

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING

January 26, 2017

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EST on January 26, 2017, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

Aubrey Hayden, Vice Chairman, received verification that the media had been notified of the KEDFA regular monthly board meeting.

Roll Call

Members Present: Aubrey Hayden, Edwin King, Proxy for Secretary William M. Landrum, III, Joe Kelly, Mike Vogt and Jean Hale (entered after roll call as noted later in the minutes)

Staff Present: Tim Back, Caroline Baesler, Anna Beth Bobbitt, Lynda Cunningham, Michelle Elder, Alec Germond, Kimberly Gester, Secretary Terry R. Gill, Jr., Don Goodin, Lisa Jones, Craig Kelly, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Tess Simon, Kristina Slattery, Katie Smith, Teresa Spreitzer, Frank Tate and Joan Ward

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Britney Harve, Bowling Green Chamber of Commerce; Casey Bolton, Commonwealth Economics; Dennis Griffin, Franklin-Simpson Industrial Authority; Richie Galloway, Graves County Commissioner; Jesse Perry, Graves County Judge Executive; Madison Silvert, Greater Owensboro Economic Development Corporation; Jim Parsons, Keating Muething & Klekamp PLL; Ben Moore, Louisville Metro; Bill Bartleman, McCracken County Commissioner; Greg Mills, Mills Supply Company; Trevor Bonnstetter, West Kentucky Rural Telephone Cooperative Corporation, Inc. and Robert Shearer

Welcome

Vice Chairman Hayden welcomed Secretary Terry R. Gill, Jr., Cabinet for Economic Development, and invited him to address the board.

Approval of Minutes

Vice Chairman Hayden entertained a motion to approve the minutes from the December 8, 2016 regular KEDFA board meeting.

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

Vice Chairman Hayden entertained a motion to approve the minutes from the December 8, 2016 executive session.

Mr. Vogt moved to approve the minutes, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

Approved/Undisbursed Loan Report

Vice Chairman Hayden called on Don Goodin to review the approved/undisbursed loan report.

After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports

Vice Chairman Hayden called on Lisa Jones to review the financial statements and monthly monitoring reports as of December 31, 2016.

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

Tax Increment Financing (TIF) Project (Preliminary)

Vice Chairman Hayden called on staff to present a TIF project for preliminary approval to the Authority.

West Kentucky Rural Telephone Cooperative Corporation, Inc.

WKT Technology Park

Graves County

Kimberly Gester stated WKT Technology Park is a Mixed-Use Redevelopment in Blighted Urban Areas TIF project. The project consists of the reuse of existing buildings to house its existing operations and to develop space to encourage new technology based companies to locate within the Project. The development is expected to include office, retail, restaurant and residential uses as well as a hotel, conference space and community event center, classroom space, a warehouse and a data center/storm shelter in Mayfield. The construction is estimated to take place over the next five (5) years.

Kimberly Gester

Kylee Palmer

Kylee Palmer stated public infrastructure costs total approximately \$32,700,000 and include land preparation, public buildings/structure, sewers/storm drainage, provision of utilities and parking. The applicant, West Kentucky Rural Telephone Cooperative Corporation, Inc., estimates the project will support over 910 direct and another 402 indirect and induced jobs annually and generate \$156,600,000 in total annual economic impact over a 20 year period.

By granting preliminary approval, KEDFA would enable staff to begin working with the Office of State Budget Director and the Finance and Administration Cabinet to create criteria for which an independent consultant would review the project's feasibility including financing, appropriateness for the use of the TIF program and potential increments, and whether the project represents a net positive impact for the Commonwealth.

Staff recommended preliminary approval of the TIF project.

Ms. Palmer introduced Jesse Perry, Graves County Judge Executive; Richie Galloway, Graves County Commissioner; Bill Bartleman, McCracken County Commissioner; Jim Parsons, Keating Muething & Klekamp PLL; Casey Bolton, Commonwealth Economics and Trevor Bonnstetter, West Kentucky Rural Telephone Cooperative Corporation, Inc. and invited them to address the board regarding the project and answer any questions the board may have. Mr. Bonnstetter spoke on behalf of the project.

