



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

DATE: May 17, 2017

SUBJECT: **KEDFA Board Meeting**

The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, May 25, 2017** at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. The meeting will convene at 10:00 a.m. (EDT) 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 May 25, 2017

Call to Order
Notification of Press
Roll Call

Approval of Minutes

1. Minutes from April 26, 2017 Special KEDFA Board Meeting
2. Minutes from April 27, 2017 Regular KEDFA Board Meeting
3. Minutes from April 27, 2017 Executive Session

Reports

- | | | |
|--|--|--------------|
| 4. Approved / Undisbursed Loan Report | | Kylee Palmer |
| 5. Financial Statements and Monitoring Reports | | Katie Smith |

KEDFA Grant

- | | | |
|---|-----------|----------------------------------|
| 6. Louisville/Jefferson County Metro Government
Restaurant Supply Chain Solutions, LLC | Jefferson | Kristina Slattery / Kylee Palmer |
|---|-----------|----------------------------------|

Local IRB Project

- | | | |
|-------------------|-------|----------------|
| 7. The Kroger Co. | Boone | Michelle Elder |
|-------------------|-------|----------------|

KJDA Projects (Amendment)

- | | | |
|---------------------------------|-----------|----------------|
| 8. Summit Energy Services, Inc. | Jefferson | Bobby Aldridge |
| 9. Summit Energy Services, Inc. | Jefferson | |

KBI Project (Amendment)

- | | | |
|------------------------------|-----------|----------------|
| 10. A & R Logistics, Inc. | Jefferson | Bobby Aldridge |
| ■ Specialty Foods Group, LLC | Daviess | |

KEIA Project (Extension)

- | | | |
|---------------------------------|--------|----------------|
| 11. Rut 'N Strut Distillery LLC | Shelby | Bobby Aldridge |
|---------------------------------|--------|----------------|

KEIA Projects

- | | | |
|-------------------------------|-----------|-------------------------------------|
| 12. Campari America LLC | Anderson | Anna Beth Bobbitt / Debbie Phillips |
| 13. Vanderbilt Chemicals, LLC | Calloway | Corky Peek / Michelle Elder |
| 14. Arroweye Solutions, Inc. | Jefferson | Lindsey Ransdell / Michelle Elder |

KBI Projects (Preliminary) & KEIA Projects

- | | | |
|-----------------------|---------|-----------------------------------|
| 15. Cabot Corporation | Carroll | Lindsey Ransdell / Michelle Elder |
| 16. Cabot Corporation | Carroll | |

17. Nucor Steel Gallatin LLC	Gallatin	Lindsey Ransdell / Michelle Elder
18. Nucor Steel Gallatin LLC	Gallatin	
19. Wilderness Trace Distillery Limited Liability Company dba Wilderness Trail Distillery	Boyle	Lindsey Ransdell / Michelle Elder
20. Wilderness Trace Distillery Limited Liability Company dba Wilderness Trail Distillery	Boyle	
21. Tri-Arrows Aluminum Inc.	Logan	Corky Peek / Michelle Elder
22. Tri-Arrows Aluminum Inc.	Logan	
■ Greif Packaging LLC dba Multicorr	Jefferson	Anna Beth Bobbitt / Debbie Phillips
■ Greif Packaging LLC dba Multicorr	Jefferson	Anna Beth Bobbitt / Debbie Phillips

KBI Projects (Preliminary)

23. Emerson Electric Co.	Logan	Kristina Slattery / Lynda Cunningham
■ Sims Bark Co. of Georgia, LLC	Whitley	Kristina Slattery / Lynda Cunningham
■ WITHDRAWN		
24. Michter's Distillery LLC	Jefferson	Lindsey Ransdell / Michelle Elder
25. Bluegrass Supply Chain Services, LLC	Bullitt	Corky Peek / Michelle Elder
26. Bluegrass Supply Chain Services, LLC	Edmonson	Corky Peek / Michelle Elder
27. WITHDRAWN		
28. WITHDRAWN		

KBI Projects (Extension)

Michelle Elder

29. HAHN Automation, Inc.	Boone
Angel's Share Brands LLC	Jefferson
Curtis Maruyasu America, Inc.	Marion
Xact Associates, LLC dba Xact Communications	Fayette
Accumetric, LLC	Hardin
Capture, LLC dba Capture Higher Ed	Jefferson
Data Dimensions Corporation	Montgomery
eBay Inc.	Boone
Holley Performance Products, Inc.	Warren
Karbec LLC	Larue
Monoprice, Inc.	Boone
Riverine Fisheries International LLC	Fulton
Texas Roadhouse, Inc.	Jefferson
TMK IPSCO Coating Corporation	Campbell
Toyo Automotive Parts (USA), Inc.	Simpson
White Clay Consulting, Inc.	Jefferson

KBI Projects (Final)

Debbie Phillips

30. WITHDRAWN	
31. Itsuwa KY, LLC	Nelson
32. Katayama American Company Inc.	Shelby
33. Legend Lumber Lee Corp	Nelson
34. WITHDRAWN	
35. WITHDRAWN	
36. Precision Resource, Inc.	Montgomery
37. Santa Rosa Systems, LLC	Bullitt
38. Von Lehman & Company, Inc.	Kenton

- | | |
|--|------------|
| 39. Diageo Americas Supply, Inc. | Shelby |
| 40. WITHDRAWN | |
| 41. GameStop, Inc. | Bullitt |
| 42. Kindred Healthcare Operating, Inc. | Jefferson |
| 43. Thai Summit Kentucky Corporation | Nelson |
| 44. Toyotomi America Corporation | Washington |

KRA Projects (Preliminary)

- | | | |
|-------------------------------|---------|---------------------------------------|
| 45. Tarter Gate Company, LLC | Casey | Tess Simon / Debbie Phillips |
| 46. Domtar Paper Company, LLC | Hancock | Kristina Slattery / Michelle Phillips |

KSBTC

Tim Back

- | | |
|--------------------------------------|------------|
| 47. Bluegrass Tool & Industrial, LLC | Fayette |
| Cuddle Clones LLC | Jefferson |
| Kentucky Airmotive Incorporated | Montgomery |
| Old World Timber, LLC | Fayette |
| Timesavers Kentucky, LLC | Warren |
| Visumatic Industrial Products, Inc. | Fayette |

Kentucky Angel Investment Act Program

Tim Back

- | | | |
|----------------------------|-----------|--------------------------------|
| 48. Ghanta, Guru P. | Jefferson | Advanced Energy Materials, LLC |
| Knox, David George | Jefferson | Flying Axes, Inc. |
| Flavin, Jr., Frank J. | Kenton | Gourmet Renee LLC |
| Shields, Christopher Brian | Jefferson | Lucina Health, Inc. |
| Winbigler, Douglas D. | Jefferson | Patriot Brands LLC |
| Abbas, Gregory M. | Jefferson | Rabbit Hole Spirits, LLC |
| Cain, Darren L. | Jefferson | Rabbit Hole Spirits, LLC |
| Khiani, Kamal J. | Jefferson | Rabbit Hole Spirits, LLC |

Closed Session

- 49.

Adjournment

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

SPECIAL MEETING

April 26, 2017

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority convened at 12:30 p.m. EDT, April 26, 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 Investment (KBI) project in Greenup County. Other sites, via video conference, were Mazak Corporation, 6850 Industrial Road, Conference Room B, Florence, Kentucky; First Rate Mortgage, 10400 Linn Station Road, Suite 226, Louisville, Kentucky; and Community Trust Bank, 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, Aubrey Hayden, Secretary William M. Landrum, Tucker Ballinger, Joe Kelly and Mike Vogt

Staff Present: Caroline Baesler, Michelle Elder, Jack Mazurak, Katie Smith and Teresa Spreitzer

Others Present: Jack Brammer, Lexington Herald-Leader; Collin Johnson, Office of House Speaker Jeff Hoover; Megan Watkins, Courier-Journal; Robin Cornetet, Kentucky Today; Marcus Green, WDRB; and Curtis Sizemore, Community Trust Bank

KBI Project (Preliminary)

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

Braidy Industries, Inc. Greenup County

**Katie Smith
Michelle Elder**

Katie Smith stated Braidy Industries, Inc. has plans to establish an eco-friendly and technically advanced aluminum mill, and is considering locating the facility in Greenup County. The company hopes to use the project to spearhead revitalization efforts in Eastern Kentucky. The company will serve OEM automotive and aerospace industries. The mill is expected to have the lowest conversion costs and highest operating margins among its North American competition.

Michelle Elder stated the project investment is \$1,210,500,000 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 367 with average hourly wages of \$38.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$10,000,000.

Tucker Ballinger moved to approve the staff recommendation, as presented; Secretary William Landrum seconded the motion. Motion passed; unanimous.

Adjournment

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

Mr. Ballinger moved to adjourn the KEDFA Special Board Meeting; Aubrey Hayden seconded the motion. Motion passed; unanimous.

The meeting adjourned at 12:34 p.m.

PRESIDING OFFICER:



Jean Hale, Chairman

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING

April 27, 2017

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EDT on April 27, 2017, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

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

Roll Call

Members Present: Jean Hale, Secretary William M. Landrum, III, Tucker Ballinger, Joe Kelly and Mike Vogt

Staff Present: Bobby Aldridge, Tim Back, Caroline Baesler, Anna Beth Bobbitt, Lynda Cunningham, Michelle Elder, Alec Germond, Secretary Terry R. Gill, Jr., Reid Glass, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Katie Smith, Teresa Spreitzer, Joan Ward and Lucas Witt

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Rebecca Fleischaker, Louisville Forward; Ankur Gopal, Interapt, LLC; Lawrence Cordell, Waterfront Development Corporation; Sheri Rose, Thrive Center; and Brad Thomas, East Kentucky Power

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the March 30, 2017 Regular and Executive KEDFA board meetings and the April 10, 2017 Special KEDFA board meeting.

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

Approved/Undisbursed Loan Report

Chairman Hale called on Kylee Palmer to review the approved/undisbursed loan report.

After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports

Chairman Hale called on Katie Smith to review the financial statements and monthly monitoring reports as of March 31, 2017.

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

High Tech Pool Project (Amendment)

Chairman Hale called on Caroline Baesler to present a High-Tech Pool project amendment request to the Authority.

Nucleus, Kentucky's Life Sciences and Innovation Center, LLC Jefferson County

Ms. Baesler stated, in September 2016, KEDFA approved the use of the remaining \$880,370 grant funds for leasehold improvements for the Long-Term Health Incubator / Accelerator / Simulation Center (LTH Innovation Center), now known as The Thrive Center. The remaining funds were to be disbursed by May 30, 2017.

Nucleus requested an extension of time for disbursements to November 30, 2017. Construction is underway on The Thrive Center and the extension is needed to complete construction and work being done by various technology partners.

Staff and the Acting Executive Director, Office of Entrepreneurship, recommended approval of the amendment request.

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

Local IRB Project

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

NP Bowling Green, LLC Warren County

Ms. Phillips stated in accordance with KRS 103.210, Warren County Fiscal Court requested KEDFA review and approve a seventy-five percent (75%) reduction for years 1 through 8, a fifty percent (50%) reduction for years 9 through 13 and a twenty-five percent (25%) reduction for years 14 through 20 in the state ad valorem tax rate on the industrial building and equipment which NP Bowling Green, LLC proposes to be financed through the issuance of industrial revenue bonds by the Warren County Fiscal Court. The company proposed the acquisition and construction of an industrial building to be leased to General Motors who will use the facility to house various suppliers who provide parts and supplies in support of operations at GM's Bowling Green Assembly plant. The principal amount of the IRB authorization is up to \$18,308,000 for a term of 20 years. A Payment in Lieu of Tax Agreement will be required with the school district.

