



CABINET FOR ECONOMIC DEVELOPMENT

Matthew G. Bevin
Governor

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

Terry R. Gill, Jr.
Secretary

MEMORANDUM

TO: KEDFA Members

FROM: Katie Smith, Executive Director
Office of Financial Services

KS

DATE: February 15, 2017

SUBJECT: KEDFA Board Meeting

The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, February 23, 2017** at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. The meeting will convene at 10:00 a.m. (EST) in the Board of Directors Conference Room.

If you have any questions, please feel free to contact our office at any time.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

Old Capitol Annex
Board of Directors Conference Room
300 West Broadway
Frankfort, Kentucky

AGENDA February 23, 2017

Call to Order
Notification of Press
Roll Call

Approval of Minutes

1. Minutes from January 26, 2017 Regular Session
2. Minutes from January 31, 2017 Special Board Meeting

Reports

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- | | |
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| 3. Approved / Undisbursed Loan Report | Kylee Palmer |
| 4. Financial Statements and Monitoring Reports | Lisa Jones |

KEDFA Project (Grant)

John Bevington / Kylee Palmer

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- | | |
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| 5. Tri-County Economic Development Corporation | Kenton |
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KEDFA IRB

Debbie Phillips

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| 6. Owensboro Health, Inc. | Daviess |
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KREDA Project (Amendment)

Bobby Aldridge

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| 7. TreeHouse Private Brands, Inc. | Caldwell |
| ■ Worldwide Equipment-Heritage, Inc. | Lawrence |

KEIA Projects (Extension)

Bobby Aldridge

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- | | |
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| 8. North American Stainless | Carroll |
| The Bardstown Bourbon Company, LLC | Nelson |

KEIA Projects

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- | | | |
|------------------------------------|-----------|--------------------------------------|
| 9. Buffalo Trace Distillery, Inc. | Franklin | Anna Beth Bobbitt / Lynda Cunningham |
| 10. Heaven Hill Distilleries, Inc. | Nelson | Anna Beth Bobbitt / Lynda Cunningham |
| 11. W. W. Grainger, Inc. | Jefferson | Corky Peek / Michelle Elder |

KBI Projects (Preliminary) & KEIA Projects

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- | | | |
|---------------------------------|-----------|---------------------------------|
| 12. The Webstaurant Store, Inc. | Hopkins | Corky Peek / Michelle Elder |
| 13. The Webstaurant Store, Inc. | Hopkins | |
| 14. Alltech, Inc. | Jessamine | Alec Germond / Lynda Cunningham |
| 15. Alltech, Inc. | Jessamine | |

KBI Projects (Preliminary)

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- | | | |
|--------------------------------------|-----------|--------------------------------------|
| 16. LeanCor, LLC | Boone | Alec Germond / Lynda Cunningham |
| 17. Shoemagoo LLC | Jefferson | Anna Beth Bobbitt / Lynda Cunningham |
| 18. Appalachian Harvest Company, LLC | Pike | Kristina Slattery / Debbie Phillips |

19. WITHDRAWN		
20. Information Capture Solutions LLC	Laurel	Joan Ward / Debbie Phillips
21. WITHDRAWN		
22. Ernst & Young LLP	Jefferson	Lindsey Ransdell / Michelle Elder
23. PharmaCord LLC	Jefferson	Tess Simon / Michelle Elder
24. Traughber Mechanical Services, Inc.	Simpson	Corky Peek / Michelle Elder
25. PuraCap Laboratories LLC	Simpson	Corky Peek / Michelle Elder

KBI Projects (Extension)

Michelle Elder

26. Bendix Spicer Foundation Brake LLC	Warren
Borden Dairy Company of Kentucky, LLC	Laurel
Gazelle, Inc.	Jefferson
eTechCampus, L.L.C.	Fayette
EZ Portable Buildings, Inc.	McCracken

KBI Projects (Final)

Debbie Phillips

27. Advanced Green Components, LLC	Clark
28. Bonfiglioli USA Inc.	Boone
29. Buffalo Trace Distillery, Inc.	Franklin
30. TerrePURE Kentucky Distillers, Inc. dba O.Z. Tyler Distillery	Daviess
31. Industrial Automation of Kentucky, LLC dba Industrial Automation L.L.C.	Simpson
32. International Crankshaft Inc.	Scott
33. Splash Analytics LLC	Jefferson
34. Yokohama Industries Americas Inc.	Woodford

KRA Project (Preliminary)

35. WITHDRAWN

KSBTC

Tim Back

36. Babcon Inc.	Madison
Broker House Lending, LLC	Jefferson
Crossroads Ford Lincoln, Inc.	Franklin
Kinser & Kinser, Inc.	Oldham
Map Enterprises Inc.	Graves
Red Hog, LLC	Jefferson
RFCO, LLC	McCracken
Synergy Group LLC	Jefferson
Zhou Pain Management Center, PLLC	Jefferson

Kentucky Angel Investment Act Program

Tim Back

37. Butler, William P.	Kenton	Bexion Pharmaceuticals, Inc.
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KSBCI Project (Amendment)

Kylee Palmer

■ GBC Enterprises, LLC	Jefferson
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Closed Session

38.

Adjournment

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
Kylee Palmer**

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.

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.

Company	County	Extension
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
Daviss 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
Daviess 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.

<u>Company</u>	<u>County</u>	<u>Extension</u>
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

Healthcare Asset Network, Inc.

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

Hera Testing Laboratories, Inc.

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

Hippo Manager Software, Inc.

Hoseus, Michael S.	Fayette	\$ 25,000	\$ 10,000
Luftman, Brian A.	Fayette	\$ 10,000	\$ 4,000
Smith, Stewart A.	Fayette	\$ 10,000	\$ 4,000

Liberate Medical (DE), Inc.

Diaz, Paul J.	Oldham	\$100,000	\$ 40,000
Hoseus, Michael S.	Oldham	\$ 25,000	\$ 10,000

Lucina Health, Inc.

Fischer, Gregory E.	Jefferson	\$100,000	\$ 40,000
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MER Ventures LLC

Young, Anthony John	Jefferson	\$200,000	\$ 80,000
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Moonshine, Beer & BBQ Co.

Fehrenbacher, Dennis G.	Lyon	\$400,000	\$200,000
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Neuronetrix Solutions, LLC

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

NX Development Corp.

Beanblossom, Brent Christian	Fayette	\$150,000	\$ 60,000
Sussman, Daniel Leonard	Fayette	\$ 25,000	\$ 10,000

Patriot Brands LLC

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

PowerTech Water, LLC

Goodnight, David L.	Fayette	\$ 15,000	\$ 6,000
Young, Christopher H.	Fayette	\$ 50,000	\$ 20,000

Rabbit Hole Spirits, LLC

Chandler, Jr., William F.	Jefferson	\$ 50,000	\$ 20,000
Jones, Thomas Allen	Jefferson	\$100,000	\$ 40,000

Smart Farm Systems, Inc.

Bork, Daniel P.	Jessamine	\$ 25,000	\$ 10,000
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<u>Space Tango, Inc.</u>			
Clements, Pat J.	Fayette	\$ 20,000	\$ 8,000
<u>Sunstrand, LLC</u>			
Gleis, Gregory E.	Jefferson	\$ 53,000	\$ 21,200
<u>Switcher Inc</u>			
Holland, John G.	Jefferson	\$ 10,000	\$ 4,000
Willmoth, John H.	Jefferson	\$ 40,000	\$ 16,000
<u>Transposagen Biopharmaceuticals, Inc.</u>			
Bejma, Jeffrey Paul	Fayette	\$100,000	\$ 40,000
Samarasinghe, Dinuka	Fayette	\$100,000	\$ 40,000
Samarasinghe, Melanie	Fayette	\$100,000	\$ 40,000
Samarasinghe, Rushan Ayendra	Fayette	\$125,000	\$ 50,000
Young, Christopher H.	Fayette	\$150,000	\$ 60,000
<u>Urban Shipper Technology Inc.</u>			
Heitker, Thomas Leo	Kenton	\$ 20,000	\$ 8,000
<u>Vita-Stat LLC</u>			
Danehy, Jack C.	Jefferson	\$300,000	\$120,000
<u>Vivorte (DE), Inc.</u>			
Murdock, Shawn L.	Jefferson	\$ 20,000	\$ 8,000
Roth, John B.	Jefferson	\$ 25,000	\$ 10,000
Stuedle, Joseph A.	Jefferson	\$ 10,000	\$ 4,000
Stuedle, Margaret Kristin	Jefferson	\$ 15,000	\$ 6,000

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 brewer, 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)

Authorizes

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

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

SPECIAL MEETING

January 31, 2017

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority convened at 2:00 p.m. EST, January 31, 2017, at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway, Board of Directors Conference Room, 1st Floor, in Frankfort, Kentucky, for a special meeting to consider a Kentucky Business Incentive (KBI) project in Boone County. Other sites, via video conference, were Mazak Corporation, 6850 Industrial Road, Conference Room B, Florence, Kentucky; and Community Trust Bank, Inc., 346 North Mayo Trail, 5th Floor Conference Room, Pikeville, Kentucky.

Notification of Press

Jean Hale, Chairman, received verification that the media had been notified of the KEDFA Special Board Meeting.

Roll Call

Members Present: Jean Hale, Edwin King, Proxy for Secretary William M. Landrum, Tucker Ballinger, Dorsey Hall, Joe Kelly and Mike Vogt

Staff Present: Caroline Baesler, John Bevington, Anna Beth Bobbitt, Lynda Cunningham, Don Goodin, Brandon Mattingly, Katie Smith and Teresa Spreitzer

Others Present: Marie Hansel, Northern Kentucky Tribune; Scott Hartmann, The Cincinnati Enquirer; Dan Tobertge, Tri-County Economic Development; Thomas McCoy and Curtis Sizemore, Community Trust Bank

Kentucky Business Investment (KBI) Project

Chairman Hale called on staff to present the proposed KBI Preliminary project to the Authority.

Amazon Fulfillment Services, Inc. Boone County

**Anna Beth Bobbitt
Lynda Cunningham**

Anna Beth Bobbitt stated Amazon has a long, rich history in Kentucky and employs over 10,000 full-time associates in eleven fulfillment centers. As the company's capacity demand continues to grow, the need to invest in infrastructure is necessary in order to meet and exceed the needs of its customers. The company is considering developing a centralized air hub at the CVG Airport to serve the growing fleet of Prime Air cargo planes. The project has the potential to create over 2,700 new jobs and a significant capital investment over several years.