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

Jean Hale, Chairman, entered the room. Vice Chairman Hayden yielded the floor to Chairman Hale.

TIF Project (Final)

Chairman Hale called on staff to present a TIF project for final approval to the Authority.

**Department of Administration and Finance / LFUCG
Midland Avenue Redevelopment
Fayette County**

**Kimberly Gester
Kylee Palmer**

Ms. Gester stated Midland Avenue Redevelopment is a Mixed-Use Redevelopment in Blighted Urban Areas TIF project. The development is expected to include space for retail, restaurant, office and multi-family residential. The construction is estimated to take place over the next five (5) years.

The project was reviewed by an independent consultant and determined to create a net new positive impact for the Commonwealth. The Office of State Budget Director and the Finance and Administration Cabinet approved the consultant’s recommendations and have certified the report and the findings with their statutorily-required Certification of Net Positive Impact to the Commonwealth. The applicant has also reviewed the report and agrees with the findings and the amount eligible for recovery.

Ms. Palmer stated the applicant, Department of Administration and Finance, Lexington-Fayette Urban County Government, requested approval of the TIF project. The total estimated cost of the project is \$72,076,357 of which approximately \$17,000,000 is estimated for public infrastructure. The applicant is eligible to recover an amount up to \$4,000,000 for public infrastructure through an 80% recovery on withholding, sales and property taxes. Only amounts deemed as public infrastructure that occur within the State footprint are eligible for recovery through increments. No state taxes shall be eligible for recovery until the minimum capital investment of \$20,000,000 (not to exceed \$200,000,000) has been verified as being invested in the development area.

Ms. Palmer introduced Mr. Bolton and invited him to address the board regarding the project and answer any questions the board may have.

Staff recommended final approval of the negotiated tax incentive amount of up to \$4,000,000.

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

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

Chairman Hale called on Craig Kelly to present the KEIA project extension requests to the Authority.

Mr. Kelly stated 8 companies requested additional time to complete the projects and asked that all 8 be presented as one motion.

<u>Company</u>	<u>County</u>	<u>Extension</u>
Somerset Riverfront Hotel LP	Pulaski	3 Month
Paducah Riverfront Hotel LP	McCracken	5 Month
Clariant Corporation	Jefferson	6 Month
Zotefoams LLC	Kenton	6 Month

Catalent Pharma Solutions, LLC	Clark	9 Month
Heritage Millworks, LLC	Powell	9 Month
Thornton's Inc.	Jefferson	9 Month
Seven Peaks Minerals, Inc.	Pike	12 Month

Staff recommended approval of the extension requests.

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

KEIA Projects

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

Hitachi Automotive Systems Americas, Inc. Mercer County

**Kristina Slattery
Debbie Phillips**

Kristina Slattery stated Hitachi Automotive Systems Americas, Inc. is a Tier 1 supplier of world-class products to the global automotive market. The company manufactures and markets engine management, electric power train, drive control and car information systems for major automotive Original Equipment Manufacturers (OEM) worldwide. The company is considering an expansion of its facility in Harrodsburg to add space for training and additional equipment.

Debbie Phillips stated the project investment is \$2,043,782 of which \$582,323 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$34,000 for construction materials and building fixtures.

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

Mills Supply Company, Inc. Jefferson County

**Lindsey Ransdell
Michelle Elder**

Lindsey Ransdell stated Mills Supply Company, Inc., is a leading manufacturer of custom fabricated rebar for residential, commercial and other construction projects. The company has outgrown its current 15,000 square foot facility and is considering the construction of an additional 65,000 square foot manufacturing facility to allow the company to compete for larger manufacturing jobs. The additional space will be devoted to active manufacturing operations and equipment for the company's high-tech rebar fabrication shop as well as support and sales staff.

Ms. Ransdell introduced Greg Mills and invited him to address the board regarding the project and answer any questions the board may have.

Michelle Elder stated the project investment is \$7,450,000 of which \$2,000,000 qualifies as KEIA eligible costs.