The City of Bowling Green, Warren County Fiscal Court and the Board of Education anticipate entering into a PILOT Agreement with the Company which indicates that the abatement percentage reduction rate may be adjusted by the local authorities should certain requirements not be achieved by the Company. Warren County Fiscal Court or any other local entity involved with the PILOT Agreement will be responsible for notifying the Kentucky Department of Revenue if the local participation rate is reduced below the above percentage rates so the state ad valorem reduction is consistent with the local participation.

Staff recommended approval of the requested percentage reduction in the state ad valorem tax rate on the industrial building and equipment proposed to be financed through the issuance of the Industrial Revenue Bonds.

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

Note: The KEDFA board did not make any type of determination as to the legality of the bonds to be issued by the Warren County Fiscal Court, but only approved the reduction on the ad valorem tax rate as provided by KRS 103.200 and KRS 132.020.

KEDFA Grant

Chairman Hale called on Ms. Palmer to present a KEDFA Grant request to the Authority.

Louisville/Jefferson County Metro Government Louisville Waterfront Development Corporation Jefferson County

Ms. Palmer stated Louisville/Jefferson County Metro Government requests a grant for replacement equipment and venue improvement/refurbishment for Louisville Waterfront Park. The request includes replacing existing high-mast lighting fixtures on the Great Lawn with energy efficient Q-LED fixtures, upgrade and renovate the adventure playground/waterplay area and replace worn out park maintenance/mowing equipment. The total investment is \$376,073 with funds disbursed on a reimbursement basis and all funds to be disbursed by June 30, 2018.

Funding for this project was initially included as a line item in the fiscal 2016-2018 budget, which would have had a direct and significant impact on the Cabinet for Economic Development's (CED) operating budget. The Governor vetoed the funding, and CED agreed to consider supporting the project with funding authorized in its capital projects budget, subject to information provided by the project.

Staff and Secretary Parkinson, Tourism, Arts and Heritage Cabinet, recommended approval of the grant request.

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

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

Kentucky Business Incentives (KBI) Project (Amendment)

Chairman Hale called on Bobby Aldridge to present a KBI project amendment to the Authority.

Southern Air, Inc. Boone County

Mr. Aldridge stated Southern Air, Inc. is an air cargo carrier headquartered in Norwalk, Connecticut that leases freight aircraft and crews to numerous other airlines. The company received Final Approval on January 30, 2014 for a KBI project to assist with the relocation of the operations segment of its business to Florence, Kentucky. The project activated on February 1, 2014.

As a result of corporate restructuring, the company requested that two affiliated entities, Worldwide Air Logistics Group, Inc. and Atlas Air, Inc., be added to the KBI project as Approved Affiliates. Both of these affiliates operate at the project site at Turfway Road in Florence. This amendment recognizes Worldwide Air Logistics Group, Inc. and Atlas Air, Inc. as approved affiliates under the Amended and Restated Tax Incentive Agreement. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request contingent upon receipt of a revised local resolution.

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

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

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

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

<u>Company</u>	<u>County</u>	<u>Extension</u>
Heaven Hill Distilleries, Inc.	Nelson	3 Month
Somerset Center Hotel LP	Pulaski	3 Month
Steel Ventures Incorporated	Greenup	3 Month
Fischbach USA Inc.	Hardin	4 Month
Isopure, Corporation	Shelby	4 Month
L'Oreal USA Products, Inc.	Kenton	5 Month
Peristyle, LLC	Woodford	9 Month
Rut 'N Strut Distillery LLC	Shelby	12 Month

Staff recommended approval of extension requests.

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

KEIA Projects

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

Peristyle, LLC

Woodford County

Lindsey Ransdell

Debbie Phillips

Lindsey Ransdell stated Peristyle, LLC began to produce and age its flagship bourbon product in November 2016. Due to increased interest and demand, the company is considering the expansion of its production and site areas, including a separate bottling facility, the restoration of additional tanks and processing equipment, and the renovation of another storage warehouse on-site.

Ms. Phillips stated the project investment is \$3,355,950 of which \$1,487,050 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$80,000 for construction materials and building fixtures.

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

Bolivar Specialties, LLC

Jefferson County

Alec Germond

Lynda Cunningham

Alec Germond stated Bolivar Specialties, LLC, established in 2003, is a supplier of concrete admixtures, concrete surface products, and raw materials to the construction industry. This

expansion is necessary to support the growth of the company's business operator, RussTech, Inc. RussTech is the business operator of the company's construction industry products division which currently operates two manufacturing facilities in Jefferson County. This project would combine these two operations into a single facility.

Lynda Cunningham stated the project investment is \$4,850,000 of which \$2,500,000 qualifies as KEIA eligible costs.

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

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

Interapt, LLC Jefferson County

**Anna Beth Bobbitt
Lynda Cunningham**

Anna Beth Bobbitt stated Interapt, LLC is a high-technology company focused on driving employee engagement and delivering customer excellence with mobile tools. The company has a suite of innovative mobile software and high-tech wearables for HR/People Operations, healthcare enterprises and media organizations. Interapt is considering the establishment of a corporate headquarters in Louisville to support its high-trajectory growth.

Ms. Bobbitt introduced Ankur Gopal and invited him to address the board regarding the project and answer any questions the board may have.

Lynda Cunningham stated the project investment is \$3,690,000 of which \$3,360,000 qualifies as KBI eligible costs and \$1,660,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 250 with average hourly wages of \$28.00 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 \$2,000,000 and approval of the KEIA approved recovery amount of \$75,000 for construction materials and building fixtures.

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

Kobe Aluminum Automotive Products LLC Warren County

**Corky Peek
Michelle Elder**

Corky Peek stated Kobe Aluminum Automotive Products LLC is a manufacturer of aluminum forging suspension for the automotive industry. The company is considering adding space to its current facility and the purchase of new equipment to capture additional business.

Michelle Elder stated the project investment is \$51,327,000 of which \$22,504,000 qualifies as KBI eligible costs and \$7,021,200 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 129 with average hourly wages of \$27.00 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 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 \$2,000,000 and approval of the KEIA approved recovery amount of \$200,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

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

KECH, Inc. Whitley County

**Joan Ward
Debbie Phillips**

Joan Ward stated KECH, Inc., newly formed in 2016, provides turnkey services including all resources needed to fully outsource customer engagements such as facilities, skilled personnel, proven processes, and innovative technology to its clients. The project will include a contact center operation in Williamsburg to provide services to various government agencies.

Ms. Phillips stated the project investment is \$634,600 of which \$544,600 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 35 with average hourly wages of \$12.50 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$350,000.

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

iServe Products, Inc. Boone County

**Alec Germond
Lynda Cunningham**

Mr. Germond stated iServe Products, Inc. (iServe), founded in January 2013 as an online retailer, has since grown 400% each of the last 4 years. iServe is an Amazon Top Ten Seller of Health & Household and Beauty & Personal Care products. The company is looking strongly at Northern Kentucky for the relocation of their fulfillment center, due to the recent Amazon announcement.

Ms. Cunningham stated the project investment is \$4,220,900 of which \$2,285,450 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 100 with average hourly wages of \$15.00 including benefits. The state wage assessment participation is 1.5% and Boone County will participate at 0.4%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$300,000.

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

**Alabama Wire Products, Inc.
Hardin County**

**Anna Beth Bobbitt
Lynda Cunningham**

Ms. Bobbitt stated Alabama Wire Products, Inc (AWPI) is a wholly owned subsidiary of SSW Holding Company, Inc., a leading supplier of wire products to global appliance and HVAC OEM's, and the regional construction materials supply industry. Since 2005, AWPI has been operating as a wire drawer in Kentucky and supplying coil wire products to other SSW subsidiaries in several locations. The company is considering expanding and diversifying its construction materials product line to include mine wire mesh to be sold to a new customer base in the mining industry.

Ms. Cunningham stated the project investment is \$1,000,000 of which \$200,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 20 with average hourly wages of \$17.50 including benefits. The state wage assessment participation is 3.0% and the City of Elizabethtown 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 \$200,000.

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

**MSSC US Inc.
Christian County**

**Corky Peek
Michelle Elder**

Mr. Peek stated MSSC US Inc. is a tier 1 automotive supplier which began its operations in 1991 as a joint venture with Mitsubishi Steel and Rockwell. In 2009, Mitsubishi obtained full ownership of MSSC. MSSC supplies coil springs, stabilizer bars and stabilizer bar assemblies to a diverse customer base including: Ford, General Motors, FCA, Toyota, Nissan, Honda, Subaru and Telsa. The company is considering adding 6 new processes to its stabilizer bar business to allow MSSC to be more competitive.

Ms. Elder stated the project investment is \$11,768,000 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 42 with average hourly wages of \$25.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$600,000.

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

<u>Company</u>	<u>County</u>	<u>Extension</u>
ADP Benefit Services KY, Inc.	Jefferson	12 Month
Avure Technologies, Inc.	Boone	12 Month

Industry Products Company	Scott	12 Month
New Mather Metals, Inc.	Simpson	12 Month
Peristyle, LLC	Woodford	12 Month
Rut 'N Strut Distillery LLC	Shelby	12 Month
Safai Enterprises, Inc.	Jefferson	12 Month
Universal Woods, Inc.	Jefferson	12 Month

Staff recommended approval of the KBI extension requests.

Mr. Ballinger 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, one of which has a modification since preliminary approval. Ms. Phillips asked that all 5 be presented as one motion.

No Modifications:

Project Name	County	Type Project
iwis Engine Systems, L.P.	Calloway	Manufacturing
J & T Munitions, Inc., dba J & T Distributing	Clark	Manufacturing
Lebanon Power & Apparatus Co., Inc.	Marion	Manufacturing
New Riff Distilling, LLC	Campbell	Manufacturing

Modifications:

THG International LLC	Bullitt	Manufacturing
------------------------------	---------	---------------

The company requested a name change from Cend LLC to THG International LLC. 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. Vogt moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed, unanimous.

KBI Project (Modification)

Chairman Hale called on Ms. Phillips to present a KBI modification request to the board.

Life Safety Services, LLC **Jefferson County**

Ms. Phillips stated on March 30, 2017, Life Safety Services, LLC received KBI final approval for an expansion of its existing headquarters facility in Louisville, KY. After KEDFA's approval, staff identified the eligible costs of \$922,698 was less than the approved incentive amount of \$1,000,000. Therefore, the incentive agreement has been updated to reflect the appropriate incentive amount of \$922,698 and the annual approved cost limitations have been adjusted.

Staff recommended KEDFA ratify the modification.

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

Kentucky Reinvestment Act (KRA) Project (Final)

Chairman Hale called on Ms. Phillips to present a KRA final project to the Authority.

**Aleris Rolled Products, Inc.
dba Aleris Rolled Products Manufacturing, Inc.
Hancock County**

Ms. Phillips stated Aleris Rolled Products, Inc. dba Aleris Rolled Products Manufacturing, Inc. requested final approval of its KRA project. There were no modifications to the project since preliminary approval.

The company currently has 945 full-time, Kentucky resident employees and has expended approximately \$384,456,381 in equipment and related costs of which \$192,228,191 are eligible costs. The company is eligible to receive the \$11,000,000 negotiated tax incentive amount as preliminarily approved.