Lynda Cunningham stated the project investment is \$1,494,000,000 of which \$463,600,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 600 with average hourly wages of \$26.00 including benefits. The state wage assessment participation is 2.25% and Unincorporated Boone County will participate at 0.6%. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company and affiliate 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 \$40,000,000.

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

Adjournment

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

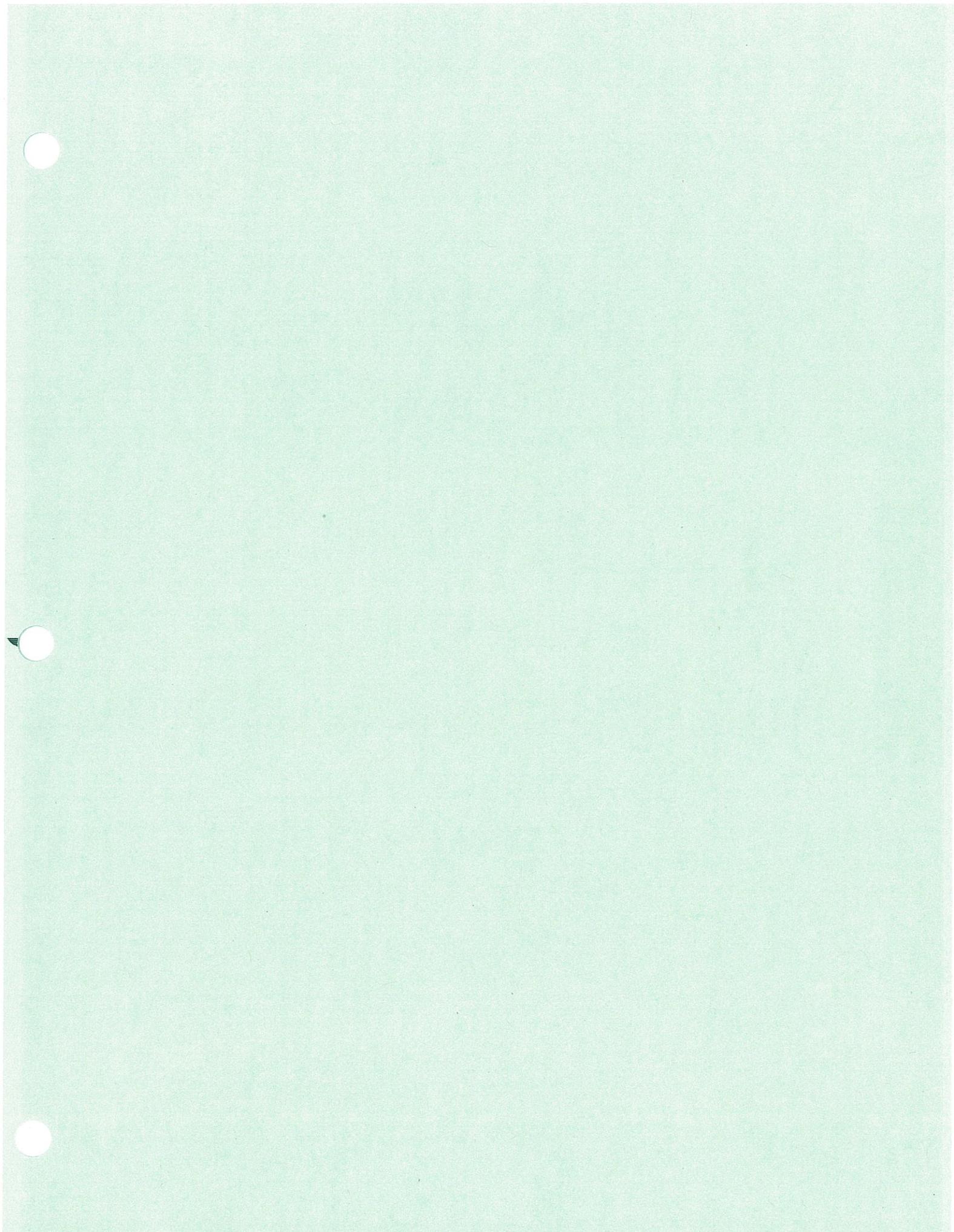
Dorsey Hall moved to adjourn the KEDFA Special Board Meeting; Tucker Ballinger seconded the motion. Motion passed; unanimous.

The meeting adjourned at 2:04 p.m.

PRESIDING OFFICER:



Jean Hale, Chairman



Approved Undisbursed List
Jan-17

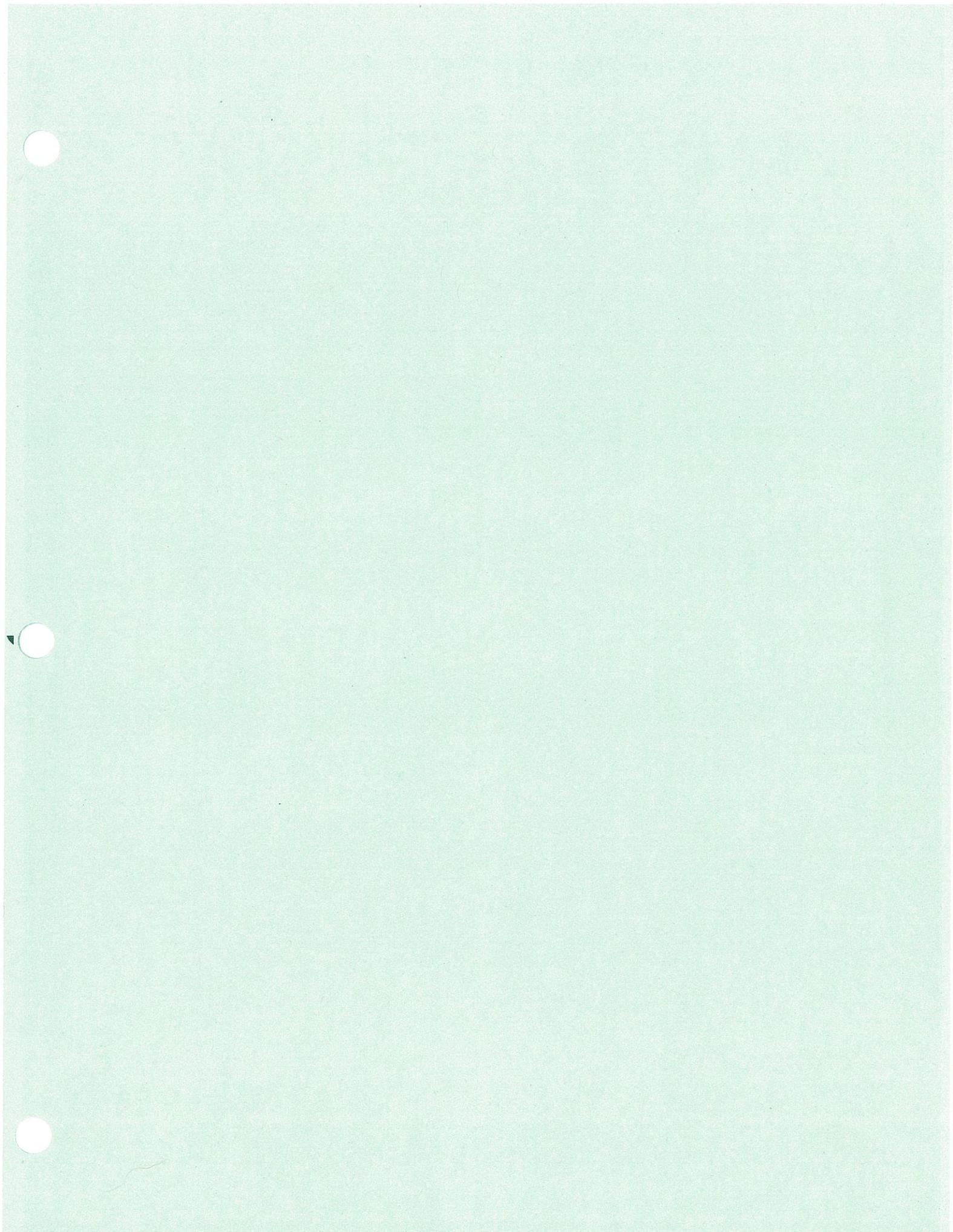
KEDFA LOANS

	Applicant	Form #	County	Date Approved	Commitment Expires	Amount	Jobs
1	City of Shepherdsville	21008	Bullitt	Apr-16	Apr-17	3,500,000	
2	Franklin Simpson Industrial Authority	21396	Simpson	Dec-16	Dec-17	5,500,000	

SMALL BUSINESS LOANS

	Applicant	Form #	County	Date Approved	Commitment Expires	Amount	Jobs
	None						

TOTAL COMMITMENTS 2 9,000,000



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF NET POSITION
1/31/2017

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 1/31/17	OOE 1/31/17	COMBINED 1/31/17
<u>ASSETS</u>						
Cash & Accounts Receivable						
Operating Account	26,737.56	0.00	0.00	26,737.56	0.00	26,737.56
Cash	3,275,539.58	13,596,287.21	396,653.93	17,268,480.72	0.00	17,268,480.72
High Tech Construction Pool	0.00	0.00	0.00	0.00	137,500.00	137,500.00
High Tech Investment Pool	0.00	0.00	0.00	0.00	2,902,819.42	2,902,819.42
High Tech LGEDF Pool	0.00	0.00	0.00	0.00	4,043.88	4,043.88
Investment Account	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Intergovernment Receivable	11,000,000.00	0.00	0.00	11,000,000.00	1,730,370.00	12,730,370.00
Total Cash & Accounts Receivable	14,302,277.14	13,596,287.21	396,653.93	28,295,218.28	4,774,733.30	33,069,951.58
Accrued Interest Receivable						
Loans	17,143.42	7,736.27	0.00	24,879.69	(738.60)	24,141.09
Investments	475.30	1,981.00	57.81	2,514.11	0.00	2,514.11
Total Accrued Interest Receivable	17,618.72	9,717.27	57.81	27,393.80	(738.60)	26,655.20
Notes Receivable						
Loans Receivable	18,831,073.84	2,296,949.89	0.00	21,128,023.73	40,634.00	21,168,657.73
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,179,163.61)	0.00	(1,179,163.61)
Total Notes Receivable	18,831,073.84	2,296,949.89	0.00	19,948,860.12	40,634.00	19,989,494.12
TOTAL ASSETS	33,150,969.70	15,902,954.37	396,711.74	48,271,472.20	4,814,628.70	53,086,100.90
DEFERRED OUTFLOWS OF RESOURCES				443,000.00	0.00	443,000.00
<u>LIABILITIES</u>						
Accrued Salaries & Compensated Absences				355,518.86	0.00	355,518.86
Accounts Payable					0.00	0.00
Intergovernment Payable				0.00	1,500.00	1,500.00
Grants Payable				0.00	0.00	0.00
Pension Liability				7,492,000.00	0.00	7,492,000.00
TOTAL LIABILITIES				7,847,518.86	1,500.00	7,849,018.86
DEFERRED INFLOWS OF RESOURCES				0.00	0.00	0.00
<u>NET POSITION</u>						
Beginning Balance				34,062,296.85	4,395,900.70	38,458,197.55
Current Year Undivided Profits				6,804,656.49	417,228.00	7,221,884.49
TOTAL NET POSITION				40,866,953.34	4,813,128.70	45,680,082.04

NOTE 1 The Small Business Loan Pool is presented separately only for internal tracking purposes.

