1,750,000.

Mr. Kelly moved to approve the staff recommendation, as presented; Secretary Landrum seconded the motion. Motion passed; unanimous.

Incentive for Energy Independence Act (IEIA) Projects (Extensions)

Chairman Hale called on Ms. Palmer to present the IEIA project extension requests to the Authority.

Ms. Palmer stated 2 companies requested additional time to complete the projects and asked that both projects be presented as one motion.

Company	County	Extension
Delta Natural Gas Company, Inc.	Madison	12 Month
Jefferson AD I, LLC	Jefferson	12 Month

Staff recommended approval of IEIA extension requests.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Hall seconded the motion. Motion passed; unanimous.

Kentucky Small Business Tax Credit (KSBTC) Projects

Chairman Hale called on Tim Back to present the KSBTC projects to the Authority.

Mr. Back stated there are 73 Kentucky small businesses from 24 counties with qualifying tax credits of \$619,400. The 73 businesses created 187 jobs and invested \$1,791,974 in qualifying equipment or technology.

Mr. Back requested the following tax credits be presented as one motion:

Qualified Small Business	County	Beg. Emp.	Elig. Pos.	Average Hourly Wage	Qualifying Equipment or Technology	Tax Credit
Abbie Jones Consulting, PSC	Fayette	3	2	\$ 26.50	\$ 11,643	\$ 7,000
Alarm 1 Protective Services, LLC	Jefferson	4	1	\$ 18.00	\$ 23,500	\$ 3,500
All Clear Restoration, LLC	McCracken	0	2	\$ 20.25	\$ 7,205	\$ 7,000
Allstate Ready Mix, Inc.	Oldham	19	4	\$ 20.76	\$ 39,325	\$ 14,000
Ashbaugh Roby Trucking LLC	Nelson	4	1	\$ 25.30	\$ 5,072	\$ 3,500
Automated Cutting Technologies, Inc.	Jessamine	19	2	\$ 46.06	\$ 9,030	\$ 7,000
Barnett Benvenuti & Butler PLLC	Fayette	8	2	\$ 31.25	\$ 7,269	\$ 7,000
Barnhill Enterprises, LLC	Fayette	18	5	\$ 20.74	\$ 73,188	\$ 17,500
Block & Lot Real Estate, LLC	Fayette	1	1	\$ 13.75	\$ 5,608	\$ 3,500
Blue Moon Port-A-Pot, LLC	Allen	4	3	\$ 13.33	\$ 33,600	\$ 10,500
Bootleg Bar-B-Q Co.	Jefferson	11	1	\$ 16.75	\$ 8,100	\$ 3,500
Broccoli Hugger LLC	Boyle	0	1	\$ 14.00	\$ 16,458	\$ 3,500
BryMak & Associates, Inc.	Christian	10	2	\$ 17.31	\$ 34,468	\$ 7,000
Burkman Industries, Inc.	Boyle	36	1	\$ 12.88	\$ 9,915	\$ 3,500
C & D Kentucky Enterprises, Inc.	Jefferson	1	1	\$ 15.00	\$ 26,500	\$ 3,500
Chuck's Auto Body, Inc.	Campbell	9	1	\$ 10.94	\$ 39,075	\$ 3,500
Cliff Buzick, Inc.	Nelson	29	1	\$ 13.00	\$ 32,894	\$ 3,500
Climate Conditioning Co., Inc.	Jefferson	16	1	\$ 48.07	\$ 23,975	\$ 3,500
Commonwealth Eye Clinic, Inc.	Fayette	5	2	\$ 22.25	\$ 22,200	\$ 7,000
Cui Liu Designs, LLC	Calloway	2	2	\$ 14.42	\$ 38,218	\$ 7,000
Danville Medical Investors, LLC	Boyle	0	8	\$ 21.59	\$ 26,055	\$ 25,000
Don Franklin Bardstown, Inc.	Nelson	34	4	\$ 15.34	\$ 12,713	\$ 12,700
Dukes A&W Enterprises, LLC	Jefferson	13	2	\$ 15.75	\$ 20,980	\$ 7,000
EDJ, Inc.	Boone	3	1	\$ 14.50	\$ 10,995	\$ 3,500
Ehrlers, Inc.	Jefferson	0	3	\$ 20.96	\$ 12,199	\$ 10,500
Family EyeCare Associates, P.S.C.	Woodford	1	1	\$ 12.00	\$ 25,990	\$ 3,500
FieldTrip LLC	Jefferson	18	6	\$ 28.55	\$ 27,879	\$ 21,000
Franklin Management, Inc.	Adair	6	2	\$ 29.08	\$ 12,500	\$ 7,000
Franklin Nissan, LTD. Co.	Adair	7	4	\$ 27.93	\$ 14,510	\$ 14,000
Green Motors, LLC	Fayette	18	5	\$ 38.15	\$ 40,000	\$ 17,500
Hamilton, Inc.	Rowan	40	2	\$ 16.82	\$ 16,882	\$ 7,000
Hans G. Poppe, Jr.	Jefferson	6	1	\$ 21.63	\$ 5,779	\$ 3,500
Hinkle Environmental Services, LLC	Madison	19	3	\$ 19.50	\$ 14,400	\$ 10,500
Jack Riley Investments LLC	Warren	0	4	\$ 22.76	\$ 8,319	\$ 8,300
J Michael's Spa & Salon, LLC	Jefferson	11	4	\$ 16.87	\$ 11,034	\$ 11,000
Kentucky Machinery Company, LLC	Madison	4	1	\$ 14.50	\$ 24,000	\$ 3,500
Kertis Creative, LLC	Jefferson	11	4	\$ 17.07	\$ 24,865	\$ 14,000
Kinhead & Stiltz, PLLC	Fayette	14	1	\$ 28.85	\$ 8,202	\$ 3,500
Lance S. Ferguson, M.D., P.S.C.	Fayette	19	7	\$ 17.53	\$ 38,754	\$ 24,500