Staff recommended approval of the KRA final resolution and reinvestment agreement and the authorization to execute and deliver the documents.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Kelly 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 11 Kentucky small businesses from 7 counties with qualifying tax credits of \$158,100. The 11 businesses created 47 jobs and invested \$333,349 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
Above All Service, LLC	Marshall	20	4	\$ 20.73	\$ 14,063	\$ 14,000
Beer Engine LLC	Jefferson	0	7	\$ 14.37	\$ 42,000	\$ 24,500
Boxcar Strategies, LLC	Fayette	9	1	\$ 83.33	\$ 6,796	\$ 3,500
Carroll-Kron Consulting, Inc.	Jefferson	16	7	\$ 23.15	\$ 21,109	\$ 21,100
Consultant Solutions, Incorporated	Fayette	13	8	\$ 37.55	\$ 47,082	\$ 25,000
Copperhead Environmental Consulting, Inc.	Garrard	13	5	\$ 14.48	\$ 64,276	\$ 17,500
Dental Center of Florence, Kentucky, P.S.C.	Boone	35	3	\$ 14.33	\$ 13,637	\$ 10,500
Kerr Office Group, Inc.	Hardin	39	6	\$ 19.89	\$ 25,825	\$ 21,000
Machine and Components Industries, Inc.	Jefferson	4	4	\$ 22.10	\$ 84,900	\$ 14,000
Vidoebred, Inc.	Jefferson	10	1	\$ 15.50	\$ 7,893	\$ 3,500
Vuecom Media Group Co.	McCracken	5	1	\$ 12.33	\$ 5,768	\$ 3,500

Staff recommended approval of the tax credits.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Vogt 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 6 Kentucky Angel Investment Act Program projects representing 6 Kentucky businesses from 3 counties for a total projected investment of \$432,800 with eligible tax credits of \$173,120. 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
Bexion Pharmaceuticals, Inc. Robert W. Zapp	Kenton	\$250,000	\$100,000
Comfy Cow, LLC Inder Singal	Jefferson	\$100,000	\$ 40,000
CompleteSet, Inc. Charles Edward Glasscock	Kenton	\$ 25,000	\$ 10,000
Hippo Manager Software, Inc. Clarence K. Cundiff	Fayette	\$ 10,000	\$ 4,000
Patriot Brands LLC David Brian Winbigler	Jefferson	\$ 25,000	\$ 10,000
Rabbit Hole Spirits, LLC John N. Burkett	Jefferson	\$ 22,800	\$ 9,120

Staff recommended approval of the proposed tax credits.

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

Kentucky Collateral Support Program

Chairman Hale called on Ms. Palmer to present the proposed Kentucky Collateral Support Program request to the Authority.

Faith Holdings LLC Fayette County

Ms. Palmer stated First Harrison Bank has requested collateral assistance for up to \$456,000 to assist Faith Holdings LLC in the purchase of commercial real estate in Lexington, KY. The total bank loan is \$2,280,000. Faith Holdings LLC will use the loan funds to purchase a commercial building (The Lexington Diagnostics Center) and office condominiums in an adjoining building (The Physicians Mall).

Staff recommended approval of the bank request for up to \$456,000 in support from the KSBCI Kentucky Collateral Support Program.

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

Executive Session

Pursuant to KRS Section 61.810 (1) (g), Chairman Hale entertained a motion to enter into executive session to discuss a specific business proposal, the open discussion of which would jeopardize the siting, retention, expansion or upgrading of the business.

Mr. Kelly moved to enter into executive session; Mr. Ballinger seconded the motion. Motion passed; unanimous.

The board entered into executive session at 10:51 a.m.

Regular Session

Chairman Hale entertained a motion to return to regular session.

Mr. Ballinger moved to return to regular session; Mr. Kelly seconded the motion. Motion passed; unanimous.

The board returned to regular session 11:12 a.m.

High-Tech Pool

Chairman Hale called on Ms. Smith to present the HTP funding request to the Authority.

Kentucky Economic Development Partnership Commonwealth Seed Capital, LLC

Ms. Smith stated the Executive Director of the Office of Entrepreneurship has the responsibility "to recommend funds to be used to support loans and grants, or to secure an equity or related position" in projects with a special emphasis on the creation of high-technology jobs. The request before the Authority was approval to transfer \$15,000,000 from the High-Tech Investment Pool to the Kentucky Economic Development Partnership to facilitate a private sector investment of not less than \$1,000,000,000 in one or more locations in the Commonwealth. As sole member of Commonwealth Seed Capital, LLC, the Partnership Board has the authority to make a capital contribution to the Commonwealth Seed Capital, LLC, to support high-tech companies locating or expanding within the state.

The Secretary of the Cabinet for Economic Development and the Acting Executive Director of the Office of Entrepreneurship recommended approval of the request.

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

Quarterly Kentucky Small Business Credit Initiative (KSBCI) Report

Chairman Hale called on Ms. Palmer to review the Quarterly KSBCI Report for the period ending March 31, 2017.

After review, the Authority accepted the report as presented.

KEDFA Funding

Chairman Hale called on Ms. Smith to present the KEDFA funding request to the Authority.

Kentucky Small Business Credit Initiative

Ms. Smith stated in 2011 the Cabinet was approved by the United States Department of Treasury to receive the Commonwealth's allocation of State Small Business Credit Initiative funds for implementation of the KSBCI Program in the amount of \$15,558,050. On August 25, 2011 KEDFA approved guidelines for the KSBCI Program consisting of the following: Kentucky Capital Access Program (KYCAP); Kentucky Collateral Support Program (KYCSP); and Kentucky Loan Participation Program (KYLLP). To date, The KYCSP is the most popular of the three programs.

The federal funds are nearly depleted and recycled funds are beginning to be used for programs. Currently, there are over \$1,000,000 of potential projects in discussions and additional funds are needed for the programs to continue.

Staff recommended approval of a resolution authorizing \$5,000,000 of bond fund authorization from the KEDFA Loan Pool Fund for projects approved under the KSBCI programs and transferring the funds to the appropriate accounts.

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

Quarterly Amendment Report / Resolution

Chairman Hale called on Ms. Baesler to review the Quarterly Amendment Report ending March 31, 2017.

Ms. Baesler stated the Bylaws of the Board of Directors of KEDFA grant authority to the Executive Director of the Office of Financial Services to effectuate minor changes or modifications to existing agreements with approved companies that do not substantively modify contract terms.

Ms. Baesler noted the following amendments have been executed:

Kentucky Angel Investment Act Comfy Cow LLC

Letter Amendment to Kentucky Angel Investment Act Tax Incentive Agreement dated March 16, 2015, for Comfy Cow LLC, due to a company name change from Koogee LLC, effective as of April 1, 2015, and dated for convenience March 22, 2017.

Kentucky Angel Investment Act Omveria, LLC

Letter Amendment to Kentucky Angel Investment Act Tax Incentive Agreement dated December 1, 2014, for Omveria, LLC, due to a company name change from SignSmith Technologies, LLC, effective as of April 15, 2015, and dated for convenience March 13, 2017.

Kentucky Reinvestment Act Kimball Furniture Group, LLC

Letter Amendment to KRA Tax Incentive Agreement dated July 26, 2012, for Kimball Furniture Group, LLC, due to a company name change from Kimball Furniture Group, Inc., effective as of July 1, 2014, and dated for convenience February 21, 2017.

Staff recommended the Authority accept the Amendment Report and adopt the resolutions to ratify the amendments.

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

Adjournment

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

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

The meeting adjourned at 11:17 a.m.

PRESIDING OFFICER:



Jean Hale, Chairman

KEDFA APPROVED AND NOT DISBURSED

4/30/2017

Approved and Undisbursed KEDFA Projects

Applicant	Form #	County	Date Approved	Commitment Expires	Project Amount
-----------	--------	--------	---------------	--------------------	----------------

KEDFA LOANS**KEDFA GRANTS**

Louisville/Jefferson County Metro Government		Jefferson	Apr-17	Jun-18	\$376,073
Tri-County Economic Development Corporation		Kenton	Feb-17	Jun-23	\$2,000,000

SMALL BUSINESS LOANS

None

TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)**\$2,376,073****Approved and Partially Disbursed KEDFA Projects**

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

KEDFA LOANS

Southeast KY Industrial Development Authority, Inc.	21185	Knox	Jul-16	Dec-16	\$2,000,000	(\$701,800)	\$1,298,200
---	-------	------	--------	--------	-------------	-------------	-------------

TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)**\$1,298,200****TOTAL KEDFA APPROVED AND NOT DISBURSED****\$3,674,273**

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF NET POSITION
4/30/2017

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 4/30/17	OOE 4/30/17	COMBINED 4/30/17
<u>ASSETS</u>						
Cash & Accounts Receivable						
Operating Account	114,648.73	0.00	0.00	114,648.73	0.00	114,648.73
Cash	2,986,211.21	15,620,552.63	396,857.24	19,003,621.08	0.00	19,003,621.08
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	17,887,210.57	17,887,210.57
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	2,376,073.00	0.00	0.00	2,376,073.00	1,428,795.49	3,804,868.49
Total Cash & Accounts Receivable	5,476,932.94	15,620,552.63	396,857.24	21,494,342.81	19,457,549.94	40,951,892.75
Accrued Interest Receivable						
Loans	16,174.90	8,636.82	0.00	24,811.72	(545.00)	24,266.72
Investments	880.91	4,437.99	112.75	5,431.65	0.00	5,431.65
Total Accrued Interest Receivable	17,055.81	13,074.81	112.75	30,243.37	(545.00)	29,698.37
Notes Receivable						
Loans Receivable	18,821,673.84	2,290,699.89	0.00	21,112,373.73	40,634.00	21,153,007.73
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,224,163.61)	0.00	(1,224,163.61)
Total Notes Receivable	18,821,673.84	2,290,699.89	0.00	19,888,210.12	40,634.00	19,928,844.12
TOTAL ASSETS	24,315,662.59	17,924,327.33	396,969.99	41,412,796.30	19,497,638.94	60,910,435.24
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				2,166.94	0.00	2,166.94
Grants Payable				0.00	0.00	0.00
Pension Liability				7,492,000.00	0.00	7,492,000.00
TOTAL LIABILITIES				7,849,685.80	0.00	7,849,685.80
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				(56,186.35)	16,101,738.24	15,045,551.89
TOTAL NET POSITION				34,006,110.50	19,497,638.94	53,503,749.44

