

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING

February 23, 2017

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:03 a.m. EST on February 23, 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, Aubrey Hayden, Ryan Barrow, Proxy for Secretary William M. Landrum, III and Tucker Ballinger

Staff Present: Bobby Aldridge, Tim Back, Caroline Baesler, Anna Beth Bobbitt, Lynda Cunningham, Michelle Elder, Alec Germond, Terry R. Gill, Jr., Lisa Jones, Robyn Lee, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Tess Simon, Kristina Slattery, Katie Smith, Teresa Spreitzer, and Joan Ward

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky and Mark Franklin, Stoll Keenon Ogden; Liz Columbia, Finance & Administration Cabinet, Office of Financial Management; Dennis Griffin, Franklin-Simpson Industrial Authority; Ben Moore, Louisville/Jefferson County Metro Government; and Dan Tobergte, Northern Kentucky Tri-County Economic Development Corporation

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the January 26, 2017 regular KEDFA board meeting and January 31, 2017 special KEDFA board meeting.

Tucker Ballinger moved to approve the minutes, as presented; Aubrey Hayden 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 Lisa Jones to review the financial statements and monthly monitoring reports as of January 31, 2017.

After review, the Authority accepted the statements and reports as presented.

KEDFA Project (Grant)

Chairman Hale called on staff to present a KEDFA grant project to the Authority.

Tri-County Economic Development Corporation Kenton County

**John Bevington
Kylee Palmer**

Ms. Palmer stated Tri-County Economic Development Corporation (Tri-ED), a non-profit organization serving Northern Kentucky, requested up to \$2,000,000 in the form of a KEDFA grant. The funds will be used for renovations and equipment in the development of a Life Sciences Training Facility at the Northern Kentucky Convention Center (NKCC). The training facility will be used to bring together entrepreneurs, business leaders and patient advocates to explore opportunities to advance the life sciences in the region. Once the project is complete, NKCC will be responsible for the on-going operating expenses.

Clinical Trial Services, Inc. (CTI), whose headquarters is being relocated to the Technology Towers of RiverCenter in Covington, plans to be an active, routine user of this Life Sciences Training Facility for its extensive employee training programs.

Terms of the grant include the submittal of an Agreement, prior to any disbursement, between Tri-ED, CTI and NKCC regarding the specifics and construction schedule; construction progress reports submitted with each disbursement request; a final report at the conclusion of the construction, but no later than June 30, 2018; and facility use reports submitted annually for the facility with the number of days the training facility was utilized by CTI and other lessees. Funds are to be disbursed on a reimbursement basis and all funds to be disbursed by June 30, 2023.

John Bevington introduced Dan Tobergte and invited him to address the board regarding the project and answer any questions the board may have.

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

KEDFA Industrial Revenue Bond (IRB) Project (Preliminary)

Chairman Hale called on Debbie Phillips to present a KEDFA IRB preliminary project to the Authority.

Owensboro Health, Inc. Daviness County

Ms. Phillips referenced in the board material, a draft KEDFA bond report relating to the issuance of revenue refunding bonds in an amount not to exceed \$550,000,000 on behalf of Owensboro Health, Inc. The bond proceeds will be used to advance refund the outstanding Kentucky Economic Development Finance Authority Hospital Revenue Bonds, Series 2010A and Hospital Revenue Refunding Bonds, Series 2010B for Owensboro Medical Health System, Inc.

KEDFA's adoption of a final resolution will be contingent on the Cabinet's receipt of a referral resolution from the affected local jurisdiction requesting that KEDFA issue these bonds. KEDFA serves as the conduit issuer of the bonds. The bonds will not constitute a general obligation of KEDFA and KEDFA will not be obligated to pay principal or interest for the bonds from its own funds.

A TEFRA hearing for the purpose of receiving public comment on the proposed bond issue will be conducted by staff prior to KEDFA's adoption of a final resolution.

Staff recommended the adoption of the KEDFA inducement bond resolution.

