



CABINET FOR ECONOMIC DEVELOPMENT

Matthew G. Bevin
Governor

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

Terry R. Gill, Jr.
Secretary

Vivek K. Sarin
Executive Officer

MEMORANDUM

TO: KEDFA Members

FROM: Katie Smith, Commissioner
Department for Financial Services *K/S*

DATE: July 20, 2018

SUBJECT: KEDFA Board Meeting

The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, July 26, 2018** 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
July 26, 2018

Call to Order
Notification of Press
Roll Call

Minutes

Minutes from June 28, 2018 Regular KEDFA Board Meeting

Reports

Approved/Undisbursed Report		Kylee Palmer
Financial Statements and Monitoring Reports		Krista Harrod

KBI Project (Modification)		Michelle Elder
Ernst & Young U.S. LLP	Jefferson	

KBI Project (Amendment)		Bobby Aldridge
Royal Flush Leasing Company, Inc.	Carroll	

KEIA Project (Amendment)		Bobby Aldridge
Lux Row Distillers, LLC	Nelson	

KEIA Projects (Extension)		Bobby Aldridge
Rabbit Hole Spirits, LLC	Jefferson	
Custom Resins, Inc.	Henderson	
Jim Beam Brands Co.	Bullitt	
Kentucky Building Systems, LLC	Daviess	

KEIA Projects		
International Crankshaft Inc.	Scott	Alec Germond / Kate Greenwell
Fisher Auto Parts, Inc.	Boone	Lindsey Ransdell / Michelle Elder
HBC Radiomatic, Inc.	Boone	Anna Beth Bobbitt / Debbie Phillips

KBI Projects (Preliminary)		
Alpla, Inc.	Warren	Corky Peek / Michelle Elder
Givaudan Flavors Corporation	Boone	Lucas Witt / Michelle Elder
Sunstrand, LLC	Carroll	Lindsey Ransdell / Michelle Elder

KBI Projects (Extension)

Michelle Elder

A. Kayser Automotive Systems USA, LP	Fulton
Country Boy Brewing, LLC	Scott
Kentucky Building Systems, LLC	Daviess
Structures USA, LLC (SUSA)	Hardin
Jacobs & Thompson Ltd.	Greenup
Thorntons Inc.	Jefferson

KBI Projects (Final)

Debbie Phillips

PMC Organometallic, Inc.	Carroll
UniFirst Corporation	Daviess
3 Ten Enterprises, LLC dba 310 Tempering	Jefferson
Leggett & Platt, Incorporated	Scott
Traughber Mechanical Services, Inc.	Simpson
Zotefoams Inc.	Kenton

KSBTC

Tim Back

B & C Industries, Inc.	Pulaski
Babcon Inc.	Madison
Bluegrass Book Buyers LLC	Fayette
Cuddle Clones LLC	Jefferson
Franklin Management, Inc.	Adair
Louisville Alzheimer's Investors, LLC	Jefferson
Pinnacle, Inc.	Marshall
Renaissance Holdings, LLC	Jefferson
Southern Kentucky Industrial Equipment LLC	Pulaski
United Installs LLC	Kenton

Other Business**Quarterly Reports**

KSBCI Quarterly Funding Report – 2nd Quarter 2018	Kylee Palmer
Letter Amendment Report – 2nd Quarter 2018	Jessica Burke

Closed Session**Adjournment**

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING

June 28, 2018

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EDT on June 28, 2018, 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, Don Goodin, Melinda Hill, proxy for Secretary William M. Landrum, III, Tucker Ballinger and Chad Miller

Staff Present: Bobby Aldridge, Tim Back, Anna Beth Bobbitt, Jessica Burke, Sarah Butler, Michelle Elder, Kate Greenwell, Krista Harrod, Adam Houk, Robyn Lee, Cody Lockhart, Brandon Mattingly, Lauren Osborne, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Katie Smith, Teresa Spreitzer and Lucas Witt

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky and Mark Franklin, Stoll Keenon Ogden; Tim Gibbs, Ashland Alliance; Steve Scannell, Baptist Health; Andrew Kenny, Bowling Green Metalforming L.L.C.; Jerry Royce, Brandicorp; Sharmili Reddy, City of Fort Mitchell; Casey Bolton, Commonwealth Economics; Quincy Cutshaw, Denham-Blythe Company; Doug Moorman, Development Strategies Group; Charles Miller, Ice Miller LLP; Jim Parsons, Keating, Muething & Klekamp; Wade Williams, Northern Kentucky Tri-Ed; Bary Lendrum, Paladin; Matt Zoellner, Scott, Murphy & Daniel and Rita Williams, The Kroger Co.

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the May 31, 2018 regular KEDFA board meeting and executive session.

Don Goodin moved to approve the minutes, as presented; Melinda Hill 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 Krista Harrod to review the financial statements and monthly monitoring reports as of May 31, 2018. After review, the Authority accepted the statements and reports as presented.