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 APRIL 30, 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	16,973.80	3,563.07	0.00	0.00	201,574.45	182,859.94
Interest Income/ Investments	880.91	4,437.99	112.75	0.00	17,437.08	1,503.26
Late Fees	0.00	0.00	0.00	0.00	75.00	853.68
Application Fees	46,411.00	0.00	0.00	0.00	549,681.54	450,775.33
Miscellaneous Income	43.81	0.00	0.00	0.00	316.25	288.46
Total Operating Revenues - KEDFA	64,309.52	8,001.06	112.75	0.00	769,084.32	636,280.67
Operating Expenses - KEDFA						
Salaries	81,986.70				951,824.91	874,109.42
Employee benefits	56,027.33				635,899.65	573,924.98
Pension Liability Adjustment	0.00				0.00	0.00
Other Personnel Costs	0.00				300.00	0.00
Contracted Personal Services	8,020.08				110,368.36	122,832.96
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				17.24	14.73
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	234.40				2,299.51	2,415.54
Miscellaneous Commodities	0.00				634.00	396.75
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	146,268.51	0.00	0.00	0.00	1,701,343.67	1,793,525.09
Income (Loss) from Operations - KEDFA	(81,958.99)	8,001.06	112.75	0.00	(932,259.35)	(1,157,244.42)
Non-Operating Revenues (Expenses) - KEDFA						
Operating Transfer Out - General Fund	0.00				0.00	0.00
Transfer Due from Bonds	(8,623,927.00)				876,073.00	0.00
Grants Disbursed	0.00				0.00	0.00
Operating Transfer In - Economic Dev	0.00				0.00	22,775.04
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 (Expense)	(8,623,927.00)	0.00	0.00	0.00	876,073.00	22,775.04
CHANGE IN NET POSITION - KEDFA	(8,705,885.99)	8,001.06	112.75	0.00	(56,186.35)	(1,134,469.38)
Operating Revenues (Expenses) - OOE						
Interest Income - Loans				61.60	960.69	1,410.74
Misc Income				0.00	0.00	0.00
Disbursements: Projects (Note 1)				(139,083.36)	(540,657.87)	(709,963.69)
Repayments received from Projects				0.00	405,723.04	315,110.00
						0.00
Non-Operating Revenues (Expenses) - OOE						0.00
Operating Transfer in - OOE				15,000,000.00	15,000,000.00	0.00
Transfer Due from Bonds				0.00	700,000.00	(350,000.00)
Operating Transfer Out - OOE				0.00	(464,287.62)	(353,415.20)
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00	14,860,978.24	15,101,738.24	(1,096,858.15)
CHANGE IN NET POSITION - COMBINED	(8,705,885.99)	8,001.06	112.75	14,860,978.24	15,045,551.89	(2,231,327.53)

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
4/30/2017

	<u>4/30/2016</u>	<u>4/30/2017</u>
Fund A Cash Balance	\$3,364,534.48	\$2,986,211.21
Less: Approved/Undisbursed	0.00	0.00
Total Unobligated Balance	\$3,364,534.48	\$2,986,211.21
2003 Bond Fund Cash Balance	\$14,106,886.07	\$15,620,552.63
Less: Approved/Undisbursed	0.00	(3,674,273.00)
Total Unobligated Balance	\$14,106,886.07	\$11,946,279.63
Small Business Loan Fund Cash Balance	\$392,694.92	\$396,857.24
Less: Approved/Undisbursed	0.00	
Total Unobligated Balance	\$392,694.92	\$396,857.24
Bond Funds to be Provided for Loans	\$0.00	\$0.00
Less: Approved/Undisbursed	3,500,000.00	
Total Unobligated Balance	\$3,500,000.00	\$0.00
Budget: Cash to be Transferred to Other CED Programs for	<u>\$0.00</u>	<u>\$0.00</u>
CASH AVAILABLE	<u>\$17,864,115.47</u>	<u>\$15,329,348.08</u>
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	\$3,126,293.93	\$17,887,210.57
Less: Approved/Undisbursed	(\$1,170,370.00)	(\$17,029,714.00)
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	\$1,428,795.49
Bond Funds Available for Projects	\$0.00	\$0.00
Total Unobligated Balance	\$3,127,837.81	\$2,427,835.94
TOTAL ALL FUNDS	<u>\$20,991,953.28</u>	<u>\$17,757,184.02</u>

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

KEDFA Meeting date	5/25/2017
Total Projects Approved Fiscal Year-to-Date	45
Number of Proposed Projects for Current Month	8

Construction Materials and Building Fixtures

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$8,917,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$11,083,000
Proposed Approval for Current Month	<u>\$3,230,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$7,853,000</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 April 30, 2017

Financial Incentives Programs

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
KBI	93	78	0	0	20
IEIA	2	0	0	0	0
KEIA	23	2	0	0	2
KIDA	26	4	0	0	4
KJDA	5	15	0	0	6
KREDA	5	19	0	0	8
KIRA	0	0	0	0	0
KJRA	0	0	0	0	0
KIFA	0	12	0	0	0
KESA	0	0	0	0	0
KRA	1	3	0	0	1
KAIA	10	17	0	0	0
TIF	13	14	0	0	0
Totals	178	164	0	0	41

Cash Based Programs

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
HTP	23	5	0	0	0
Direct Loans	0	0	0	0	0
EDB	18	6	0	0	0
Totals	41	11	0	0	0

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
May 2017**

Project	County	Approval Date	Exit Date	Program
<u>Wellhead Energy Systems, LLC</u> Explanation: Per email dated 2/15/2017, the Company requested to let the project expire. The project expired on April 30, 2017.	Pulaski	04/26/2017	04/30/2017	KBI
<u>Harry Gordon Steel Company</u> Explanation: Per email dated 4/21/2017, the company requested to withdraw from the KBI Program.	Clark	05/30/2013	4/21/2017	KBI
<u>Matrix Composites, Inc.</u> Explanation: Received email that company has used all available KREDA incentives and wishes to finalize participation in the KREDA for this project effective 12/31/2015.	Henderson	11/16/1993	12/31/2015	KREDA

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

Date: May 25, 2017
Grantee: Louisville/Jefferson County Metro Government
Beneficiary: Restaurant Supply Chain Solutions, LLC
City: Louisville **County:** Jefferson
Activity: Service & Technology
Bus. Dev. Contact: Kristina Slattery **OFS Staff:** Kylee Palmer

Project Description: Restaurant Supply Chain Solutions (RSCS), headquartered in Louisville, KY since 1999, is the largest purchasing cooperative in the quick-service restaurant industry. RSCS is the exclusive supply chain management organization for Yum! Brands, Inc. and its three restaurant systems - KFC, Pizza Hut and Taco Bell. With world-class buying expertise, supplier-relationship management and evolving strategic processes, RSCS negotiates pricing for over 22,000 products including food, packaging and equipment items in support of multiple restaurant brands.

When Yum! announced that its executive team would be relocating to Texas in February 2016, RSCS had some concerns about whether or not the supply chain should follow. The company has clients outside of the Yum! family, such as the A&W Restaurant system, and is actively recruiting other customers from a Canadian counterpart. After some negotiations and due diligence, the company decided to stay in Louisville. The company is pleased with its operation here, has built great relationships with other companies in the area, and is excited to move forward.

RSCS plans to do some upgrades to the facility on Breckinridge Road, totaling approximately \$3.5 million over the next couple of years. While the company hopes to continue to add to its team, its commitment has been the retention of the current staff of 102 full time, Kentucky residents. Renovations include all new equipment and technology and a re-design of all of the offices, meeting rooms and lounge spaces.

	Total Investment
Land	
Building/Improvements	\$2,100,000
Equipment	\$1,400,000
Other Start-up Costs	
TOTAL	\$3,500,000

Anticipated Project Funding	Amount	% of Total
KEDFA Grant (State)	\$500,000	14.3%
Bank Loan		0.0%
Local Grant		0.0%
Company Equity	\$3,000,000	85.7%
Other		0.0%
TOTAL	\$3,500,000	100.0%

Job and Wage Requirement Table

Compliance Date	Full-time, Kentucky-Resident Jobs Required	Job Type	Average Wage Required	Average Wage Type
6/30/2017	102	Retain	\$49.47	Average Hourly Wage (excludes benefits)
6/30/2018	102	Retain	\$49.47	Average Hourly Wage (excludes benefits)
6/30/2019	102	Retain	\$49.47	Average Hourly Wage (excludes benefits)
6/30/2020	102	Retain	\$49.47	Average Hourly Wage (excludes benefits)

* Compliance periods will be annually .

Collateral Required: Not applicable - Grant is performance-based and disbursement will not occur until after annual compliance is confirmed.

Job Penalty Provision: \$1,225 per job not maintained

Wage Penalty Provision: pro rata portion of KEDFA grant based on a formula outlined in the grant agreement

Disbursement: Disbursement of grant funds may occur after each annual compliance period when requirements have been reviewed by the Cabinet. Funds will flow through the Grantee/local government entity to the Beneficiary/company.

RECOMMENDED KEDFA GRANT AMOUNT:

\$500,000

Ownership (20% or more): Not applicable

Active State Participation at the Project Site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jul 28, 2016	KEIA	Approved	\$125,000

Unemployment Rate:
County: 4.20% Kentucky: 4.8%

Recommendation:

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

**TAX-EXEMPT GOVERNMENTAL UNIT/STATUTORY AUTHORITY ISSUANCE
OF INDUSTRIAL REVENUE BONDS (IRB)**

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY REQUEST
FOR REDUCTION IN STATE AD VALOREM TAX RATE**

Date: May 25, 2017
Issuer: Boone County Fiscal Court
Company: The Kroger Co.
City: Burlington **County:** Boone
Project Type: Existing **Resolution #:** LIRB-17-02
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: The Kroger Co. has identified a facility suitable for a logistics and distribution location in Boone County that will provide an opportunity to reduce cost and provide capacity relief to the Company's Regional Logistics Network. The project will also enable the Operations Planning group to rebalance Kroger's manufacturer and labeled products into local warehouses. The Kroger Co. will be purchasing a newly created building, which will be one of the first significant capital investment for Kroger in the Northern Kentucky community beyond a retail project. This will allow Kroger to distribute thousands of items to over 1,000 stores regionally as well as create opportunities for additional investment and job creation in future years.

Proposed Issuance Date	Principal amount of IRB authorization	Term of Bond (years)
July 1, 2017	up to \$70,000,000	20

New, Full-time Jobs to be Created	Average Annual Salary
90	\$38,000

Anticipated Financed Project Costs

Land	\$5,439,600
Building/Improvements	\$42,272,400
Equipment	\$18,504,400
Infrastructure	\$3,783,600
TOTAL	\$70,000,000

Active State Participation at the Project Site: None

Unemployment Rate:

County: 4.3% Kentucky: 5.4%

Projected New Net Tax Revenues to be Received Over the Term of the IRB

Excluding other state tax credits and incentives approved for the project, if fully utilized by the company. These projections are provided by the company and are not verified by the Cabinet.

State Tax Revenues	\$3,060,348
Local Tax Revenue	\$7,821,805
TOTAL	\$10,882,153

Requested % Reduction in the Ad Valorem	Projected Tax Savings over Bond Term
State: 50%	\$1,109,050
Local: 50%	\$1,712,740

Payments will be made by the Company in lieu of taxes to the following:

- 75% Boone County School District
- 100% Florence Fire District, Extension District, Health District and Library District

Recommendation:

Staff recommends approval of the requested percentage reduction in the state ad valorem tax rate on the industrial building and equipment proposed to be financed through the issuance of the industrial revenue bonds.

Note that the KEDFA board is not making any type of determination as to the legality of the bonds to be issued by the above-referenced issuer, but is only approving the reduction on the ad valorem tax rate as provided by KRS 103.200 and KRS 132.020.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division 

DATE: May 25, 2017

SUBJECT: KJDA Amendment
Summit Energy Services, Inc. (Jefferson County)
KJDA Project #14771

On January 27, 2005, Summit Energy Services, Inc. received approval for the company's expansion to its existing energy management facility in Louisville, Kentucky.

Effective September 2014, Ormsby Louisville II LLC acquired ownership of the project site from the original lessor, Faulkner Hinton/Ormsby II, LLC.

The company is requesting approval that the KJDA agreement be amended to designate Ormsby Louisville II LLC as the approved lessor and to recognize additional square footage.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director 
Compliance Division

DATE: May 25, 2017

SUBJECT: KJDA Amendment
Summit Energy Services, Inc. (Jefferson County)
KJDA Project #16284

On June 26, 2008, Summit Energy Services, Inc. received approval for the company's expansion to its existing energy management facility in Louisville, Kentucky.

