

# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## BOARD MEETING December 12, 2019

### MINUTES

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#### **Call to Order**

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EST on December 12, 2019, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

#### **Notification of Press**

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

#### **Roll Call**

**Members Present:** Jean R. Hale, J. Don Goodin, Secretary Holly M. Johnson, Chad Miller, Mike Cowles and Naashom Marx

**Staff Present:** Bobby Aldridge, Tim Back, David Brock, Beka Burton, Sarah Butler, Brittany Cox, Stephanie Cullen, Martin David-Jacobs, Michelle Elder, Annie Franklin, David Hamilton, Krista Harrod, Jim Kirk, Zach Lawrence, Andy Luttner, Brandon Mattingly, Kate McCane, Jason Neal, Kylee Palmer, Corky Peek, Erran Persley, Debbie Phillips, Dawn Powers, Jason Rainey, Katie Smith and Teresa Spreitzer

**Others Present:** Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Alex Stafferini, Stoll Keenon Ogden; Dr. Kent Murphy, Axon Connected LLC; Jeff McKenzie, Bingham Greenebaum Doll LLC; Meredith Rozanski, Bowling Green Area Chamber of Commerce; Ben Smock, Canopy Certified Inc.; Tom Myhal, Centrality; Mayor Greg Meyers and Steve Lehman, City of Highland Heights; Mayor Alan Keck and John Adams, City of Somerset; Gina Greathouse, Ryan Kaffenberger and Cheryl Klever, Commerce Lexington, Inc.; Casey Bolton, Commonwealth Economics; Adam Branscomb and Niel Van Uum, Fairmont Properties; Billy Aldridge, Finance and Administration Cabinet, Office of Financial Management; Heather Pierce and Bruce Wilcox, Greater Paducah Economic Development; James Thornberry, Heritage Millwords, LLC; Jim Parsons, KMK Law; Alex Mercer, Louisville Forward; Sierra Enlow, McGuire Sponsel; Adam Caswell, Northern Kentucky University; Cody Gibson and Chris Girdler, Somerset-Pulaski Economic Development Authority; and Matt Tompkins, The Schroering Company

#### **Approval of Minutes**

Chairman Hale entertained a motion to approve the minutes from the October 31, 2019 regular KEDFA board meeting.

Chad Miller moved to approve the minutes, as presented; Mike Cowles seconded the motion. Motion passed; unanimous.

#### **Approved/Undisbursed Report**

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

## **Financial Statements and Monitoring Reports**

Chairman Hale called on Krista Harrod to review the financial statements and monitoring reports. After review, the Authority accepted the statements and reports as presented.

## **Tax Increment Financing (TIF) Project (Final)**

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

### **Administration Department of the City of Highland Heights, Kentucky Northern Kentucky University Campus Gateway Campbell County**

**Kylee Palmer**

Ms. Palmer stated Northern Kentucky University Campus Gateway is a Mixed-Use Redevelopment in Blighted Urban Areas TIF project. The development is expected to include connectivity, office space, green space/sustainability, parking, retail, hotel and conference space. The construction is estimated to take place over the next two 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.

The applicant, Administration Department of the City of Highland Heights, Kentucky, requested approval of the Northern Kentucky University Campus Gateway Mixed-Use Redevelopment in Blighted Urban Areas TIF project. The total estimated cost of the project is \$112.6 million, excluding financing of which approximately \$23.1 million is estimated for public infrastructure. The applicant is eligible to recover a negotiated tax incentive amount up to \$14,216,000 for public infrastructure through a 40% recovery on withholding, sales and real estate 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.

The total cumulative investment of \$112,672,500, excluding financing costs, must be achieved to be eligible for the maximum total incentive of \$14,216,000. The actual project completion percentage of the investment will be applied annually to the total incentive approved of \$14,216,000 to determine the maximum total incentive available/earned for the project during the term of the agreement.

Staff recommended final approval of the negotiated tax incentive amount of up to \$14,216,000.