NOTE 2 The Office of Entrepreneurship (OOE) operating transactions are no longer under the direction of KEDFA and are not reflected above.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH ENDING AND FISCAL YTD January 31, 2017

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2016-2017 YEAR TO DATE	FY 2015-2016 YEAR TO DATE
Operating Revenues - KEDFA						
Interest Income/Loans	17,264.41	3,690.05	0.00	0.00	136,719.54	129,332.72
Interest Income/ Investments	475.30	1,981.00	57.81	0.00	5,027.06	1,062.11
Late Fees	0.00	0.00	0.00	0.00	0.00	154.02
Application Fees	24,929.00	0.00	0.00	0.00	375,048.54	278,996.33
Miscellaneous Income	56.84	0.00	0.00	0.00	139.11	130.57
Total Operating Revenues - KEDFA	42,725.55	5,671.05	57.81	0.00	516,934.25	409,675.75
Operating Expenses - KEDFA						
Salaries	88,847.36				670,455.20	609,565.54
Employee benefits	62,465.23				456,499.80	416,431.05
Pension Liability Adjustment	0.00				0.00	0.00
Other Personnel Costs	0.00				0.00	0.00
Contracted Personal Services	8,195.65				83,163.87	62,126.64
Utilities and Heating Fuels	0.00				0.00	0.00
Rentals	0.00				0.00	0.00
Maintenance and Repairs	0.00				0.00	0.00
Postage and Related Services	0.38				10.98	12.72
Telecommunications	0.00				0.00	0.00
Computer Services	0.00				0.00	0.00
Supplies	0.00				0.00	0.00
Miscellaneous Services	0.00				0.00	0.00
Travel	8.00				1,513.91	1,547.60
Miscellaneous Commodities	213.00				634.00	321.75
Commodities Expense	0.00				0.00	219,830.71
Bad Debt Expense	0.00				0.00	0.00
Grant Disbursement	0.00				0.00	0.00
Total Operating Expenses - KEDFA	159,729.62	0.00	0.00	0.00	1,212,277.76	1,309,836.01
Income (Loss) from Operations - KEDFA	(117,004.07)	5,671.05	57.81	0.00	(695,343.51)	(900,160.26)
Non-Operating Revenues (Expenses) - KEDFA						
Operating Transfer Out - General Fund	0.00				0.00	0.00
Transfer Due from Bonds	0.00				7,500,000.00	0.00
Grants Disbursed	0.00				0.00	0.00
Operating Transfer In - Economic Dev	0.00				0.00	0.00
Unrealized Gains/(Losses) on Investment	0.00				0.00	0.00
Realized Gains/(Losses) on Investment	0.00				0.00	0.00
Total Non-Operating Revenues (Expenses) -	0.00	0.00	0.00	0.00	7,500,000.00	0.00
CHANGE IN NET POSITION - KEDFA	(117,004.07)	5,671.05	57.81	0.00	6,804,656.49	(900,160.26)
Operating Revenues (Expenses) - OOE						
Interest Income - Loans				47.84	767.09	965.78
Misc Income				0.00	0.00	0.00
Disbursements: Projects (Note 1)				(149,974.51)	(224,974.51)	(548,233.69)
Repayments received from Projects				1,500.00	405,723.04	201,552.00
						0.00
Non-Operating Revenues (Expenses) - OOE						0.00
Operating Transfer in - OOE				0.00	0.00	0.00
Transfer Due from Bonds				0.00	700,000.00	(350,000.00)
Operating Transfer Out - OOE				(1,500.00)	(464,287.62)	(277,123.20)
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00	(149,926.67)	417,228.00	(972,839.11)
CHANGE IN NET POSITION - COMBINED	(117,004.07)	5,671.05	57.81	(149,926.67)	7,221,884.49	(1,872,999.37)

NOTE 1 Represents disbursements for projects from OOE Funds. (See OOE listings for detail of approved projects)

NOTE 2 Statement does not include interest income for OOE that is swept monthly to OOE's operating account

NOTE 3 The Small Business Loan Pool is presented separately only for internal tracking purposes.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CASH POSITION STATEMENT
1/31/2017

	<u>1/31/2016</u>	<u>1/31/2017</u>
Fund A Cash Balance	\$3,487,323.33	\$3,275,539.58
Less: Loans Closed This Month	<i>INCLUDED IN BAL</i>	<i>INCLUDED IN BAL</i>
Less: Approved/Undisbursed	0.00	
Total Unobligated Balance	\$3,487,323.33	\$3,275,539.58
2003 Bond Fund Cash Balance	\$14,033,936.41	\$13,596,287.21
Less: Loans Closed This Month	0.00	0.00
Less: Approved/Undisbursed	0.00	(10,298,199.52)
Total Unobligated Balance	\$14,033,936.41	\$3,298,087.69
Small Business Loan Fund Cash Balance	\$390,739.45	\$396,653.93
Less: Loans Closed This Month	0.00	0.00
Less: Approved/Undisbursed	0.00	
Total Unobligated Balance	\$390,739.45	\$396,653.93
Bond Funds to be Provided for Loans	\$0.00	\$0.00
Less: Approved/Undisbursed	0.00	0.00
Total Unobligated Balance	\$0.00	\$0.00
Budget: Cash to be Transferred to Other CED Programs for		
	\$0.00	\$0.00
CASH AVAILABLE	\$17,911,999.19	\$6,970,281.20
OCI Fund Cash Balance		
High Tech Construction Pool	\$137,500.00	\$137,500.00
Less: Approved/Undisbursed	\$0.00	\$0.00
High Tech Investment Pool	\$3,309,898.93	\$2,901,319.42
Less: Approved/Undisbursed	(\$1,353,977.00)	(\$2,345,398.00)
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects	\$1,030,370.00	\$1,730,370.00
Bond Funds Available for Projects	\$0.00	\$0.00
Total Unobligated Balance	\$3,127,835.81	\$2,427,835.30
TOTAL ALL FUNDS	\$21,039,835.00	\$9,398,116.50

**Kentucky Enterprise Initiative Act (KEIA) Projects
Fiscal 2017**

KEDFA Meeting date	2/23/2017
Total Projects Approved Fiscal Year-to-Date	35
Number of Proposed Projects for Current Month	5

Construction Materials and Building Fixtures

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$5,917,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$14,083,000
Proposed Approval for Current Month	<u>\$2,420,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$11,663,000</u></u>

Research & Development and Electronic Processing Equipment

Fiscal Year Cap	\$5,000,000
Approved Fiscal Year-to-Date	\$299,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$4,701,000
Proposed Approval for Current Month	<u>\$0</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$4,701,000</u></u>

Office of Compliance, Financial and Administrative Services
 Monthly Monitoring Report as of January 31, 2017

Financial Incentives Programs

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
KBI	86	68	0	0	11
IEIA	0	0	0	0	0
KEIA	42	0	0	0	3
KIDA	0	0	0	0	0
KJDA	3	8	0	0	1
KREDA	14	24	0	0	20
KIRA	0	0	0	0	0
KJRA	0	0	0	0	0
KIFA	0	4	0	0	0
KESA	0	0	0	0	0
KRA	5	17	0	0	14
KAIA	94	27	0	0	0
TIF	6	16	0	0	1
Totals	250	164	0	0	50

Cash Based Programs

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
HTP	8	2	0	0	1
Direct Loans	0	0	0	0	0
EDB	29	11	0	0	0
Totals	37	13	0	0	1

