



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Larry Hayes
Interim Secretary

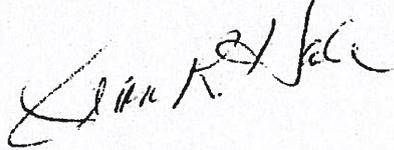
MEMORANDUM

TO: KEDFA Board Members

FROM: Jean R. Hale, Chairman
Kentucky Economic Development Finance Authority

DATE: March 19, 2020

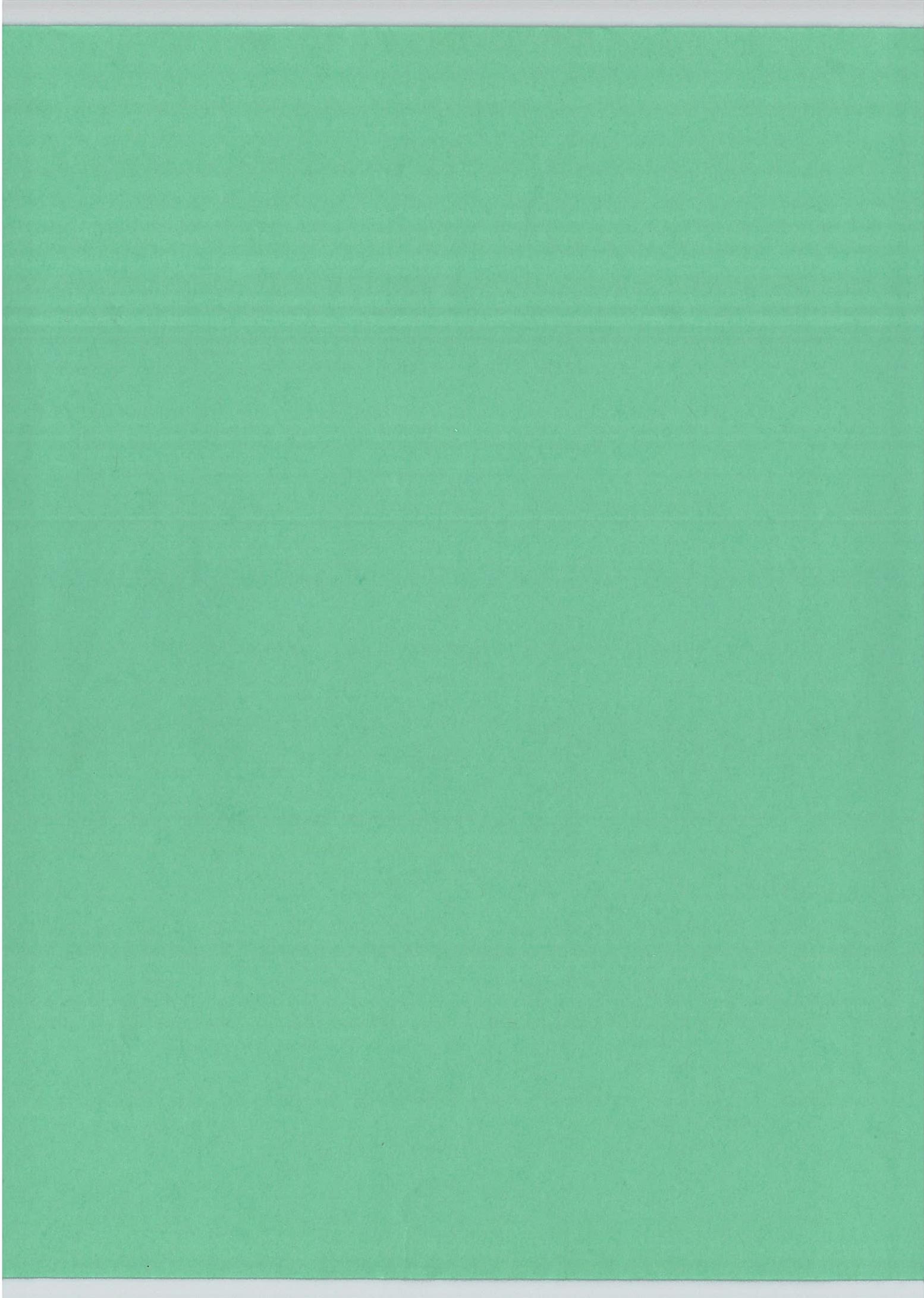
SUBJECT: KEDFA Special Board Meeting



Due to the state of emergency declared by Governor Beshear via Executive Order 2020-15 regarding COVID-19, all previously announced in-person meetings involving the Kentucky Cabinet for Economic Development scheduled in March have been cancelled. In accordance with the provision of KRS 61.823, a special meeting of the Kentucky Economic Development Finance Authority is called for **10:00 a.m. (EDT) on Thursday, March 26, 2020**. The board meeting will be held via video teleconference at the following link: <https://zoom.us/j/5144936754>.

The purpose of the meeting is to consider all projects scheduled for the regular March meeting that was cancelled due to the state of emergency.

Attachment



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

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

SPECIAL BOARD MEETING

Video Conference Website/Link: <https://zoom.us/j/5144936754>

**AGENDA
March 26, 2020**

Call to Order

Notification of Press

Oath of Office

Roll Call

Minutes from February 27, 2020 Regular KEDFA Board Meeting

KEDFA IRB (Final)

KBI Projects (Preliminary)

KBI Projects (Preliminary) & KEIA Projects

KEIA Projects

KEDFA Loan Project

KBI Projects (Final)

KSBTC Projects

KEIA Projects (Extension)

KBI Projects (Extension)

KBI Projects (Amendment)

Reports

Adjournment



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING February 27, 2020

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EST on February 27, 2020, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

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

Roll Call

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

Staff Present: Bobby Aldridge, Tim Back, Sarah Butler, Brittany Cox, Michelle Elder, David Hamilton, Lucas Johnson, Andy Luttner, Kate McCane, Sean Muldoon, Kylee Palmer, Debbie Phillips, Angelica Sanchez Vega, Katie Smith and Teresa Spreitzer

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Robert Shearer, Denham-Blythe Company, Inc.; Ed Ray, Envision Modular, LLC; Kristen Hill, Frost Brown Todd LLC; Jeff Hughes, Gray Construction; Dan Tobergte, Graydon Law; Heather Pierce, Greater Paducah Economic Development; Johnny Roberts, Hancock County Fiscal Court; Mike Baker, Hancock County Industrial Authority; Billy Aldridge, Kentucky Finance and Administration Cabinet, Office of Financial Management; Devon Stansbury, Northern Kentucky Tri-Ed and Matt Zoellner, Scott, Murphy & Daniel

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the January 30, 2020 regular KEDFA board meeting.

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

Approved/Undisbursed Report

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

Financial Statements and Monitoring Reports

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

KEDFA Industrial Revenue Bond (IRB) Project (Refinance)

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

Christian Care Communities, Inc. Obligated Group

Ms. Phillips stated a draft New Bond Issue Report was provided to the board related to KEDFA's proposed issuance of healthcare facilities revenue bonds in an aggregate principal amount not to exceed \$62 million on behalf of Christian Care Communities, Inc. Obligated Group. The bond proceeds will be used to refinance all or a portion of a series of bonds issued by KEDFA in 2016 and certain other taxable indebtedness and to finance/refinance the costs of acquisition, construction and equipping of healthcare and health-related facilities located in the Commonwealth and owned/operated by members of the Obligated Group. The local jurisdictions that may be impacted by the project include Louisville, Bowling Green, Corbin, Hopkinsville, Owensboro and Nicholasville, Kentucky

KEDFA's adoption of a final resolution will be contingent on the Cabinet's receipt of referral resolutions from the affected local jurisdictions requesting that KEDFA issue the bonds. A TEFRA hearing for the purpose of receiving public comment on the proposed bond issues 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 recommended KEDFA's adoption of the inducement bond resolution.

J. Don Goodin moved to approve the staff recommendation, as presented; Naashom Marx seconded the motion. Motion passed; unanimous.

Kentucky Business Investment (KBI) Project (Modification)

Chairman Hale called on Michelle Elder to present a KBI project modification to the Authority.

DAE-IL USA, Inc. Calloway County

Ms. Elder stated DAE-IL USA Incorporated received preliminary approval on December 7, 2017 for a project consisting of an approximate 295,000 square foot manufacturing facility in Murray, Calloway County to manufacture gears for transmissions for the automotive industry. The project was approved for up to \$3,000,000 in KBI incentives.

The company initially registered as a new corporation with the Kentucky Secretary of State's office when it should have registered as a Foreign Entity since it was already registered in Delaware. The company has corrected its registration and the approved company will now be DAE-IL USA, Inc. All other aspects of the project remain the same.

Staff recommended approval of the KBI modification request.

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

Kentucky Enterprise Initiative Act (KEIA) Project (Modification)

Chairman Hale called on Mr. Aldridge to present a KEIA project modification to the Authority.

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

Mr. Aldridge stated Bespoke Ventures and Investments, LLC was approved for KEIA on December 12, 2019. Subsequent to approval, the address changed from Eibeck Lane to Mercedes Drive and the acreage amount increased from 8.8 to 31.8. The Department of Tourism has agreed to the changes. All other aspects of the project remain the same.

Staff recommended approval of the KEIA modification request.

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

KBI Projects (Amendment)

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

**RxC Acquisition Company dba RxCrossroads (#18413)
Jefferson County**

Mr. Aldridge stated RxC Acquisition Company has four core business lines serving the pharmaceutical manufacturing industry, including plasma transportation and storage, third-party logistics, brand support services and pharmacy operations supporting mail order patient assistance programs. The company occupies numerous leased sites throughout Jefferson County. This project was an expansion of the third-party logistics operations with the leasing of two new facilities. The project activated September 27, 2014.

Subsequent to the date of the original agreement, the project experienced several changes. 1) The company expanded its physical operations by leasing additional sites and relocating others; 2) the Authority determined that eligible costs for the project would be limited to one expansion site; and 3) the company was acquired by McKesson Corporation and as a result of corporate restructuring, a new subsidiary, RxCrossroads 3PL LLC, was created into which certain assets of the company were transferred. The Amended and Restated Tax Incentive Agreement will recognize the changes outlined above and will add the new subsidiary, RxCrossroads 3PL LLC, as an approved affiliate to the project. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

Deputy Secretary Winston Miller moved to approve the staff recommendation, contingent upon receipt of the company's balance sheet after certain assets were transferred; Mr. Goodin seconded the motion. Motion passed; unanimous.

**RxC Acquisition Company dba RxCrossroads (#19528)
Jefferson County**

Mr. Aldridge stated RxC Acquisition Company has four core business lines serving the pharmaceutical manufacturing industry, including plasma transportation and storage, third-party logistics, brand support services and pharmacy operations supporting mail order patient assistance programs. The company occupies numerous leased sites throughout Jefferson County. This project added a new facility and employees as an expansion of the Brand Support Services division. The project has an activation date of October 26, 2019.

Subsequent to the date of the original agreement, the project expanded its physical operations to include a new leased facility. Additionally, the company was acquired by McKesson Corporation and as a result of corporate restructuring, a new subsidiary, RxCrossroads 3PL LLC, was created into which certain assets of the company were transferred. This Amended

and Restated Tax Incentive Agreement recognizes the new campus site and adds the new subsidiary, RxCrossroads 3PL LLC, as an approved affiliate to the project. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

Mr. Cowles moved to approve the staff recommendation, contingent upon receipt of the company's balance sheet after certain assets were transferred; Mr. Miller seconded the motion. Motion passed; unanimous.

KEIA Project (Amendment)

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

DAE-IL USA, Inc. Calloway County

Mr. Aldridge stated DAE-IL USA Incorporated was approved for KEIA on December 7, 2017. Subsequent to approval, the company changed its name from DAE-IL USA Incorporated to DAE-IL USA, Inc. All other aspects of the project remain the same.

Staff recommended approval of the KEIA amendment request.

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

KEIA Projects (Extension)

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

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

Company	County	Extension
Vanderbilt Chemicals, LLC	Calloway	3 Month
Hansens Aluminum Extrusion LLC	Henderson	12 Month
Kobe Aluminum Automotive Products, LLC	Warren	12 Month

Staff recommended approval of the KEIA extension requests.

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

KBI (Preliminary) and KEIA Projects

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

T. Marzetti Company Hart County

**Andy Luttner
Michelle Elder**

Andy Luttner stated T. Marzetti Company produces a long list of salad dressings, fruit and vegetable dips, frozen baked goods and specialty brand items. The company is considering additional manufacturing space, purchasing dressing and sauce production equipment and adding new kitchen and packaging lines to help drive increased consumer demand for its products.

Ms. Elder stated the project investment is \$92,775,018 of which \$63,887,680 qualifies as KBI eligible costs and \$51,598,815 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 140 with an average hourly wage of \$26.00 including benefits. The state wage assessment participation is 3.00% and Hart County Fiscal Court will participate at 0.80%. 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 \$2,750,000 and the KEIA approved recovery amount of \$250,000 for construction materials and building fixtures.

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

CROWN Cork & Seal USA, Inc.
Warren County

Andy Luttner
Debbie Phillips

Mr. Luttner stated CROWN Cork & Seal USA, Inc. is a subsidiary of Crown Holdings, Inc., a leading manufacturer of metal beverage cans, aerosol cans, promotional packaging, metal food packaging and closures. The company is considering establishing a metal beverage cans manufacturing facility in Bowling Green to serve existing and new customers.

Ms. Phillips stated the project investment is \$147,550,000 of which \$51,670,000 qualifies as KBI eligible costs and \$41,400,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 126 with an average hourly wage of \$31.00 including benefits. The state wage assessment participation is 3.00% and the City of Bowling Green will participate at 1.00%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$3,000,000 and the KEIA approved recovery amount of \$1,000,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

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

STEP CG, LLC
Kenton County

Brittany Cox
Debbie Phillips

Brittany Cox stated STEP CG, LLC is a nationwide technology engineering firm that provides a full portfolio of networking, voice, security and professional service solutions to healthcare, education, manufacturing, financial, retail, legal government and service providers. The company is considering the relocation of its existing operation in Covington and add additional office space.

Ms. Cox introduced Dan Tobertge and Devon Stansburg and invited them to address the board regarding the project.

Ms. Phillips stated the project investment is \$5,293,930 of which \$1,584,465 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 83 with an average

hourly wage of \$38.00 including benefits. The state wage assessment participation is 3.00% and the City of Covington will participate at 1.00%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The project will include multiple locations within the City of Covington, Kenton County. Only investment costs incurred at 50 E. RiverCenter Boulevard 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 \$900,000.

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

Gentis Solutions, LLC
Kenton County

Brittany Cox
Michelle Elder

Ms. Cox stated Gentis Solutions, LLC, located in Williamsport, PA, is a headquarter location providing IT programming and software design. Since 80% of its clients come from the KY/OH area, the company is considering locating in Covington to be closer to the customers and candidates it serves.

Ms. Cox invited Ms. Stansburg to address the board regarding the project.

Ms. Elder stated the project investment is \$2,735,000 of which \$1,805,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 80 with an average hourly wage of \$31.00 including benefits. The state wage assessment participation is 3.00% and the City of Covington will participate at 1.00%.