Ms. Palmer introduced Mayor Greg Meyers, Steve Lehman, Adam Caswell, Adam Branscomb, Neil Van Uum, Jim Parsons and Casey Bolton and invited them to address the board regarding the project.

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

## **High-Tech Investment Pool Projects**

Chairman Hale called on staff to present a High-Tech Investment Pool project to the Authority.

**Canopy Certified Inc.  
Jefferson County**

**David Brock  
Kylee Palmer**

David Brock stated Canopy Certified Inc. is a start-up nonprofit 501 (c)(3) organization that supports socially responsible businesses in Kentucky by growing their impact through certification, advocacy, and education. Their goal is to create the nation's strongest network of socially conscious and impact driven businesses that work to make lives better throughout Kentucky.

Ms. Palmer stated Canopy Certified Inc. requested \$100,000 from the High-Tech Pool. The financing for this project will be performance-based. At a minimum, a dollar-for-dollar match will be required. KEDFA Funds shall be no more than 50% of the total project. The company must create and maintain 8 full-time Kentucky resident jobs paying an average hourly wage of at least \$24.00 per hour, excluding benefits. Failure to meet the job and wage requirement will result in a penalty based on a formula outlined in the agreement. In addition, the company shall produce at least 25 newly certified companies each year. Failure to meet this requirement will result in an annual reduction of the disbursement by \$1,000 for each company not certified. Funds will be disbursed on a reimbursement basis after compliance is met, the investment begins and matching funds are documented. All funds must be requested with supporting documentation no later than February 29, 2024. The company will report on the use of funds every year with a final report at the end of the project term. The grant term will cover four (4) years with a maximum disbursement for each year of \$25,000.

The Executive Director, Office of Entrepreneurship recommended funding the High-Tech Pool request in the amount of \$100,000.

After discussion, Naashom Marx moved to table the project until the January KEDFA board meeting pending a letter from Mike Kalinyak outlining the reasoning for considering eligibility of this request. Mr. Goodin seconded the motion. Motion passed; unanimous.

**Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)**

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

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

<b>Company</b>	<b>County</b>	<b>Extension</b>
<b>Cabot Corporation</b>	Nelson	6 Month
<b>Heaven Hill Distilleries Inc.</b>	Jefferson	6 Month
<b>Outdoor Venture Corporation</b>	McCreary	6 Month
<b>Accumetric, LLC</b>	Hardin	12 Month
<b>Amazon.com Services, Inc.</b>	Boone	12 Month
<b>DAE-IL USA</b>	Calloway	12 Month
<b>East Kentucky Network, LLC</b>	Floyd	12 Month
<b>Kentucky Owl, LLC</b>	Nelson	12 Month
<b>Performance Feeds</b>	Warren	12 Month

Staff recommended approval of the KEIA extension requests.

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

## **KEIA Projects**

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

### **Bespoke Ventures and Investments, LLC Grant County**

**Zach Lawrence  
Debbie Phillips**

Zach Lawrence stated Camp Bespoke is a modern and boutique campground nestled in the heart of Horse Country. Bespoke Venture & Investments LLC proposes to create a differentiated camping experience with unique lodging and accommodations.

Debbie Phillips stated the project investment is \$2,076,700 of which \$925,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$45,000 for construction materials and building fixtures.

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

### **Kimberly-Clark Corporation Daviness County**

**Corky Peek  
Michelle Elder**

Corky Peek stated Kimberly-Clark Corporation produces personal care products, mostly paper-based consumer items. The company's brand name products include Kleenex, Kotex, Cottonelle, Scott, Andrex, Wypall, KimWipes and Huggies. Kimberly-Clark is considering the construction and installation of an on-site high-efficiency power and steam production facility.

Michelle Elder stated the project investment is \$19,000,000 of which \$4,000,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$200,000 for construction materials and building fixtures.