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

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

**Hollison, LLC
Daviness County**

**Frank Tate
Michelle Elder**

Frank Tate stated Hollison, LLC provides products and services for food protection and the detection of contaminants in the food supply chain. The company is considering the construction of a new facility to meet the needs of its customers.

Ms. Elder stated the project investment is \$2,969,280 of which \$1,604,100 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$50,000 for construction materials and building fixtures.

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

**Infiltrator Water Technologies, LLC
Clark County**

**Lindsey Ransdell
Michelle Elder**

Ms. Ransdell stated Infiltrator Water Technologies, LLC was founded in 1986 and is a leading provider of engineered plastic chambers, synthetic aggregates, tanks and accessories for the wastewater and storm water industries. The company began manufacturing operations in Winchester in 1991 and operates 22 state-of-the-art injection molding presses. In addition, the company operates 5 extrusion lines, 3 grind lines and 4 transfer systems that support recycling efforts. Due to its continued growth, the company is considering the purchase of additional land for the construction of a new building and installation of new equipment.

Ms. Elder stated the project investment is \$11,341,048 all of which qualifies as KBI eligible costs and \$4,585,087 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 39 with average hourly wages of \$26.00 including benefits. The state wage assessment participation is 3.0% and the City of Winchester 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 Clark County/Winchester. Only investment costs incurred at 3100 Corporate Drive in Winchester and the 70 acres behind 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 \$700,000 and approval of the KEIA approved recovery amount of \$250,000 for construction materials and building fixtures.

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

**Asahi Bluegrass Forge Corporation
Madison County**

**Alec Germond
Lynda Cunningham**

Alec Germond stated Asahi Bluegrass Forge Corporation, a subsidiary of Asahi Forge of America Corporation, specializes in press forging for the automotive industry, producing parts as gears, bearings and joints, as well as transmission parts. To support the growth of its

organization, the company is considering the construction of a new manufacturing forge facility in Richmond.

Lynda Cunningham stated the project investment is \$40,000,000 of which \$17,000,000 qualifies as KBI eligible costs and \$7,500,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 50 with average hourly wages of \$24.00 including benefits. The state wage assessment participation is 3.0% and the City of Richmond 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 Madison County/Richmond. Only investment costs incurred at the project site on Bill Robertson Way in Richmond 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 \$1,000,000 and approval of the KEIA approved recovery amount of \$120,000 for construction materials and building fixtures.

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

**Road ID, Inc.
Kenton County**

**Anna Beth Bobbitt
Lynda Cunningham**

Anna Beth Bobbitt stated Road ID, Inc. is a leader in athletic identification gear for the running, cycling and triathlon markets. The products manufactured by Road ID provide road enthusiasts peace of mind and key tools for first responders. Customer demands and product expansion have created the need to expand its physical footprint. To accommodate for this growth, the company is considering the relocation of its headquarters to Covington, which will encompass the executive suite, research and development, and manufacturing.

Ms. Cunningham stated the project investment is \$3,835,000 all of which qualifies as KBI eligible costs and \$1,340,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 30 with average hourly wages of \$32.00 including benefits. The state wage assessment participation is 3.0% and the City of Covington 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 \$425,000 and approval of the KEIA approved recovery amount of \$75,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

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

**Falls City Brewing Company, LLC
Jefferson County**

**Anna Beth Bobbitt
Lynda Cunningham**

Ms. Bobbitt stated Falls City Brewing Company, LLC is an iconic brand to the Louisville region. Before prohibition, Falls City brewed very high quality beer, however during post-prohibition the company went through a period of changing hands several times and

eventually forced to sell. In 2010, the brand returned to its original pre-prohibition roots of making high quality beer. Since its revival, Falls City has been outsourcing the majority of its brewing to a brewery in Wisconsin, then to Tennessee. The company is considering bringing production back to Louisville and expanding its footprint to enhance brand visibility and shift company economics.

Ms. Cunningham stated the project investment is \$2,125,000 of which \$625,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 10 with average hourly wages of \$19.00 including benefits. The state wage assessment participation is 1.5% and Louisville/Jefferson County Metro Government 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.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$150,000.