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

Kentucky Rural Economic Development Act (KREDA) Projects (Amendment)

Chairman Hale called on Bobby Aldridge to present the KREDA project amendments to the Authority.

TreeHouse Private Brands, Inc.

Caldwell County

Mr. Aldridge stated as a result of a purchase of Ralcorp Holdings, Inc., TreeHouse Private Brands, Inc. requested approval of an Amendment No. 2 to Second Amended and Restated Financing Agreement to reflect a fiscal year end change to December 31 and an assignment of the rights, duties and obligations of the KREDA Agreement retroactive to February 2, 2016. The instrument of KREDA debt remains unchanged with The Trustee (The Bank of New York Mellon Trust Company, N.A.)

Staff recommended approval of the amendment request.

Mr. Hayden moved to approve the staff recommendation, as presented; Ryan Barrow seconded the motion. Motion passed; unanimous.

Worldwide Equipment-Heritage, Inc.

Lawrence County

Mr. Aldridge stated per an asset purchase agreement of Heritage Equipment, Inc., Worldwide Equipment, Inc. (the "Purchaser") assigned its interest under the purchase agreement to Worldwide Equipment-Heritage, Inc. (an affiliate of the Purchaser). Worldwide Equipment-Heritage, Inc. requested approval of a First Amendment to Tax Incentive Agreement to reflect a fiscal year end change to March 31 and an assignment of the rights, duties and obligations of the KREDA Agreement to them retroactive to September 1, 2016. Worldwide Equipment Inc. will be responsible for the payment of wages and benefits of the employees per the recitals of the First Amendment to Tax Incentive Agreement.

Staff recommended approval of the amendment request.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous. Jean Hale abstained.

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

<u>Company</u>	<u>County</u>	<u>Extension</u>
North American Stainless	Carroll	6 Month
The Bardstown Bourbon Company, LLC	Nelson	9 Month

Staff recommended approval of extension requests.

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

KEIA Projects (Final)

Chairman Hale called on staff to present the KEIA project requests to the Authority.

Buffalo Trace Distillery, Inc. Franklin County

**Anna Beth Bobbitt
Lynda Cunningham**

Anna Beth Bobbitt stated Buffalo Trace Distillery, Inc. is considering the expansion of its facility to meet the growing demands of its customers. The project would involve an expansion of barrel storage warehouse to keep up with increased demand.

Lynda Cunningham stated the project investment is \$25,000,000 of which \$8,000,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$250,000 for construction materials and building fixtures.

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

Heaven Hill Distilleries, Inc. Nelson County

**Anna Beth Bobbitt
Lynda Cunningham**

Ms. Bobbitt stated Heaven Hill Distilleries, Inc. is the nation's second largest family owned producer and marketer of distilled spirits. The company is considering the expansion of its barrel storage and aging operations to meet increasing demands.

Ms. Cunningham stated the project investment is \$5,550,000 of which \$3,052,500 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$150,000 for construction materials and building fixtures.

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

W. W. Grainger, Inc. Jefferson County

**Corky Peek
Michelle Elder**

Corky Peek stated W. W. Grainger, Inc. is a broad line distributor of maintenance, repair and operation supplies. Grainger serves approximately 3 million customers worldwide. The company is considering the construction of a facility and the purchase of machinery and equipment for a new distribution center in Louisville.

Michelle Elder stated the project investment is \$272,970,000 of which \$151,000,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$1,500,000 for construction materials and building fixtures.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Barrow 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.

The Webstaurant Store, Inc. Hopkins County

**Corky Peek
Michelle Elder**

Mr. Peek stated The Webstaurant Store, Inc., a restaurant supply company, supplies a large number of restaurants. The company is considering the expansion of its footprint in Madisonville for a distribution center that would support stronger regional distribution of select larger inventory items.