Mr. Miller moved to approve the staff recommendation, as presented; Secretary Holly M. Johnson seconded the motion. Motion passed; unanimous.

### **Bardstown Barrel Company, LLC Nelson County**

**Jim Kirk  
Kate McCane**

Jim Kirk stated Bardstown Barrel Company, LLC is considering a new location to build industrial warehouses for storing distilled spirits to service the storage needs of various distilled spirits producers.

Mr. Kirk introduced Jeff McKenzie and invited him to address the board regarding the project.

Kate McCane stated the project investment is \$23,750,000 of which \$12,375,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$125,000 for construction materials and building fixtures.

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

## **KBI (Preliminary) and KEIA Projects**

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

**Bardstown Bottling Company, LLC  
Nelson County**

**Jim Kirk  
Kate McCane**

Mr. Kirk stated Bardstown Bottling Company, LLC, a new full-scale industrial distilled spirits bottling facility, is considering establishing a bottling facility and related operations to service the needs of various distilled spirits producers.

Mr. Kirk invited Mr. McKenzie to address the board regarding the project.

Ms. McCane stated the project investment is \$19,875,000 of which \$11,925,000 qualifies as KBI eligible costs and \$9,875,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 25 with an average hourly wage of \$36.00 including benefits. The state wage assessment participation is 1.50% and the City of Bardstown will participate at 0.50%. 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 \$430,000 and the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

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

**ISCO Industries, Inc.  
Jefferson County**

**Jim Kirk  
Kate McCane**

Mr. Kirk stated ISCO Industries, Inc. is a global piping solutions provider with more than 30 facilities across the United States and Canada. The company is considering an expansion due to space constraints as well as adding new equipment.

Ms. McCane stated the project investment is \$3,365,410 of which \$1,800,000 qualifies as KBI eligible costs and \$1,125,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 12 with an average hourly wage of \$23.00 including benefits. The state wage assessment participation is 3.00% and Louisville/Jefferson County Metro Government will participate at 1.00%. 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 Jefferson County. Only investment costs incurred at 10711 Freeport Court, 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 \$120,000 and the KEIA approved recovery amount of \$40,000 for construction materials and building fixtures.

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

**American Freedom Distillery, LLC  
Pulaski County**

**Zach Lawrence  
Kate McCane**

Mr. Lawrence stated American Freedom Distillery opened for business with its Horse Soldier Bourbon in 2017. The company has experienced rapid expansion into 12 states and online

distribution. The company is seeking to build a distillation facility and rickhouse in order to meet demand.

Mr. Lawrence introduced Mayor Alan Keck, John Adams, Chris Girdler and Cody Gibson and invited them to address the board regarding the project.

Ms. McCane stated the project investment is \$25,500,000, all of which qualifies as KBI eligible costs and \$15,000,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 58 with an average hourly wage of \$26.50 including benefits. The state wage assessment participation is 5.00%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$870,000 and the KEIA approved recovery amount of \$130,000 for construction materials and building fixtures.

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

**Fresh Bourbon Inc. dba Edwards Spirit Company  
Fayette County**

**Andy Luttner  
Kate McCane**

Andy Luttner stated Fresh Bourbon Inc. dba Edwards Spirit Company set out in 2017 to establish a premier bourbon brand owned by African Americans. The company is considering constructing a 64,000 square foot building to operate as its headquarters and support the production and tours of its Spirit brands.

Katie Smith introduced Gina Greathouse and invited her to address the board regarding the project.

Ms. McCane stated the project investment is \$5,400,000 of which \$5,150,000 qualifies as KBI eligible costs and \$3,200,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 15 with an average hourly wage of \$18.00 including benefits. The state wage assessment participation is 3.00% and Lexington-Fayette Urban County Government will participate at 1.00%. 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 and the KEIA approved recovery amount of \$125,000 for construction materials and building fixtures.