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

Care Innovations, LLC
Jefferson County

Alec Germond
Lynda Cunningham

Mr. Germond stated Care Innovations, LLC, a wholly owned subsidiary of Intel Corporation, is a trusted advisor in the rapidly evolving landscape of consumerism in healthcare. To support the growth of its organization, the company is considering the expansion of its existing operations to support all software development, analytics and testing.

Ms. Cunningham stated the project investment is \$1,660,916 of which \$1,005,458 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 24 with average hourly wages of \$58.00 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 \$500,000.

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

Diversified Consultants, Inc.
Jefferson County

Alec Germond
Lynda Cunningham

Mr. Germond stated Diversified Consultants, Inc., headquartered in Jacksonville, FL, specializes in telecommunication recovery. To support the growth of its organization, the company is considering opening a new facility in Louisville.

Ms. Cunningham stated the project investment is \$6,650,000 of which \$4,150,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 433 with average hourly wages of \$18.00 including benefits. The state wage assessment participation is 0.75% and Louisville/Jefferson County Metro Government will participate at 0.25%.

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

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

**Enviroflight LLC
Mason County**

**Alec Germond
Lynda Cunningham**

Mr. Germond stated Enviroflight LLC is a joint venture formed in February 2016, owned equally by Intrexon and Darling Ingredients. The company proposes to establish a Black Soldier Fly (BSF) rearing and processing facility in Maysville. This facility will take the BSF larvae and supply selected specialty pet food distributors and zoos as a feed ingredient for exotic pets.

Ms. Cunningham stated the project investment is \$32,000,000 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 30 with average hourly wages of \$27.00 including benefits. The state wage assessment participation is 5.0%.

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

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

**Senture, LLC
Whitley County**

**Joan Ward
Debbie Phillips**

Joan Ward stated Senture, LLC is a premier domestic contact center solution that serves clients in the private industry and state and federal government sectors. The company is considering a new location in Williamsburg to provide contact center support.

Ms. Phillips stated the project investment is \$9,999,722 of which \$6,914,020 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 500 with average hourly wages of \$12.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain 95% 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 \$4,000,000.

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

**Minova USA Inc.
Scott County**

**Tess Simon
Michelle Elder**

Tess Simon stated Minova USA Inc., a wholly owned subsidiary of Orica Limited, manufactures ground support products for the mining and tunneling industries. The Kentucky location specializes in polyester resin cartridges used with a bolting system in ground control and a cement based sealant product used to seal off unused sections in underground mines. The company is considering the purchase of equipment to enable additional manufacturing capability in meeting the growing demands for the markets that it serves.

Ms. Elder stated the project investment is \$300,000 of which \$250,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 25 with average hourly wages of \$20.00 including benefits. The state wage assessment participation is 3.0%, the City of Georgetown will participate at 0.5% 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.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$150,000.

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

**Builders FirstSource, Inc.
Warren County**

**Frank Tate
Michelle Elder**

Mr. Tate stated Builders FirstSource, Inc. manufactures wood trusses, wall panels, steel trusses, engineered wood products, synboard, windows and custom features. The company plans to expand its business and is considering Bowling Green as an additional Kentucky location.

Ms. Elder stated the project investment is \$6,389,636 of which \$2,470,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 79 with average hourly wages of \$20.00 including benefits. The state wage assessment participation is 3.0% and the City of Bowling Green will participate at 1.0%. 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 \$800,000.

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

**OG&A BioSpecialties LLC
Davie County**

**Frank Tate
Michelle Elder**

Mr. Tate stated Owensboro Grain LLC and Accelergy Corporation of Texas have recently formed a joint venture, OG&A BioSpecialties LLC. The business was formed to produce a spectrum of products made from renewable sources such as refined soybean oil and soy methyl ester (Biodiesel). The company is considering leasing a facility in Owensboro.

Ms. Elder stated the project investment is \$8,100,000 of which \$2,800,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 10 with average hourly wages of \$24.00 including benefits. The state wage assessment participation is 3.0% and the City of Owensboro will participate at 1.0%.