Effective September 2014, Ormsby Louisville II LLC acquired ownership of the project site from the original lessor, Faulkner Hinton/Ormsby II, LLC.

The company is requesting approval that the KJDA agreement be amended to designate Ormsby Louisville II LLC as the approved lessor and to recognize additional square footage.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board

FROM: Robert Aldridge, Assistant Director 
Compliance Division

DATE: May 25, 2017

SUBJECT: KBI Amendment
A & R Logistics, Inc. (Jefferson County)
KBI Project #19472

A & R Logistics, Inc. received Final Approval on March 26, 2015 for a KBI project to relocate its national headquarters for transportation and logistics operations to Louisville. The project site is a campus, consisting of the main facility on Hurstbourne Parkway and an additional site on Timberwood Circle. As a result of the need for more square footage, the company terminated the lease at Timberwood Circle and moved to a larger space on Bishop Lane in Louisville.

This amendment documents the change of the project site. All other aspects of the project remain the same.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division 

DATE: May 25, 2017

SUBJECT: KBI Amendment
Specialty Foods Group, LLC (Daviness County)
Project #20178

Specialty Foods Group, Inc. received final approval for participation in KBI program on December 8, 2106.

Effective March 1, 2017, in connection with a series of mergers, Specialty Foods Group, LLC became the successor to the original company Specialty Foods Group, Inc.

All other aspects of the project remain the same.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division



DATE: May 25, 2017

SUBJECT: KEIA Extensions

The following company has requested additional time to complete their project:

Company	County	Extension
Rut 'N Strut Distillery LLC	Shelby	12 Months

Staff recommends approval.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: May 25, 2017
Approved Company: Campari America LLC
City: Lawrenceburg **County:** Anderson
Activity: Manufacturing **Resolution #:** KEIA-17-21627
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** D. Phillips

Project Description: Campari America LLC is one of the largest spirits company in the United States, producing more than 20 brands, including award-winning vodkas, whiskies, rums, gins, cordials, liqueurs, and cachacas. The company has seen an increase in the global demand for their products and has completed new expansion projects over the last few years. In order to house the growing production for the critical aging process, they are considering constructing a new rack barrel warehouse with space for storage of 50,400 barrels.

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
\$2,265,100	\$5,209,500
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$2,265,100	\$5,209,500

Ownership (20% or more):
 Redfire, Inc. - San Francisco, CA

Other State Participation:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Aug 27, 2015	KBI	Monitor	\$2,000,000

Unemployment Rate:

County: 4.6% Kentucky: 5.4%

Existing Presence in Kentucky:

Anderson County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$100,000

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: May 25, 2017
Approved Company: Vanderbilt Chemicals, LLC
City: Murray
Activity: Manufacturing
Bus. Dev. Contact: C. Peek

County: Calloway
Resolution #: KEIA-17-21613
OFS Staff: M. Elder

Project Description: Vanderbilt Chemicals, LLC, a division of R.T. Vanderbilt Holding Company, Inc., mines, manufactures and resales chemicals. The Murray, KY location has been in operation since 1970. A new processing unit for its clay drying operation is being considered for this facility. This would allow Vanderbilt to double its output.

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
\$4,200,000	\$7,700,000
\$0	\$0
\$0	\$0
\$0	\$5,500,000
\$0	\$500,000
\$4,200,000	\$13,700,000

Ownership (20% or more):

R. T. Vanderbilt Holding Company Norwalk, CT

Other State Participation: None

Unemployment Rate:

County: 4.7%

Kentucky: 5.4%

Existing Presence in Kentucky:

Calloway County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$100,000

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: May 25, 2017
Approved Company: Arroweye Solutions, Inc.
City: Louisville **County:** Jefferson
Activity: Manufacturing **Resolution #:** KEIA-17-21607
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Arroweye Solutions, Inc. began operations in Nevada in 2007, manufacturing credit/debit and gift cards in an on-demand basis using its state-of-the art technology that allows orders to be fulfilled in days instead of weeks. Due to the tremendous growth in the past 12 months the company is considering expanding its production capabilities to Louisville for a fully operational second site.

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
\$612,500	\$1,010,000
\$0	\$0
\$0	\$0
\$0	\$8,500,000
\$0	\$0
\$612,500	\$9,510,000

Ownership (20% or more):

Thatcher Group Naperville, IL
 OZF Investments Israel

Other State Participation: None

Unemployment Rate:

County: 4.8% Kentucky: 5.4%

Existing Presence in Kentucky: None

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$30,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$30,000

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 25, 2017
Approved Company: Cabot Corporation
City: Carrollton
Activity: Manufacturing
Bus. Dev. Contact: L. Ransdell

County: Carroll
Prelim Resolution #: KBI-I-17-21489
OFS Staff: M. Elder

Project Description: Cabot Corporation, headquartered in Boston, Massachusetts, is a global leader in the manufacturing of specialty chemicals and performance materials. The company produces fumed silica, a performance additive for a variety of applications, including adhesives, composites, coatings and silicone elastomers. Cabot is considering an expansion of its fumed silica manufacturing operations in the United States; one of the potential options for this operation is a new manufacturing plant in Carrollton, KY.

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
\$21,000,000	\$21,000,000
\$65,500,000	\$65,500,000
\$2,500,000	\$2,500,000
\$89,000,000	\$89,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	32	\$41.00	
1	32	\$41.00	\$125,000
2	32	\$41.00	\$125,000
3	32	\$41.00	\$125,000
4	32	\$41.00	\$125,000
5	32	\$41.00	\$125,000
6	32	\$41.00	\$125,000
7			
8			
9			
10			
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$750,000

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: May 25, 2017
Approved Company: Cabot Corporation
City: Carrollton **County:** Carroll
Activity: Manufacturing **Resolution #:** KEIA-17-21490
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Cabot Corporation, headquartered in Boston, Massachusetts, is a global leader in the manufacturing of specialty chemicals and performance materials. The company produces fumed silica, a performance additive for a variety of applications, including adhesives, composites, coatings and silicone elastomers. Cabot is considering an expansion of its fumed silica manufacturing operations in the United States; one of the potential options for this operation is a new manufacturing plant in Carrollton, KY.

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
\$20,000,000	\$21,000,000
\$0	\$0
\$0	\$0
\$0	\$65,500,000
\$0	\$2,500,000
\$20,000,000	\$89,000,000

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$250,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$250,000

See KBI file (KBI-I-17-21489) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 25, 2017
Approved Company: Nucor Steel Gallatin LLC
City: Ghent **County:** Gallatin
Activity: Manufacturing **Prelim Resolution #:** KBI-ID-17-21528
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Nucor Steel Gallatin LLC, previously Gallatin Steel Company, is located on the Ohio River in Ghent, KY. The flat-rolled products mills has an annual capacity of approximately 1.8 million tons. Nucor is considering expanding its operations by adding additional pickling and galvanizing capacity.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$48,400,000	\$48,400,000
\$127,200,000	\$127,200,000
\$0	\$0
\$175,600,000	\$175,600,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	35	\$46.00	
1	51	\$46.00	\$266,666
2	75	\$46.00	\$266,666
3	75	\$46.00	\$266,666
4	75	\$46.00	\$266,666
5	75	\$46.00	\$266,666
6	75	\$46.00	\$266,666
7	75	\$46.00	\$266,666
8	75	\$46.00	\$266,666
9	75	\$46.00	\$266,666
10	75	\$46.00	\$266,666
11	75	\$46.00	\$266,666
12	75	\$46.00	\$266,666
13	75	\$46.00	\$266,666
14	75	\$46.00	\$266,666
15	75	\$46.00	\$266,676

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$4,000,000



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: May 25, 2017
Approved Company: Nucor Steel Gallatin LLC
City: Ghent **County:** Gallatin
Activity: Manufacturing **Resolution #:** KEIA-17-21529
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Nucor Steel Gallatin LLC, previously Gallatin Steel Company, is located on the Ohio River in Ghent, KY. The flat-rolled products mills has an annual capacity of approximately 1.8 million tons. Nucor is considering expanding its operations by adding additional pickling and galvanizing capacity.

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
\$21,700,000	\$48,400,000
\$0	\$0
\$0	\$0
\$0	\$127,200,000
\$0	\$0
\$21,700,000	\$175,600,000

Approved Recovery Amount:

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

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,000,000

See KBI file (KBI-ID-17-21528) for Ownership, Other State Participation and Unemployment Rate.

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

Date: May 25, 2017
Approved Company: Wilderness Trace Distillery Limited Liability Corporation dba Wilderness Trail Distillery
City: Danville **County:** Boyle
Activity: Manufacturing **Prelim Resolution #:** KBI-I-17-21620
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Founded in 2012, Wilderness Trail Distillery produces Kentucky Bourbon, Rye Whiskey, Vodka and Rum, all from locally-sourced ingredients. This craft distillery is a member of the Kentucky Bourbon Craft Trail. Due to increase customer demand for their product as well as contract work for other distilleries, Wilderness Trail is considering expanding its current facility to support more production capacity as well as support the growth of its industry.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$5,180,000	\$5,180,000
\$4,580,000	\$4,580,000
\$150,000	\$150,000
\$9,910,000	\$9,910,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$22.00	
1	10	\$22.00	\$25,000
2	10	\$22.00	\$25,000
3	10	\$22.00	\$25,000
4	10	\$22.00	\$25,000
5	10	\$22.00	\$25,000
6	10	\$22.00	\$25,000
7	10	\$22.00	\$25,000
8	10	\$22.00	\$25,000
9			
10			
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$200,000

County Type:
Enhanced

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

Ownership (20% or more):

Shane Baker Danville, KY

Elmer P. Heist Danville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 5.0%

Unemployment Rate:

County: 5.6%

Kentucky: 5.4%

Existing Presence in Kentucky:

Boyle 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 5 full-time, Kentucky resident employees as of the application date.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: May 25, 2017
Approved Company: Wilderness Trace Distillery Limited Liability Corporation dba Wilderness Trail Distillery
City: Danville **County:** Boyle
Activity: Manufacturing **Resolution #:** KEIA-17-21621
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Founded in 2012, Wilderness Trail Distillery produces Kentucky Bourbon, Rye Whiskey, Vodka and Rum, all from locally-sourced ingredients. This craft distillery is a member of the Kentucky Bourbon Craft Trail. Due to increase customer demand for their product as well as contract work for other distilleries, Wilderness Trail is considering expanding its current facility to support more production capacity as well as support the growth of its industry.

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
\$3,108,000	\$5,180,000
\$0	\$0
\$80,000	\$80,000
\$0	\$4,500,000
\$0	\$150,000
\$3,188,000	\$9,910,000

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$150,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$150,000

See KBI file (KBI-I-17-21620) for Ownership, Other State Participation and Unemployment Rate.