After discussion, Ms. Marx moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

**LeanCor, LLC  
Boone County**

**Brittany Cox  
Debbie Phillips**

Brittany Cox stated LeanCor, LLC is a third party logistics and supply chain company providing in-bound and/or out-bound parts and product logistics and distribution. The project would include a relocation from its existing location to meet customer demands.

Ms. Phillips stated the project investment is \$4,400,000 of which \$2,965,000 qualifies as KBI eligible costs and \$750,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 53 with an average hourly wage of \$40.00 including benefits. The state wage assessment participation is 3.00% and the City of Florence will participate at

0.7857% with Boone County participating at 0.2143%. 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 \$755,000 and the KEIA approved recovery amount of \$45,000 for construction materials and building fixtures.

After discussion, Mr. Goodin 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.

#### **SolarEdge Technologies Inc. Fayette County**

**Brittany Cox  
Debbie Phillips**

Ms. Cox stated SolarEdge Technologies Inc. is a global leader in smart energy technology and provides intelligent inverter solutions that changed the way power is harvested and managed in photovoltaic (PV) systems. The project would include a call center operation in Lexington.

Ms. Cox introduced Ms. Greathouse, Cheryl Klever and Ryan Kaffenberger and invited them to address the board regarding the project.

Ms. Phillips stated the project investment is \$4,900,000 of which \$3,150,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 230 with an average hourly wage of \$20.00 including benefits. The state wage assessment participation is 1.50% and Lexington-Fayette Urban County Government will participate at 0.50%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,100,000.

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

#### **WABCO USA LLC Boone County**

**Brittany Cox  
Debbie Phillips**

Ms. Cox stated WABCO USA LLC is a subsidiary of WABCO North America which has various business units serving commercial vehicle manufacturers, fleet operators, and the Aftermarket. The company is considering expanding OEM business in an existing operation in the United States.

Ms. Phillips stated the project investment is \$3,068,167 of which \$1,100,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 123 with an average hourly wage of \$39.00 including benefits. The state wage assessment participation is 1.50% and Boone County Fiscal Court will participate at 0.40%. 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 \$1,100,000.

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

**Android Industries – Bowling Green, L.L.C.  
Warren County**

**Andy Luttner  
Debbie Phillips**

Mr. Luttner stated Android Industries - Bowling Green, L.L.C. is a leader in complex assembly, tooling and equipment solutions. The project will include an expansion of its current facility in Bowling Green.

Ms. Phillips stated the project investment is \$1,400,000 of which \$1,000,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of \$27.06 including benefits. The state wage assessment participation is 3.00% and the City of Bowling Green will participate at 1.00%. 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 \$450,000.

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

**Packaging Technology Group, Inc.  
Jefferson County**

**Annie Franklin  
Michelle Elder**

Annie Franklin stated Packaging Technology Group, Inc. (PTG) designs, engineers and manufactures thermal shipping and packaging solutions for clients in the biopharmaceutical and life sciences sector. PTG is considering a new location in Kentucky that will allow expansion of its capacity and product portfolio.

Ms. Franklin introduced Sierra Enlow and Matt Tompkins and invited them to address the board regarding the project.

Ms. Elder stated the project investment is \$1,885,000 of which \$835,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 40 with an average hourly wage of \$21.00 including benefits. The state wage assessment participation is 3.00% and Louisville-Jefferson County Metro Government will participate at 1.00%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$800,000.

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

**Heritage Millworks, LLC dba Powell Valley Millwork  
Montgomery County**

**Jason Neal  
Michelle Elder**

Jason Neal stated Heritage Millworks, LLC dba Powell Valley Millwork is a family-owned and operated company with experience in the secondary wood manufacturing marketplace. The company is considering expanding its manufacturing facility in Jeffersonville to support increased demand for production.

Mr. Neal introduced James Thornberry and invited him to address the board regarding the project.



Ms. Elder stated the project investment is \$4,415,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 70 with an average hourly wage of \$18.00 including benefits. The state wage assessment participation is 5.00%. 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 \$1,500,000.