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

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

**Credit Bureau Systems, Inc.
McCracken County**

**Corky Peek
Michelle Elder**

Corky Peek stated Credit Bureau Systems, Inc. is a full service healthcare revenue cycle company. The company's core services include patient billing, healthcare insurance claims processing and cleanup, physician billing, ambulance and EMS billing, healthcare bad debt collection services, consumer counseling and a variety of credit information services. The

company is considering the purchase of additional land adjacent to its current facility and the construction of a new building on the site to allow for additional workspace.

Ms. Elder stated the project investment is \$1,674,401 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 40 with average hourly wages of \$15.00 including benefits. The state wage assessment participation is 3.0% and the City of Paducah will participate at 1.0% for five (5) years. 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 \$300,000.

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

**Stark Truss Company, Inc.
Simpson County**

**Corky Peek
Michelle Elder**

Mr. Peek stated Stark Truss Company, Inc. manufactures building components and has 10 manufacturing facilities located in 7 states. The company is considering the expansion of its manufacturing capabilities at a proposed Franklin location.

Ms. Elder stated the project investment is \$1,655,000 of which \$990,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 22 with average hourly wages of \$18.00 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 \$250,000.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Kelly 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 4 companies requested additional time to complete the projects and asked that all 4 be presented as one motion.

Company	County	Extension
Hendrickson USA, L.L.C. (DBA Hendrickson Trailer Commercial Vehicle Systems)	Hardin	12 Month
MVP Group International, Inc.	Fulton	12 Month
Portwest, LLC	Bullitt	12 Month
Stoody Company	Warren	12 Month

Staff recommended approval of the KBI extension requests.

Mr. Vogt moved to approve the staff recommendation, as presented; Mr. Kelly 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 5 companies requested KBI final approval, 3 of which have modifications since preliminary approval. Ms. Phillips asked that all 5 be presented as one motion.

KBI finals without modifications since preliminary approval:

<u>Project Name</u>	<u>County</u>	<u>Type Project</u>
Mesa Foods, LLC	Jefferson	Manufacturing
Summit Aviation, Inc.	Pulaski	Manufacturing

KBI finals with modifications since preliminary approval:

Cotiviti USA, LLC	Jefferson	Service & Technology
The company name changed from Connolly iHealth Technologies, LLC to Cotiviti USA, LLC. All other aspects of the project remain the same.		

Delta T Corporation dba Big Ass Solutions	Fayette	Headquarters
The company name changed from Delta T Corporation dba Big Ass Fans to Delta T Corporation dba Big Ass Solutions. The project investment and eligible costs increased from \$8,000,000 to \$10,700,000, the job target increased from 150 to 562 and the tax incentive amount increased from \$2,000,000 to \$6,500,000. All other aspects of the project remain the same.		

Radial, Inc.	Jefferson	Service & Technology
The company name changed from eBay, Inc. to Radial, Inc. The project was approved with an affiliate, GSI Commercial Solutions, Inc., and the company requested the affiliate be removed from the project. 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. Hayden moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed, unanimous.

Kentucky Reinvestment Act (KRA) Project (Preliminary)

Chairman Hale called on staff to present a KRA preliminary project to the Authority.

Pilkington North America, Inc.
Woodford County

Alec Germond
Debbie Phillips

Mr. Germond stated Pilkington North America, Inc., a wholly-owned subsidiary of NSG Group, manufactures glass for the automotive, architectural and solar markets. The company states its existing facility is in good and stable condition, but is in need of new technology to meet current and future customer demands.

The company indicates the glass and PVB forming equipment currently used to manufacture windshields at the Versailles facility dates back to 1987. This facility is in need of new equipment to support the formed glass pieces as well as the PVB inner-layer used to assemble windshields with "Head's Up Display" (HUD) technology. The current technology

employed has been proven to be insufficient in meeting the specifications required to satisfy the HUD program.

Without the incentives, the company stated future program awards, including next-generation replacement programs currently served by the Versailles facility, will either be assigned to its plant in Canada or lost. Without this investment, the Versailles facility may be impacted over the next five years with a loss of business and ultimately a reduction in capacity and workforce.