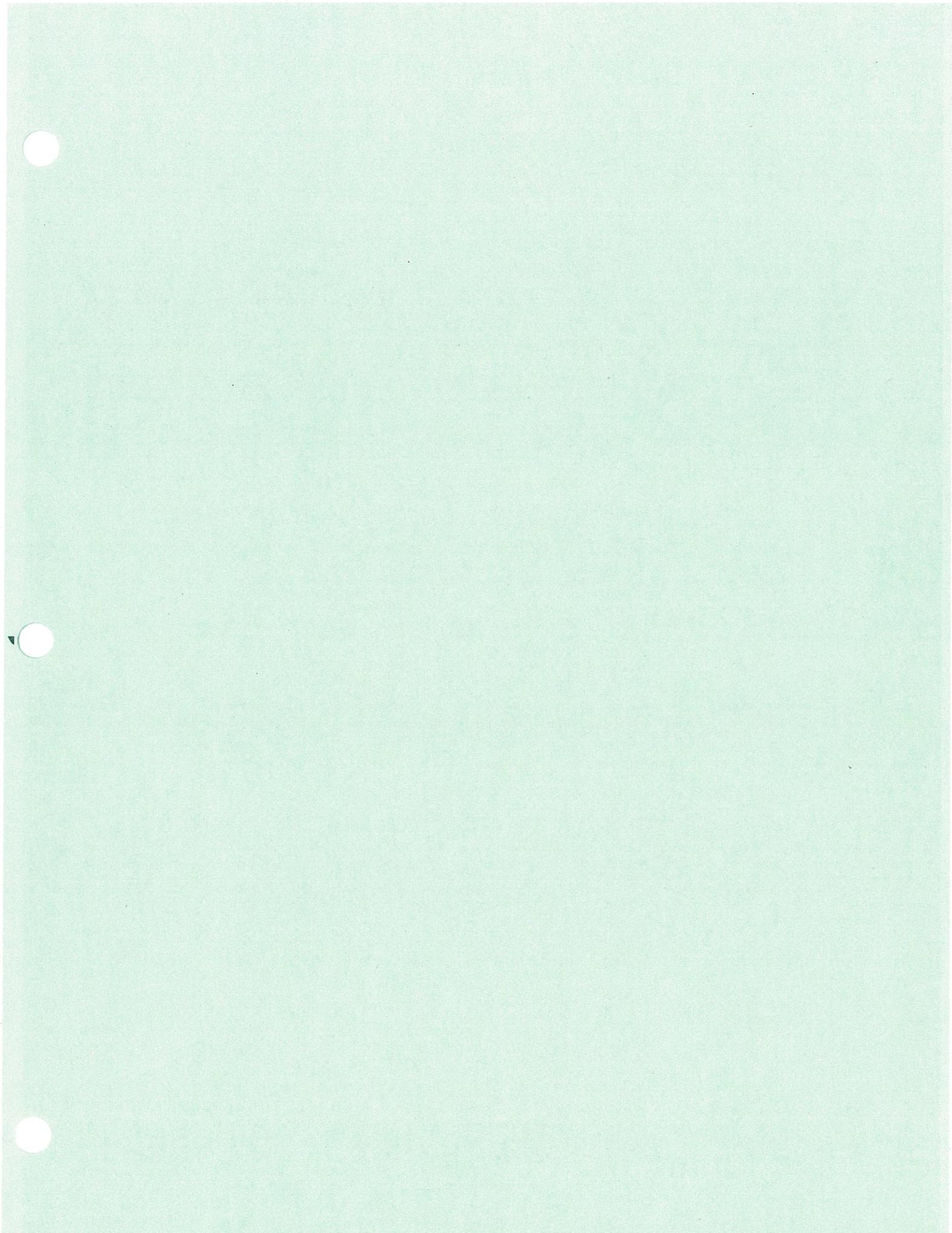
Projects Contacted - This category reflects phone calls, e-mails, or other less involved questions.

Projects Monitored - This category includes review of specific aspects of a project which requires research of a file or a more in-depth examination.

Completed Exhibits - Project's Fiscal Year End exhibits have been monitored for the year.

Project Update Report

Project	County	Approval Date	Exit Date	Program
<u>Audubon Metals, LLC</u>	<u>Henderson</u>	<u>03/28/1995</u>	<u>03/01/2016</u>	<u>KREDA</u>
Explanation: <u>Received confirmation from Company that final instrument of KREDA debt was paid off 3/1/2016 thereby ending the term of the Financing Agreement.</u>				
<u>Stampede Oil Sands, Inc.</u>	<u>Logan</u>	<u>12/12/2013</u>	<u>12/31/2016</u>	<u>KBI</u>
Explanation: <u>Company decided not to move forward with KBI Incentives due to not meeting the employee requirement.</u>				
<u>Kentucky One Health</u>	<u>Jefferson</u>	<u>01/31/2013</u>	<u>01/24/2017</u>	<u>KBI</u>
Explanation: <u>Company withdrew from KBI Program per email dated January 24, 2017.</u>				



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEDFA GRANT PROJECT REPORT**

Date: February 23, 2017
Grantee: Tri-County Economic Development Corporation
City: Covington **County:** Kenton
Activity: Bioscience
New/Existing: Existing
Bus. Dev. Contact: John Bevington **OFS Staff:** Kylee Palmer

Project Description: Tri-County Economic Development Corporation is a non-profit economic development organization serving Northern Kentucky. It has been a partner in organizing the Northern Kentucky Life Sciences Training Consortium, a partnership being developed to advance the life sciences industry in the region. These entities, along with the Northern Kentucky Convention Center, have proposed to develop a Life Sciences Training Facility to bring together entrepreneurs, business leaders, and patient advocates to explore opportunities to advance the life sciences in the region.

The proposed site for the facility is at the Northern Kentucky Convention Center, which is a 204,000 sq. ft. facility that offers meeting, exhibition, and social function space. The site plans propose converting 5,000 sq. ft. of meeting space into a 466-seat college style auditorium with digital capabilities, including power source and USB connection at every seat. The auditorium would also feature a technology wall that would be able to connect multiple global sites through high quality tele-and video conferencing. Adjacent conference rooms would be used for classroom style breakouts that could accommodate 25-50 people. Once the project is completed, the convention center will be responsible for the on-going operating expenses.

Clinical Trial Services, Inc. (CTI) provides therapeutic expertise to the pharmaceutical and biotechnology industry across a range of services. The company will be relocating its headquarters operation to the Technology Towers of RiverCenter in Northern Kentucky and will consolidate multiple locations, expand operations and accommodate a fast growth rate. The company has announced that it plans to employ up to 500 new, full-time, Kentucky-resident jobs in Covington. CTI plans to be an active, routine user of this Life Sciences Training Center space for its extensive employee training programs. CTI will be a critical partner in the proposed training facility and is already planning for significant use of the facility in its training programs.

Funds will be available to help finance and/or upgrade the training facilities primarily at NKCC and also at the Technology Towers of RiverCenter.

Funding Source	Status	Use of Proceeds	Amount
KEDFA Grant (State)	Requested	Renovations and Equipment	\$2,000,000
TOTAL			\$2,000,000

Other Terms: Agreement between Tri-ED, CTI and NKCC regarding specifics and construction schedule, submitted prior to any disbursement.

Construction progress reports to be submitted with each disbursement request, as well as a final report at the conclusion of the construction at NKCC, but no later than June 30, 2018.

Facility use reports to be submitted annually for the NKCC training facility with the number of days that the training facility was utilized by CTI and by other lessees.

Disbursement: Funds to be disbursed on a reimbursement basis and all funds to be disbursed by June 30, 2023.

RECOMMENDED KEDFA GRANT FUNDING AMOUNT:

\$2,000,000

Recommendation:

Staff recommends approval of this KEDFA grant subject to the terms set forth in this report.

MEMORANDUM

TO: KEDFA Board

FROM: Debbie Phillips *DP*
Incentive Assistance Division

DATE: February 23, 2017

SUBJECT: Hospital Revenue and Refunding Bonds, Series 2017 (Owensboro Health, Inc.) – \$550 million – Inducement Resolution

Attached is a draft Bond Issue Report related to KEDFA's proposed issuance of revenue refunding bonds in an aggregate principal amount not to exceed \$550 million 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.

Please note that 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. Furthermore, 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.

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

Staff recommends KEDFA's adoption of the inducement bond resolution.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director ^{RA}
Compliance Division

DATE: February 23, 2017

SUBJECT: KREDA Amendment
TreeHouse Private Brands, Inc. (Caldwell County)
KREDA Project # 3864

As a result of a purchase of Ralcorp Holdings, Inc., TreeHouse Private Brands, Inc. is requesting approval of an Amendment No. 2 to Second Amended and Restated Financing Agreement to reflect a fiscal year end change to December 31st 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 recommends approval.

MEMORANDUM

TO: KEDFA Board Members

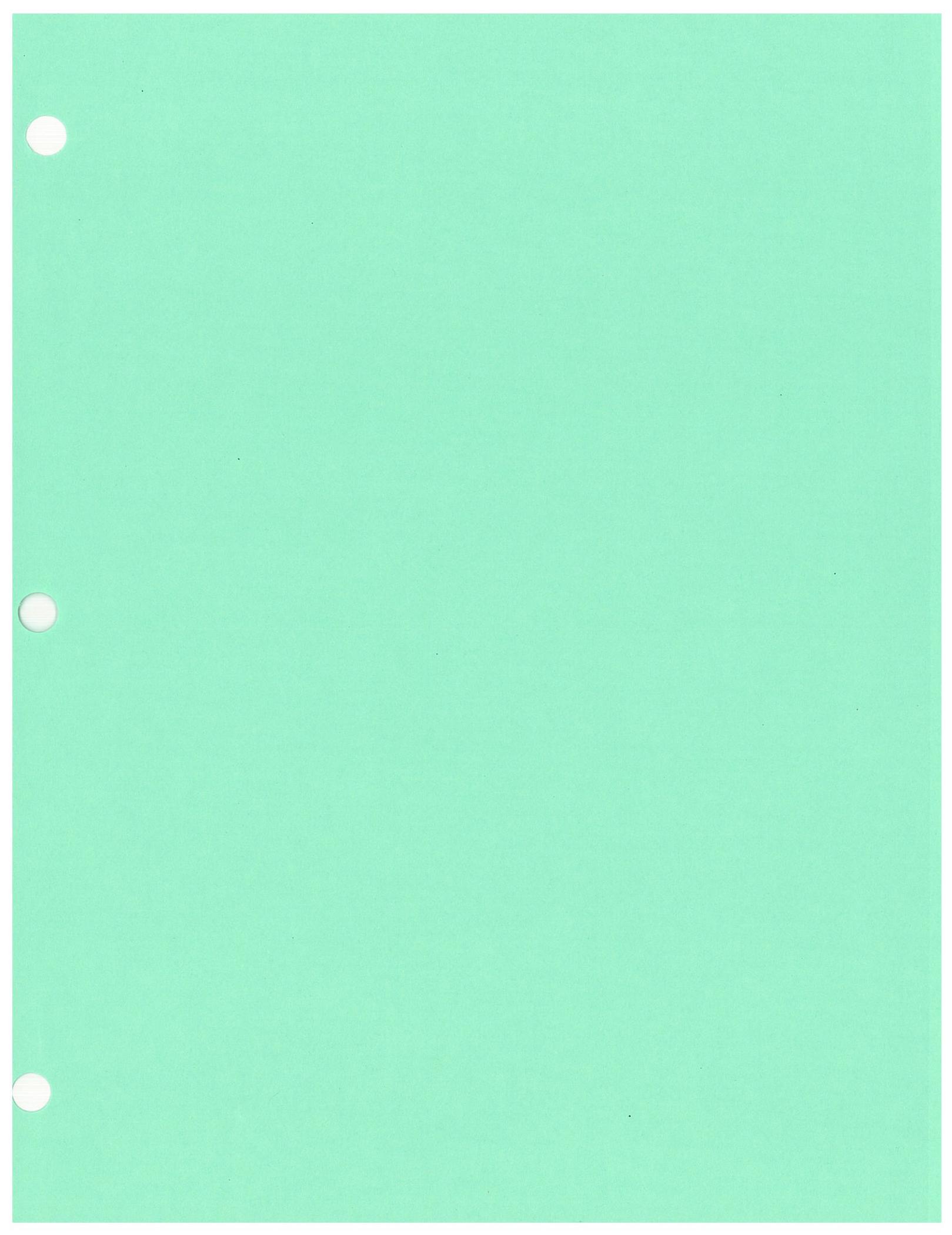
FROM: Robert Aldridge, Assistant Director 
Compliance Division