Tab #21

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 25, 2017
Approved Company: Tri-Arrows Aluminum Inc.
Approved Affiliate(s): Logan Aluminum Inc.
City: Russellville
Activity: Manufacturing
Bus. Dev. Contact: C. Peek

County: Logan
Prelim Resolution #: KBI-I-17-21630
OFS Staff: M. Elder

Project Description: Tri-Arrows Aluminum, Inc., a premier supplier of rolled aluminum sheet, is a part of a joint-venture with Novelis, Inc. that owns Logan Aluminum, Inc. in Russellville which is the project site. The company is considering adding capacity to its cold rolling mill capabilities. This would allow them to capture more business in both the beverage can market as well as in the automotive industry. This project would consist of the construction of additional manufacturing space as well as the purchase of a significant amount of new equipment.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$46,670,000	\$46,670,000
\$1,200,000	\$76,221,000
\$2,109,000	\$2,109,000
\$49,979,000	\$125,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	60	\$50.00	
1	60	\$50.00	\$650,000
2	60	\$50.00	\$650,000
3	60	\$50.00	\$650,000
4	60	\$50.00	\$650,000
5	60	\$50.00	\$650,000
6	60	\$50.00	\$650,000
7	60	\$50.00	\$650,000
8	60	\$50.00	\$650,000
9	60	\$50.00	\$650,000
10	60	\$50.00	\$650,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$6,500,000

County Type:
Other

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

Ownership (20% or more):

Tri-Arrows Aluminum, Holding Louisville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 0.75% Logan County Fiscal Court

Unemployment Rate:

County: 4.6%

Kentucky: 5.4%

Existing Presence in Kentucky:

Logan 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 1,260 full-time, Kentucky resident employees as of the application date.

Only investment costs incurred by the approved company will be considered towards calculating eligible costs. Only the approved company may participate in the corporate income tax credit incentive (no affiliate is eligible). The jobs creation/maintenance and wage requirements will be satisfied collectively by the approved company and the affiliate(s) recognized above.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT

Date: May 25, 2017
Approved Company: Tri-Arrows Aluminum Inc.
City: Russellville
Activity: Manufacturing
Bus. Dev. Contact: C. Peek

County: Logan
Resolution #: KEIA-17-21631
OFS Staff: M. Elder

Project Description: Tri-Arrows Aluminum, Inc., a premier supplier of rolled aluminum sheet, is a part of a joint-venture with Novelis, Inc. that owns Logan Aluminum, Inc. in Russellville which is the project site. The company is considering adding capacity to its cold rolling mill capabilities. This would allow them to capture more business in both the beverage can market as well as in the automotive industry. This project would consist of the construction of additional manufacturing space as well as the purchase of a significant amount of new equipment.

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
\$28,000,000	\$46,670,000
\$0	\$0
\$0	\$0
\$0	\$76,221,000
\$0	\$2,109,000
\$28,000,000	\$125,000,000

Approved Recovery Amount:

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

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,500,000

See KBI file (KBI-I-17-21630) for Ownership, Other State Participation and Unemployment Rate.

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

Added
After
Tab#22
(KBI)

Date: May 25, 2017
Approved Company: Greif Packaging LLC dba Multicorr
City: Louisville **County:** Jefferson
Activity: Manufacturing **Prelim Resolution #:** KBI-I-17-21633
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** D. Phillips

Project Description: Greif Packaging LLC owns and operates Multicorr, which has been in business in Louisville since 1995. Greif is a worldwide packaging company with four basis divisions, land management, Ridged Industrial Packaging, Flexible Packaging, and Paper and Pulp Systems. Multicorr operates under the Paper and Pulp Systems division supplying corrugated sheet and converted boxes to customers throughout the Midwest and as far as Mexico. With continuing sales growth, the facility has been operating at full capacity and needs to expand to accommodate for future business.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned
 Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$900,000	\$900,000
\$4,290,713	\$4,290,713
\$340,000	\$10,287,000
\$0	\$0
\$5,530,713	\$15,477,713

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	17	\$29.00	
1	17	\$29.00	\$25,000
2	17	\$29.00	\$25,000
3	17	\$29.00	\$25,000
4	17	\$29.00	\$25,000
5	17	\$29.00	\$25,000
6	17	\$29.00	\$25,000
7	17	\$29.00	\$25,000
8	17	\$29.00	\$25,000
9	17	\$29.00	\$25,000
10	17	\$29.00	\$25,000

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

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

*Added
After
Tab# 22
(KEIA)*

Date: May 25, 2017
Approved Company: Greif Packaging LLC dba Multicorr
City: Louisville **County:** Jefferson
Activity: Manufacturing **Resolution #:** KEIA-17-21634
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** D. Phillips

Project Description: Greif Packaging LLC owns and operates Multicorr, which has been in business in Louisville since 1995. Greif is a worldwide packaging company with four basis divisions, land management, Ridged Industrial Packaging, Flexible Packaging, and Paper and Pulp Systems. Multicorr operates under the Paper and Pulp Systems division supplying corrugated sheet and converted boxes to customers throughout the Midwest and as far as Mexico. With continuing sales growth, the facility has been operating at full capacity and needs to expand to accommodate for future business.

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	\$900,000
\$2,574,428	\$4,290,713
\$0	\$0
\$0	\$0
\$0	\$10,287,000
\$0	\$0
\$2,574,428	\$15,477,713

Existing Presence in Kentucky:
 Jefferson County

Approved Recovery Amount:
 Construction Materials and Building Fixtures: \$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$100,000**

See KBI file (KBI-I-17-21633) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 25, 2017
Approved Company: Emerson Electric Co.
City: Russellville **County:** Logan
Activity: Manufacturing **Prelim Resolution #:** KBI-I-17-21625
Bus. Dev. Contact: K. Slattery **OFS Staff:** L. Cunningham

Project Description: Emerson was founded in 1890 in St. Louis, Missouri as a manufacturer of electric motors and fans. The company has since grown from a regional manufacturer into a global technology solutions powerhouse, and has re-aligned its strategy towards focusing on new products and technological development. The company is considering locating one of its newest product lines into its Russellville manufacturing facility.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$225,000	\$225,000
\$1,100,000	\$14,226,000
\$1,700,000	\$1,700,000
\$3,025,000	\$16,151,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	55	\$24.00	
1	55	\$24.00	\$70,000
2	55	\$24.00	\$70,000
3	55	\$24.00	\$70,000
4	55	\$24.00	\$70,000
5	55	\$24.00	\$70,000
6	55	\$24.00	\$70,000
7	55	\$24.00	\$70,000
8	55	\$24.00	\$70,000
9	55	\$24.00	\$70,000
10	55	\$24.00	\$70,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$700,000

County Type:
Other

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

Ownership (20% or more): Publicly Traded

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1% City of Russellville & Logan County

Unemployment Rate:

County: 4.6%

Kentucky: 5.4%

Existing Presence in Kentucky: Logan 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 224 full-time, Kentucky resident employees as of the application date.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

*Added
After
Tab #23*

Date: May 25, 2017
Approved Company: Sims Bark Co. of Georgia, LLC
City: Corbin **County:** Whitley
Activity: Manufacturing **Prelim Resolution #:** KBI-I-17-21626
Bus. Dev. Contact: K. Slattery **OFS Staff:** L. Cunningham

Project Description: Sim's Bark Co. of Georgia, LLC has been a family owned and operated business since 1974, with manufacturing facilities in Alabama, Georgia and South Carolina. Sims Bark uses raw materials, such as bark from saw mills, and processes it into various mulches and soils, which are bagged and distributed to retailers across the Southeastern United States. The company is considering establishing a new manufacturing facility in Corbin, Kentucky.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$353,000	\$353,000
\$1,370,460	\$1,370,460
\$2,046,000	\$2,046,000
\$25,000	\$25,000
\$3,794,460	\$3,794,460

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	11	\$21.00	
1	11	\$21.00	\$30,000
2	16	\$21.00	\$30,000
3	18	\$21.00	\$30,000
4	20	\$21.00	\$30,000
5	21	\$21.00	\$30,000
6	21	\$21.00	\$30,000
7	21	\$21.00	\$30,000
8	21	\$21.00	\$30,000
9	21	\$21.00	\$30,000
10	21	\$21.00	\$30,000
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$300,000

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 25, 2017
Approved Company: Michter's Distillery LLC
Approved Affiliate(s): Real Property Louisville, LLC
City: Louisville **County:** Jefferson
Activity: Manufacturing **Prelim Resolution #:** KBI-I-17-21580
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Michter's Distillery LLC produces a variety of whiskeys including single barrel ryes, small batch bourbons and single barrel bourbons. In recent years the company has seen a demand for its products steadily increase therefore Michter's is considering the purchase of property to expand its manufacturing capabilities.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

	Eligible Costs	Total Investment
Land	\$530,000	\$530,000
Building/Improvements	\$1,030,000	\$1,030,000
Equipment	\$300,000	\$5,000,000
Other Start-up Costs	\$100,000	\$100,000
TOTAL	\$1,960,000	\$6,660,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	15	\$35.00	
1	15	\$35.00	\$30,000
2	15	\$35.00	\$30,000
3	15	\$35.00	\$30,000
4	15	\$35.00	\$30,000
5	15	\$35.00	\$30,000
6	15	\$35.00	\$30,000
7	15	\$35.00	\$30,000
8	15	\$35.00	\$30,000
9	15	\$35.00	\$30,000
10	15	\$35.00	\$30,000

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

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: May 25, 2017
Approved Company: Bluegrass Supply Chain Services, LLC
City: Shepherdsville **County:** Bullitt
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-17-21610
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: Bluegrass Supply Chain Services, LLC, founded in 2002, offers its customers value added solutions to their supply chain needs. Bluegrass offers warehousing, quality support, light assembly and transportation management services. The company is considering leasing a building for office and warehousing.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$750,405	\$1,500,810
\$75,000	\$75,000
\$0	\$0
\$0	\$0
\$825,405	\$1,575,810

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	24	\$18.00	
1	24	\$18.00	\$30,000
2	24	\$18.00	\$30,000
3	24	\$18.00	\$30,000
4	24	\$18.00	\$30,000
5	24	\$18.00	\$30,000
6	24	\$18.00	\$30,000
7	24	\$18.00	\$30,000
8	24	\$18.00	\$30,000
9	24	\$18.00	\$30,000
10	24	\$18.00	\$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

Ownership (20% or more):

John Higgins Bowling Green, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% City of Shepherdsville

Unemployment Rate:

County: 4.6%

Kentucky: 5.4%

Existing Presence in Kentucky:

Bullitt, Logan, Metcalfe and Warren Counties

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

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.

The project will include multiple locations within Bullitt County/Shepherdsville. Only investment costs incurred at 233 Omega Parkway 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.

The company acknowledges that the Project is to be located in a county currently certified as an enhanced incentive county, and further acknowledges that it does not wish to proceed under the KBI program provisions applicable to such projects, and instead waives the enhanced county benefits.

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

Date: May 25, 2017
Approved Company: Bluegrass Supply Chain Services, LLC
City: Park City **County:** Edmonson
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-17-21609
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: Bluegrass Supply Chain Services, LLC, founded in 2002, offers its customers value added solutions to their supply chain needs. Bluegrass offers warehousing, quality support, light assembly and transportation management services. The company is considering leasing a building for office and warehousing.

Facility Details: Locating in a new facility

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

Eligible Costs	Total Investment
\$864,000	\$1,728,000
\$0	\$0
\$23,000	\$23,000
\$30,000	\$30,000
\$917,000	\$1,781,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	27	\$18.00	
1	27	\$18.00	\$20,000
2	27	\$18.00	\$20,000
3	27	\$18.00	\$20,000
4	27	\$18.00	\$20,000
5	27	\$18.00	\$20,000
6	27	\$18.00	\$20,000
7	27	\$18.00	\$20,000
8	27	\$18.00	\$20,000
9	27	\$18.00	\$20,000
10	27	\$18.00	\$20,000
11	27	\$18.00	\$20,000
12	27	\$18.00	\$20,000
13	27	\$18.00	\$20,000
14	27	\$18.00	\$20,000
15	27	\$18.00	\$20,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$300,000

County Type:
Enhanced

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

Ownership (20% or more):
John Higgins Bowling Green, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate:
County: 6.4% Kentucky: 5.4%

Existing Presence in Kentucky:
Bullitt, Logan, Metcalfe and Warren Counties

Special Conditions:
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.