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

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

AtCorr Packaging Products, LLC
Barren County

Andy Luttner
Michelle Elder

Mr. Luttner stated AtCorr Packaging Products, LLC manufactures corrugated shipping products and fulfillment for various industries. Due to increased product demand, the company is considering relocating its business into a portion of an existing building, purchasing additional equipment, workstations and conveyor lines.

Ms. Elder stated the project investment is \$780,950, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 31 with an average hourly wage of \$17.00 including benefits. The state wage assessment participation is 3.00% and the City of Glasgow will participate at 1.00%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$250,000.

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

**Envision Modular LLC
Hancock County**

**Andy Luttner
Michelle Elder**

Mr. Luttner stated the cost and time to build hotels, multi-family units, government housing, office buildings and other vertical projects using traditional methods has resulted in the building industry failing to keep up with marketplace demand for these projects. Envision Modular has the solution, Permanent Modular Construction (PMC). PMC is an innovative, sustainable construction delivery method utilizing offsite, lean manufacturing techniques to prefabricate single or multi-story whole building solutions in deliverable module sections. Envision Modular LLC is considering locating its PMC manufacturing facility in Hancock County.

Mr. Luttner introduced Ed Ray, Mike Baker and Johnny Roberts and invited them to address the board regarding the project.

Ms. Elder stated the project investment is \$25,100,000 of which \$16,540,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 85 with an average hourly wage of \$26.00 including benefits. The state wage assessment participation is 3.00% and Hancock County Fiscal Court will participate at 1.00%.

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

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

**ViWinTech Window & Door, Inc.
McCracken County**

**Andy Luttner
Michelle Elder**

Mr. Luttner stated ViWinTech Window & Door, Inc. is a manufacturer specializing in the production of high quality, energy efficient vinyl windows and doors. The company is considering constructing an additional building to accommodate its increased output as the company continues to grow and gain additional customers.

Ms. Elder stated the project investment is \$10,000,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 40 with an average hourly wage of \$16.00 including benefits. The state wage assessment participation is 5.00%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

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

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

<u>Company</u>	<u>County</u>	<u>Extension</u>
Duro Hilex Poly LLC	Boone	3 Month

Whitworth Tool, Inc.	Breckinridge	6 Month
Alltech, Inc.	Jessamine	12 Month
Cuddle Clones LLC	Jefferson	12 Month
Information Capture Solutions LLC	Laurel	12 Month
PharmaCord LLC	Jefferson	12 Month
Vita-Stat LLC	Jefferson	12 Month

Staff recommended approval of the KBI extension requests.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Miller 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 six companies requested KBI final approval, three of which have modifications since preliminary approval. Ms. Phillips asked that all six be presented as one motion.

No Modifications:

<u>Project Name</u>	<u>County</u>	<u>Type Project</u>
Denyo Manufacturing Corporation	Boyle	Manufacturing
Frost-Arnett Company	Taylor	Service & Technology
TTA, LLC	Jefferson	Headquarters

Modifications:

Mobile Marketing Solutions, Inc.
dba Brewco Marketing Group Muhlenberg Service & Technology
 The project changed from an owned to a leased project with no rent eligible. All other aspects of the project remain the same.

RxC Acquisition Company
dba RxCrossroads Jefferson Service & Technology
 The company added an affiliate, RxCrossroads 3PL, LLC and two additional addresses have been added to the campus location definition. All other aspects of the project remain the same.

The Webstaurant Store, Inc. Hopkins Service & Technology
 The company added an affiliate, Calumet Enterprises, LLC. The total investment increased from \$3,500,000 to \$8,500,000; the eligible costs increased from \$2,800,000 to \$4,800,000; the job target increased from 30 to 200 and the total negotiated tax incentive amount increased from \$350,000 to \$1,500,000. All other aspects of the project remain the same.

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

Mr. Miller moved to approve the staff recommendation, as presented; Mr. Cowles 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 eight Kentucky small businesses, from six counties with qualifying tax credits of \$105,000. The eight businesses created 30 jobs and invested \$172,373 in qualifying equipment and/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
B & C Industries, Inc.	Pulaski	24	4	\$ 11.75	\$ 28,000	\$ 14,000
Consultant Solutions, Incorporated	Fayette	31	7	\$ 34.66	\$ 37,650	\$ 24,500
First Saturday Real Estate LLC	Jefferson	3	1	\$ 20.00	\$ 5,641	\$ 3,500
Hometown Concrete, LLC	Boone	0	5	\$ 21.30	\$ 42,715	\$ 17,500
Hummingbird Nano, Inc.	Jessamine	3	2	\$ 17.19	\$ 9,295	\$ 7,000
Key Source Properties LLC	Jefferson	0	4	\$ 19.38	\$ 18,500	\$ 14,000
MosquitoMate, Inc.	Fayette	5	5	\$ 19.61	\$ 22,908	\$ 17,500
Volta Inc.	Franklin	22	2	\$ 33.42	\$ 7,664	\$ 7,000

Staff recommended approval of the tax credits.

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

Adjournment

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

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

The meeting adjourned at 10:35 a.m.

**APPROVED
PRESIDING OFFICER:**

Jean R. Hale, Chairman



MEMORANDUM

TO: KEDFA Board

FROM: Debbie Phillips *DP*
Incentive Assistance Division

DATE: March 26, 2020

SUBJECT: Healthcare Facilities Revenue Bonds, Series 2020 (Christian Care Communities, Inc. Obligated Group) – \$62,000,000 – Final Resolution

Attached is a draft New Bond Issue Report related to KEDFA's proposed issuance of healthcare facilities revenue bonds in an aggregate principal amount not to exceed \$62 million on behalf of Christian Care Communities, Inc. Obligated Group.

The bond proceeds will be used to:

- 1) Refinance all or a portion of a series of bonds issued by KEDFA in 2016 and certain other taxable indebtedness; and
- 2) Finance/refinance the costs of acquisition, construction and equipping of healthcare and health-related facilities located in the Commonwealth and owned/operated by members of the Obligated Group

The local jurisdictions of Louisville, Warren County, Corbin, Christian County, Owensboro and Nicholasville, have adopted resolutions requesting KEDFA issue these bonds. A TEFRA hearing for the purpose of receiving public comment on the proposed bond issue will be conducted by staff on Wednesday, March 25, 2020 via video conference (prior to KEDFA's adoption of a final resolution).

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

Staff recommends KEDFA's adoption of the attached final bond resolution.

KEDFA BOND INFORMATION FORM

Name of Issue:

Kentucky Economic Development Finance Authority Healthcare Facilities Revenue Bonds, Series 2020A and Taxable Series 2020B (Christian Care Communities, Inc. Obligated Group) (the "Bonds"). The 2020A Bonds will be federally tax-exempt and issued in an aggregate principal amount not expected to exceed \$55,000,000. The 2020B Bonds will be federally taxable and issued in an aggregate principal amount not expected to exceed \$7,000,000.

**Name of project(s)
covered by Issue:**

The following locations of the Christian Care Communities, Inc. Obligated Group:

- Christian Care Communities, Inc./Christian Health Center (Louisville)
- The Broadhurst Group, Inc./Corporate Offices for all facilities (Louisville)
- Christian Care Communities, Inc./Christian Health Center (Bowling Green)
- Christian Care Communities, Inc./Village Manor (Bowling Green)
- Christian Care Assisted Living – Bowling Green, Inc. (Bowling Green)
- Christian Care Communities, Inc./Christian Health Center (Corbin)
- Christian Care Communities, Inc./Village at Corbin (Corbin)
- Christian Care Communities, Inc./Christian Health Center (Hopkinsville)
- Christian Care Communities, Inc./Chambers Court (Hopkinsville)
- Christian Care Communities, Inc./Cornell Memory Center (Hopkinsville)
- Christian Care Communities, Inc./Cox Mill Court (Hopkinsville)
- Christian Care Communities, Inc./Village Manor (Hopkinsville)
- Christian Care Communities, Inc./Friendship House of Hopkinsville (Hopkinsville)
- Christian Care Communities,

All information is estimated and subject to change

Inc./Central Adult Day Center
(Lexington)

- Christian Care Communities,
Inc./Maplebrook Village (Owensboro)
- Christian Care Communities,
Inc./Garden Grace (Owensboro)
- Christian Care Services,
Inc./Bridgepointe at Ashgrove Woods
(Nicholasville)

Purpose of Issue:

The purpose of the Bonds is to (i) refinance the 2016 Bonds issued by KEDFA for the benefit of the Obligated Group and certain other taxable indebtedness (bank loans) of the members of the Obligated Group (collectively, the "Prior Debt"), the proceeds of which Prior Debt were used to finance and refinance health care and health related facilities, including long-term care facilities and housing for the aged or infirm, located in the Commonwealth and owned and/or operated by the members of the Obligated Group (collectively, the "Prior Project"), (ii) finance and refinance the costs of the acquisition, construction and equipping of health care and health related facilities, including long-term care facilities and housing for the aged or infirm, located in the Commonwealth and owned and/or operated by the members of the Obligated Group (collectively, the "New Project" and, together with the Prior Project, the "Project"), (iii) fund capitalized interest on all or a portion of the Bonds, (iv) fund a debt service reserve for the Bonds and (v) pay costs of issuance of the Bonds. The "Obligated Group" will include Christian Care Communities, Inc. ("CCC") and the following affiliates: The Broadhurst Group, Inc., Christian Care Services, Inc., Christian Care Properties, Inc., Christian Care Communities Foundation, Inc. and Christian Care Assisted Living – Bowling Green, Inc. The members of the Obligated Group will be jointly and severally liable for certain indebtedness incurred by one or more members of the Obligated Group.

Size:

Not to exceed \$62,000,000

Proposed date of Sale:

May 13, 2020*

Proposed date of Issue:

May 27, 2020*

Maturity:

January 1, 2055

* Preliminary, subject to change

All information is estimated and subject to change

Ratings: Unrated

Security: Joint and several obligation of members of Obligated Group pursuant to a master trust indenture; gross revenues pledge of members of Obligated Group; mortgage on key operating facilities.

Date authorizations(s): February 27, 2020 (Inducement); and March 26, 2020 (anticipated)(Final)

Net Proceeds for Financing/Refinancing:	\$51,370,591*
Plus: Issuance Cost	\$1,282,545*
Plus: Debt Service Reserve Fund	\$3,524,700*
Plus: Capitalized Interest	\$0*

GROSS PROCEEDS (Series 2020AB): \$56,177,836*

Terms of issue: 35 Years*

Net interest rate: 4.70%

Length of term: Final maturity 35 years

Gross debt service amount: \$113,850,800

Average annual debt service: \$3,292,071

First call date: TBD depending on structure and market conditions

Premium at first call: TBD

Method of sale: Negotiated

Purchasers: Institutional and Accredited Investors

Professional Services

Pursuant to the provisions of KRS Chapter 47, the

Agency:

Issue:

is providing information on all costs associated, either directly or indirectly, with the issuance of revenue bonds or notes.

All information is estimated and subject to change

<u>Payee Name/Address*</u>	<u>Participation</u>	Fees, commissions, or any other economic benefits received or anticipated to be received
Kentucky Economic Development Finance Authority Old Capitol Annex 300 West Broadway Frankfort, KY 40601	Issuance Fee	Up to \$10,000
Cain Brothers	Underwriter's Discount	650,000
Ice Miller LLP	Bond Counsel Fee and Expenses	140,000
Seiller Waterman LLC	Borrower Counsel Fee and Expenses	75,000
Harris Beach PLLC	Underwriter's Counsel Fee and Expenses	75,000
Dixon Hughes Goodman LLP	Feasibility Study Consultant	95,000
Stites & Harbison, PLLC	Issuer's Counsel Fee and Expenses	15,000
Trustee TBD		

* Payees listed shall include issuers, underwriters, placement agents and advisors, financial advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel, special tax counsel, and any other persons receiving financing benefit from the issuance of revenue bonds or notes.

All costs of issuance paid from Bond proceeds.

Note: Changes or additions in amounts or names of payees or recipients shall be furnished to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue, and shall be made available to the public, within three (3) days following such change or addition.

All information is estimated and subject to change

SOURCES AND USES (see attachment)

Sources:	Bond Proceeds	\$52,585,000
	Premium	3,592,836
	Total Sources	\$56,177,836
Debt Service:	(See Attachment)	
Uses:	Refunding Series 2016 Bonds	\$32,458,588
	Refinancing taxable loans	5,119,491
	Swap termination fee	488,000
	Acquisition of Ashgrove Woods Facility	13,300,000*
	Debt Service Reserve Fund	3,524,700
	Legal, Accounting, Printing, UW's Discount and Incidental Expenses	1,287,057
	Total Uses	\$56,177,836

FOR REFUNDING ONLY

**Bond issue being
refinanced:**

Kentucky Economic Development Finance Healthcare Facilities Revenue
Bonds, Series 2016A and Series 2016B (Christian Care Communities, Inc.
Obligated Group)

Amount of principal: \$37,578,080 **Amount to be refunded:** \$37,578,080

**Terms of existing
bond issue:**

Existing bonds are held by two commercial banks in a "bank direct purchase"
transaction.

Net interest rate: Variable interest rate **Length of term:** Final maturity
based on monthly reset 12/01/2045
of 1 Month LIBOR rate

First call date: Currently callable **Call at par** Currently callable at par

**Average annual
debt service** \$2,831,253

REFUNDING ACTIVITY

Funds to apply to refunding:	\$37,578,080*
Proceeds from New Bonds	\$37,578,080*
Released Debt Service Reserve	-0-
Total Available to Pay Old Bond Issue	\$37,578,080*