DATE: February 23, 2017

SUBJECT: KREDA Amendment
Worldwide Equipment-Heritage, Inc. (Lawrence County)
KREDA Project # 16188

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. is requesting approval of a First Amendment to Tax Incentive Agreement to reflect a fiscal year end change to March 31st 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 recommends approval



MEMORANDUM

TO: KEDFA Board Members
FROM: Robert Aldridge, Assistant Director
Compliance Division
DATE: February 23, 2017
SUBJECT: KEIA Extensions



The following companies have requested additional time to complete their projects:

Company	County	Extension
North American Stainless	Carroll	6 Months
The Bardstown Bourbon Company, LLC	Nelson	9 Months

Staff recommends approval.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: February 23, 2017
Approved Company: Buffalo Trace Distillery, Inc.
City: Frankfort **County:** Franklin
Activity: Manufacturing **Resolution #:** KEIA-17-21512
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** L. Cunningham

Project Description: Buffalo Trace Distillery, Inc. is considering expanding its facility to meet the growing demands of its customers. This project would involve an expansion of its barrel storage warehouse to keep up with increased demand.

Facility Details: Expanding existing operations

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$0
\$8,000,000	\$20,000,000
\$0	\$0
\$0	\$0
\$0	\$5,000,000
\$0	\$0
\$8,000,000	\$25,000,000

Ownership (20% or more):

Sazerac Distillers, LLC - Metairie, LA

Other State Participation:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Mar 31, 2011	KIDA	Monitor	\$780,000
Feb 27, 2014	KBI	Approve-Prelim	\$1,250,000
Aug 25, 2016	KEIA	Approve-Final	\$150,000

Unemployment Rate

County: 3.5%

Kentucky: 4.5%

Existing Presence in Kentucky: Franklin County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$250,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$250,000

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: February 23, 2017
Approved Company: Heaven Hill Distilleries, Inc.
City: Cox's Creek **County:** Nelson
Activity: Manufacturing **Resolution #:** KEIA-17-21513
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** L. Cunningham

Project Description: 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.

Facility Details: Expanding existing operations

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$0
\$3,052,500	\$5,550,000
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$3,052,500	\$5,550,000

Ownership (20% or more):

Ellen S. Miller, Adam R. Shapira,
 Judith F. Shapira, and Max L. Shapira Voting Trust

Other State Participation:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Apr 26, 2012	KBI	Monitor	\$400,000
Jan 31, 2013	KBI	Monitor	\$300,000
Aug 27, 2015	KEIA	Approve-Final	\$150,000
Oct 29, 2015	KEIA	Approve-Final	\$400,000
Apr 28, 2016	KEIA	Approve-Final	\$685,000

Unemployment Rate

County: 4.1%

Kentucky: 4.5%

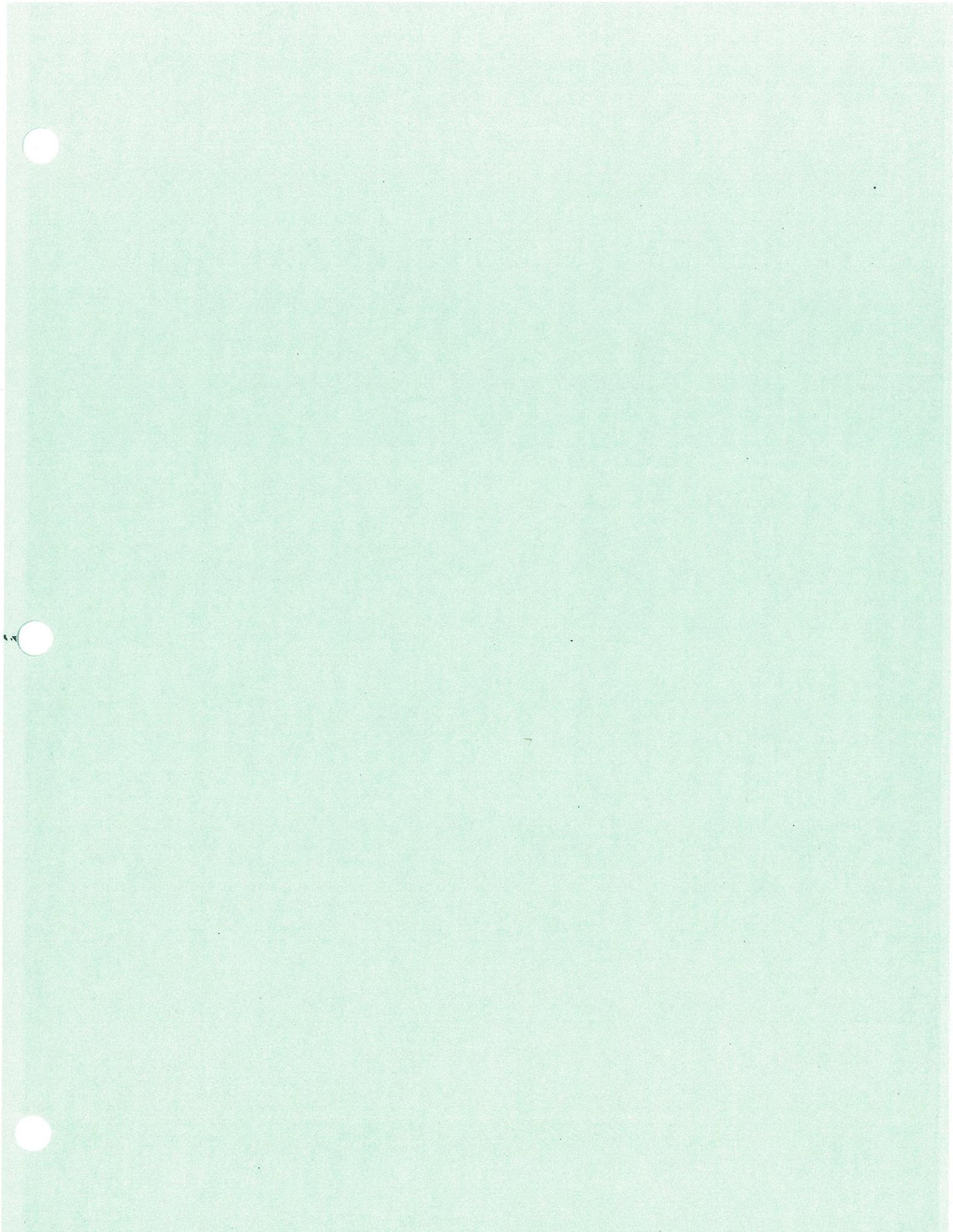
Existing Presence in Kentucky: Jefferson County, Nelson County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$150,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$150,000



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: February 23, 2017
Approved Company: W. W. Grainger, Inc.
City: Louisville
Activity: Service & Technology
Bus. Dev. Contact: C. Peek

County: Jefferson
Resolution #: KEIA-17-21492
OFS Staff: M. Elder

Project Description: W. W. Grainger, Inc., founded in Illinois in 1928, is a broad line distributor of maintenance, repair and operation supplies. Grainger serves approximately 3 million customers worldwide. The company is considering to purchase land, construct a facility and purchase machinery and equipment for a new distribution center in Louisville.

Facility Details: Locating in a new facility

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$29,100,000
\$51,000,000	\$82,070,000
\$100,000,000	\$100,000,000
\$0	\$0
\$0	\$55,800,000
\$0	\$6,000,000
\$151,000,000	\$272,970,000

Ownership (20% or more):
 Publicly Traded

Other State Participation: None

Unemployment Rate

County: 3.9%

Kentucky: 4.5%

Existing Presence in Kentucky:

Fayette and Jefferson Counties

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$1,500,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,500,000



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

Date: February 23, 2017
Approved Company: The Webstaurant Store, Inc.
City: Madisonville **County:** Hopkins
Activity: Service & Technology **Prelim Resolution #:** KBI-I-17-21519
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: The Webstaurant Store, Inc., a restaurant supply company, fills the needs of a large number of restaurants. The company is considering expanding its footprint in Madisonville for a distribution center that would support stronger regional distribution of select larger inventory items.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$2,500,000	\$2,500,000
\$300,000	\$1,000,000
\$0	\$0
\$2,800,000	\$3,500,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	15	\$16.00	
1	30	\$16.00	\$35,000
2	30	\$16.00	\$35,000
3	30	\$16.00	\$35,000
4	30	\$16.00	\$35,000
5	30	\$16.00	\$35,000
6	30	\$16.00	\$35,000
7	30	\$16.00	\$35,000
8	30	\$16.00	\$35,000
9	30	\$16.00	\$35,000
10	30	\$16.00	\$35,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$350,000

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: February 23, 2017
Approved Company: The Webstaurant Store, Inc.
City: Madisonville **County:** Hopkins
Activity: Service & Technology **Resolution #:** KEIA-17-21520
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: The Webstaurant Store, Inc., a restaurant supply company, fills the needs of a large number of restaurants. The company is considering expanding its footprint in Madisonville for a distribution center that would support stronger regional distribution of select larger inventory items.