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

**DDS Glass Doors, L.L.C.  
Todd County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated DDS Glass Doors, L.L.C. manufactures glass cooler and freezer doors, beer cave doors, windows and accessories for the convenience store and supermarket industry. To meet increased production demands from growth opportunities, the company is considering purchasing a building in Elkton, as well as additional equipment, workstations and conveyor lines.

Ms. Elder stated the project investment is \$1,600,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of \$23.00 including benefits. The state wage assessment participation is 3.00% and the City of Elkton will participate at 1.00%. 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.

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

**Axon Connected LLC  
Warren County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated Axon Connected LLC is currently building technology-based companies in healthcare, communications, and data. The company is expanding and evaluating its commercialization focused business entities. This project would establish a location for executive management and all operational activities including locating the affiliate product lines as well.

Mr. Peek introduced Dr. Kent Murphy and invited him to address the board regarding the project.

Ms. Elder stated the project investment is \$20,375,000 of which \$20,187,500 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 55 with an average hourly wage of \$43.00 including benefits. The state wage assessment participation is 3.00% and the City of Bowling Green will participate at 1.00%. 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 affiliates, Caza Health LLC, AxImmune Corporation and Axon DX LLC.

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

After discussion, Ms. Marx moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

**Southern Star Central Gas Pipeline, Inc.  
Daviness County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated Southern Star Central Gas Pipeline, Inc. is a leading transporter of natural gas with approximately 5,800 miles of natural gas transmission pipeline. The company is considering upgrading its headquarters location by adding office space, parking lot upgrades as well as infrastructure improvements.

Ms. Elder stated the project investment is \$3,319,759, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 13 with an average hourly wage of \$37.00 including benefits. The state wage assessment participation is 3.00% and Daviness County will participate at 0.35%. 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 Daviness County. Only investment costs incurred at 4700 Hwy 56, Owensboro 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 \$200,000.

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

**Boxvana LLC  
Martin County**

**Zach Lawrence  
Kate McCane**

Mr. Lawrence stated Boxvana LLC opened for business in 2018 as a modular home designer and manufacturer. The company is considering purchasing new equipment and leasing a facility to expand its production capacity.

Ms. McCane stated the project investment is \$2,362,500 of which \$1,666,250 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 25 with an average hourly wage of \$23.50 including benefits. The state wage assessment participation is 5.00%.

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

Mr. Goodin moved to approve the staff recommendation, as presented; Secretary Johnson 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 11 companies requested additional time to complete the projects. Ms. Elder asked that all 11 be presented as one motion.

<b>Company</b>	<b>County</b>	<b>Extension</b>
<b>Fritz Winter North America LP</b>	Simpson	3 Month
<b>Hema Biologics</b>	Jefferson	9 Month
<b>Homecare Products, Inc. dba EZ-Access</b>	Union	12 Month
<b>Kentucky Green Harvest LLC</b>	Lincoln	12 Month
<b>MobileMedTek Holding, Inc.</b>	Jefferson	12 Month
<b>Nishida Art Specialty Composite America Inc.</b>	Franklin	12 Month
<b>NX Development Corp.</b>	Fayette	12 Month
<b>Performance Feeds, LLC</b>	Warren	12 Month
<b>Precision Tooling Products, LLC</b>	Graves	12 Month
<b>Resolve Packaging, LLC</b>	Boone	12 Month
<b>Sonic Electronix, Inc.</b>	Jefferson	12 Month

Staff recommended approval of the KBI extension requests.

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

### **KBI Projects (Final)**

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

Ms. Phillips stated two companies requested KBI final approval, Ms. Phillips asked that both be presented as one motion.

### **No Modifications:**

<b>Project Name</b>	<b>County</b>	<b>Type Project</b>
<b>Mubea Tailor Rolled Blanks, LLC</b>	Boone	Manufacturing
<b>Tru-Tone Finishing Inc.</b>	Fayette	Manufacturing

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

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

### **KEDFA Loan (Modification)**

Chairman Hale called on Ms. Palmer to present the KEDFA Loan modification request to the Authority.