All information is estimated and subject to change

SAVINGS RESULTING FROM REFINANCING

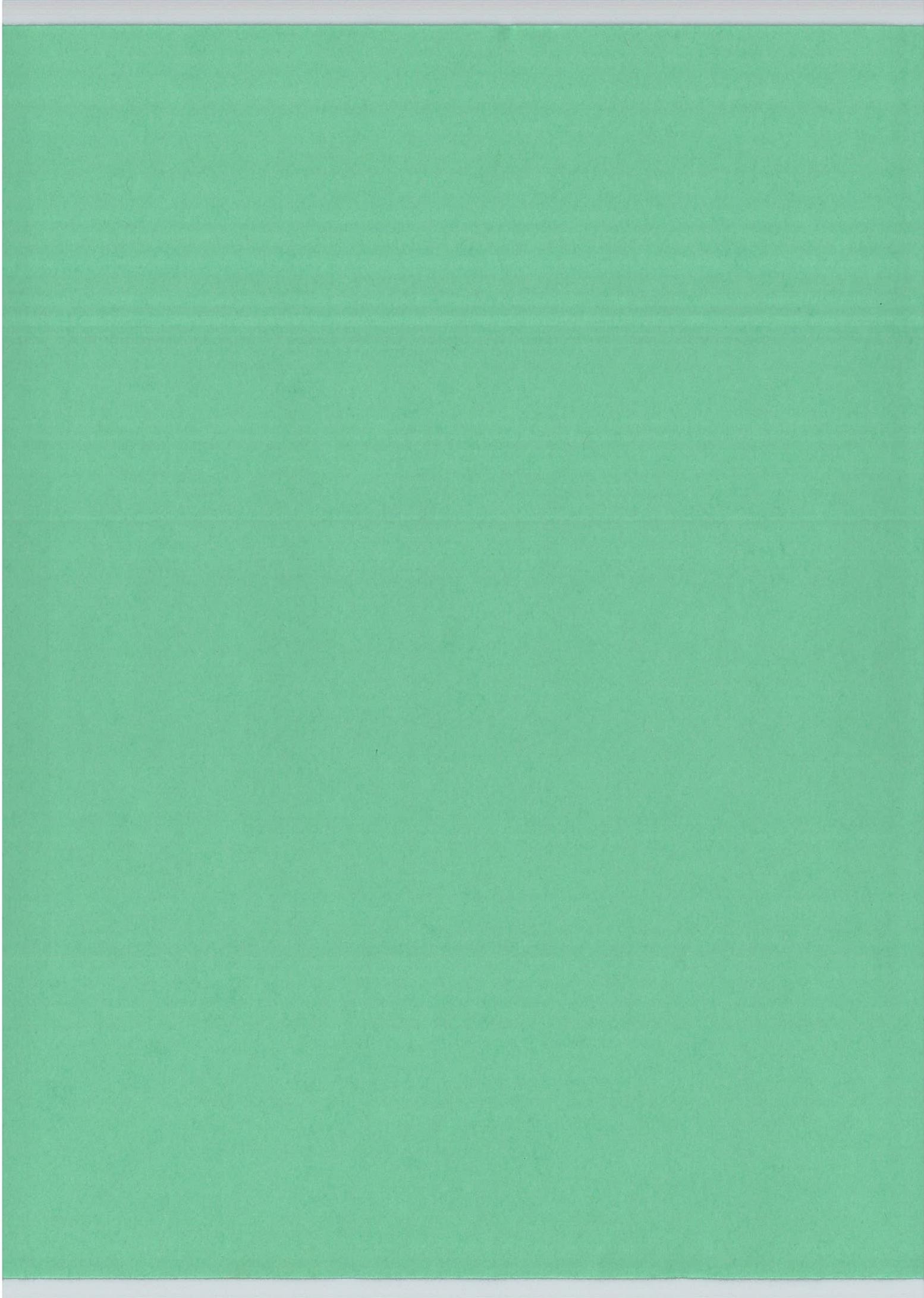
-The refinancing is not expected to generate debt service savings over the remaining term the existing bonds will be held by the current bank purchasers. The refinancing is intended to take advantage of historically low fixed rates, eliminate burdensome bank covenants and eliminate “renewal risk” given short-term commitment period of banks.

Average annual debt service savings: N/A

Number of years savings will accrue: N/A

Total present value savings: N/A

*Preliminary, subject to change



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

Date: March 26, 2020
Approved Company: Kronos Saashr, Inc.
City: Louisville **County:** Jefferson
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-20-22932
Bus. Dev. Contact: M. David-Jacobs **DFS Staff:** K. McCane

Project Description: Kronos Saashr, Inc., a Kronos company, provides workforce management and human capital management cloud solutions. The company is considering an expansion to reconfigure its current space to facilitate new employees due to client growth.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased
 Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

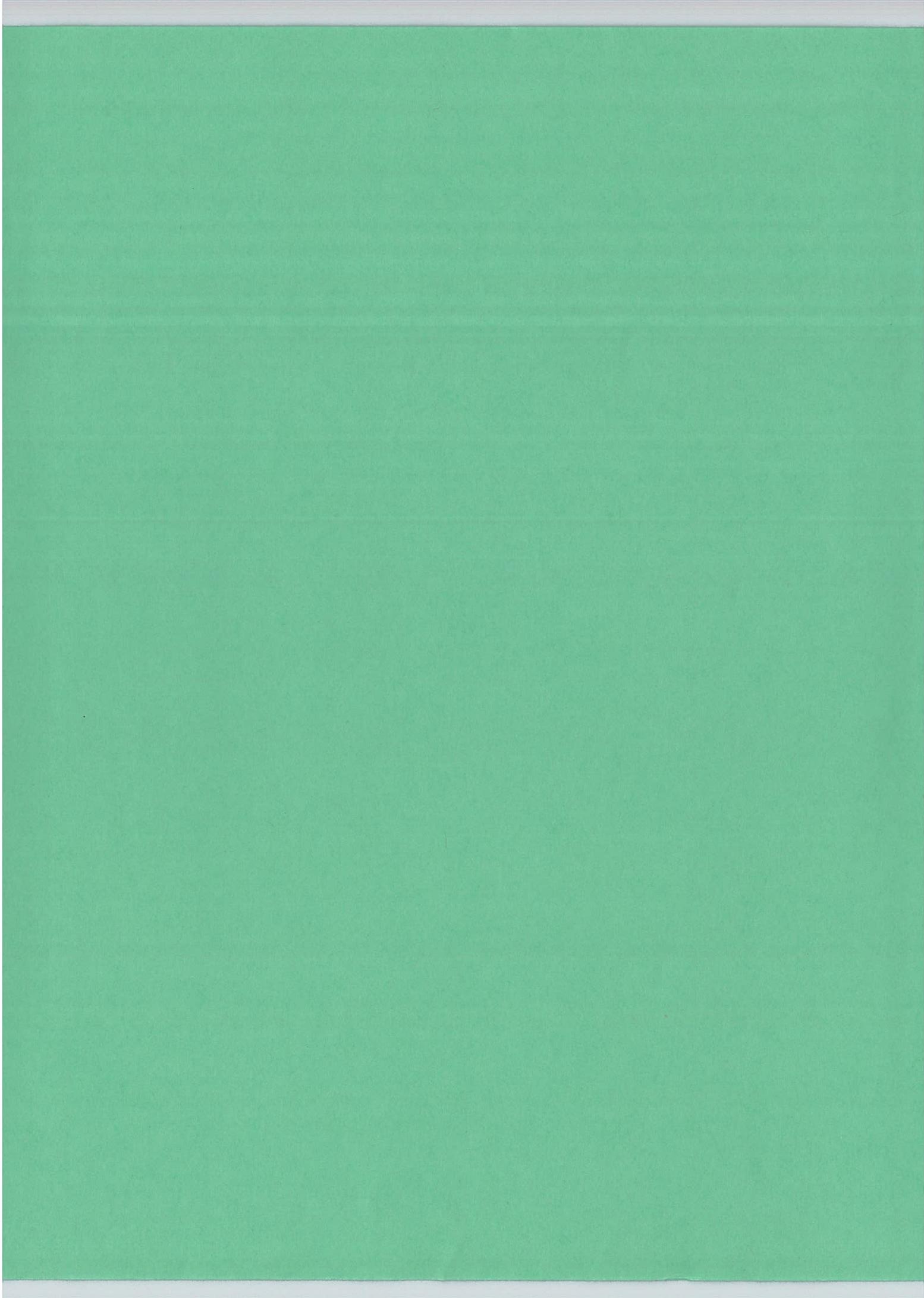
Eligible Costs	Total Investment
\$0	\$0
\$467,338	\$467,338
\$155,330	\$155,330
\$9,090	\$9,090
\$631,758	\$631,758

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$40.34	
1	13	\$40.34	\$30,000
2	16	\$40.34	\$30,000
3	21	\$40.34	\$30,000
4	21	\$40.34	\$30,000
5	21	\$40.34	\$30,000
6	21	\$40.34	\$30,000
7	21	\$40.34	\$30,000
8	21	\$40.34	\$30,000
9	21	\$40.34	\$30,000
10	21	\$40.34	\$30,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$300,000



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

Date: March 26, 2020
Approved Company: Truck Equipment & Body Company of Kentucky, Inc. dba TEBCO of Kentucky, Inc.
City: Stanton **County:** Powell
Activity: Manufacturing **Prelim Resolution #:** KBI-I-20-22950
Bus. Dev. Contact: B. Cox **DFS Staff:** D. Phillips
Project Description: Truck Equipment & Body Company of Kentucky, Inc. dba TEBCO of Kentucky, Inc. is a family-owned manufacturer of custom dump bodies and truck equipment. The company is considering establishing a manufacturing facility in Stanton to increase product volume.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

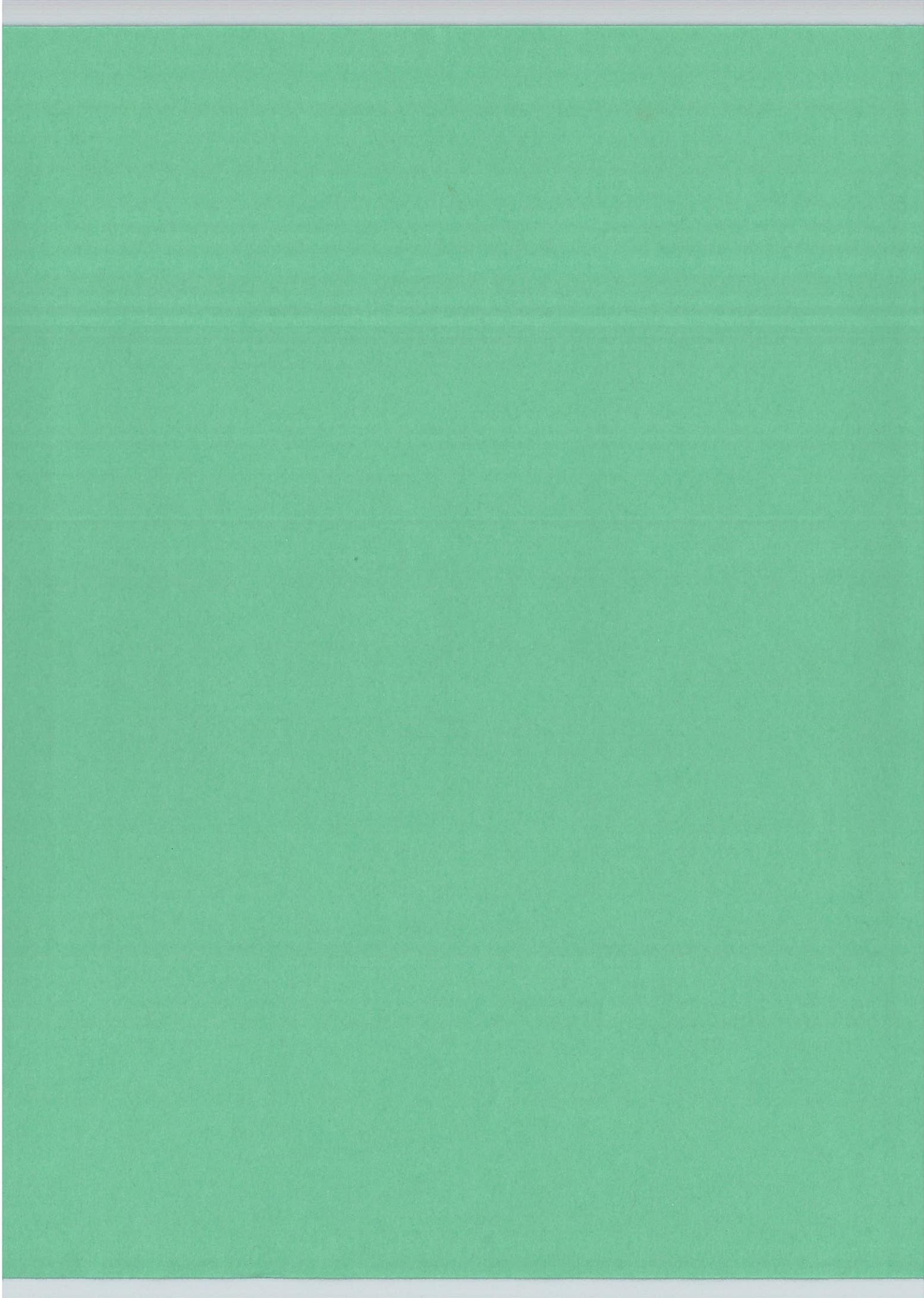
Eligible Costs	Total Investment
\$0	\$0
\$885,000	\$885,000
\$1,000,000	\$1,000,000
\$115,000	\$115,000
\$2,000,000	\$2,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$17.00	
1	12	\$17.00	\$25,000
2	22	\$17.00	\$25,000
3	28	\$17.00	\$50,000
4	30	\$17.00	\$50,000
5	32	\$17.00	\$50,000
6	32	\$17.00	\$50,000
7	34	\$17.00	\$50,000
8	34	\$17.00	\$50,000
9	37	\$17.00	\$50,000
10	40	\$17.00	\$50,000
11	40	\$17.00	\$50,000
12	41	\$17.00	\$50,000
13	42	\$17.00	\$50,000
14	42	\$17.00	\$75,000
15	43	\$17.00	\$75,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$750,000



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

Date: March 26, 2020
Approved Company: Hyland Equipment Co II LLC
City: Mount Vernon **County:** Rockcastle
Activity: Manufacturing **Prelim Resolution #:** KBI-I-20-22934
Bus. Dev. Contact: B. Burton **DFS Staff:** K. McCane

Project Description: Hyland Equipment Co II LLC designs, develops, manufactures and markets commercial/industrial and environmental cleaning, filtration and waste water treatment systems. The company has merged 3 distinct companies into one, diverse Hyland Equipment, and is considering moving the entire operation to a new facility in Mount Vernon.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$100,000	\$100,000
\$1,400,000	\$1,400,000
\$600,000	\$600,000
\$200,000	\$200,000
\$2,300,000	\$2,300,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$29.60	
1	10	\$29.60	\$106,666
2	20	\$29.60	\$106,666
3	30	\$29.60	\$106,666
4	40	\$29.60	\$106,666
5	40	\$29.60	\$106,666
6	40	\$29.60	\$106,666
7	40	\$29.60	\$106,666
8	40	\$29.60	\$106,666
9	40	\$29.60	\$106,666
10	40	\$29.60	\$106,666
11	40	\$29.60	\$106,666
12	40	\$29.60	\$106,666
13	40	\$29.60	\$106,666
14	40	\$29.60	\$106,666
15	40	\$29.60	\$106,676

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,600,000

Incentive Type:
Enhanced

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

Ownership (20% or more):

Daniel J. Kane - Warwick, RI
J. Timothy Kane - Thendara, NY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 5.0%

Unemployment Rate:

County: 4.1%

Kentucky: 3.9%

Existing Presence in Kentucky: None

Special Conditions: None



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: March 26, 2020
Approved Company: Hyland Equipment Co II LLC
City: Mount Vernon **County:** Rockcastle
Activity: Manufacturing **Resolution #:** KEIA-20-22935
Bus. Dev. Contact: B. Burton **DFS Staff:** K. McCane

Project Description: Hyland Equipment Co II LLC designs, develops, manufactures and markets commercial/industrial and environmental cleaning, filtration and waste water treatment systems. The company has merged 3 distinct companies into one, diverse Hyland Equipment, and is considering moving the entire operation to a new facility in Mount Vernon.