Facility Details: Locating in a new facility

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$0
\$700,000	\$2,500,000
\$0	\$0
\$0	\$0
\$0	\$1,000,000
\$0	\$0
\$700,000	\$3,500,000

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$20,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$20,000

See KBI file (KBI-I-17-21519) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: February 23, 2017
Approved Company: Alltech, Inc.
City: Nicholasville **County:** Jessamine
Activity: Headquarters **Prelim Resolution #:** KBI-I-17-21526
Bus. Dev. Contact: A. Germond **OFS Staff:** L. Cunningham

Project Description: Alltech, Inc., founded in 1980 by Irish biochemist and entrepreneur Dr. Pearse Lyons, 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 expanding its Nicholasville headquarters, and adding an additional 73,000 square feet of office space, to support its operations worldwide.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$20,000,000	\$20,000,000
\$200,000	\$1,000,000
\$0	\$0
\$20,200,000	\$21,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$35.00	
1	20	\$35.00	\$150,000
2	40	\$35.00	\$150,000
3	60	\$35.00	\$150,000
4	80	\$35.00	\$150,000
5	100	\$35.00	\$150,000
6	100	\$35.00	\$150,000
7	100	\$35.00	\$150,000
8	100	\$35.00	\$150,000
9	100	\$35.00	\$150,000
10	100	\$35.00	\$150,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,500,000

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: February 23, 2017

Approved Company: Alltech, Inc.

City: Nicholasville

County: Jessamine

Activity: Headquarters

Resolution #: KEIA-17-21527

Bus. Dev. Contact: A. Germond

OFS Staff: L. Cunningham

Project Description: Alltech, Inc., founded in 1980 by Irish biochemist and entrepreneur Dr. Pearse Lyons, 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 expanding its Nicholasville headquarters, and adding an additional 73,000 square feet of office space, to support its operations world-wide.

Facility Details: Expanding existing operations

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$0
\$13,099,500	\$20,000,000
\$0	\$0
\$0	\$0
\$0	\$1,000,000
\$0	\$0
\$13,099,500	\$21,000,000

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$500,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$500,000

See KBI file (KBI-I-17-21526) for Ownership, Other State Participation and Unemployment Rate.



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: February 23, 2017
Approved Company: LeanCor, LLC
City: Erlanger **County:** Boone
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-17-21312
Bus. Dev. Contact: A. Germond **OFS Staff:** L. Cunningham

Project Description: 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, LeanCor is considering additional office space to support high paying professional jobs in the logistics operations as well as in software development.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$1,410,500	\$2,821,000
\$200,000	\$200,000
\$200,000	\$350,000
\$200,000	\$200,000
\$2,010,500	\$3,571,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$30.00	
1	18	\$30.00	\$40,000
2	27	\$30.00	\$40,000
3	34	\$30.00	\$40,000
4	40	\$30.00	\$40,000
5	44	\$30.00	\$40,000
6	44	\$30.00	\$40,000
7	44	\$30.00	\$40,000
8	44	\$30.00	\$40,000
9	44	\$30.00	\$40,000
10	44	\$30.00	\$40,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$400,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more): Robert Martichenko - Charleston, SC

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 1.5%

Local: 0.4% - Unincorporated Boone County

Unemployment Rate

County: 3.4%

Kentucky: 4.5%

Existing Presence in Kentucky: Boone County

Special Conditions:

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 reported 108 full-time, Kentucky resident employees as of the application date.

The project will include multiple locations within the county of Boone. Only investment costs incurred at 77 Comair Blvd., Erlanger, KY, will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: February 23, 2017
Approved Company: Shoemagoo LLC
City: Louisville **County:** Jefferson
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-17-21521
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** L. Cunningham

Project Description: Shoemagoo LLC was established in San Diego, California in 2013 and 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. Shoemagoo is considering relocating its California warehouse and processing facility to Louisville which will provide significant cost savings on freight and shipping.

Facility Details: Locating in a new facility

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$1,235,000	\$2,470,000
\$0	\$0
\$200,000	\$250,000
\$750,000	\$750,000
\$2,185,000	\$3,470,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$23.00	
1	25	\$23.00	\$37,500
2	40	\$23.00	\$37,500
3	50	\$23.00	\$37,500
4	50	\$23.00	\$37,500
5	50	\$23.00	\$37,500
6	50	\$23.00	\$37,500
7	50	\$23.00	\$37,500
8	50	\$23.00	\$37,500
9	50	\$23.00	\$37,500
10	50	\$23.00	\$37,500

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$375,000

County Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

Jacob Risman - San Diego, CA

Steven Maman - Cincinnati, OH

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 1.5%

Local: 0.5% Louisville-Jefferson County Metro Government

Unemployment Rate:

County: 3.5%

Kentucky: 4.5%

Existing Presence in Kentucky: None

Special Conditions: None

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

Date: February 23, 2017
Approved Company: Appalachian Harvest Company, LLC
City: Pikeville **County:** Pike
Activity: Agribusiness **Prelim Resolution #:** KBI-I-17-21514
Bus. Dev. Contact: K. Slattery **OFS Staff:** D. Phillips

Project Description: Appalachian Harvest Company, LLC is a start up 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.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$22,989,000	\$22,989,000
\$18,235,000	\$18,235,000
\$8,930,000	\$8,930,000
\$50,154,000	\$50,154,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	124	\$16.00	
1	124	\$16.00	\$166,667
2	124	\$16.00	\$166,667
3	124	\$16.00	\$166,667
4	124	\$16.00	\$166,667
5	124	\$16.00	\$166,667
6	124	\$16.00	\$166,667
7	124	\$16.00	\$166,667
8	124	\$16.00	\$166,667
9	124	\$16.00	\$166,667
10	124	\$16.00	\$166,667
11	124	\$16.00	\$166,667
12	124	\$16.00	\$166,667
13	124	\$16.00	\$166,667
14	124	\$16.00	\$166,667
15	124	\$16.00	\$166,662

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,500,000

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

Date: February 23, 2017
Approved Company: Information Capture Solutions LLC
City: London **County:** Laurel
Activity: Service & Technology **Prelim Resolution #:** KBI-I-17-21509
Bus. Dev. Contact: J. Ward **OFS Staff:** D. Phillips

Project Description: 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.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$475,000	\$475,000
\$150,000	\$150,000
\$20,000	\$20,000
\$645,000	\$645,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	84	\$14.50	
1	84	\$14.50	\$80,000
2	144	\$14.50	\$80,000
3	144	\$14.50	\$80,000
4	144	\$14.50	\$80,000
5	144	\$14.50	\$80,000
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$400,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: \$9.06
Total hourly compensation: \$10.42

Ownership (20% or more):

Brant Poore - Williamsburg, KY
Raymond Shears, Jr. - London, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 5.0%

Unemployment Rate:

County: 5.4%

Kentucky: 4.5%

Existing Presence in Kentucky:

Laurel County

Special Conditions:

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 reported 25 full-time, Kentucky resident employees as of the application date.

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

Date: February 23, 2017
Approved Company: Ernst & Young LLP
City: Louisville **County:** Jefferson
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-17-21491
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Ernst & Young (EY) is one of the global "Big Four" professional service firms providing assurance, tax, advisory and transaction advisory services to the world's largest companies. EY is presently planning an expansion of its National Executive Assistant Team (NEAT) operations and is considering Louisville for this location.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

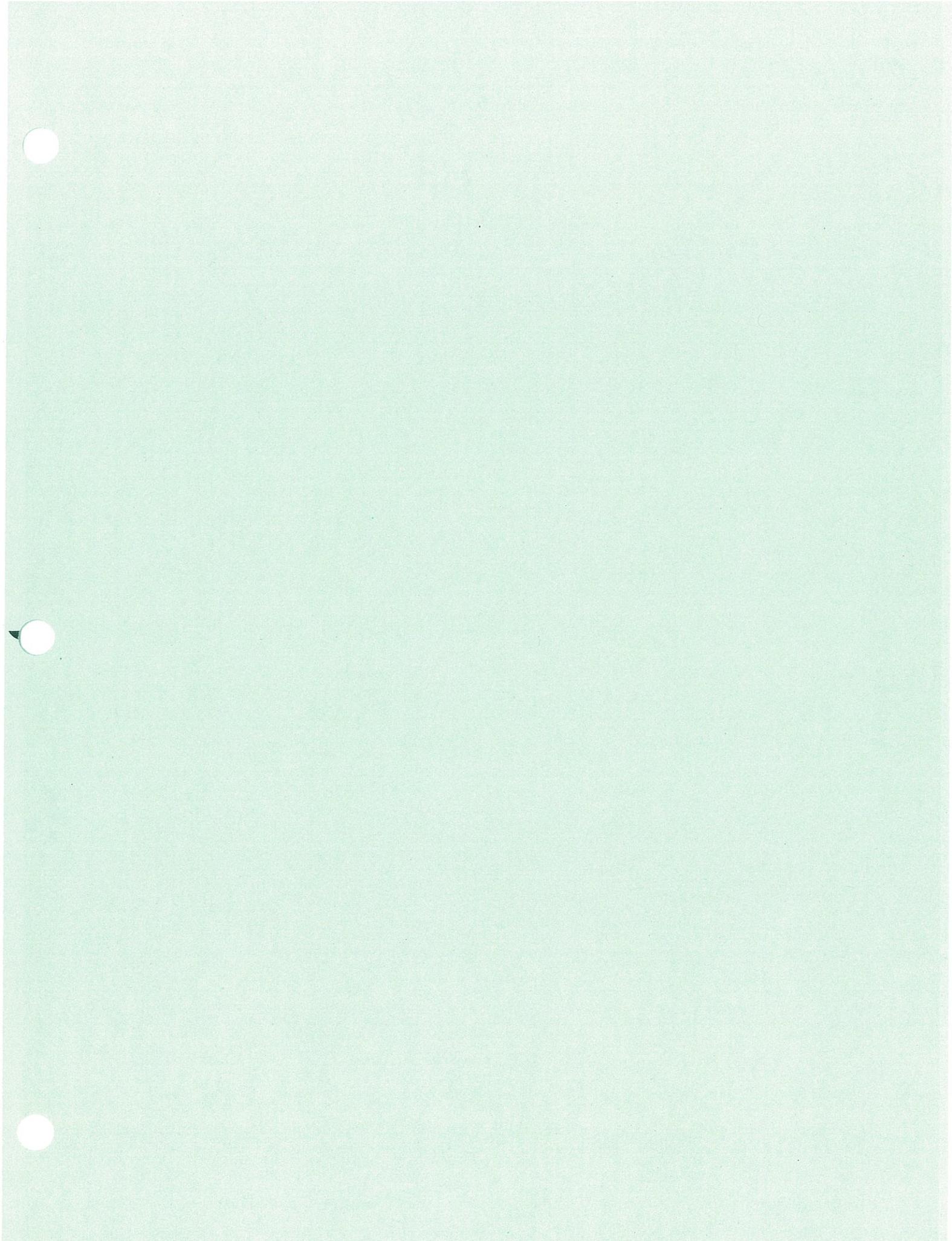
Eligible Costs	Total Investment
\$1,250,000	\$2,500,000
\$1,500,000	\$1,500,000
\$200,000	\$250,000
\$100,000	\$100,000
\$3,050,000	\$4,350,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$27.00	
1	38	\$27.00	\$100,000
2	125	\$27.00	\$100,000
3	125	\$27.00	\$100,000
4	125	\$27.00	\$100,000
5	125	\$27.00	\$100,000
6	125	\$27.00	\$100,000
7	125	\$27.00	\$100,000
8	125	\$27.00	\$100,000
9	125	\$27.00	\$100,000
10	125	\$27.00	\$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,000,000



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

Date: February 23, 2017
Approved Company: PharmaCord LLC
City: Louisville **County:** Jefferson
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-17-21522
Bus. Dev. Contact: T. Simon **OFS Staff:** M. Elder

Project Description: 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.