#### **GPEDC, Inc.**

#### **McCracken County**

Ms. Palmer stated on December 14, 1992, KEDFA closed a loan with the Greater Paducah Economic Development Council, Inc. (GPEDC), an industrial authority, to finance the purchase of 362.5 acres for an Information Age Park in Paducah. The original loan was \$3,500,000 with 2% interest paid quarterly and a maturity date of December 14, 2002.

KEDFA security is a first mortgage on the acreage and terms included principal repayment from land sales at a 77% release price. The loan has been modified and extended several times since 2002.

In December of 2013, KEDFA approved a request to extend the maturity date for five years to December 31, 2018 and to increase principal payments to \$1,500 per month. The GPEDC has made additional principal payments as land has sold.

In December of 2018, KEDFA approved a time extension for twelve months to allow GPEDC to restructure. Security for the loan continues to be a first mortgage on the remaining lots in the park and all other repayment terms from lot sales remain the same.

The GPEDC is requesting to extend the term of the loan for five years and increase the monthly principal payments to \$2,500 with interest due quarterly. The current principal balance is \$1,554,875. Approximately 185 acres (35 lots) remain in inventory with an estimated value of \$6.47 million (24% LTV).

Staff recommended approval to extend the maturity date to December 31, 2024 and increase principal payments to \$2,500 monthly.

Ms. Palmer introduced Bruce Wilcox and Heather Pierce and invited them to address the board regarding the project.

After discussion, Chairman Hale entertained a motion to modify the loan agreement to include the principal repayment from land sales at a 100% release price less closing costs, increase the monthly principal payment to \$2,500 with interest due quarterly and extend the maturity date to December 31, 2024. Mr. Goodin moved to approve the motion; Mr. Cowles seconded the motion. Motion passed, unanimous.

**Incentive for Energy Independence Act (IEIA) Project (Extension)**

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

**Delta Natural Gas Company, Inc.  
Madison County**

Ms. Palmer stated Delta Natural Gas Company, Inc. requested a 12 month extension of its project.

Staff recommended approval of the IEIA extension to December 31, 2020.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Miller 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 61 Kentucky small businesses, from 22 counties with qualifying tax credits of \$673,100. The 61 businesses created 196 jobs and invested \$1,647,290 in qualifying equipment or technology.

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

<u>Qualified Small Business</u>	<u>County</u>	<u>Beg. Emp.</u>	<u>Elig. Pos.</u>	<u>Average Hourly Wage</u>	<u>Qualifying Equipment or Technology</u>	<u>Tax Credit</u>
Amaroo Farm, LLC	Fayette	0	3	\$ 12.50	\$ 20,407	\$ 10,500
A Professional Tree Service, Inc.	Fayette	2	4	\$ 16.38	\$ 48,000	\$ 14,000