Facility Details: Locating in a new facility

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$100,000
\$1,100,000	\$1,400,000
\$100,000	\$100,000
\$100,000	\$100,000
\$0	\$0
\$0	\$400,000
\$0	\$200,000
\$1,300,000	\$2,300,000

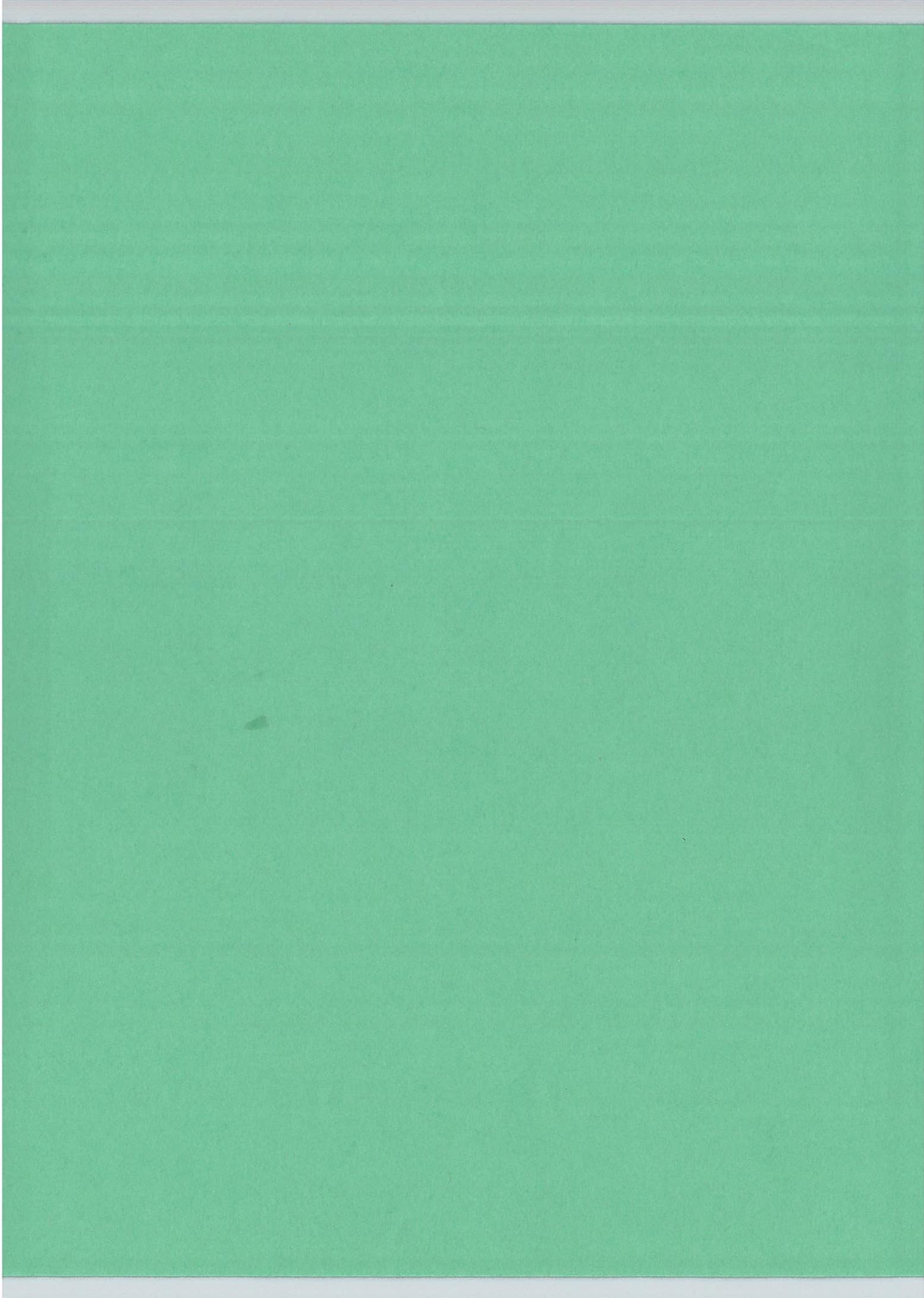
Approved Recovery Amount:

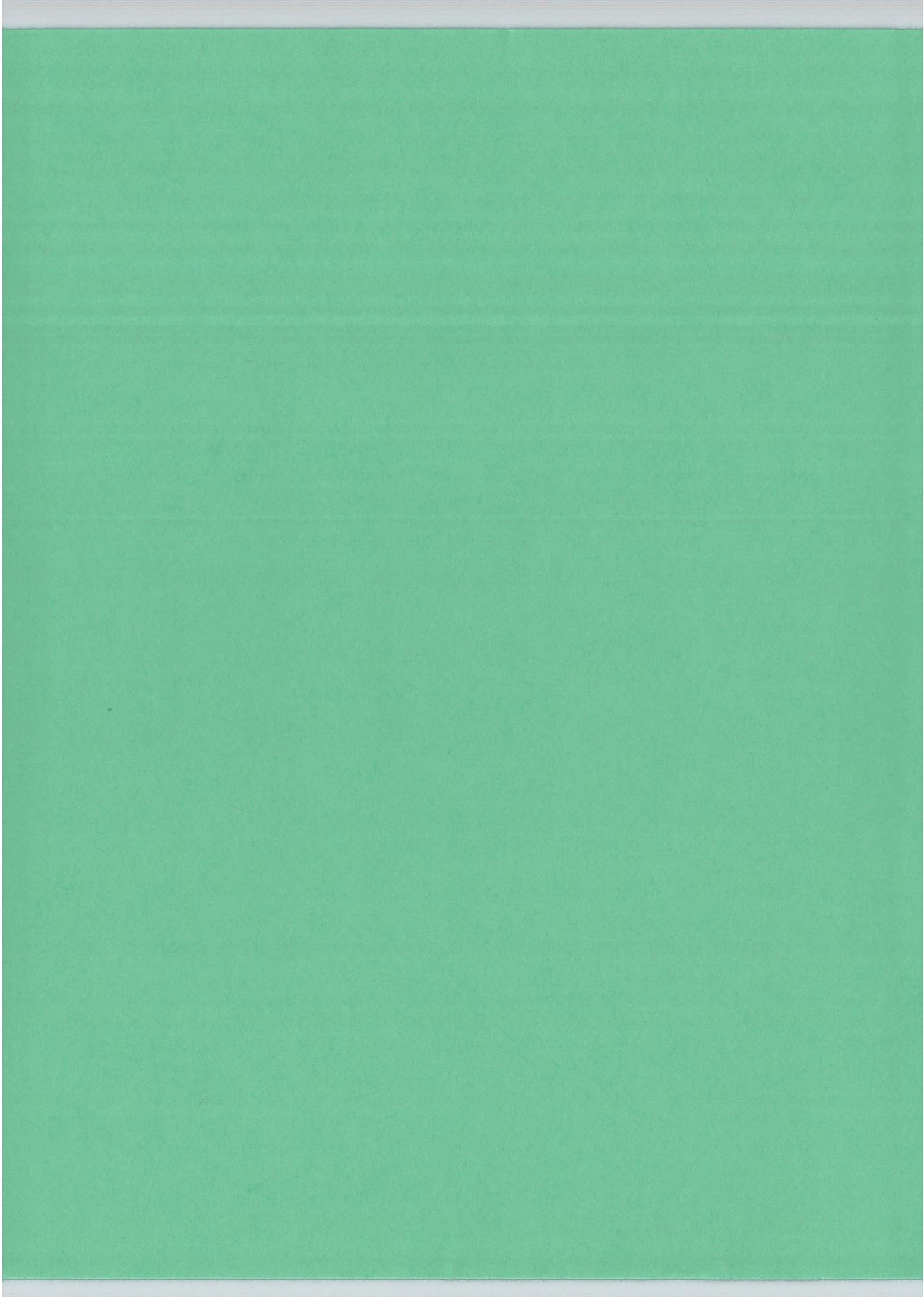
Construction Materials and Building Fixtures: \$48,000
 R&D and/or Electronic Processing Equipment: \$12,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$60,000

See KBI file (KBI-I-20-22934) for Ownership, Other State Participation and Unemployment Rate.





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: March 26, 2020
Approved Company: Heaven Hill Distilleries, Inc.
City: Cox's Creek **County:** Nelson
Activity: Manufacturing **Resolution #:** KEIA-20-22940
Bus. Dev. Contact: A. Franklin **DFS Staff:** D. Phillips

Project Description: Heaven Hill Distilleries, Inc., founded in Kentucky in 1935, is the nation's second largest family owned producer and marketer of distilled spirits. The company is considering the addition of three new bourbon barrel aging warehouses to increase aging capacity by 168,000 barrels.

Facility Details: Expanding existing operations

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$0
\$10,091,212	\$18,276,497
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$10,091,212	\$18,276,497

Ownership (20% or more):

Ellen S. Miller - Bardstown, KY
 Adam R. Shapira - Bardstown, KY

Other State Participation:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jul 25, 2019	KEIA	Approve-Final	\$250,000

Unemployment Rate:

County: 3.8% Kentucky: 3.9%

Existing Presence in Kentucky:

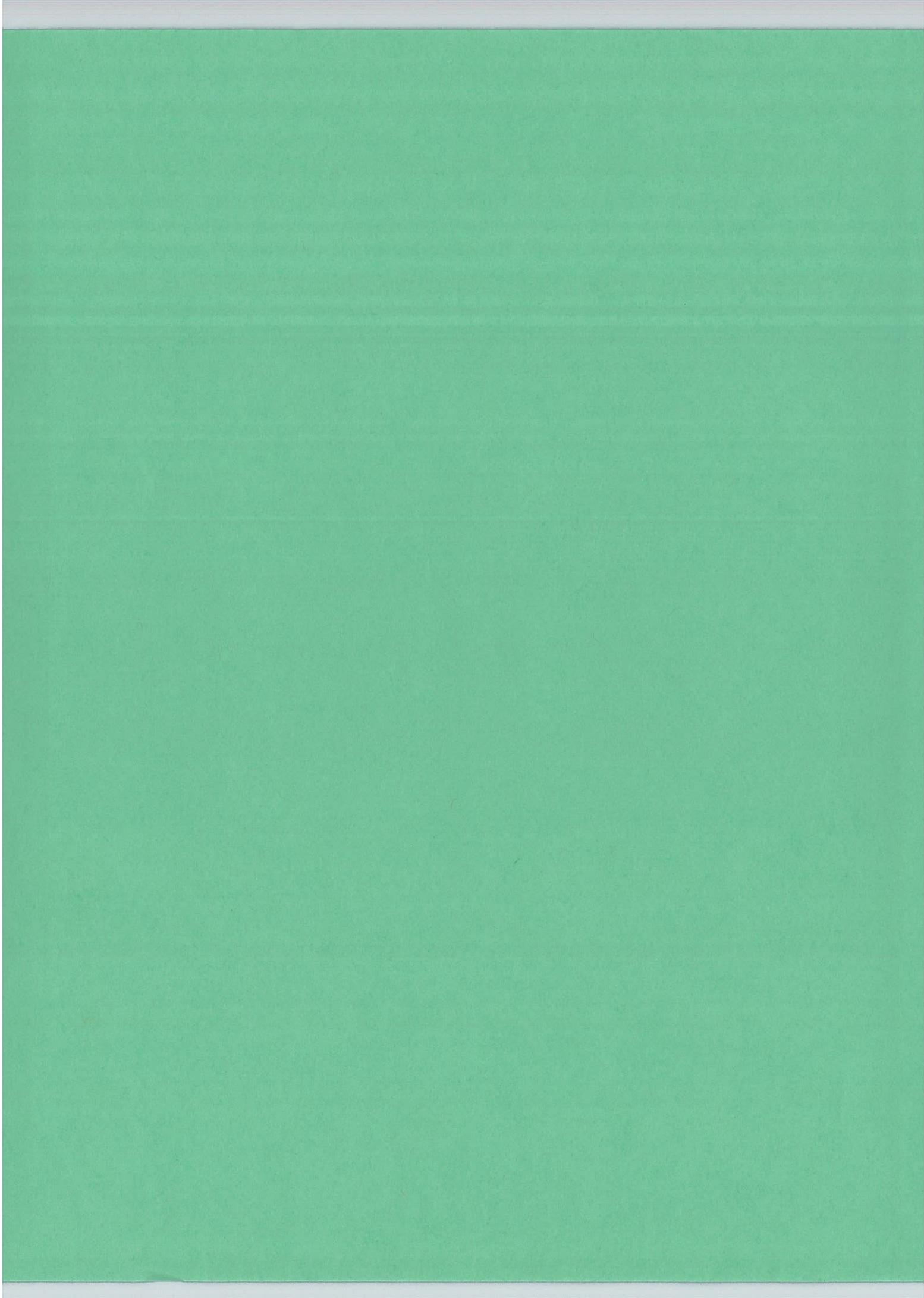
Jefferson and Nelson Counties

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: March 26, 2020
Approved Company: Road ID, Inc.
City: Covington
Activity: Headquarters
Bus. Dev. Contact: B. Cox

County: Kenton
Resolution #: KEIA-20-22941
DFS Staff: D. Phillips

Project Description: Road ID, Inc. is the category leader in athletic identification gear for the running, cycling and triathlon markets. The company excels at manufacturing lifesaving products that save time in an emergency. Due to the sale of one of its existing buildings, Road ID Inc. will relocate to Covington and renovate its existing warehouse to include its headquarters.

Facility Details: Expanding existing operations

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$0
\$584,800	\$1,310,600
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$584,800	\$1,310,600

Ownership (20% or more):

Edward Wimmer IV - Lakeside Park, KY
 Erin Eimer - Walton, KY

Other State Participation: None

Unemployment Rate:

County: 3.2%

Kentucky: 3.9%

Existing Presence in Kentucky:

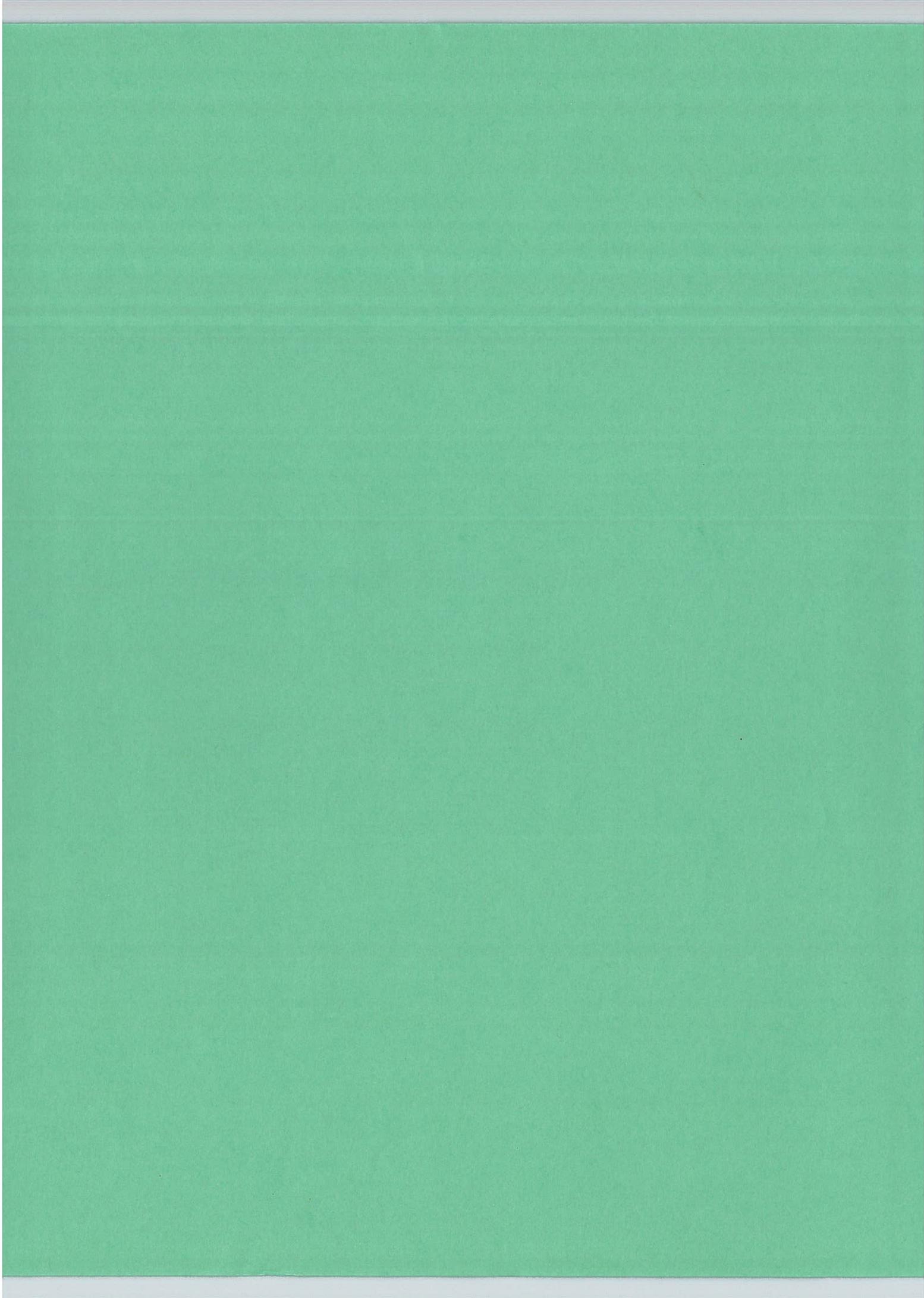
Kenton County

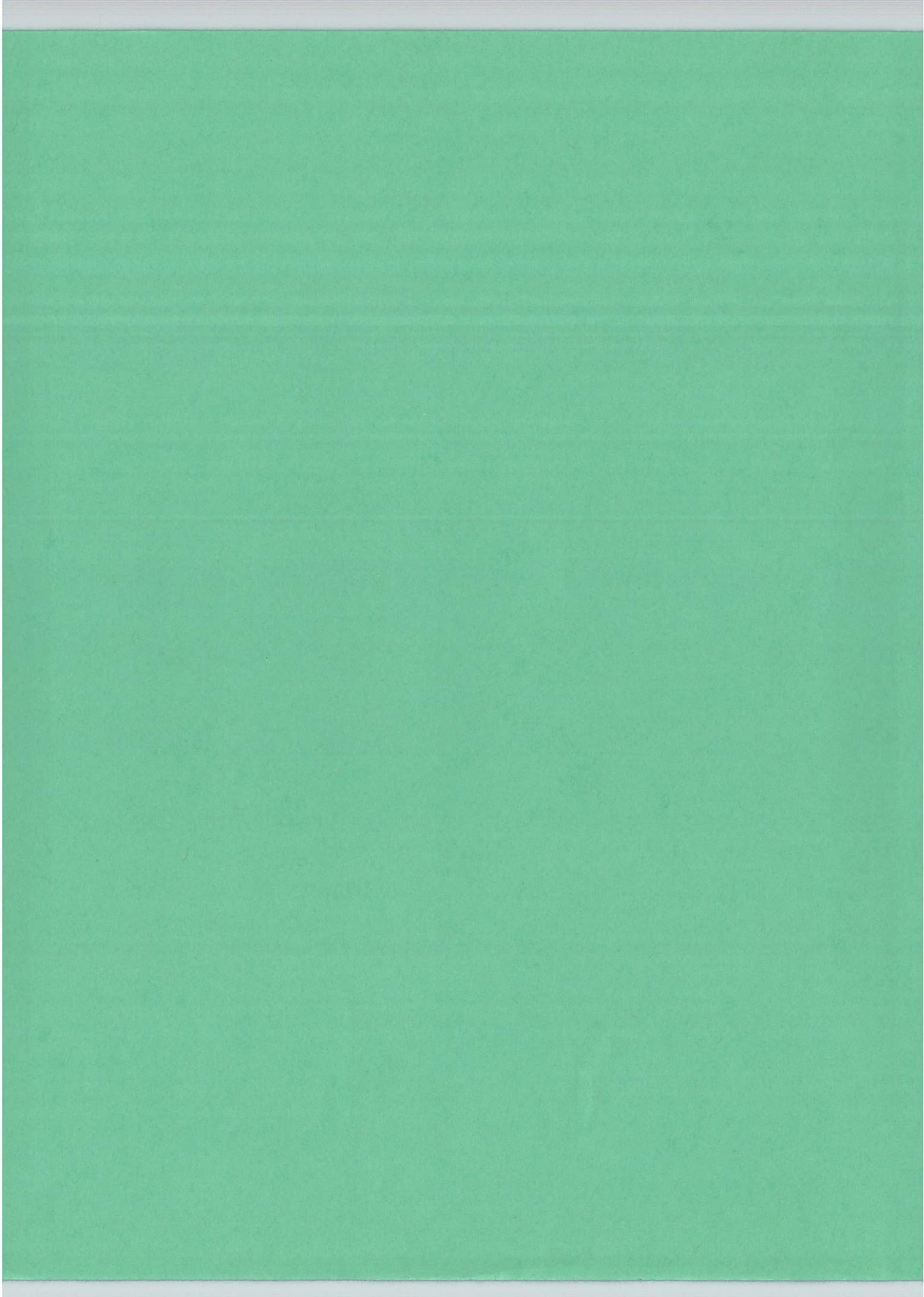
Approved Recovery Amount:

Construction Materials and Building Fixtures: \$25,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$25,000





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

Date: March 26, 2020
Approved Borrower: UofL Health-Louisville, Inc.
Approved Guarantors: UofL Health-Shelbyville, Inc. and UofL Health, Inc.
City: Louisville **County:** Jefferson
Activity: Healthcare
Bus. Dev. Contact: L. Hayes **DFS Staff:** K. Smith

Project Description: UofL Health-Louisville, Inc. purchased certain assets of KentuckyOne in Louisville, to preserve the continuation of medical care in a primarily underserved market area. The purpose of this loan is to provide funding to absorb operating losses and capital expenditures in the short-term to allow UofL Health Louisville, Inc., through its management expertise, turn these medical operations into profitable operations.

Proposed Project Investment and Financing:

Total Investment		Proposed Financing	
Land	\$0	KEDFA	\$35,000,000
Building	\$0	Bank	\$0
Equipment	\$0	Equity	\$0
Other	\$0	Other	\$0
Operational Expenses	\$60,000,000	Foundations	\$25,000,000
TOTAL	\$60,000,000	TOTAL	\$60,000,000

Existing, Full-time, Kentucky-Resident Jobs: 5,880

Loan Term: 20 years **Interest Rate:** 1% beginning in year 2025 for 15 years

Loan Payments: No principal payments or interest accrual for first 5 years (2020 - 2024)
 Interest will be paid monthly with accrual beginning 4/1/2025
 \$1,400,000 principal due 4/1/2025 for 1 year
 \$700,000 eligible for forgiveness for 4/1/2025 payment for 1 year
 \$2,400,000 principal annually starting 4/1/2026 for 14 years
 \$1,200,000 eligible for forgiveness annually starting 4/1/2026 for 14 years

Disbursement: Funds may be drawn down immediately upon approval.

Foundation matching funds of \$25 million must be committed and provided by March 31, 2025. Foundations constitute the Jewish Heritage Fund for Excellence, Inc. and Jewish Hospital & St. Mary's Healthcare Foundation.

Loan Forgiveness: Up to 50% of each annual loan payment may be eligible for forgiveness based on meeting either of the following 2 options:

Option 1: Meeting 100% of the Job and Wage requirements as outlined below:

Job and Wage Requirement Table

Annual Compliance Dates	Full-time, Kentucky-Resident Jobs Required	Job Type	Average Wage Required	Average Wage Type
12/31/2024 - 12/31/2039	5,880	Retain	\$35.00	Average Hourly Wage (excludes benefits)

Option 2:

Currently, most of Jefferson County and all of Bullitt County have been designated by the federal government as a Medically Underserved Area (MUA). MUA's are defined by the Health Resources Services Agency as having too few primary care providers, high infant mortality, high poverty or a high elderly population.

The Project will be required to continue operating a downtown hospital, UofL Health - Mary & Elizabeth Hospital, and UofL Health - Medical Center South facilities throughout the duration of the loan, all facilities currently located within or providing services to the MUA's. The project will be required to open at least one additional facility, including urgent, intermediate or school-based centers, located within the MUA's or in close proximity to serve the MUA's.

Currently, there are approximately 70 family medicine access points providing healthcare services in the identified MUA's and in those identified MUA's, UofL Health, Inc. or its affiliates own and operate 10 access points. The Project is expected to increase the total number of UofL Health, Inc. and its affiliates access points from 10 to 14 (representing a 40% increase). These additional access points may include not only family medicine locations staffed by physician or midlevel providers, but also locations that include free-standing emergency rooms, urgent care centers, laboratory, radiology, pharmacy, rehabilitative services, home health services, dialysis, durable medical equipment or medical supplies.

Collateral Required:

KEDFA will secure the loan with mortgages, fixture filings (with permitted liens for purchase money financing) and assignment of rents and leases (to the extent assignable without obtaining tenant consent) on up to four properties holding a total fair market value in excess of \$100 million. KEDFA will also be authorized to redirect portions of appropriations from the University of Louisville to KEDFA to cover the amount of delinquent payments (state's right to intercept). In the event of a delinquent payment, the University of Louisville will retain the right to recover these funds from the Approved Borrower, Approved Guarantors or other components of the health care enterprise. Due to extraordinary times and the Commonwealth's state of emergency, the parties to the loan agreement will mutually agree to seek collateral to further secure the loan if necessary.

RECOMMENDED KEDFA LOAN AMOUNT:

\$35,000,000

Ownership (20% or more): UL Health Inc.

Active State Participation at the Project Site: N/A

Unemployment Rate: County: 3.4% Kentucky: 3.9%

Special Conditions:

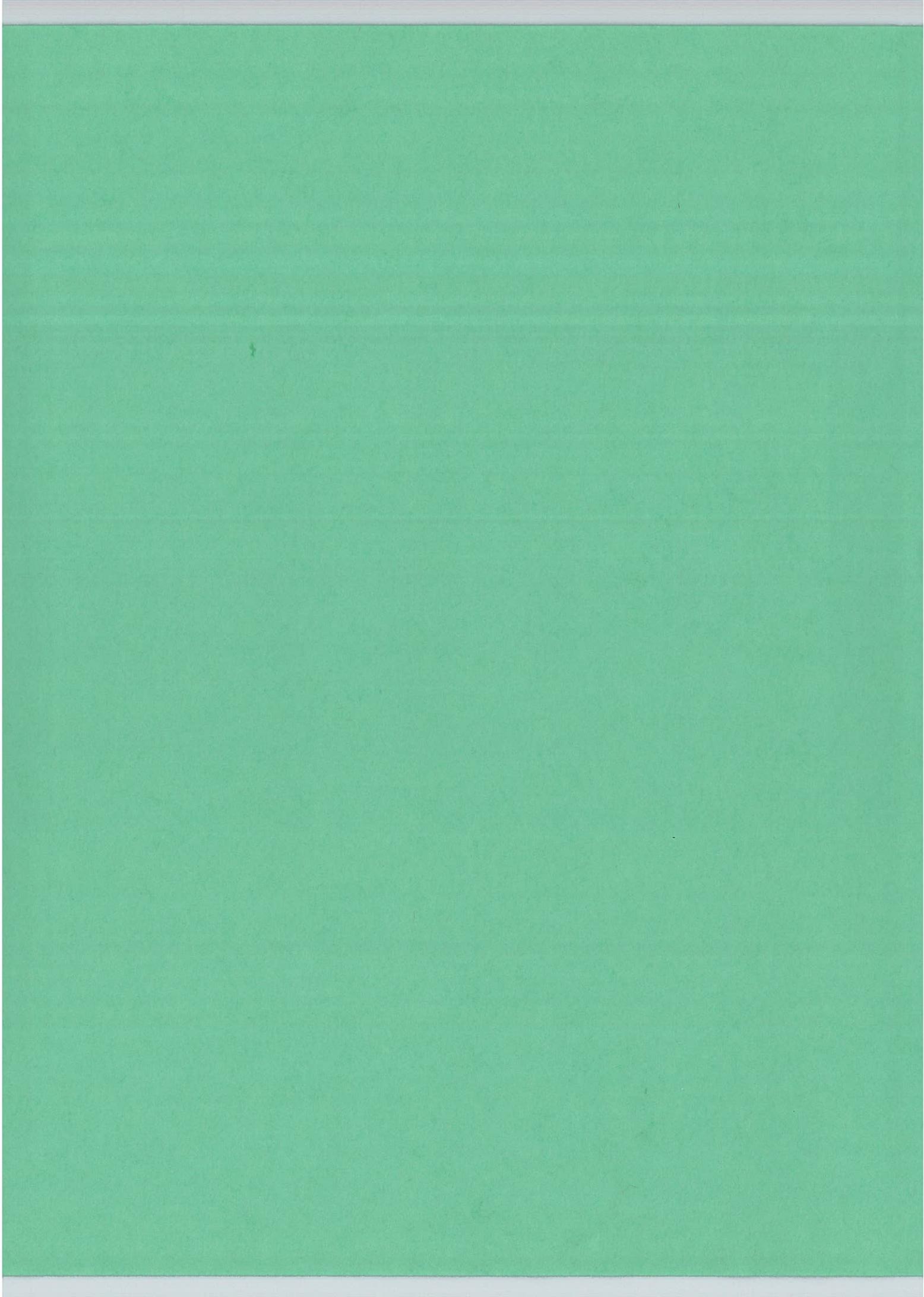
The proposed project is contingent upon authorization of \$35,000,000 in additional appropriations to the Cabinet for the fiscal 2019-2020 budget. HB 99 of the 2020 Regular Session of the General Assembly has been approved including the additional appropriation.

Additional Notes:

The loan amount exceeds the maximum KEDFA guideline of \$500,000. The interest rate is lower than the established rates in the KEDFA guidelines. The term and matching participation are outside the scope of the guidelines. The healthcare industry is not included in the KEDFA guidelines. Additionally, upfront financing will occur instead of the guideline to fund when the project is complete. The 1% commitment fee will be waived, but the approved company will be required to pay all closing costs, including attorney's fees. The project was included as a line item in the budget as approved by the 2020 Regular Session of the General Assembly. Staff recommends exceptions to all of the policies/guidelines listed.