Tax Increment Financing (TIF) Project (Final)

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

Fort Mitchell Economic Development Authority, Inc. Fort Mitchell Gateway Project Kenton County

Ms. Palmer stated Fort Mitchell Gateway Project is a Mixed-Use Redevelopment in Blighted Urban Areas TIF. The development is expected to include two medical office buildings, restaurant space, retail space, multi-family residential units and a hotel.

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

The applicant, Fort Mitchell Economic Development Authority, Inc., requested approval of the Fort Mitchell Gateway TIF project. The total estimated cost of the project is \$135,000,000 of which approximately \$40,000,000 is estimated for public infrastructure. The applicant is eligible to recover a negotiated tax incentive amount up to \$13,674,000 for public infrastructure through a 40% recovery on withholding, sales and real estate property taxes. Only amounts deemed as public infrastructure that occur within the State footprint are eligible for recovery through increments. No state taxes shall be eligible for recovery until the minimum capital investment of \$20,000,000 (not to exceed \$200,000,000) has been verified as being invested in the development area.

In order to ensure the applicant makes the capital investment, staff recommends including the following special condition/requirement: Total cumulative investment of \$135,000,000, excluding financing costs, must be achieved to be eligible for the maximum total incentive of \$13,674,000. The actual project completion percentage of the investment will be applied annually to the total incentive approved of \$13,674,000 to determine the maximum total incentive available/earned for the project during the term of the agreement.

Staff recommended final approval of the negotiated tax incentive amount of up to \$13,674,000.

Ms. Palmer introduced Sharmili Reddy, Jerry Royce, Jim Parsons and Casey Bolton and invited them to address the board regarding the project.

Tucker Ballinger moved to approve the staff recommendation, as presented; Chad Miller seconded the motion. Motion passed; unanimous.

KEDFA Industrial Revenue Bond (IRB) Project (Ratification)

Chairman Hale called on Katie Smith to present a KEDFA IRB project amendment to the Authority.

Baptist Healthcare System Obligated Group

Ms. Smith stated on December 7, 2017, KEDFA authorized the issuance of hospital revenue bonds in an amount not to exceed \$80,000,000 on behalf of Baptist Healthcare System Obligated Group to advance refund a portion of the KEDFA Hospital Revenue Bonds, Series 2009A. The bonds were issued in late December 2017 amounting to \$65,245,000.

The Purchase Agreement related to the transaction includes an Index Rate Period that ended on June 26, 2018 (the "Conversion Date"). On the Conversion Date, the parties to the Purchase Agreement agreed to convert the bonds to another Index Rate Period expiring on November 30, 2018. The bonds were originally structured to temporarily refinance the previous bonds until Baptist was able to accumulate a larger transaction for a refinancing due to the new tax laws associated with advanced refunding. Baptist is currently in the process of permanently refinancing the Series 2009A bonds and the Series 2017C bonds with an estimated completion date of August 2018.

Due to the timing of the amendment, an officer of KEDFA was required to execute the First Amendment to the Purchase Agreement prior to the June KEDFA meeting.

Staff recommended ratification of the First Amendment to the Purchase Agreement.

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

KEDFA IRB Project (Final)

Chairman Hale called on Ms. Smith to present a final KEDFA IRB Project to the Authority.

Baptist Healthcare System Obligated Group

Ms. Smith referenced in the board material a New Bond Issue Report related to KEDFA's proposed issuance of taxable hospital revenue bonds in an amount not to exceed \$145,000,000 on behalf of Baptist Healthcare System Obligated Group. The bond proceeds will be used to refund all of the outstanding KEDFA Hospital Revenue Bonds, Series 2009A and Series 2017C. Local resolutions were received from the following jurisdictions requesting KEDFA issue the bonds: a) City of Corbin; b) City of LaGrange; c) Lexington-Fayette Urban County Government; d) City of Paducah; and e) City of St. Matthews.

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

Ms. Smith introduced Steve Scannell and Mark Franklin and invited them to address the board regarding the bond resolution.

Staff recommended the adoption of the KEDFA bond resolution.

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

KEDFA (IRB) Project (Amendment)

Chairman Hale called on Ms. Smith to present a KEDFA IRB project amendment to the Authority.

Carmel Manor, Inc.

Ms. Smith stated, during 2015, KEDFA approved and issued Healthcare Facilities Revenue Bonds, Series 2015 on behalf of Carmel Manor, Inc., in a principal amount not to exceed \$18,630,000. The Financing Agreement for the bond transaction contained a corporate tax rate adjustment provision, which was triggered by the corporate tax rate change on January 1, 2018. The Bank and Borrower have agreed to adjust the rate formula; therefore, an amendment to the Financing Agreement and any other necessary documents are required.

KEDFA is a conduit issuer in the transaction and will not have a general obligation or be held liable for the bonds.

Staff recommended approval of the KEDFA IRB amendment resolution.

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

Kentucky Investment Fund Act (KIFA) Project (Amendment)

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

Bluegrass Angel Venture Fund IV, LLC

Fayette County

Mr. Aldridge stated Bluegrass Angel Venture Fund IV, LLC exists (1) to encourage and assist in the creation, development, or expansion of small businesses located in Kentucky, and (2) to earn an appropriate rate of return for Fund investors through investments in early stage development companies positioned for growth and appreciation in value.