Facility Details: Locating in a new facility

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$1,789,830	\$3,579,660
\$0	\$0
\$1,000,000	\$1,000,000
\$2,750,000	\$2,750,000
\$5,539,830	\$7,329,660

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	50	\$20.00	
1	180	\$20.00	\$400,000
2	300	\$20.00	\$400,000
3	300	\$20.00	\$400,000
4	300	\$20.00	\$400,000
5	300	\$20.00	\$400,000
6	300	\$20.00	\$400,000
7	300	\$20.00	\$400,000
8	300	\$20.00	\$400,000
9	300	\$20.00	\$400,000
10	300	\$20.00	\$400,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$4,000,000

County Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

James Karp Palm Beach, FL

Nitin Sahney Louisville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% Louisville Metro

Unemployment Rate:

County: 3.9%

Kentucky: 4.5%

Existing Presence in Kentucky: None

Special Conditions:

The project will include multiple locations within the Jefferson County/Louisville. Only investment costs incurred at 6100 Dutchmans Lane, Suite 1200 will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

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

Date: February 23, 2017
Approved Company: Traughber Mechanical Services, Inc.
City: Franklin **County:** Simpson
Activity: Manufacturing **Prelim Resolution #:** KBI-I-17-21518
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: Traughber Mechanical Services, Inc., a family owned business, specializes in fabricated steel, industrial piping and ductwork, and industrial maintenance support. The company is considering adding additional office and production space as well as upgrading equipment to help meet customer demand.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$427,320	\$427,320
\$132,000	\$132,000
\$20,000	\$20,000
\$579,320	\$579,320

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$20.00	
1	10	\$20.00	\$12,000
2	10	\$20.00	\$12,000
3	10	\$20.00	\$12,000
4	10	\$20.00	\$12,000
5	10	\$20.00	\$12,000
6	10	\$20.00	\$12,000
7	10	\$20.00	\$12,000
8	10	\$20.00	\$12,000
9	10	\$20.00	\$12,000
10	10	\$20.00	\$12,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$120,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):

Jim Traughber Franklin, KY
Cindy Traughber Franklin, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%
Local: 1.0% City of Franklin

Unemployment Rate:

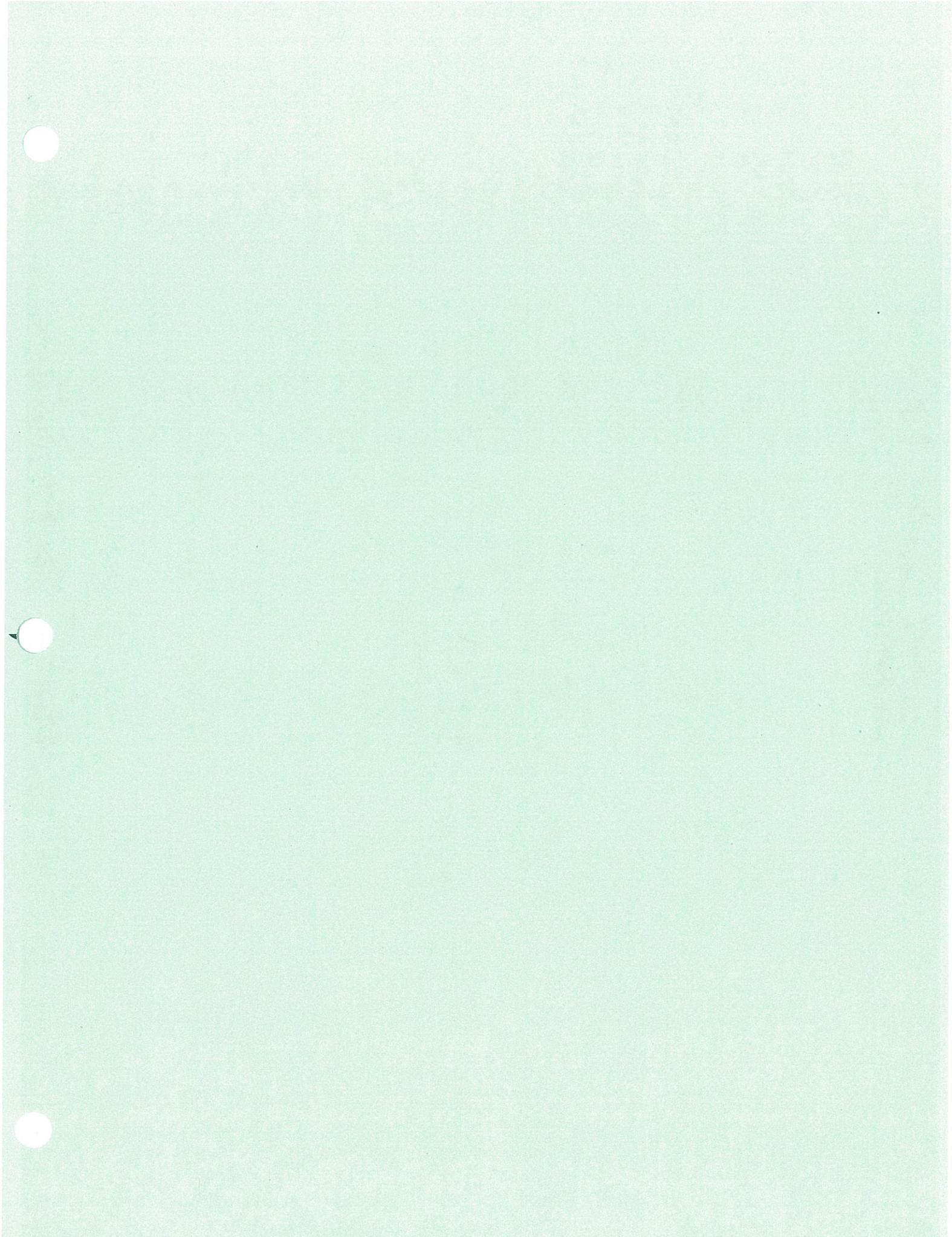
County: 3.9% Kentucky: 4.5%

Existing Presence in Kentucky:

Simpson County

Special Conditions:

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 reported 29 full-time, Kentucky resident employees as of the application date.



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: February 23, 2017
Approved Company: PuraCap Laboratories LLC
City: Franklin **County:** Simpson
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-17-21505
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

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

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$510,000	\$510,000
\$200,000	\$1,940,000
\$50,000	\$50,000
\$760,000	\$2,500,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$14.00	
1	20	\$14.00	\$16,000
2	30	\$14.00	\$16,000
3	30	\$14.00	\$16,000
4	30	\$14.00	\$16,000
5	30	\$14.00	\$16,000
6	30	\$14.00	\$16,000
7	30	\$14.00	\$16,000
8	30	\$14.00	\$16,000
9	30	\$14.00	\$16,000
10	30	\$14.00	\$16,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$160,000

MEMORANDUM

TO: KEDFA Board Members
FROM: Michelle Elder 
Incentive Assistance Division
DATE: February 23, 2017
SUBJECT: KBI Extensions

The following companies have previously received KBI preliminary approval and are requesting approval of a time extension:

Company	County	Extension
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 recommends approval.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: February 23, 2017
Preliminary Approval: December 13, 2012
Approved Company: Advanced Green Components, LLC
City: Winchester **County:** Clark
Activity: Manufacturing **Final Resolution #:** KBI-F-17-19350
Bus. Dev. Contact: M. Duffy **OFS Staff:** D. Phillips

Project Description: Advanced Green Components, LLC, founded in 2002, is a manufacturer of precision steel components. The project included the purchase of additional property within the Winchester Industrial Park. The company also purchased and installed new equipment for an additional product line.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$1,745,000	\$11,960,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	40	\$18.00	
1	40	\$18.00	\$75,000
2	40	\$18.00	\$75,000
3	40	\$18.00	\$75,000
4	40	\$18.00	\$75,000
5	40	\$18.00	\$75,000
6	40	\$18.00	\$75,000
7	40	\$18.00	\$75,000
8	40	\$18.00	\$75,000
9	40	\$18.00	\$75,000
10	40	\$18.00	\$75,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$750,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 80

Modifications since preliminary approval? No

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: February 23, 2017
Preliminary Approval: December 8, 2011
Approved Company: Bonfiglioli USA Inc.
City: Hebron
Activity: Manufacturing
Bus. Dev. Contact: M. Duffy

County: Boone
Final Resolution #: KBI-F-17-18852
OFS Staff: M. Elder

Project Description: Bonfiglioli USA expanded its Northern Kentucky facility to a total of over 150,000 SF. This worldwide company manufactures a range of gear motors, drive systems and gear boxes. Customers include the industrial systems, mobile machinery and energy sectors.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$3,860,000	\$7,727,478

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	48	\$30.00	
1	59	\$30.00	\$120,000
2	60	\$30.00	\$120,000
3	63	\$30.00	\$120,000
4	66	\$30.00	\$120,000
5	69	\$30.00	\$120,000
6	72	\$30.00	\$120,000
7	76	\$30.00	\$120,000
8	80	\$30.00	\$120,000
9	84	\$30.00	\$120,000
10	88	\$30.00	\$120,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,200,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
 Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 34