Recommendation:

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



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

Date: March 26, 2020
Preliminary Approval: June 28, 2018
Approved Company: Afni, Inc.
City: Bowling Green
Activity: Service & Technology
Bus. Dev. Contact: C. Peek

County: Warren
Final Resolution #: KBI-FL-20-22111
DFS Staff: M. Elder

Project Description: Afni, Inc. is a privately held customer engagement company, headquartered in Illinois, that offers multi-channel customer contact solutions. The company's Bowling Green customer care center has expanded its capacity and added new jobs to meet customer demand.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$315,800	\$315,800

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	86	\$16.00	
1	86	\$16.00	\$30,000
2	86	\$16.00	\$30,000
3	86	\$16.00	\$30,000
4	86	\$16.00	\$30,000
5	86	\$16.00	\$30,000
6	86	\$16.00	\$30,000
7	86	\$16.00	\$30,000
8	86	\$16.00	\$30,000
9	86	\$16.00	\$30,000
10	86	\$16.00	\$30,000

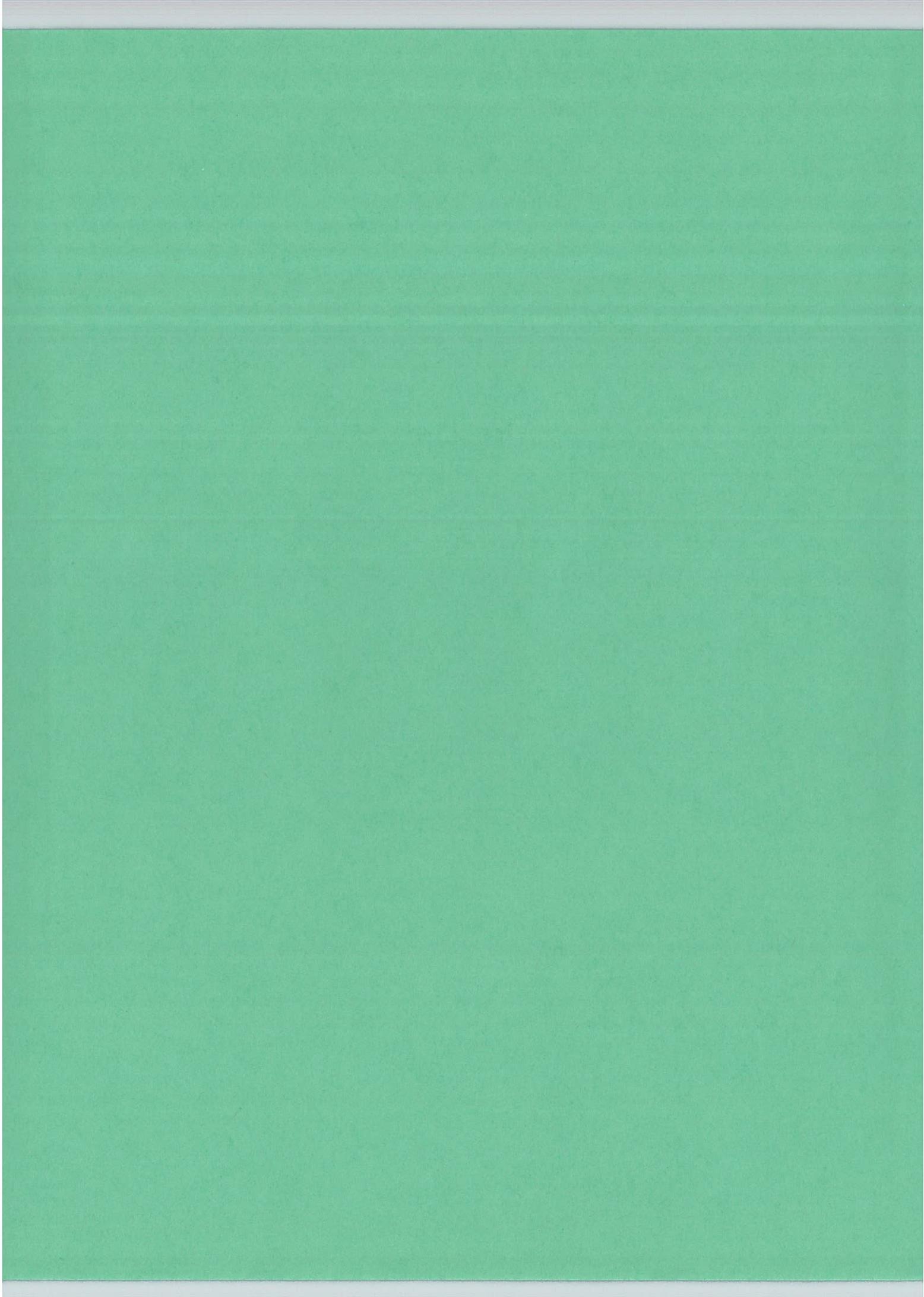
TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$300,000**

County Type:
Other

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

Special Conditions:
 Maintain Base Employment: 290

Modifications since preliminary approval? No



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

Date: March 26, 2020
Preliminary Approval: January 25, 2018
Approved Company: DPL Financial Partners, LLC
City: Louisville
Activity: Service & Technology
Bus. Dev. Contact: M. David-Jacobs

County: Jefferson
Final Resolution #: KBI-FL-20-21989
DFS Staff: K. McCane

Project Description: DPL Financial Partners, LLC began in 2014, initially providing consultation to insurance carriers on fee-based products and business models. The company has evolved into product distribution to Registered Investment Advisors as well as continuing to provide consultation services. The company completed an expansion to meet and sustain growth.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$3,350,000	\$3,600,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$62.00	
1	20	\$62.00	\$120,000
2	25	\$62.00	\$120,000
3	30	\$62.00	\$120,000
4	35	\$62.00	\$120,000
5	40	\$62.00	\$120,000
6			
7			
8			
9			
10			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

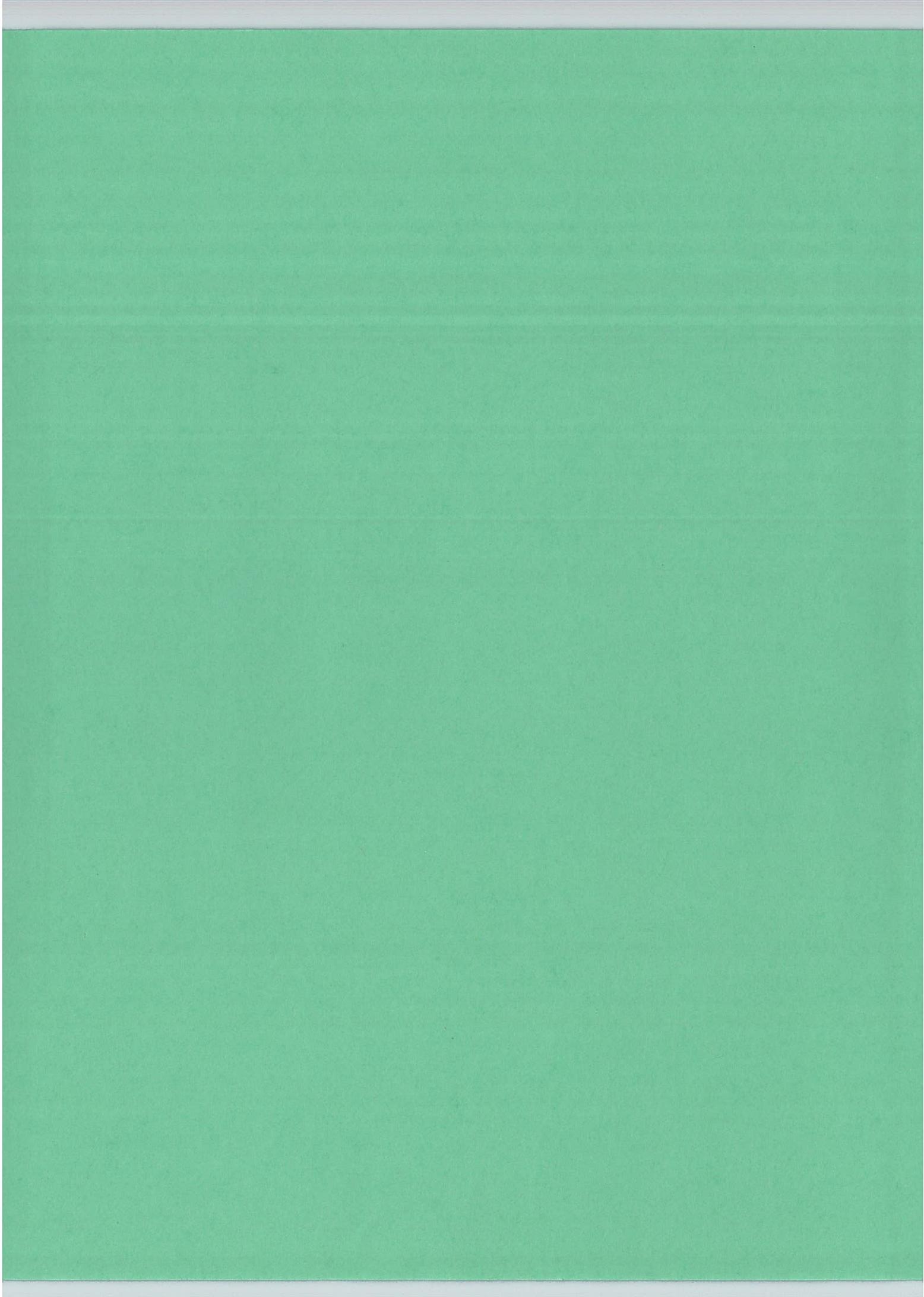
\$600,000

County Type:
Other

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

Special Conditions:
 Maintain Base Employment: 4

Modifications since preliminary approval? No



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

Date: March 26, 2020
Preliminary Approval: August 16, 2018
Approved Company: Phoenix Paper Wickliffe LLC
City: Wickliffe **County:** Ballard
Activity: Manufacturing **Final Resolution #:** KBI-F-20-22196
Bus. Dev. Contact: C. Peek **DFS Staff:** K. McCane

Project Description: Phoenix Paper Wickliffe LLC is a wholly owned subsidiary of Shanying International, a publicly traded company on the Shanghai Stock Exchange and headquartered in Shanghai, China. The company restarted and converted a mill in Wickliffe to a pulp and brown paper packaging facility.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$150,000,000	\$150,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	250	\$33.00	
1	250	\$33.00	\$1,666,667
2	250	\$33.00	\$1,666,667
3	300	\$33.00	\$1,666,667
4	400	\$33.00	\$1,666,667
5	500	\$33.00	\$1,666,667
6	500	\$33.00	\$1,666,667
7	500	\$33.00	\$1,666,667
8	500	\$33.00	\$1,666,667
9	500	\$33.00	\$1,666,667
10	500	\$33.00	\$1,666,667
11	500	\$33.00	\$1,666,667
12	500	\$33.00	\$1,666,667
13	500	\$33.00	\$1,666,667
14	500	\$33.00	\$1,666,667
15	500	\$33.00	\$1,666,662

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$25,000,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

Base hourly wage: \$9.06
 Total hourly compensation: \$10.42

Special Conditions: None

Modifications since preliminary approval? Yes

The company name changed from Global Win Wickliffe LLC to Phoenix Paper Wickliffe LLC. All other aspects of the project remain the same.

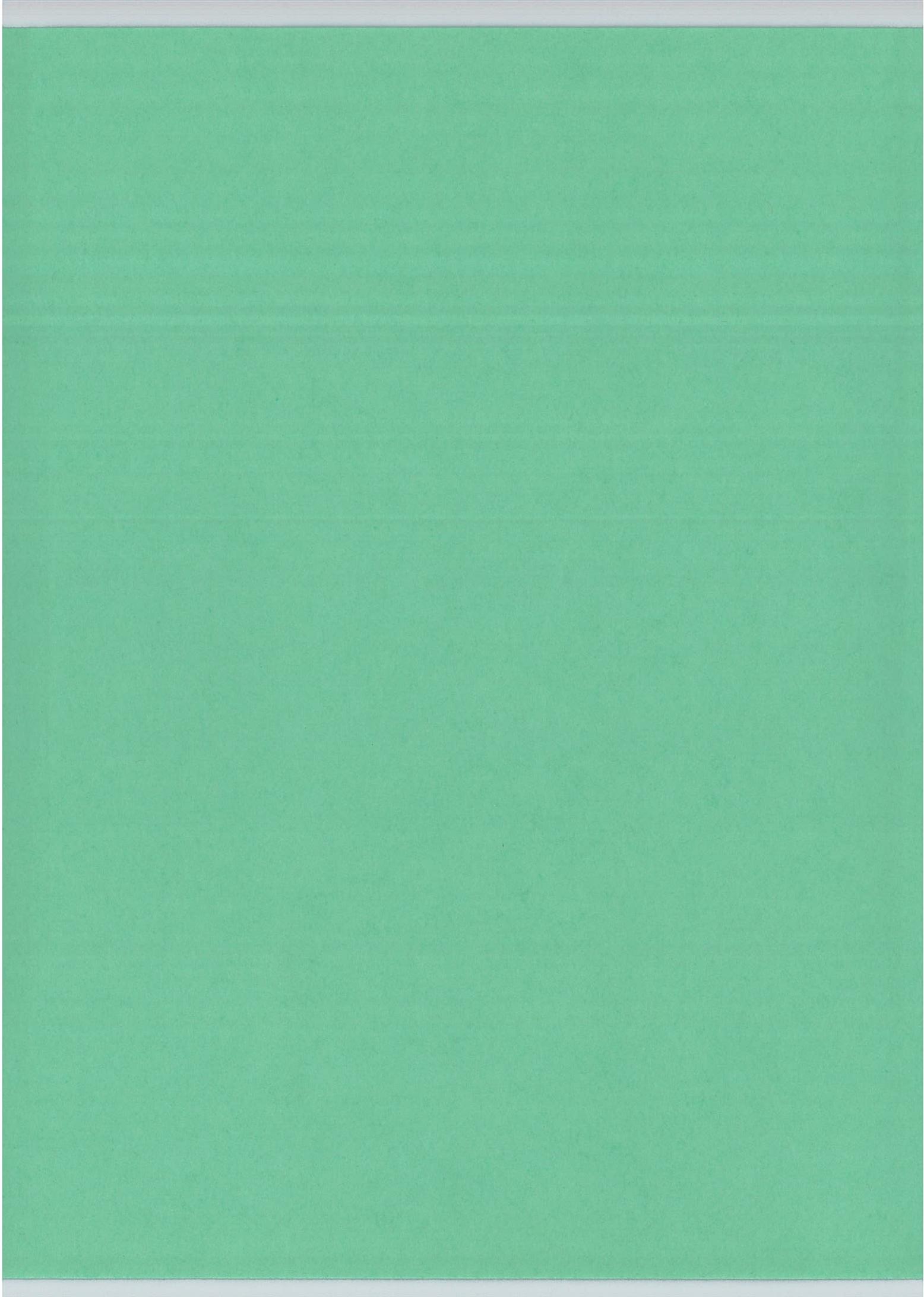


**Kentucky Small Business Tax Credit Projects
March 2020**

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/Technology	Tax Credit Amount
Blue Frame Technology LLC	Fayette	8	1	\$48.08	\$5,219	\$3,500
Clique Boutique LLC	Jefferson	7	5	\$20.25	\$16,677	\$16,600
Maile Custom Builders, Inc.	Kenton	12	1	\$21.00	\$51,243	\$3,500
Mefford Contracting LLC	Fayette	0	3	\$26.44	\$26,450	\$10,500
Newton Outdoor Service, LLC	McCracken	1	1	\$12.26	\$25,090	\$3,500
Paducah Supply Company	McCracken	22	1	\$15.67	\$8,399	\$3,500
XPLOREKY, LLC	Jefferson	12	4	\$21.09	\$42,800	\$14,000
7	4		16	Total	\$175,878	\$55,100

Note: The tax credit amount will be equal to the lesser of \$3,500 per eligible position or the total eligible qualifying equipment/technology amount, with a maximum tax credit of \$25,000 per applicant for each calendar year. Per KRS 154.60-020, the total sum of tax credits awarded for Kentucky Small Business Tax Credit (KSBTC) and Kentucky Selling Farmer Tax Credit (KSFTC) projects in each state fiscal year shall be capped at \$3,000,000.