Ms. Elder stated the project investment is \$3,500,000 of which \$2,800,000 qualifies as KBI eligible costs and \$700,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 30 with average hourly wages of \$16.00 including benefits. The state wage assessment participation is 3.0% and the City of Madisonville 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 \$350,000 and approval of the KEIA approved recovery amount of \$20,000 for construction materials and building fixtures.

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

Alltech, Inc. Jessamine County

**Alec Germond
Lynda Cunningham**

Alec Germond stated Alltech, Inc. is a leading global biotechnology company whose mission is to improve the health and performance of people, animals and plants through natural nutrition and scientific innovation. Alltech, Inc. is considering the expansion of its Nicholasville headquarters by adding an additional 73,000 square feet of office space to support its operations world-wide.

Ms. Cunningham stated the project investment is \$21,000,000 of which \$20,200,000 qualifies as KBI eligible costs and \$13,099,500 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 100 with average hourly wages of \$35.00 including benefits. The state wage assessment participation is 3.0% and the City of Nicholasville will participate at 0.6% with Jessamine County participating at 0.4%. 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 \$1,500,000 and approval of the KEIA approved recovery amount of \$500,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

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

LeanCor, LLC Boone County

**Alec Germond
Lynda Cunningham**

Mr. Germond stated LeanCor, LLC is a Florence based company that delivers outsourced logistics services that provide improved inventory visibility and logistics control. To support the growth of its organization, the company is considering additional office space in Erlanger to support high paying professional jobs in the logistics operations as well as software development.

Ms. Cunningham stated the project investment is \$3,571,000 of which \$2,010,500 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 44 with average hourly wages of \$30.00 including benefits. The state wage assessment participation is 1.5% and Unincorporated Boone County will participate at 0.4%. 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 Boone County. Only investment costs incurred at 77 Comair Boulevard in Erlanger 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 \$400,000.

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

Shoemagoo, LLC Jefferson County

**Anna Beth Bobbitt
Lynda Cunningham**

Ms. Bobbitt stated Shoemagoo LLC, established in San Diego, California in 2013, is a leading retailer of liquidated branded footwear for women, men and kids. The company uses a technologically superior platform to purchase, process, and sell footwear on multiple eCommerce domestic and international marketplaces and to other companies. The company is considering the relocation of its California warehouse and processing facility to Louisville, which will provide significant cost savings on freight and shipping.

Ms. Cunningham stated the project investment is \$3,470,000 of which \$2,185,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 50 with average hourly wages of \$23.00 including benefits. The state wage assessment participation is 1.5% and Louisville/Jefferson County Metro Government will participate at 0.5%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$375,000.

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

Appalachian Harvest Company, LLC Pike County

**Kristina Slattery
Debbie Phillips**

Kristina Slattery stated Appalachian Harvest Company, LLC is a startup company which will establish and develop high-tech greenhouses. The company is considering the construction

of a facility in Pikeville to grow fresh vegetables year-round to serve local communities as well as national wholesale markets.

Ms. Phillips stated the project investment is \$50,154,000 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 124 with average hourly wages of \$16.00 including benefits. The state wage assessment participation is 5.0%.

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

After discussion, Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Barrow seconded the motion. Motion passed; unanimous.

**Information Capture Solutions LLC
Laurel County**

**Joan Ward
Debbie Phillips**

Joan Ward stated Information Capture Solutions LLC provides data capture services and solutions to large insurance agencies and state government agencies across the United States. The company is considering the expansion of its existing facility in London to increase its workforce in order to take on additional contracts.

Ms. Phillips stated the project investment is \$645,000 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 144 with average hourly wages of \$14.50 including benefits. The state wage assessment participation is 5.0%. 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 \$400,000.

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

**Ernst & Young LLP
Jefferson County**

**Lindsey Ransdell
Michelle Elder**

Lindsey Ransdell stated Ernst & Young is one of the global "Big Four" professional services firms providing assurance, tax, advisory and transaction advisory services to the world's largest companies. The company is presently planning an expansion of its National Executive Assistant Team operations and is considering Louisville for this location.