Automated Living LLC	Jefferson	1	1	\$ 15.50	\$ 11,000	\$ 3,500
Babcon Inc.	Madison	39	3	\$ 12.67	\$ 25,062	\$ 7,500
Blacksmith Iron works II LLC	Jefferson	7	3	\$ 24.96	\$ 13,429	\$ 10,500
Bluegrass Bean Counter, PLLC	Scott	1	1	\$ 18.27	\$ 5,186	\$ 3,500
BMI Pallets, LLC	Marshall	6	1	\$ 15.00	\$ 36,250	\$ 3,500
Brett Construction Co.	Fayette	40	3	\$ 32.71	\$ 41,900	\$ 10,500
Broker House Lending, LLC	Jefferson	3	2	\$ 17.96	\$ 21,467	\$ 7,000
C2 Strategic Communications LLC	Jefferson	7	3	\$ 29.37	\$ 15,611	\$ 10,500
Clarkland Farm, LLC	Fayette	2	4	\$ 13.46	\$ 41,221	\$ 14,000
Copes and Lenihan Dental Care, P.S.C.	Pendleton	1	1	\$ 32.15	\$ 5,613	\$ 3,500
D and D Electric Company	Jessamine	18	3	\$ 16.42	\$ 70,900	\$ 10,500
Diversified Metals LLC	Jefferson	0	7	\$ 29.21	\$ 39,963	\$ 24,500
Eikins Waste Services, Inc.	Greenup	18	8	\$ 17.10	\$ 28,500	\$ 25,000
Emma Justine Salon Ltd. Co.	Jefferson	0	4	\$ 17.38	\$ 14,110	\$ 14,000
Epiphany Foam Insulation, LLC	Woodford	5	3	\$ 18.82	\$ 14,500	\$ 10,500
Equine Medical Associates, P.S.C.	Fayette	18	6	\$ 25.26	\$ 36,500	\$ 21,000
Foley Machinery Movers & Riggers, LLC	Bourbon	7	1	\$ 19.00	\$ 9,500	\$ 3,500
Hensley & Throneberry, PLLC	Warren	7	2	\$ 19.51	\$ 8,406	\$ 7,000
Hinkle Environmental Services, LLC	Bourbon	22	6	\$ 23.47	\$131,777	\$ 21,000
Hinkle Holding Company, LLC	Bourbon	4	1	\$ 31.25	\$ 5,805	\$ 3,500
Innovative Access Solutions, LLC	Grayson	7	2	\$ 22.14	\$ 7,154	\$ 7,000
Integrated Engineering LLC	Fayette	22	3	\$ 59.43	\$ 30,096	\$ 10,500
IT Supply Solutions LLC	Kenton	15	1	\$ 19.00	\$ 8,997	\$ 3,500
J.C. Services, LLC	Jefferson	11	5	\$ 18.70	\$ 18,600	\$ 17,500
Janson Communications, LLC	Boyd	18	2	\$ 18.75	\$ 37,182	\$ 7,000
JRA, Inc.	Fayette	27	2	\$ 31.26	\$ 8,146	\$ 7,000
JR Buck Industries, LLC	Fayette	13	2	\$ 15.00	\$ 5,081	\$ 5,000
Kentucky Machinery Company, LLC	Madison	5	1	\$ 11.50	\$ 43,500	\$ 3,500
Kentucky Skin Cancer Center, PLLC	Warren	0	3	\$ 21.67	\$ 47,405	\$ 10,500
Kertis Creative, LLC	Jefferson	20	5	\$ 23.03	\$ 18,247	\$ 17,500
Kinemetrix Industrial Design, Inc.	Fayette	19	3	\$ 41.67	\$ 18,602	\$ 10,500
Kinkead & Stilz, PLLC	Fayette	17	2	\$ 25.50	\$ 7,754	\$ 7,000
Laswell Electric Company, Inc.	Jefferson	8	3	\$ 25.77	\$ 22,846	\$ 10,500
Lexington Behavioral Medicine, PLLC	Fayette	2	1	\$ 28.26	\$ 5,001	\$ 3,500
Liberty Ranch Rehabilitation Center, LLC	Casey	9	2	\$ 22.55	\$ 6,363	\$ 6,300
Marrillia Interests, LLC	Fayette	17	3	\$ 35.02	\$ 24,859	\$ 10,500
McAfee Mowing and Landscaping, Inc.	Boyle	3	3	\$ 14.00	\$ 17,339	\$ 10,500
McDaniel Financial Services, PLLC	Boyle	5	2	\$ 25.00	\$ 7,037	\$ 7,000
Middleground Management, LP	Fayette	0	5	\$125.70	\$ 27,248	\$ 17,500
Midsouth Rentals, LLC	Daviess	21	5	\$ 19.26	\$ 23,500	\$ 17,500
Mindsight, PLLC	Pulaski	6	3	\$ 17.17	\$ 16,907	\$ 10,500
Northern Kentucky Home Health Care, LLC	Kenton	8	6	\$ 12.94	\$ 26,250	\$ 21,000
On Time Finance, LLC	Jefferson	36	1	\$ 14.00	\$ 10,115	\$ 3,500
Orb Technologies, LLC	Fayette	0	1	\$ 23.00	\$ 5,190	\$ 3,500
OrthoSource, LLC	Fayette	0	7	\$ 46.90	\$ 25,749	\$ 24,500
Ron Dennis Lumber and Post, LLC	Woodford	0	5	\$ 19.20	\$ 27,500	\$ 17,500
Site-Safe Products, LLC	Grayson	17	4	\$ 20.00	\$ 60,647	\$ 14,000
Solid Rock Excavating, LLC	Boone	4	1	\$ 22.00	\$ 69,500	\$ 3,500
Tates Creek Dental, PSC	Fayette	8	4	\$ 23.70	\$ 38,424	\$ 14,000
Technical Horizons, PLLC	Fayette	1	5	\$ 32.14	\$ 15,904	\$ 15,900
Tellennium, Inc.	Bullitt	34	3	\$ 27.33	\$ 12,413	\$ 10,500
The Kentucky Life, Inc	Fayette	0	4	\$ 21.88	\$ 14,103	\$ 14,000
Thermal Equipment Sales, Inc.	Fayette	27	1	\$ 21.50	\$ 16,185	\$ 3,500
Traugher Mechanical Services, Inc.	Simpson	28	6	\$ 20.10	\$ 18,428	\$ 18,400
Tri Five, LLC	Fayette	11	7	\$ 13.80	\$ 32,148	\$ 24,500
Versailles Independent Pharmacy Inc	Woodford	3	1	\$ 60.72	\$ 5,276	\$ 3,500
Western Crane Service, Inc.	Warren	32	6	\$ 22.96	\$188,432	\$ 21,000
Wiley Electrical Contractor, LLC	Lincoln	1	1	\$ 24.00	\$ 6,990	\$ 3,500
Winner's Circle Painting, LLC	Jessamine	12	5	\$ 22.34	\$ 27,065	\$ 17,500