Fiscal Year Credit Limit	\$3,000,000
FYTD KSBTC Approvals	\$1,270,300
FYTD KSFTC Approvals	\$0
Current KSBTC Request	\$55,100
Current KSFTC Request	\$0
Remaining FY Credits	\$1,674,600



MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Director
Compliance Division 

DATE: March 26, 2020

SUBJECT: KEIA Extensions

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

Company	County	Extension
MobileMedTek Holdings	Jefferson	6 Months
HB Sealing Products, Inc.	Jefferson	9 Months
Greenwell-Chisholm Printing Company	Daviess	12 Months
Stelised, Inc.	Shelby	12 Months
Whiskey Service LLC	Boyle	12 Months

Staff recommends approval.



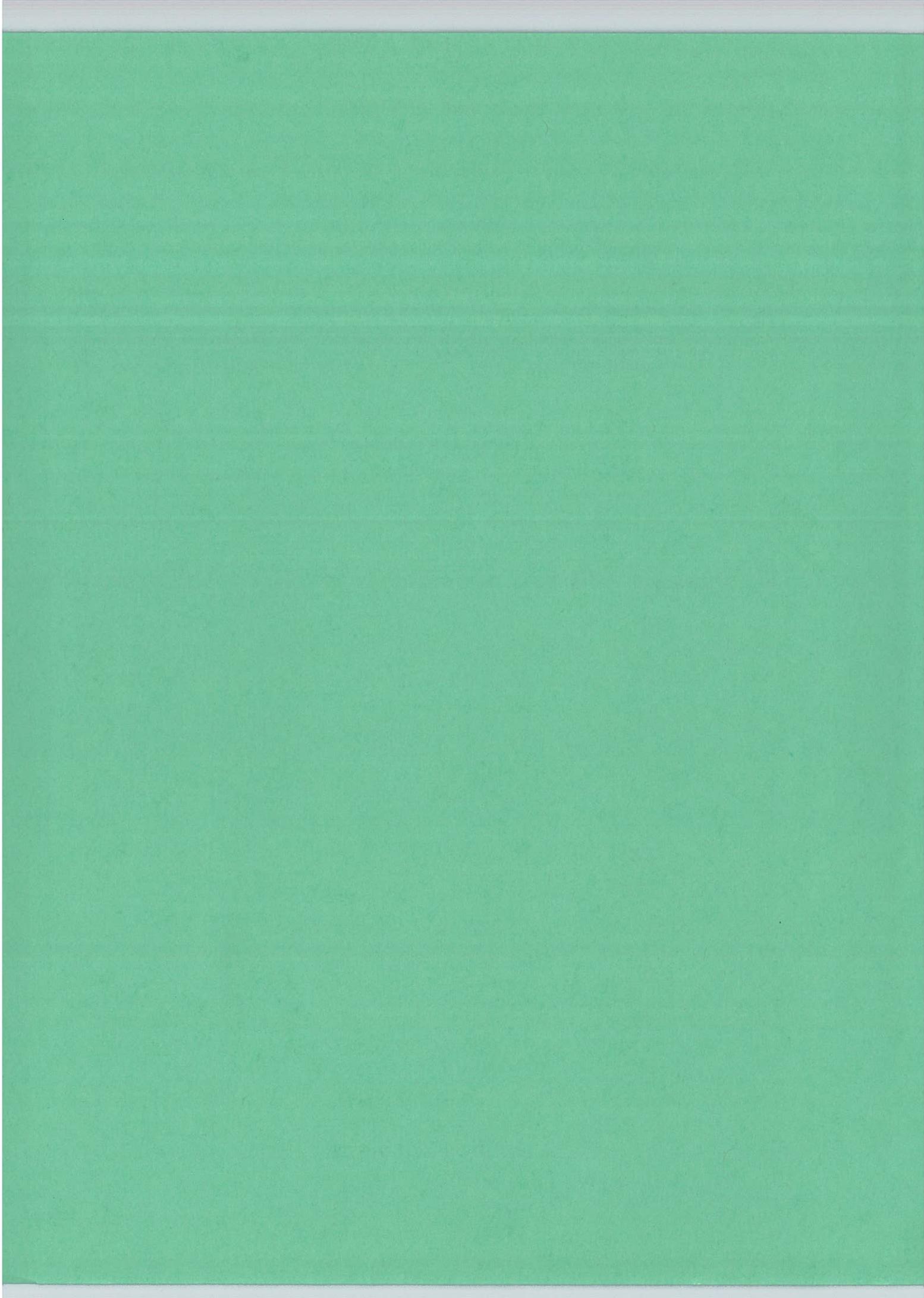
MEMORANDUM

TO: KEDFA Board Members
FROM: Michelle Elder *ME*
Incentive Administration Division
DATE: March 26, 2020
SUBJECT: KBI Extensions

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

Company	County	Extension
Perfetti Van Melle USA Inc.	Boone	3 Month
Alliant Technologies LLC	Barren	12 Month
HDT Expeditionary Systems, Inc.	Boone	12 Month
Kentucky Fresh Harvest, LLC	Lincoln	12 Month
Tower Automotive Operations USA I, LLC	Nelson	12 Month

Staff recommends approval.



MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Director
Compliance Division

DATE: March 26, 2020

SUBJECT: KBI Amendment
AHF, LLC (Pulaski County)
KBI Project # 20081

Armstrong Hardwood Flooring Company received KBI Final Approval on June 25, 2015.

Subsequently, the Company converted to a limited liability company.

The Company is requesting a First Amendment to Tax Incentive Agreement to reflect restructuring to AHF, LLC and to correct a previously incorrect FEIN number.

Staff recommends approval.



MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Director *RA*
Compliance Division

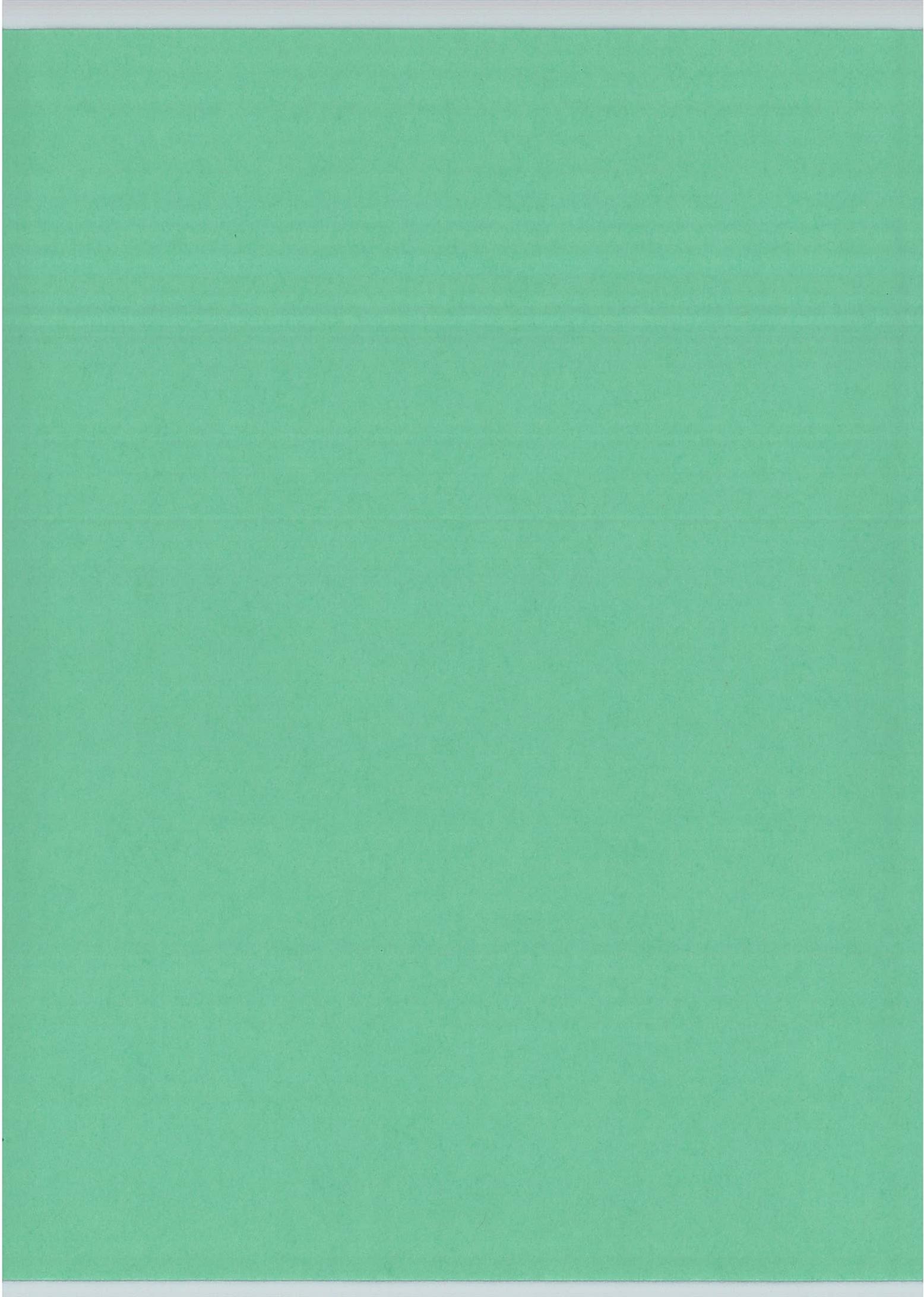
DATE: March 26, 2020

SUBJECT: KBI Amendment
Eurofins Genomics, LLC (Jefferson)
Project #19449

The company received final approval for KBI on August 28, 2014. Subsequent to final approval the company formed four additional affiliate companies: Eurofins Genomics Engineering LLC, Eurofins Clinical Molecular Testing Services LLC, Eurofins Microbiology Laboratories, INC and Eurofins Central Laboratory LLC, which they are requesting be added as Approved Affiliates.

All other aspects of the project remain the same.

Staff recommends approval.



MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Director *RA*
Compliance Division

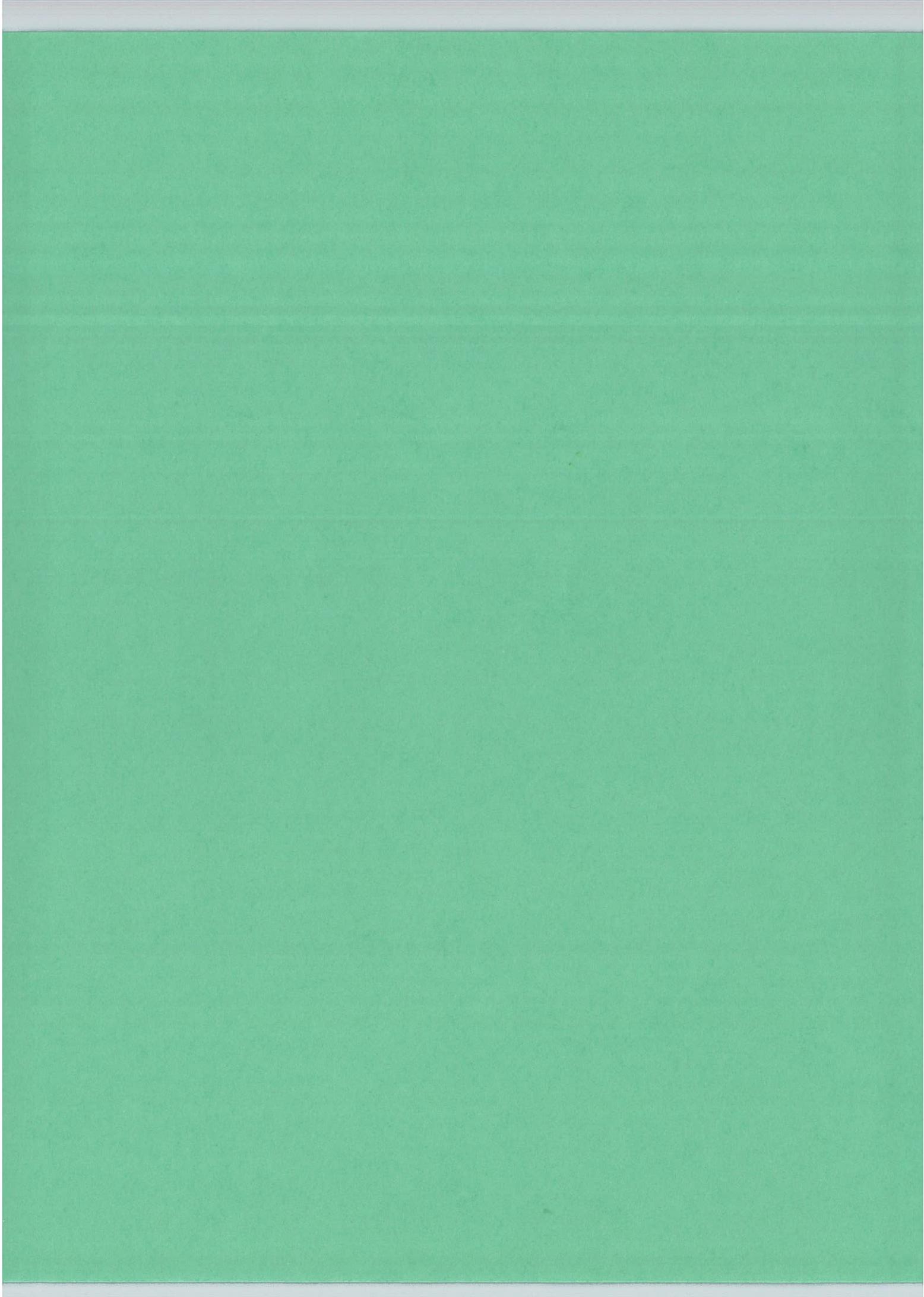
DATE: March 26, 2020

SUBJECT: KBI Amendment
Michter's Distillery, LLC (Jefferson)
Project #19142

The company received final approval for KBI projects #19142 and #18645 on May 26, 2016. Subsequent to Final Approval, the Company is requesting to consolidate Project #19142 and Project #18645 into a single campus in Jefferson County. As a facilitation of this request, the Company agrees to the following conditions: that Project #18645 be terminated; that the Project Employees be subject to the Minimum Wage Target applicable under Project #19142; and that gift shop, tasting and tour employees working at Project #19142 be treated as non-Project Employees.

All other aspects of the project remain the same.

Staff recommends approval.