Ms. Elder stated the project investment is \$4,350,000 of which \$3,050,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 125 with average hourly wages of \$27.00 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.

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

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

**PharmaCord LLC
Jefferson County**

**Tess Simon
Michelle Elder**

Tess Simon stated PharmaCord LLC, founded in late 2016, will provide patient case management and pharmaceutical distribution through a national mail-order pharmacy. The company is considering establishing its corporate headquarters, call center and mail-order pharmacy operations in Louisville.

Ms. Elder stated the project investment is \$7,329,660 of which \$5,539,830 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 300 with average hourly wages of \$20.00 including benefits. The state wage assessment participation is 3.0% and Louisville/Jefferson County Metro Government will participate at 1.0%. The project will include multiple locations within Jefferson County/Louisville. Only investment costs incurred at 6100 Dutchmans Lane, Suite 1200 in Louisville 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 \$4,000,000.

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

**Traughber Mechanical Services, Inc.
Simpson County**

**Corky Peek
Michelle Elder**

Mr. Peek stated Traughber Mechanical Services, Inc. specializes in fabricated steel, industrial piping and ductwork, and industrial maintenance support. The company is considering the expansion of its office and production space in Franklin as well as upgrading equipment to meet customer demand.

Ms. Elder stated the project investment is \$579,320 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 10 with average hourly wages of \$20.00 including benefits. The state wage assessment participation is 3.0% and the City of Franklin 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 \$120,000.

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

**PuraCap Laboratories LLC
Simpson County**

**Corky Peek
Michelle Elder**

Mr. Peek stated PuraCap Laboratories LLC acquired the assets of Blu Pharmaceuticals in March of 2016. Blu Pharmaceuticals was a privately held generic pharmaceutical company that began operations in Franklin, KY in 2006. The Franklin site occupies a 180,000 SF building on 18 acres, which offers PuraCap the space needed to turn the site into its global distribution and packaging hub. The company is considering additional packaging suites to support the business of new and existing customers.

Ms. Elder stated the project investment is \$2,500,000 of which \$760,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 30 with average

hourly wages of \$14.00 including benefits. The state wage assessment participation is 3.0% and the City of Franklin 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 \$160,000.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Ballinger 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 5 companies requested additional time to complete the projects and asked that all 5 be presented as one motion.

<u>Company</u>	<u>County</u>	<u>Extension</u>
Bendix Spicer Foundation Brake LLC	Warren	6 Month
Borden Dairy Company of Kentucky, LLC	Laurel	6 Month
Gazelle, Inc.	Jefferson	6 Month
eTechCampus, L.L.C.	Fayette	12 Month
EZ Portable Buildings, Inc.	McCracken	12 Month

Staff recommended approval of the KBI extension requests.

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

KBI Projects (Final)

Chairman Hale called on Ms. Phillips to present the KBI final projects to the Authority.

Ms. Phillips stated 8 companies requested KBI final approval, 4 of which have modifications since preliminary approval. Ms. Phillips asked that all 8 be presented as one motion.

KBI finals without modifications since preliminary approval:

<u>Project Name</u>	<u>County</u>	<u>Type Project</u>
Advanced Green Components, LLC	Clark	Manufacturing
Bonfiglioli USA Inc.	Boone	Manufacturing
Buffalo Trace Distillery, Inc.	Franklin	Manufacturing
TerrePURE Kentucky Distillers, Inc. dba O.Z. Tyler Distillery	Daviess	Manufacturing

KBI finals with modifications since preliminary approval:

Industrial Automation of Kentucky, LLC dba

Industrial Automation L.L.C. Simpson Manufacturing

The company requested a name change from Industrial Automation, LLC to Industrial Automation of Kentucky, LLC dba Industrial Automation L.L.C. All other aspects of the project remain the same.

International Crankshaft Inc.

Scott

Manufacturing

The project investment increased from \$46,640,000 to \$47,607,317; eligible costs increased from \$13,367,000 to \$17,640,461; job targets increased from 36 to 107 and the negotiated tax incentive amount increased from \$1,000,000 to \$2,500,000. All other aspects of the project remain the same.