Ms. Phillips stated the project investment is \$7,500,000 of which \$3,750,000 qualifies as KRA eligible costs. The job retention requirement over the term of the agreement is 95% 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. Kelly 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 13 Kentucky small businesses from 10 counties with qualifying tax credits of \$136,900. The 13 businesses created 40 jobs and invested \$267,506 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
Blackwood Stables, LLC	Woodford	20	3	\$ 14.78	\$ 20,000	\$ 10,500
Boxcar Strategies, LLC	Jefferson	8	1	\$ 18.88	\$ 7,385	\$ 3,500
Catherine J. Parke	Scott	11	1	\$ 12.00	\$ 7,750	\$ 3,500
EDJ, Inc.	Boone	1	2	\$ 17.25	\$ 13,300	\$ 7,000
First Line Fire Extinguisher Co.	McCracken	4	4	\$ 21.99	\$ 37,178	\$ 14,000
Information Consultants, Inc.	Jefferson	4	3	\$ 24.03	\$ 54,800	\$ 10,500
Mt. Sterling Pediatrics, P.S.C.	Montgomery	10	6	\$ 24.89	\$ 22,324	\$ 21,000
Ohio County Collision Repair, LLC	Ohio	2	2	\$ 18.50	\$ 9,496	\$ 7,000
State Electric Company, Inc.	Christian	17	1	\$ 39.54	\$ 13,000	\$ 3,500
The Apiary, LLC	Fayette	2	3	\$ 14.14	\$ 32,300	\$ 10,500
United Installs LLC	Kenton	5	2	\$ 20.77	\$ 7,500	\$ 7,000
VIA Internet Studio, Inc.	Jefferson	11	6	\$ 26.27	\$ 17,978	\$ 17,900
Winner Furnishings Group, L.L.C.	Jefferson	21	6	\$ 18.38	\$ 24,495	\$ 21,000

Staff recommended approval of the tax credits.

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

Kentucky Angel Investment Act Program Projects

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

Mr. Back stated there are 80 Kentucky Angel Investment Act Program projects representing 28 Kentucky businesses and 68 individuals for a total projected investment of \$6,952,284 with

eligible tax credits of \$2,825,913. The investor will have 60 calendar days in which to make the planned investment and 20 calendar days from the investment date in which to submit proof of the investment before receiving the tax credit.

Mr. Back requested the following proposed Kentucky Angel Investment tax credits be presented as one motion:

Qualified Small Business Qualified Investor(s)	County	Projected Investment	Tax Credit
<u>451 Tech L.L.C.</u>			
Iaquinto, Barbara A.	Fayette	\$100,000	\$ 40,000
<u>Advanced Energy Materials, LLC</u>			
Abbu, Ramanadham	Jefferson	\$ 50,000	\$ 20,000
Chadalawada, Satyanarayana	Jefferson	\$ 25,000	\$ 10,000
Devineni, Srinivasa Babu	Jefferson	\$ 25,000	\$ 10,000
Ghanta, Praveen	Jefferson	\$ 50,000	\$ 20,000
Kolli, Rajendra P.	Jefferson	\$ 50,000	\$ 20,000
Pagano, Dominick Anthony	Jefferson	\$500,000	\$200,000
Vempati, Malati	Jefferson	\$ 25,000	\$ 10,000
<u>All Around Care LLC</u>			
Jones, Steven Edward	Jefferson	\$ 25,000	\$ 10,000
Mullins, Gregory C.	Jefferson	\$ 25,000	\$ 10,000
Rice, Jardane M.	Jefferson	\$ 25,000	\$ 10,000
Schiavone, Todd Anthony	Jefferson	\$ 25,000	\$ 10,000
Skaggs, Jr., Dale B.	Jefferson	\$ 25,000	\$ 10,000
Stigler, Charles M.	Jefferson	\$ 25,000	\$ 10,000
<u>CompleteSet, Inc.</u>			
Brand, George E.	Kenton	\$ 75,000	\$ 30,000
Klunk, Joseph A.	Kenton	\$ 50,000	\$ 20,000
Murdock, Shawn L.	Kenton	\$ 20,000	\$ 8,000
<u>Double Double D, LLC</u>			
Suriano, Douglas Anthony	Boone	\$ 250,000	\$100,000
<u>Edumedics LLC</u>			
Chadha, Vikrampal	Jefferson	\$ 20,000	\$ 8,000
Danehy, Jack C.	Jefferson	\$ 50,000	\$ 20,000
Heil, Carol L.	Jefferson	\$ 30,000	\$ 12,000
Le, Tao T.	Jefferson	\$100,000	\$ 40,000
Nguyen, Yung T.	Jefferson	\$100,000	\$ 40,000
Skaggs, Jr., Dale B	Jefferson	\$ 50,000	\$ 20,000
Stigler, Charles M.	Jefferson	\$ 50,000	\$ 20,000
Taylor, James Todd	Jefferson	\$300,000	\$120,000
<u>First Care Holding, LLC</u>			
King, Darren G.	Laurel	\$ 50,000	\$ 25,000
<u>Frogdice, Inc.</u>			
Glasscock, Charles Edward	Fayette	\$ 25,000	\$ 10,000
Klunk, Joseph A.	Fayette	\$ 50,000	\$ 20,000
Strench, William G.	Fayette	\$ 10,000	\$ 4,000