KEDFA APPROVED AND NOT DISBURSED

2/28/2020

Approved and Undisbursed KEDFA Projects

Applicant	Form #	County	Date Approved	Commitment Expires	Project Amount
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KEDFA LOANS

None

KEDFA GRANTS

Corbin Tri-County Joint Industrial Development Authority	22283	Knox	Oct-15	Oct-21	\$381,774
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SMALL BUSINESS LOANS

None

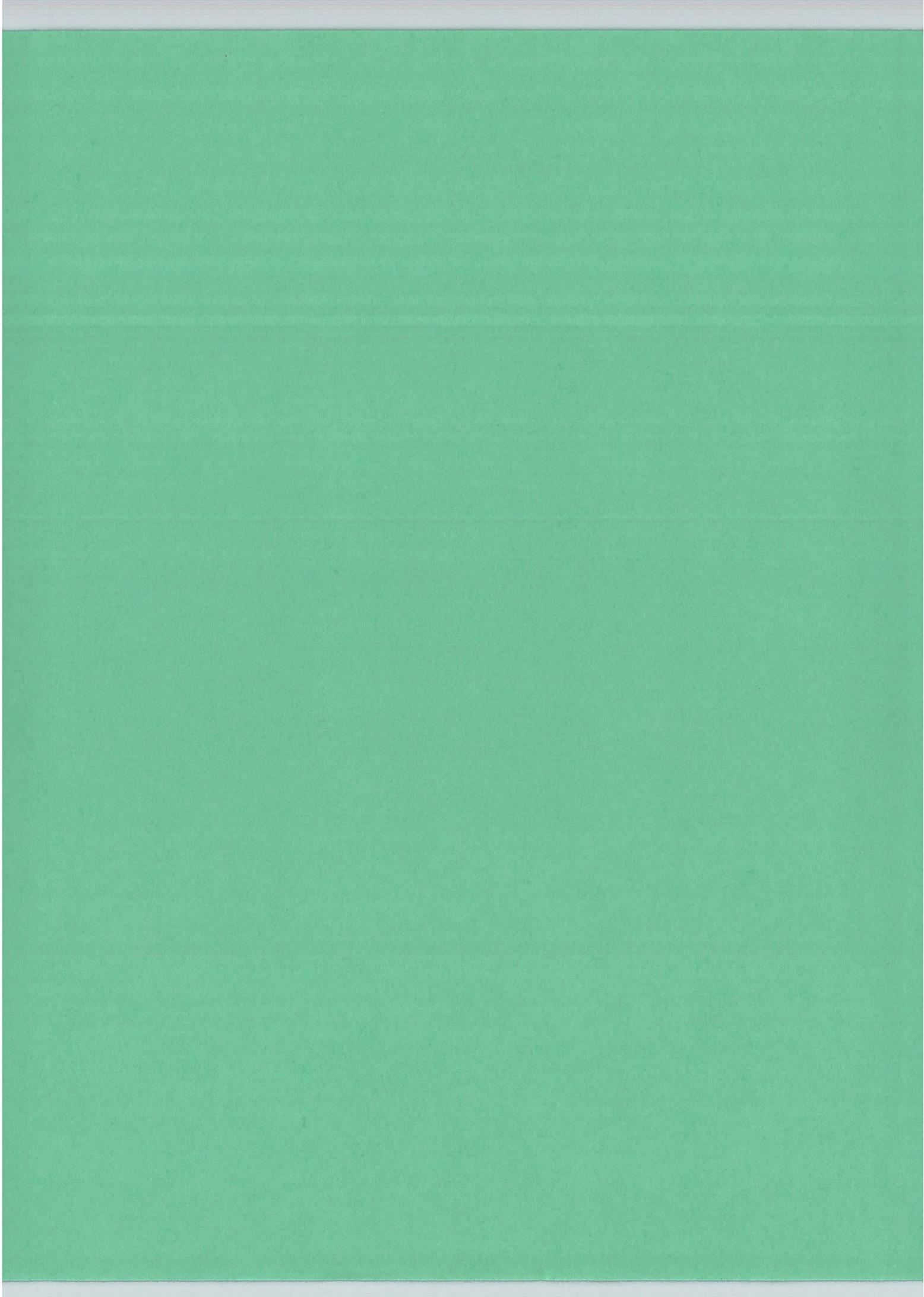
TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)**\$381,774****Approved and Partially Disbursed KEDFA Projects**

Applicant	Form #	County	Date Approved	Closing Date	Project Amount	Disbursed to Date	Remaining Balance
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KEDFA GRANTS

Louisville/Jefferson County Metro Government (Restaurant Supply Chain Solutions)	21636	Jefferson	May-17	Jun-20	\$500,000	(\$375,000)	\$125,000
Louisville/Jefferson County Metro Government (Res-Care, Inc.)	21990	Jefferson	Jan-18	Dec-22	\$500,000	(\$100,000)	\$400,000

TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)**\$525,000****TOTAL KEDFA APPROVED AND NOT DISBURSED****\$906,774**



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF NET POSITION
2/29/2020

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 2/29/20	OOE 2/29/20	COMBINED 2/29/20
ASSETS						
Cash & Accounts Receivable						
Operating Account	51,794.61	0.00	0.00	51,794.61	0.00	51,794.61
Cash	298,435.85	17,430,718.90	412,308.73	18,141,463.48	0.00	18,141,463.48
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	2,774,683.96	2,774,683.96
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	906,774.00	0.00	0.00	906,774.00	98,006.21	1,004,780.21
Total Cash & Accounts Receivable	1,257,004.46	17,430,718.90	412,308.73	19,100,032.09	3,014,234.05	22,114,266.14
Accrued Interest Receivable						
Loans	35,595.28	2,190.17	0.00	37,785.45	0.00	37,785.45
Investments	274.93	16,868.62	399.00	17,542.55	0.00	17,542.55
Total Accrued Interest Receivable	35,870.21	19,058.79	399.00	55,328.00	0.00	55,328.00
Notes Receivable						
Loans Receivable	17,921,002.92	1,049,845.17	0.00	18,970,848.09	0.00	18,970,848.09
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,434,722.43)	0.00	(1,434,722.43)
Total Notes Receivable	17,921,002.92	1,049,845.17	0.00	17,536,125.66	0.00	17,536,125.66
TOTAL ASSETS	19,213,877.59	18,499,622.86	412,707.73	36,691,485.75	3,014,234.05	39,705,719.80
DEFERRED OUTFLOWS OF RESOURCES:						
<i>Deferred Outflows Pension</i>				1,893,000.00	0.00	1,893,000.00
<i>Deferred Outflows OPEB</i>				455,000.00	0.00	455,000.00
LIABILITIES						
Accrued Salaries & Compensated Absences				351,752.04	0.00	351,752.04
Accounts Payable				0.00	0.00	0.00
Intergovernment Payable						0.00
Grants Payable				0.00	0.00	0.00
Pension Liability				9,480,000.00	0.00	9,480,000.00
OPEB Liability				1,650,000.00	0.00	1,650,000.00
TOTAL LIABILITIES				11,481,752.04	0.00	11,481,752.04
DEFERRED INFLOWS OF RESOURCES						
<i>Deferred Inflows Pension</i>				133,000.00	0.00	133,000.00
<i>Deferred Inflows OPEB</i>				147,000.00	0.00	147,000.00
NET POSITION						
Beginning Balance				28,504,109.74	3,352,157.11	31,856,266.85
Current Year Undivided Profits				(1,226,376.03)	(337,923.06)	(1,564,299.09)
TOTAL NET POSITION				27,277,733.71	3,014,234.05	30,291,967.76

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 February 29, 2020

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2019-2020 YEAR TO DATE	FY 2018-2019 YEAR TO DATE
Operating Revenues - KEDFA						
Interest Income/Loans	14,121.52	1,633.46	0.00	0.00	138,299.77	148,007.20
Interest Income/ Investments	274.93	16,868.62	399.00	0.00	185,918.13	225,683.46
Late Fees	0.00	0.00	0.00	0.00	0.00	0.00
Application Fees	47,495.00	0.00	0.00	0.00	333,167.44	285,090.05
Miscellaneous Income	0.00	0.00	0.00	0.00	2,807.52	3,417.22
Total Operating Revenues - KEDFA	61,891.45	18,502.08	399.00	0.00	660,192.86	662,197.93
Operating Expenses - KEDFA						
Salaries	97,360.16				801,900.46	734,574.55
Employee benefits	101,951.35				855,279.00	756,792.79
Pension Liability Adjustment	0.00				0.00	0.00
OPEB Liability Adjustment	0.00				0.00	0.00
Other Personnel Costs	0.00				0.00	0.00
Contracted Personal Services	10,853.86				98,160.67	112,550.96
Printing Services	0.00				50.00	
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	0.00				0.00	10.71
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	32.00
Travel	420.66				3,353.87	3,170.76
Miscellaneous Commodities	0.00				0.00	335.00
Dues	0.00				2,824.89	0.00
Commodities Expense	0.00				0.00	0.00
Bad Debt Expense	0.00				0.00	0.00
Grant Disbursement	0.00				0.00	0.00
Total Operating Expenses - KEDFA	210,586.03	0.00	0.00	0.00	1,761,568.89	1,607,466.77
Income (Loss) from Operations - KEDFA	(148,694.58)	18,502.08	399.00	0.00	(1,101,376.03)	(945,268.84)
Non-Operating Revenues (Expenses) - KEDFA						
Operating Transfer Out - General Fund	0.00				0.00	0.00
Operating Transfer Out - BSSC					0.00	0.00
Operating Transfer Out - Secretary's Office					0.00	0.00
Operating Transfer Out - New Business	0.00				0.00	0.00
Transfer Due from Bonds					0.00	381,774.00
Transfer Due from KSBCI	0.00				0.00	0.00
Grants Disbursed	0.00				(125,000.00)	(128,048.79)
Operating Transfer In - Economic Dev	0.00				0.00	(6,760.00)
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	(125,000.00)	246,965.21
CHANGE IN NET POSITION - KEDFA	(148,694.58)	18,502.08	399.00	0.00	(1,226,376.03)	(698,303.63)
Operating Revenues (Expenses) - OOE						
Interest Income - Loans				0.00	0.00	0.00
Misc Income				0.00	0.00	0.00
Disbursements: Projects (Note 1)					(135,723.83)	(88,410.39)
Repayments received from Projects					47,800.77	0.00
Non-Operating Revenues (Expenses) - OOE						0.00
Operating Transfer in - OOE					0.00	0.00
Transfer Due from Bonds					0.00	0.00
Operating Transfer Out - OOE				0.00	(250,000.00)	0.00
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00	0.00	(337,923.06)	(88,410.39)
CHANGE IN NET POSITION - COMBINED	(148,694.58)	18,502.08	399.00	0.00	(1,564,299.09)	(786,714.02)

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
2/29/2020

	2/28/2019	2/29/2020
Fund A Cash Balance	\$1,609,344.10	\$298,435.85
Less: Approved/Undisbursed		
Total Unobligated Balance	\$1,609,344.10	\$298,435.85
2003 Bond Fund Cash Balance	\$16,969,960.23	\$17,430,718.90
Less: Approved/Undisbursed	(2,461,774.00)	(906,774.00)
Total Unobligated Balance	\$14,508,186.23	\$16,523,944.90
Small Business Loan Fund Cash Balance	\$405,164.42	\$412,308.73
Less: Approved/Undisbursed		
Total Unobligated Balance	\$405,164.42	\$412,308.73
Bond Funds to be Provided for Loans		
Less: Approved/Undisbursed		
Total Unobligated Balance	\$0.00	\$0.00
Budget: Cash to be Transferred to Other CED Programs for		
	\$0.00	\$0.00
CASH AVAILABLE	\$16,522,694.75	\$17,234,689.48
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	\$2,902,326.80	\$2,774,683.96
Less: Approved/Undisbursed	(\$654,624.00)	(\$592,186.42)
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects	\$250,000.00	\$98,006.21
Bond Funds Available for Projects		
Total Unobligated Balance	\$2,639,247	\$2,422,048
TOTAL ALL FUNDS	\$19,161,941.43	\$19,656,737.11

**Kentucky Enterprise Initiative Act (KEIA) Projects
Fiscal 2020**

KEDFA Meeting date	3/26/2020
Total Projects Approved Fiscal Year-to-Date	34
Number of Proposed Projects for Current Month	5

Construction Materials and Building Fixtures

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$11,272,500
Committed Amount	\$0
Balance Available for Current Month	\$8,727,500
Proposed Approval for Current Month	\$908,000
Balance Available for Remainder of Fiscal Year	\$7,819,500

Research & Development and Electronic Processing Equipment, Flight Simulation Equipment

Fiscal Year Cap	\$5,000,000
Approved Fiscal Year-to-Date	\$1,825,000
Committed Amount	\$0
Balance Available for Current Month	\$3,175,000
Proposed Approval for Current Month	\$12,000
Balance Available for Remainder of Fiscal Year	\$3,163,000

KBI Summary

Updated March 17, 2020

Fiscal Year End Reporting

Year	Number of Projects	Jobs			Wages		
		Jobs Reported	Job Target	% Achieved	Average Wage Reported	Wage Target	% Achieved
2010	1	40	51	78%	\$11.42	\$11.00	104%
2011	5	269	257	105%	\$35.00	\$28.90	121%
2012	18	1,264	1,154	110%	\$25.30	\$23.23	109%
2013	58	5,908	5,395	110%	\$24.85	\$23.35	106%
2014	94	10,024	9,525	105%	\$24.85	\$22.98	108%
2015	142	14,506	13,113	111%	\$25.38	\$22.38	113%
2016	196	21,251	18,665	114%	\$25.05	\$21.79	115%
2017	242	25,897	21,967	118%	\$26.85	\$21.94	122%
2018	267	29,880	24,181	124%	\$26.23	\$21.91	120%
2019	156	18,193	13,043	139%	\$28.74	\$23.56	122%
2020	2	70	58	121%	\$25.68	\$22.03	117%

Annual Maximums and Incentives Claimed

Year	Approved Annual Maximum	Earned Annual Maximum	Incentives Claimed*	Utilization Rate
2010-2012**	\$5,182,833	\$4,914,663	\$2,104,094	43%
2013	\$15,611,951	\$13,992,639	\$6,601,085	47%
2014	\$27,405,836	\$23,759,875	\$13,131,631	55%
2015	\$45,896,940	\$39,276,598	\$18,084,965	46%
2016	\$40,299,248	\$35,382,109	\$19,923,814	56%
2017	\$44,788,701	\$38,692,046	N/A	N/A
2018	\$51,144,951	\$43,486,331	N/A	N/A
2019	\$56,601,586	\$49,069,667	N/A	N/A
2020	\$24,623,421	\$20,281,318	N/A	N/A
Grand Total	\$311,555,466	\$268,855,245	\$59,845,588	

- Based on actual jobs and wages reported in 2018 by companies approved to claim incentives, the estimated payroll for new, full-time Kentucky resident jobs is approximately \$1.6 billion.

*Notes on incentives claimed: Data is based on information provided by the Kentucky Department of Revenue. Total incentives claimed represents the total of income tax credits and wage assessments claimed through December 31, 2017.

**Due to taxpayer confidentiality, years 2010-2012 were combined.

Project Update Report

March 2020

Project	County	Approval Date	Exit Date	Program
Free-Flow Packaging International, Inc. Company was acquired by Pregis in February 2018 and withdrew from the KBI program citing declining employment.	Christian	5/28/2015	9/30/2017	KBI
Appalachian Harvest Company, LLC Several attempts to contact the Company with no response. Project expired on 2/28/2020.	Pike	02/23/2017	02/28/2020	KBI
Shoemagoo LLC Company withdrew from the KBI Program per email dated 2/10/2020.	Jefferson	02/23/2017	02/10/2020	KBI