Legacy Financial, LLC	Fayette	7	2	\$ 30.46	\$ 67,500	\$ 7,000
Logan Bethel Veterinary Services, LLC	Logan	0	4	\$ 18.63	\$ 27,455	\$ 14,000
Long Construction Management LLC	Fayette	3	2	\$ 30.00	\$ 9,819	\$ 7,000
Louisville Cabinets and Countertops LLC	Oldham	2	2	\$ 18.00	\$ 8,750	\$ 7,000
Louisville Medical Investors, LLC	Jefferson	11	8	\$ 17.07	\$ 8,054	\$ 8,000
Mainstream, Inc.	Bullitt	6	4	\$ 25.00	\$ 46,963	\$ 14,000
Manoochehr Mazloomdoost, P.S.C.	Fayette	10	5	\$ 18.80	\$ 22,700	\$ 17,500
Map Enterprises Inc.	Graves	23	3	\$ 14.42	\$ 11,383	\$ 10,500
McDaniel Financial Services, PLLC	Boyle	4	1	\$ 15.50	\$ 5,555	\$ 3,500
MEMstim LLC	Jefferson	1	2	\$ 32.21	\$ 7,384	\$ 7,000
Miranda Construction, LLC	Jefferson	0	4	\$ 27.94	\$ 11,930	\$ 11,900
Nationwide Construction, Inc.	Bullitt	13	1	\$ 23.75	\$ 22,500	\$ 3,500
New Vitalis, LLC	Jefferson	0	6	\$ 24.68	\$ 26,025	\$ 21,000
NM-Louisville, Inc.	Jefferson	22	1	\$ 32.19	\$ 7,245	\$ 3,500
Paladin, Inc.	Fayette	14	2	\$ 33.42	\$ 7,519	\$ 7,000
Quantum Enterprises, Inc.	Jefferson	38	3	\$ 19.17	\$ 78,743	\$ 10,500
Russtech Admixtures, Inc.	Jefferson	14	1	\$ 14.58	\$ 25,197	\$ 3,500
S.B. Chiropractic, PSC	Jefferson	4	1	\$ 11.33	\$ 8,000	\$ 3,500
Service Specialties, LLC	Clark	7	2	\$ 25.00	\$ 60,551	\$ 7,000
Shannon Hudson	McLean	1	1	\$ 11.77	\$ 13,000	\$ 3,500
Six Sigma, Inc.	Jefferson	36	1	\$ 38.46	\$ 42,900	\$ 3,500
SKY Property Management, LLC	Warren	0	1	\$ 31.25	\$ 13,500	\$ 3,500
Stephen D. Prater Builder, Inc.	Fayette	5	3	\$ 17.58	\$ 30,201	\$ 10,500
Sunergos Coffee, LTD. Co.	Jefferson	10	4	\$ 14.99	\$ 14,060	\$ 14,000
The Cubero Group, Inc.	Jefferson	5	1	\$ 11.00	\$ 7,811	\$ 3,500
The Oliver Group, Inc.	Jefferson	17	5	\$ 38.46	\$ 19,236	\$ 17,500
Thermal Equipment Service, Inc.	Fayette	44	1	\$ 28.00	\$ 37,889	\$ 3,500
The Roberts Group, P.S.C.	Fayette	20	3	\$ 37.84	\$ 14,145	\$ 10,500
The Weekly Juicery, LLC	Fayette	9	1	\$ 15.00	\$ 16,500	\$ 3,500
Three Family, LLC	Clark	0	2	\$ 11.75	\$ 14,915	\$ 7,000
Traughber Mechanical Services, Inc.	Simpson	22	4	\$ 16.00	\$226,351	\$ 14,000
TSC, LLC	Rowan	6	1	\$ 13.96	\$ 5,500	\$ 3,500
Volta Inc.	Franklin	20	1	\$ 17.58	\$ 8,488	\$ 3,500
Winner's Circle Painting, LLC	Jessamine	7	5	\$ 18.13	\$ 40,906	\$ 17,500

Staff recommended approval of the KSBTC tax credits.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; Chad Miller abstained.

Other Business

Election of Officers

Ms. Smith stated, in accordance with KRS 154.20-010 (7) and Article VII of the Fourth Amended and Restated Bylaws of the Kentucky Economic Development Finance Authority, the Authority shall elect biennially from its membership a Chairman, Vice Chairman, Secretary-Treasurer and any assistant secretaries and assistant treasurers deemed necessary. Elections are to take place in even numbered years.

Due to recent resignations and appointments, an election of officers is necessary to fill vacancies. The following members expressed willingness to serve in the designated officer positions, subject to nomination and election:

Jean Hale	Chairman
Don Goodin	Vice Chairman
Dorsey Hall	Secretary-Treasurer
Tucker Ballinger	Assistant Secretary-Treasurer

Mr. Kelly moved to approve the proposed officers, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

2018 KEDFA Board Meeting Dates

Ms. Smith stated the 2018 KEDFA board meeting dates were included in the board materials. The dates are:

January 25	April 26	July 26	October 25
February 22	May 31	August 30	November - TBD
March 29	June 28	September 27	December - TBD

The Authority accepted the dates as presented.

Adjournment

There being no further business, Chairman Hale entertained a motion to adjourn.

Secretary Landrum moved to adjourn the December KEDFA board meeting; Mr. Goodin seconded the motion. Motion passed; unanimous.

The meeting adjourned at 11:10 a.m.

PRESIDING OFFICER:



Jean Hale, Chairman