Splash Analytics LLC

Jefferson

Service & Technology

The company ownership changed from a leased project to an owned project with rent no longer an eligible expense. All other aspects of the project remain the same.

Yokohama Industries Americas Inc.

Woodford

Manufacturing

The company requested a name change from YH America, Inc. to Yokohama Industries Americas Inc. The project investment increased from \$5,094,000 to \$5,438,407; eligible costs increased from \$2,294,000 to \$2,887,259; job targets increased from 10 to 144; the total negotiated tax incentive amount increased from \$200,000 to \$1,700,000 and the recovery term decreased from 10 years to 7 years. All other aspects of the project remain the same.

Staff recommended approval of the KBI final resolutions and tax incentive agreements and the authorization to execute and deliver the documents.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Hayden 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 9 Kentucky small businesses, from 6 counties with qualifying tax credits of \$73,500. The 9 businesses created 21 jobs and invested \$166,181 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
Babcon Inc.	Madison	25	2	\$ 29.51	\$ 8,274	\$ 7,000
Broker House Lending, LLC	Jefferson	1	2	\$ 27.33	\$ 28,000	\$ 7,000
Crossroads Ford Lincoln, Inc.	Franklin	30	3	\$ 21.37	\$ 12,295	\$ 10,500
Kinser & Kinser, Inc.	Oldham	41	4	\$ 14.86	\$ 27,196	\$ 14,000
Map Enterprises Inc.	Graves	21	2	\$ 15.38	\$ 8,369	\$ 7,000
Red Hog, LLC	Jefferson	0	1	\$ 21.63	\$ 51,592	\$ 3,500
RFCO, LLC	McCracken	2	2	\$ 13.50	\$ 7,369	\$ 7,000
Synergy Group LLC	Jefferson	0	2	\$ 23.75	\$ 11,595	\$ 7,000
Zhou Pain Management Center, PLLC	Jefferson	1	3	\$ 20.13	\$ 11,491	\$ 10,500

Staff recommended approval of the tax credits.

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

Kentucky Angel Investment Act Program Project

Chairman Hale called on Mr. Back to present the Kentucky Angel Investment Act Program project to the Authority.

Mr. Back stated there is one Kentucky Angel Investment project for a total projected investment of \$500,000 with an eligible tax credit of \$200,000. The investor, William P. Butler,

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

Kentucky Small Business Credit Initiative (KSBCI) Project (Modification)

Chairman Hale called on Ms. Palmer to present the KSBCI collateral support amendment request to the Authority.

GBC Enterprises, LLC Jefferson County

Ms. Palmer stated at the January 26, 2017 KEDFA board meeting, Republic Bank and Trust Company received approval to enroll a \$1,800,000 loan in the Kentucky Collateral Support Program (KYCSP). The loan is to purchase real estate, make renovations, purchase equipment, and provide working capital for a new brewery company and music venue at the Old Phoenix Hill Brewery site in Louisville, KY. Republic Bank and Trust Company requested \$360,000 in collateral support for this project.

Revisions to the project have since occurred and the lender requested to modify the project. The original project request and approval listed Gravely Brewing, LLC as the borrower and GBC Enterprises, LLC as the co-borrower. With the revised request, GBC Enterprises, LLC will be the borrower and Gravely Brewing, LLC along with the five individuals will be listed as guarantors.

Staff recommended approval of the modification request.

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

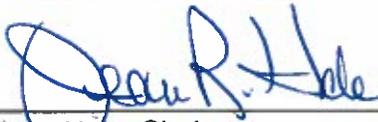
Adjournment

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

Mr. Hayden moved to adjourn the February KEDFA board meeting; Mr. Ballinger seconded the motion. Motion passed; unanimous.

The meeting adjourned at 10:56 a.m.

PRESIDING OFFICER:



Jean Hale, Chairman