Staff recommended approval of the tax credits.

Ms. Marx moved to approve the staff recommendation, as presented; Mr. Cowles seconded the motion. Motion passed; unanimous.

### **Other Business**

Chairman Hale presented a resolution honoring Reid Glass for his service to the Cabinet for Economic Development and the Commonwealth of Kentucky.

### **Closed Session**

Pursuant to KRS Section 61.810 (1) (g), Chairman Hale entertained a motion to enter into Executive Session to discuss specific business proposals, the open discussion of which would jeopardize the site, retention, expansion or upgrade of the businesses.

Mr. Goodin moved to enter into closed session; Mr. Miller seconded the motion. Motion passed; unanimous.

The board entered into executive session at 11:25 a.m.

### **Regular Session**

Chairman Hale entertained a motion to return to regular session.

Mr. Goodin moved to return to regular session; Mr. Miller seconded the motion. Motion passed; unanimous.

The board returned to regular session 12:01 p.m.

### **Kentucky Angel Investment Act Project (Termination)**

#### **AffiniCorp, LLC**

#### **Jefferson County**

Chairman Hale entertained a motion to terminate the Qualified Small Business Agreement between KEDFA and AffiniCorp, LLC due to non-compliance.

Mike Cowles moved to approve the termination; Mr. Goodin seconded the motion. Motion passed; unanimous.

### **Announcement**

Katie Smith announced the 2020 KEDFA board meeting dates.

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

Mr. Miller moved to adjourn the December KEDFA board meeting; Mr. Cowles seconded the motion. Motion passed; unanimous.

The meeting adjourned at 12:02 p.m.

**APPROVED  
PRESIDING OFFICER:**



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Jean R. Hale, Chairman