MEMORANDUM

TO: KEDFA Board Members

FROM: Michelle Elder *ME*
Incentive Assistance Division

DATE: May 25, 2017

SUBJECT: KBI Extensions

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

Company	County	Extension
HAHN Automation, Inc.	Boone	3 month
Angel's Share Brands LLC	Jefferson	6 month
Curtis Maruyasu America, Inc.	Marion	6 month
Xact Associates, LLC dba Xact Communications	Fayette	6 month
Accumetric, LLC	Hardin	12 month
Capture, LLC dba Capture Higher Ed	Jefferson	12 month
Data Dimensions Corporation	Montgomery	12 month
eBay Inc.	Boone	12 month
Holley Performance Products, Inc.	Warren	12 month
Karbec LLC	Larue	12 month
Monoprice, Inc.	Boone	12 month
Riverine Fisheries International LLC	Fulton	12 month
Texas Roadhouse, Inc.	Jefferson	12 month
TMK IPSCO Coating Corporation	Campbell	12 month
Toyo Automotive Parts (USA), Inc.	Simpson	12 month
White Clay Consulting, Inc.	Jefferson	12 month

Staff recommends approval.

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

Date: May 25, 2017
Preliminary Approval: February 26, 2015
Approved Company: Itsuwa KY, LLC
City: Bardstown
Activity: Manufacturing
Bus. Dev. Contact: M. Duffy

County: Nelson
Final Resolution #: KBI-FD-17-20290
OFS Staff: D. Phillips

Project Description: Itsuwa KY, LLC specializes in electro-coating of automotive parts. The project consisted of the construction of a new facility in Bardstown to establish a coating and painting operation to supply the automotive industry.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$5,167,820	\$5,167,820

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	43	\$18.00	
1	43	\$18.00	\$53,333
2	43	\$18.00	\$53,333
3	43	\$18.00	\$53,333
4	43	\$18.00	\$53,333
5	43	\$18.00	\$53,333
6	43	\$18.00	\$53,333
7	43	\$18.00	\$53,333
8	43	\$18.00	\$53,333
9	43	\$18.00	\$53,333
10	43	\$18.00	\$53,333
11	43	\$18.00	\$53,333
12	43	\$18.00	\$53,333
13	43	\$18.00	\$53,333
14	43	\$18.00	\$53,333
15	43	\$18.00	\$53,338

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$800,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions: None

Modifications since preliminary approval? No

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

Date: May 25, 2017
Preliminary Approval: July 31, 2014
Approved Company: Katayama American Company, Inc.
City: Shelbyville **County:** Shelby
Activity: Manufacturing **Final Resolution #:** KBI-F-17-20017
Bus. Dev. Contact: M. Duffy **OFS Staff:** D. Phillips

Project Description: Katayama American Company Inc. is a manufacturer of door sash assemblies and trim moldings for a number of OEMs. The company's current customer base consists of large automotive companies such as Honda, Chrysler, General Motors and Mazda. This expansion project included the addition of 90,000 square feet to its existing facility and the purchase of equipment.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$9,440,000	\$16,798,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	12	\$18.00	
1	12	\$18.00	\$34,285
2	12	\$18.00	\$34,285
3	12	\$18.00	\$34,285
4	12	\$18.00	\$34,285
5	12	\$18.00	\$34,285
6	12	\$18.00	\$34,285
7	12	\$18.00	\$34,285
8			
9			
10			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$240,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 343

Modifications since preliminary approval? No

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

Date: May 25, 2017
Preliminary Approval: March 31, 2016
Approved Company: Legend Lumber Lee Corp
City: Boston
Activity: Manufacturing
Bus. Dev. Contact: F. Tate

County: Nelson
Final Resolution #: KBI-FD-17-20977
OFS Staff: M. Elder

Project Description: Legend Lumber Lee Corp is a newly formed lumber company with years of experience. The company located in Kentucky to start an independent lumber yard that concentrates on milling and cutting hardwoods for overseas clients.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$2,481,732	\$2,481,732

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	16	\$17.65	
1	16	\$17.65	\$40,000
2	30	\$17.65	\$40,000
3	30	\$17.65	\$40,000
4	30	\$17.65	\$40,000
5	30	\$17.65	\$40,000
6	30	\$17.65	\$40,000
7	30	\$17.65	\$40,000
8	30	\$17.65	\$40,000
9	30	\$17.65	\$40,000
10	30	\$17.65	\$40,000
11	30	\$17.65	\$40,000
12	30	\$17.65	\$40,000
13	30	\$17.65	\$40,000
14	30	\$17.65	\$40,000
15	30	\$17.65	\$40,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$600,000**

County Type:
Enhanced

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

Special Conditions: None

Modifications since preliminary approval? No

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

Date: May 25, 2017
Preliminary Approval: March 26, 2015
Approved Company: Precision Resource, Inc.
City: Mt. Sterling
Activity: Manufacturing
Bus. Dev. Contact: L. Ransdell

County: Montgomery
Final Resolution #: KBI-FD-17-20326
OFS Staff: D. Phillips

Project Description: Precision Resource, Inc. has seven divisions throughout North America. The Mt. Sterling location, established in 1996, makes parts primarily for the automotive and off-highway industries. This expansion project included the purchase of equipment to accommodate customer demand.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$3,850,000	\$3,850,000

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	10	\$30.00	\$20,000
2	10	\$30.00	\$20,000
3	10	\$30.00	\$20,000
4	10	\$30.00	\$20,000
5	10	\$30.00	\$20,000
6	10	\$30.00	\$20,000
7	10	\$30.00	\$20,000
8	10	\$30.00	\$20,000
9	10	\$30.00	\$20,000
10	10	\$30.00	\$20,000
11	10	\$30.00	\$20,000
12	10	\$30.00	\$20,000
13	10	\$30.00	\$20,000
14	10	\$30.00	\$20,000
15	10	\$30.00	\$20,000

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

County Type:
Enhanced

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

Special Conditions:
 Maintain Base Employment: 125

Modifications since preliminary approval? No

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

Date: May 25, 2017
Preliminary Approval: July 28, 2016
Approved Company: Santa Rosa Systems, LLC
City: Mt. Washington
Activity: Manufacturing
Bus. Dev. Contact: A. Bobbitt

County: Bullitt
Final Resolution #: KBI-FD-17-21183
OFS Staff: L. Cunningham

Project Description: Santa Rosa Systems, LLC (SRS) is a manufacturer of conveyor and automated sortation equipment. SRS fabricates and assembles equipment that is installed by its sister company, Material Handling Systems, Inc. SRS expanded its plant's capacity in order to meet current as well as projected future demand.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$16,155,000	\$16,155,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$25.00	
1	30	\$25.00	\$40,000
2	60	\$25.00	\$40,000
3	60	\$25.00	\$40,000
4	60	\$25.00	\$40,000
5	60	\$25.00	\$40,000
6	60	\$25.00	\$40,000
7	60	\$25.00	\$40,000
8	60	\$25.00	\$40,000
9	60	\$25.00	\$40,000
10	60	\$25.00	\$40,000
11	60	\$25.00	\$40,000
12	60	\$25.00	\$40,000
13	60	\$25.00	\$40,000
14	60	\$25.00	\$40,000
15	60	\$25.00	\$40,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$600,000**

County Type:
Enhanced

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

Special Conditions:
 Maintain Base Employment: 181

Modifications since preliminary approval? No

—

(

0

0

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

Date: May 25, 2017
Preliminary Approval: May 28, 2015
Approved Company: Von Lehman & Company Inc.
City: Fort Wright
Activity: Service & Technology
Bus. Dev. Contact: M. Duffy

County: Kenton
Final Resolution #: KBI-FL-17-20448
OFS Staff: M. Elder

Project Description: Von Lehman & Company Inc. is a CPA and advisory firm which provides services to privately held businesses, individuals, non-profit and governmental organizations located within the three-state region of Kentucky, Ohio and Indiana. The company relocated from one location in Kenton County to another Kenton County location in Fort Wright to support future growth.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$1,830,000	\$3,060,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$43.00	
1	10	\$43.00	\$30,000
2	10	\$43.00	\$30,000
3	12	\$43.00	\$30,000
4	14	\$43.00	\$30,000
5	16	\$43.00	\$30,000
6	18	\$43.00	\$30,000
7	20	\$43.00	\$30,000
8	20	\$43.00	\$30,000
9	20	\$43.00	\$30,000
10	20	\$43.00	\$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: 46

Modifications since preliminary approval? No

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

Date: May 25, 2017
Preliminary Approval: May 29, 2014
Approved Company: Diageo Americas Supply, Inc.
City: Shelbyville **County:** Shelby
Activity: Manufacturing **Final Resolution #:** KBI-F-17-19875
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** M. Elder

Project Description: Diageo is the world's leading premium drinks business with over 28,000 employees in 180 countries. The company expanded its legal entity, Diageo Americas Supply, Inc. by constructing a new distillery and warehouses in Shelby County.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$102,820,000	\$115,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	11	\$29.00	
1	11	\$29.00	\$250,000
2	31	\$29.00	\$250,000
3	31	\$29.00	\$250,000
4	31	\$29.00	\$250,000
5	31	\$29.00	\$250,000
6	31	\$29.00	\$250,000
7	31	\$29.00	\$250,000
8	31	\$29.00	\$250,000
9	31	\$29.00	\$250,000
10	31	\$29.00	\$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 Statewide Employment: 27

Modifications since preliminary approval? Yes
 The city that the project is located in changed from Bagdad to Shelbyville. All other aspects of the project remain the same.

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

Date: May 25, 2017
Preliminary Approval: October 29, 2015
Approved Company: GameStop, Inc.
Approved Affiliate(s): Geeknet, Inc.
City: Shepherdsville **County:** Bullitt
Activity: Service & Technology **Final Resolution #:** KBI-FLD-17-20665
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** M. Elder

Project Description: GameStop, Inc. is a global multichannel video game, consumer electronic and wireless service retailer with more than 6,600 stores worldwide with headquarters in Texas. The company moved into a new and larger warehouse space to accommodate growth. This project also added new positions to its growing maintenance and repair services operations of video game consoles.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$16,785,655	\$22,571,310

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	107	\$14.00	
1	172	\$14.00	\$166,500
2	172	\$14.00	\$166,500
3	172	\$14.00	\$166,500
4	172	\$14.00	\$166,500
5	172	\$14.00	\$166,500
6	172	\$14.00	\$166,500
7	172	\$14.00	\$166,500
8	172	\$14.00	\$166,500
9	172	\$14.00	\$166,500
10	172	\$14.00	\$166,500
11	172	\$14.00	\$167,000
12	172	\$14.00	\$167,000
13	172	\$14.00	\$167,000
14	172	\$14.00	\$167,000
15	172	\$14.00	\$167,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$2,500,000**

County Type: Enhanced **Statutory Minimum Wage Requirements:**
 Base hourly wage: \$9.06
 Total hourly compensation: \$10.42

Special Conditions:
 Maintain Base Employment: 148

Modifications since preliminary approval? Yes
 The following affiliates have been removed from the project: ThinkGeek, Inc. and ThinkGeek Solutions, Inc. The following affiliate needs to be added to the project: Geeknet, Inc. All other aspects of the project remain the same.