<u>Healthcare Asset Network, Inc.</u>			
Danehy, Jack C.	Oldham	\$100,000	\$ 40,000
Lapinski, Sterling A.	Oldham	\$ 17,143	\$ 6,857
Lunsford, William Bruce	Oldham	\$150,000	\$ 60,000
Skaggs, Jr., Dale B.	Oldham	\$ 50,000	\$ 20,000
Stigler, Charles M.	Oldham	\$ 50,000	\$ 20,000
Trumbull, Richard Scott	Oldham	\$137,141	\$ 54,856
<u>Hera Testing Laboratories, Inc.</u>			
Chengelis, Christopher Peter	Fayette	\$ 25,000	\$ 10,000
Hall, John R.	Fayette	\$100,000	\$ 40,000
Luftman, Brian A.	Fayette	\$ 20,000	\$ 8,000
Young, Christopher H.	Fayette	\$100,000	\$ 40,000
<u>Hippo Manager Software, Inc.</u>			
Hoseus, Michael S.	Fayette	\$ 25,000	\$ 10,000
Luftman, Brian A.	Fayette	\$ 10,000	\$ 4,000
Smith, Stewart A.	Fayette	\$ 10,000	\$ 4,000
<u>Liberate Medical (DE), Inc.</u>			
Diaz, Paul J.	Oldham	\$100,000	\$ 40,000
Hoseus, Michael S.	Oldham	\$ 25,000	\$ 10,000
<u>Lucina Health, Inc.</u>			
Fischer, Gregory E.	Jefferson	\$100,000	\$ 40,000
<u>MER Ventures LLC</u>			
Young, Anthony John	Jefferson	\$200,000	\$ 80,000
<u>Moonshine, Beer & BBQ Co.</u>			
Fehrenbacher, Dennis G.	Lyon	\$400,000	\$200,000
<u>Neuronetrix Solutions, LLC</u>			
Brown, III, Robinson	Jefferson	\$100,000	\$ 40,000
Hill, Charles A.	Jefferson	\$150,000	\$ 60,000
Ramsey, Neil P.	Jefferson	\$300,000	\$120,000
Richardson, David Tuell	Jefferson	\$100,000	\$ 40,000
Stengel, Bradford P.	Jefferson	\$150,000	\$ 60,000
<u>NX Development Corp.</u>			
Beanblossom, Brent Christian	Fayette	\$150,000	\$ 60,000
Sussman, Daniel Leonard	Fayette	\$ 25,000	\$ 10,000
<u>Patriot Brands LLC</u>			
Beneke, Michael J.	Jefferson	\$300,000	\$120,000
Blandford, George E.	Jefferson	\$250,000	\$100,000
Gordinier, Henry	Jefferson	\$150,000	\$ 60,000
Hart, Mark C.	Jefferson	\$100,000	\$ 40,000
Winbigler, David Brian	Jefferson	\$ 25,000	\$ 10,000
<u>PowerTech Water, LLC</u>			
Goodnight, David L.	Fayette	\$ 15,000	\$ 6,000
Young, Christopher H.	Fayette	\$ 50,000	\$ 20,000
<u>Rabbit Hole Spirits, LLC</u>			
Chandler, Jr., William F.	Jefferson	\$ 50,000	\$ 20,000
Jones, Thomas Allen	Jefferson	\$100,000	\$ 40,000
<u>Smart Farm Systems, Inc.</u>			
Bork, Daniel P.	Jessamine	\$ 25,000	\$ 10,000

Space Tango, Inc.