Modifications since preliminary approval? No

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: February 23, 2017
Preliminary Approval: February 27, 2014
Approved Company: Buffalo Trace Distillery, Inc.
City: Frankfort
Activity: Manufacturing
Bus. Dev. Contact: A. Bobbitt

County: Franklin
Final Resolution #: KBI-F-17-19828
OFS Staff: M. Elder

Project Description: Buffalo Trace Distillery, Inc. expanded its facility to meet the growing demands of their customers. The expansion involved constructing a new distribution center and improving its existing buildings which resulted in expanded capacity and job growth.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$15,290,983	\$20,463,180

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	40	\$25.00	
1	40	\$25.00	\$125,000
2	40	\$25.00	\$125,000
3	40	\$25.00	\$125,000
4	40	\$25.00	\$125,000
5	40	\$25.00	\$125,000
6	40	\$25.00	\$125,000
7	40	\$25.00	\$125,000
8	40	\$25.00	\$125,000
9	40	\$25.00	\$125,000
10	40	\$25.00	\$125,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,250,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
 Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 357
 Maintain Statewide Employment: 605

Modifications since preliminary approval? No

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: February 23, 2017
Preliminary Approval: February 27, 2014
Approved Company: TerrePURE Kentucky Distillers, Inc. dba O.Z. Tyler Distillery
City: Owensboro **County:** Daviess
Activity: Manufacturing **Final Resolution #:** KBI-F-17-19839
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: TerrePURE Kentucky Distillers, Inc. purchased property located at 10 Distillery Road in Daviess County. The company renovated the buildings, and developed capabilities for the production of bourbon and other products, and otherwise reestablished the operations at the historic Charles Medley facility.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$12,400,000	\$23,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	70	\$17.00	
1	70	\$17.00	\$120,000
2	70	\$17.00	\$120,000
3	70	\$17.00	\$120,000
4	70	\$17.00	\$120,000
5	70	\$17.00	\$120,000
6	70	\$17.00	\$120,000
7	70	\$17.00	\$120,000
8	70	\$17.00	\$120,000
9	70	\$17.00	\$120,000
10	70	\$17.00	\$120,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$1,200,000**

County Type: Other **Statutory Minimum Wage Requirements:**
 Base hourly wage: \$10.88
 Total hourly compensation: \$12.51

Special Conditions: None

Modifications since preliminary approval? No

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: February 23, 2017
Preliminary Approval: October 31, 2013
Approved Company: Industrial Automation of Kentucky, LLC dba Industrial Automation L.L.C.
City: Franklin **County:** Simpson
Activity: Manufacturing **Final Resolution #:** KBI-FL-17-19728
Bus. Dev. Contact: C. Peek **OFS Staff:** D. Phillips

Project Description: Industrial Automation of Kentucky, LLC provides state-of-the-art automated solutions for the automotive, medical, computer and electronics, telecommunications and other industries across North America. The project consisted of the relocation of its business in Warren County to a larger facility in Simpson County to meet growing demands.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$969,500	\$1,796,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	12	\$28.00	
1	17	\$28.00	\$50,000
2	22	\$28.00	\$50,000
3	26	\$28.00	\$50,000
4	26	\$28.00	\$50,000
5	26	\$28.00	\$50,000
6	26	\$28.00	\$50,000
7	26	\$28.00	\$50,000
8	26	\$28.00	\$50,000
9	26	\$28.00	\$50,000
10	26	\$28.00	\$50,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$500,000**

County Type: Other **Statutory Minimum Wage Requirements:**
 Base hourly wage: \$10.88
 Total hourly compensation: \$12.51

Special Conditions:
 Maintain Base Employment: 10

Modifications since preliminary approval?

The company is requesting a name change at final approval 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.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: February 23, 2017
Preliminary Approval: October 31, 2013
Approved Company: International Crankshaft, Inc.
City: Georgetown
Activity: Manufacturing
Bus. Dev. Contact: M. Duffy

County: Scott
Final Resolution #: KBI-F-17-19717
OFS Staff: D. Phillips

Project Description: International Crankshaft, Inc. is a Japanese owned manufacturer of forged crankshafts that are used in the engines of passenger vehicles. This expansion project consisted of constructing a new building adjacent to its current facility located in Georgetown and the purchase and installation of new equipment.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$17,640,461	\$47,607,317

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	107	\$23.00	
1	107	\$23.00	\$250,000
2	107	\$23.00	\$250,000
3	107	\$23.00	\$250,000
4	107	\$23.00	\$250,000
5	107	\$23.00	\$250,000
6	107	\$23.00	\$250,000
7	107	\$23.00	\$250,000
8	107	\$23.00	\$250,000
9	107	\$23.00	\$250,000
10	107	\$23.00	\$250,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,500,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 195

Modifications since preliminary approval? Yes

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

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: February 23, 2017
Preliminary Approval: February 23, 2012
Approved Company: Splash Analytics LLC
City: Louisville
Activity: Service & Technology
Bus. Dev. Contact: L. Ransdell

County: Jefferson
Final Resolution #: KBI-F-17-18899
OFS Staff: M. Elder

Project Description: Splash Analytics is a recently established company, created to uncover hidden patterns, trends and inconsistencies in data from all sources in order to build predictive models. The company located a service and technology operation center in Louisville.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$290,000	\$500,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$38.00	
1	10	\$38.00	\$25,000
2	10	\$38.00	\$25,000
3	10	\$38.00	\$25,000
4	10	\$38.00	\$25,000
5	10	\$38.00	\$25,000
6	10	\$38.00	\$25,000
7	10	\$38.00	\$25,000
8	10	\$38.00	\$25,000
9	10	\$38.00	\$25,000
10	10	\$38.00	\$25,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$250,000**

County Type:
Other

Statutory Minimum Wage Requirements:
 Base hourly wage: \$10.88
 Total hourly compensation: \$12.51

Special Conditions: None

Modifications since preliminary approval? Yes

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

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: February 23, 2017
Preliminary Approval: October 25, 2012
Approved Company: Yokohama Industries Americas Inc.
City: Versailles **County:** Woodford
Activity: Manufacturing **Final Resolution #:** KBI-F-17-19296
Bus. Dev. Contact: M. Duffy **OFS Staff:** D. Phillips

Project Description: Yokohama Industries Americas Inc. provides customers with Urethane Sealants products for the automobile industry. The project included the expansion of its current manufacturing facility in Versailles by adding additional space and equipment for a second production line to meet customer demand.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$2,887,259	\$5,438,407

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	40	\$17.00	
1	60	\$17.00	\$150,000
2	144	\$17.00	\$250,000
3	144	\$17.00	\$300,000
4	144	\$17.00	\$250,000
5	144	\$17.00	\$250,000
6	144	\$17.00	\$250,000
7	144	\$17.00	\$250,000
8			
9			
10			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$1,700,000**

County Type: Other **Statutory Minimum Wage Requirements:**
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions:
Maintain Base Employment: 307

Modifications since preliminary approval? Yes
The company is requesting a name change from YH America, Inc. to Yokohama Industries Americas Inc. The total investment has increased from \$5,094,000 to \$5,438,407; The eligible cost increased from \$2,294,000 to \$2,887,259; total number of jobs to be created increased from 10 to 144; the 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.

Kentucky Small Business Tax Credit Projects

Project Name	Form #	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment or Technology	Tax Credit Amount	Date to KEDFA	Status
<u>February 2017</u>									
Babcon Inc.	21500	MADISON	25	2	\$29.51	\$8,274	\$7,000	2/23/2017	PENDING
Broker House Lending, LLC	21493	JEFFERSON	1	2	\$27.33	\$28,000	\$7,000	2/23/2017	PENDING
Crossroads Ford Lincoln, Inc.	21494	FRANKLIN	30	3	\$21.37	\$12,295	\$10,500	2/23/2017	PENDING
Kinser & Kinser, Inc.	21495	OLDHAM	41	4	\$14.86	\$27,196	\$14,000	2/23/2017	PENDING
Map Enterprises Inc.	21496	GRAVES	21	2	\$15.38	\$8,369	\$7,000	2/23/2017	PENDING
Red Hog, LLC	21506	JEFFERSON	0	1	\$21.63	\$51,592	\$3,500	2/23/2017	PENDING
RFCO, LLC	21497	MCCRACKEN	2	2	\$13.50	\$7,369	\$7,000	2/23/2017	PENDING
Synergy Group LLC	21501	JEFFERSON	0	2	\$23.75	\$11,595	\$7,000	2/23/2017	PENDING
Zhou Pain Management Center, PLLC	21498	JEFFERSON	1	3	\$20.13	\$11,491	\$10,500	2/23/2017	PENDING
TOTALS	9						\$73,500		

Note: The tax credit amount will be equal to \$3,500 per eligible position, not to exceed the purchase price of qualifying equipment or technology, with a maximum income tax credit of \$25,000 per company for each calendar year. Per KRS 154.60-020, the maximum amount of credits that may be committed in each state fiscal year shall be capped at \$3,000,000. Current fiscal year allocations total \$1,465,400.



Kentucky Angel Investment Tax Credit Projects
February 2017

Qualified Investor	Qualified Small Business	County	Qualified Activity	Projected Investment	Tax Credit Amount
Butler, William P.	Bexion Pharmaceuticals, Inc.	Kenton	Health & Human Development	\$500,000	\$200,000
Total	1			\$500,000	\$200,000
<hr/>					
Projected Credits - To Date					(\$3,025,913)
Reclaimed Credits					\$40,000
Current Projected/Approved Credits					(\$2,985,913)
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Credit Limit					\$3,000,000
Current Projected/Approved Credits					(\$2,985,913)
Remaining Credits					\$14,087

Note: For each calendar year, the total amount of tax credits available for the Kentucky Angel Investment Act program shall not exceed \$3,000,000. The total amount of tax credits approved to a Qualified Investor in a calendar year shall not exceed \$200,000 in aggregate.

MEMORANDUM

TO: KEDFA Board
FROM: Kylee Palmer 
DATE: February 23, 2017
RE: **Kentucky Small Business Credit Initiative (KSBCI)**

At the January 26, 2017 Kentucky Economic Development Finance Authority (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 now requests 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 recommends approval to amend this project.