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

Date: May 25, 2017
Preliminary Approval: May 26, 2011
Approved Company: Kindred Healthcare Operating, Inc.
Approved Affiliate(s): Kindred Hospice Services, LLC
 Kindred Rehab Services, Inc.
 Kindred Systems, Inc.
 RehabCare Group East, Inc.
 Gentiva Health Services (USA) LLC

City: Louisville **County:** Jefferson
Activity: Headquarters **Final Resolution #:** KBI-F-17-18504
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Kindred Healthcare, Inc. is a healthcare service company that, through its subsidiaries, operates hospitals, nursing and rehabilitation centers, assisted living facilities and rehabilitation services businesses throughout the United States. Due to an acquisition, the company added additional corporate headquarters space.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$39,500,000	\$39,500,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	270	\$32.60	
1	310	\$32.60	\$1,100,000
2	360	\$32.60	\$1,100,000
3	410	\$32.60	\$1,100,000
4	460	\$32.60	\$1,100,000
5	500	\$32.60	\$1,100,000
6	500	\$32.60	\$1,100,000
7	500	\$32.60	\$1,100,000
8	500	\$32.60	\$1,100,000
9	500	\$32.60	\$1,100,000
10	500	\$32.60	\$1,100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$11,000,000**

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

Special Conditions:
 Maintain Base Employment: 680

Modifications since preliminary approval? Yes
 The company is adding another affiliate to the project; Gentiva Health Services (USA) LLC and the job targets have decreased in the activation year as well as years 1-4. All other aspects of the project remain the same.

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

Date: May 25, 2017
Preliminary Approval: March 31, 2016
Approved Company: Thai Summit Kentucky Corporation
City: Bardstown **County:** Nelson
Activity: Manufacturing **Final Resolution #:** KBI-FD-17-20970
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: Thai Summit America Corporation, located in Michigan, has expanded its operations and has located in Kentucky for its operations. This newly formed entity, Thai Summit Kentucky Corporation, has built a new manufacturing facility for its stamping and assembly operation to help accommodate a newly formed contract with Ford.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$110,088,080	\$110,088,080

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	108	\$20.00	
1	162	\$20.00	\$400,000
2	216	\$20.00	\$512,500
3	216	\$20.00	\$512,500
4	216	\$20.00	\$512,500
5	216	\$20.00	\$512,500
6	216	\$20.00	\$512,500
7	216	\$20.00	\$512,500
8	216	\$20.00	\$512,500
9	216	\$20.00	\$512,500
10	216	\$20.00	\$500,000
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$5,000,000**

County Type: Enhanced **Statutory Minimum Wage Requirements:**
Base hourly wage: \$9.06
Total hourly compensation: \$10.42

Special Conditions: None

Modifications since preliminary approval?

The wage targets decreased from \$33.00 to \$20.00. All other aspects of the project remain the same.

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

Date: May 25, 2017
Preliminary Approval: October 30, 2014
Approved Company: Toyotomi America Corporation
City: Springfield
Activity: Manufacturing
Bus. Dev. Contact: K. Slattery

County: Washington
Final Resolution #: KBI-FD-17-20169
OFS Staff: D. Phillips

Project Description: Toyotomi America Corporation was established in 1998 and is a tier 1 automotive supplier producing metal stamping sub assemblies for the Original Equipment Manufacturing (OEM) Industry as well as OEM aftermarket. The project consisted of the expansion of its existing facility and purchase of new equipment in order to meet customer demand.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$79,712,730	\$79,712,730

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	75	\$19.00	
1	89	\$19.00	\$100,000
2	89	\$19.00	\$100,000
3	89	\$19.00	\$100,000
4	89	\$19.00	\$100,000
5	89	\$19.00	\$100,000
6	89	\$19.00	\$100,000
7	89	\$19.00	\$100,000
8	89	\$19.00	\$100,000
9	89	\$19.00	\$100,000
10	89	\$19.00	\$100,000
11	89	\$19.00	\$100,000
12	89	\$19.00	\$100,000
13	89	\$19.00	\$100,000
14	89	\$19.00	\$100,000
15	89	\$19.00	\$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$1,500,000**

County Type:
Enhanced

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

Special Conditions:
 Maintain Base Employment: 338

Modifications since preliminary approval? Yes
 The total project investment and eligible costs increased from \$44,246,000 to \$79,712,730; the square footage of the expansion project increased from 31,665 sf to 71,665 sf; the number of jobs increased from 35 to 89 and the total negotiated tax incentive amount increased from \$700,000 to \$1,500,000. All other aspects of the project remain the same.

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

Date: May 25, 2017
Approved Company: Tarter Gate Company, LLC
City: Dunnville **County:** Casey
Prelim Resolution #: KRA-I-17-21612
Bus. Dev. Contact: T. Simon **OFS Staff:** D. Phillips

Project Description: Tarter Gate Company, LLC is one of the largest manufacturers of farm gates and animal management equipment in North America with operations in Kentucky, Utah, Indiana and Iowa. The Dunnville facility is operating at full capacity but needs to be renovated to accommodate additional manufacturing equipment to create a more efficient facility to meet its customer demands.

The proposed project would include the development of an automated gate line machine, the acquisition of multiple tube fabricating machines, the installation of a new conveyor for the paint line and the renovation and expansion of two existing facilities at the project site. The company is hopeful the project will be complete and in full production no later than December of 2018. The automation of the gate manufacturing and tube fabricating process will improve the quality of Tarter's products and will increase over-all plant efficiency. If the incentives were not available the company would have to delay the renovation and expansion upgrades.

Number of full-time jobs at the project location as of the application date:

322

 paying average hourly wages, excluding benefits, of:

\$15.00

Negotiated job retention percentage:

90%

 (Required to be at least 85% of employment as of preliminary approval)

Anticipated Equipment and Related Costs

Land
 Building (new construction/additions)
 Improvements (existing buildings)
 Equipment and related costs (including installation costs)
 Other related costs
TOTAL

Eligible Costs (50% eligible)	Total Investment
\$0	\$0
\$87,500	\$175,000
\$37,500	\$75,000
\$5,325,486	\$10,650,971
\$0	\$0
\$5,450,486	\$10,900,971

Maximum Amount of Eligible Costs:

\$5,450,486

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,500,000

Financing:

Source	Amount
Bank Loan	\$3,000,000
Other - Capital Lease	\$5,589,779
Other - Cash	\$2,311,192
TOTAL	\$10,900,971

Ownership (20% or more):

Anna Lou Tarter Smith Casey, KY

Active State Participation at the project site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Sep 27, 2007	KREDA	Monitor	\$3,525,000

Unemployment Rate

County: 5.3%

Kentucky: 5.4%

Special Conditions:

The company must maintain 90% of the employment number at the project location as of the preliminary approval date. The company reported 322 per the application submitted.

The company will be required to withdraw its previously approved KREDA project (form#14730) prior to final approval of this project.

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

Date: May 25, 2017
Approved Company: Domtar Paper Company, LLC
City: Hawesville **County:** Hancock
Prelim Resolution #: KRA-I-17-21611
Bus. Dev. Contact: K. Slattery **OFS Staff:** M. Elder

Project Description: Domtar Paper Company, LLC is an international pulp and personal care company that sells products to customers in more than 50 countries. The company's paper mill in Hancock County opened in 1967 and is one of the newest pulp and paper facilities in the United States. The mill is almost 50 years old, but the paper machines are relatively new. These machines are the core assets to Domtar's manufacturing system and the continued reinvestment in the facility is an important component for the future of the mill. The company is contemplating an aggressive timeline and is considering the possibility of investing in alternative locations if not for these incentives.

Number of full-time jobs at the project location as of the application date:

449

 paying average hourly wages, excluding benefits, of:

\$43.27

Negotiated job retention percentage:

90%

 (Required to be at least 85% of employment as of preliminary approval)

Anticipated Equipment and Related Costs

Land
 Building (new construction/additions)
 Improvements (existing buildings)
 Equipment and related costs (including installation costs)
 Other related costs
TOTAL

Eligible Costs (50% eligible)	Total Investment
\$0	\$0
\$0	\$0
\$13,184,000	\$26,368,000
\$16,318,000	\$32,636,000
\$0	\$0
\$29,502,000	\$59,004,000

Maximum Amount of Eligible Costs: **\$29,502,000**

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,000,000

Financing:

Source		Amount
Internal		\$59,004,000
		\$0
TOTAL		\$59,004,000

Ownership (20% or more):

Domtar Corporation Fort Mill, SC

Active State Participation at the project site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jan 29, 2015	KRA	Monitor	\$290,000

Unemployment Rate

County: 5.5%

Kentucky: 5.4%

Special Conditions:

The company will be required to withdraw from the previous KRA (#18972) prior to final approval of this KRA project.

Kentucky Small Business Tax Credit Projects May 2017

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment	Tax Credit Amount
Bluegrass Tool & Industrial, LLC	Fayette	8	4	\$19.25	\$22,000	\$14,000
Cuddle Clones LLC	Jefferson	3	1	\$37.50	\$5,164	\$3,500
Kentucky Airmotive Incorporated	Montgomery	8	1	\$20.00	\$6,061	\$3,500
Old World Timber, LLC	Fayette	1	4	\$14.00	\$50,466	\$14,000
Timesavers Kentucky, LLC	Warren	3	2	\$14.75	\$28,200	\$7,000
Visumatic Industrial Products, inc.	Fayette	24	5	\$19.94	\$41,802	\$17,500
6	4		17	Total	\$153,693	\$59,500

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.

Credit Limit	\$3,000,000
Current FY Projected/ Approved Credits	\$1,783,200
Remaining Credits	\$1,216,800

**Kentucky Angel Investment Tax Credit Projects
May 2017**

Qualified Investor	Qualified Small Business	County	Qualified Activity	Projected Investment	Tax Credit Amount
Ghanta, Guru P.	Advanced Energy Materials, LLC	Jefferson	Materials Science & Advanced Manufacturing	\$50,000	\$20,000
Knox, David George	Flying Axes, Inc.	Jefferson	Information Technology & Communications	\$50,000	\$20,000
Flavin, Jr., Frank J.	Gourmet Renee LLC	Kenton	Materials Science & Advanced Manufacturing	\$10,000	\$4,000
Shields, Christopher Brian	Lucina Health, Inc.	Jefferson	Information Technology & Communications	\$179,420	\$71,768
Winbigler, Douglas D.	Patriot Brands LLC	Jefferson	Materials Science & Advanced Manufacturing	\$100,000	\$40,000
Abbas, Gregory M.	Rabbit Hole Spirits, LLC	Jefferson	Other New Economy Knowledge Based Activity	\$50,000	\$20,000
Cain, Darren L.	Rabbit Hole Spirits, LLC	Jefferson	Other New Economy Knowledge Based Activity	\$50,000	\$20,000
Khiani, Kamal J.	Rabbit Hole Spirits, LLC	Jefferson	Other New Economy Knowledge Based Activity	\$23,000	\$9,200
8	6	2	Total	\$512,420	\$204,968

Projected Credits - To Date	(\$3,444,001)
Reclaimed Credits	\$444,001
Current Projected/Approved Credits	(\$3,000,000)
Credit Limit	\$3,000,000
Current CY Projected/Approved Credits	(\$3,000,000)
Remaining Credits	\$0

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.