Clements, Pat J.	Fayette	\$ 20,000	\$ 8,000
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Sunstrand, LLC

Gleis, Gregory E.	Jefferson	\$ 53,000	\$ 21,200
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Switcher Inc

Holland, John G.	Jefferson	\$ 10,000	\$ 4,000
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Willmoth, John H.	Jefferson	\$ 40,000	\$ 16,000
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Transposagen Biopharmaceuticals, Inc.

Bejma, Jeffrey Paul	Fayette	\$100,000	\$ 40,000
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Samarasinghe, Dinuka	Fayette	\$100,000	\$ 40,000
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Samarasinghe, Melanie	Fayette	\$100,000	\$ 40,000
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Samarasinghe, Rushan Ayendra	Fayette	\$125,000	\$ 50,000
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Young, Christopher H.	Fayette	\$150,000	\$ 60,000
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Urban Shipper Technology Inc.

Heitker, Thomas Leo	Kenton	\$ 20,000	\$ 8,000
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Vita-Stat LLC

Danehy, Jack C.	Jefferson	\$300,000	\$120,000
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Vivorte (DE), Inc.

Murdock, Shawn L.	Jefferson	\$ 20,000	\$ 8,000
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Roth, John B.	Jefferson	\$ 25,000	\$ 10,000
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Stuedle, Joseph A.	Jefferson	\$ 10,000	\$ 4,000
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Stuedle, Margaret Kristin	Jefferson	\$ 15,000	\$ 6,000
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Staff recommended approval of the proposed tax credits.

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

Kentucky Small Business Credit Initiative (KSBCI)

Kentucky Collateral Support Program

Chairman Hale called on Mr. Goodin to present the KSBCI collateral support request to the Authority.

Gravely Brewing, LLC

Jefferson County

Mr. Goodin stated Republic Bank and Trust Company requested collateral assistance for up to \$360,000. The loan funds will be used to purchase real estate, make renovations, purchase equipment and provide working capital to a new brewery, Gravely Brewing, LLC. The brewery will be located at the Old Phoenix Hill Brewery site in Louisville. The total bank loan is \$1,800,000. Gravely Brewing will provide \$487,313 in equity with an outside investor contributing \$1,000,000 to startup costs.

Staff recommended approval of the bank request for up to \$360,000 in support from the KSBCI Kentucky Collateral Support Program.

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

Mr. Vogt left the room.

Other Business

Quarterly Kentucky Small Business Credit Initiative (KSBCI) Report

Chairman Hale called on Mr. Goodin to review the Quarterly KSBCI Report for the period ending December 31, 2016.

After review, the Authority accepted the report as presented.

Resolution of Recognition

Chairman Hale read and presented a Resolution of Recognition to Don Goodin who will retire from the Cabinet on January 31, 2017, after 21 years of service to the Cabinet and the Commonwealth.

Mr. Hayden moved to adopt the resolution, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

State Small Business Credit Initiative (SSBCI)

Authorized Signatories

Resolution No. 2016-SSBCI-01A

On March 31, 2016, KEDFA adopted Resolution No. 2016-SSBCI-01 (the "Original Resolution") authorizing Katie Smith, Tim Back and Don Goodin as authorized signatories for disbursement of SSBCI funds consistent with the SSBCI program guidelines and resolutions. The Cabinet recommends updating the authorized signatories by removing Don Goodin and adding Kylee Palmer.

Mr. Hayden moved to adopt the resolution, as presented; Mr. Kelly 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 January KEDFA board meeting; Mr. Kelly seconded the motion. Motion passed; unanimous.

The meeting adjourned at 11:15 a.m.

PRESIDING OFFICER:



Jean Hale, Chairman