The Fund Manager, Christopher H. Young, is currently the Chairman of the Board of Managers of the Bluegrass Angels, Fund Manager of the Bluegrass Angel Venture Fund II, LLC and Fund Manager of Bluegrass Angel Venture Fund III, LLC.

Subsequent to approval for \$1,600,000 in allocated credits in January 2018, the Fund submitted a request that the approved allocation of credits be increased. The additional request accounts for the full \$6,000,000 in expected cash contributions to the Fund.

Staff recommends approval of the Fund's request for an increase of \$500,000 in the total maximum allocation in KIFA tax credits to the Fund subject to completion of the amendment agreement documents and any payment of associated fees.

All other aspects of the agreement will remain the same.

Staff recommended approval of the KIFA amendment request.

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

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

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

Mr. Aldridge stated 10 companies requested additional time to complete the projects and asked that all 10 be presented as one motion.

Company	County	Extension
Murakami Manufacturing USA, Inc.	Taylor	2 Month
3M Company	Harrison	3 Month
Road ID, Inc.	Kenton	3 Month
Audubon Metals, LLC	Henderson	6 Month
White Clay Consulting, Inc.	Jefferson	6 Month
Accumetric, LLC	Hardin	12 Month
Altec Industries, Inc.	Hardin	12 Month
Butts Foods Incorporated	Simpson	12 Month

Kentucky Fresh Harvest, LLC
United Parcel Service, Inc.

Lincoln
Jefferson

12 Month
12 Month

Staff recommended approval of the KEIA extension requests.

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

KEIA Projects

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

Campari America LLC **Anderson County**

Anna Beth Bobbitt
Debbie Phillips

Anna Beth Bobbitt stated Campari America LLC is one of the largest spirits companies in the United States, producing more than 20 brands, including award-winning vodkas, whiskies, rums, gins, cordials, liqueurs, and cachaças. 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 pallet barrel warehouse with space for storage of 46,000 barrels.

Debbie Phillips stated the project investment is \$2,291,153 of which \$1,015,486 qualifies as KEIA eligible costs.

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

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

Harbor Steel & Supply Corporation **Fayette County**

Anna Beth Bobbitt
Debbie Phillips

Ms. Bobbitt stated Harbor Steel & Supply Corporation is a full-service metals distribution and processing company. It began operations in Lexington, KY in 1993. The company is considering an expansion of its current facility as well as new machinery to meet existing and future demand of the market.

Ms. Phillips stated the project investment is \$4,100,000 of which \$1,500,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$75,000 for construction materials and building fixtures.

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

Heaven Hill Distilleries, Inc. **Nelson County**

Anna Beth Bobbitt
Debbie Phillips

Ms. Bobbitt stated Heaven Hill Distilleries, Inc. is the nation's second largest family-owned producer and marketer of distilled spirits. The company is considering the expansion of its barrel storage and aging operations to meet increasing demands.

Ms. Phillips stated the project investment is \$5,914,724 of which \$3,253,098 qualifies as KEIA eligible costs.

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

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

Kentucky Business Investment (KBI) Projects (Preliminary) and KEIA Projects

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

Reinhart Foodservice, L.L.C.

Warren County

Corky Peek stated Reinhart Foodservice, L.L.C. is one of the five largest food service distributors in the country. The company provides fresh produce, proteins, ingredients, supplies and equipment to a variety of customers across the country. Reinhart is considering expanding its existing facility by an additional 75,000 square feet to add more distribution capacity, a new refrigeration system, new office space as well as a new truck service center.

**Corky Peek
Michelle Elder**

Michelle Elder stated the project investment is \$14,201,943 of which \$14,101,943 qualifies as KBI eligible costs and \$9,591,360 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of \$24.00 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. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$600,000 and the KEIA approved recovery amount of \$200,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

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

Afni, Inc.

Warren County

Mr. Peek stated Afni, Inc. is a privately held customer engagement company, headquartered in Illinois, that offers multi-channel customer contact solutions. The company's Bowling Green customer care center is considering expanding its capacity and adding new jobs to meet customer demand.

**Corky Peek
Michelle Elder**

Ms. Elder stated the project investment is \$315,800, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 86 with an average hourly wage of \$16.00 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 \$300,000.

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

**Bowling Green Metalforming L.L.C.
Warren County**

**Corky Peek
Michelle Elder**

Mr. Peek stated Bowling Green Metalforming L.L.C., a wholly-owned subsidiary of Magna International, is a global automotive supplier. The company produces truck frame assemblies, engine cradles, body structural stampings and assemblies, suspension links, cross members and trailer hitches. The company is considering purchasing a new press and making modifications to the building to accommodate the press. The modifications for the new press will enable the company to keep its business in-house and also capture new business.

Mr. Peek introduced Andrew Kenny and invited him to address the board regarding the project.

Ms. Elder stated the project investment is \$14,200,000 of which \$6,140,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 27 with an average hourly wage of \$33.00 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 greater number of full-time, Kentucky resident employees as of the date of preliminary approval or 1,294 (base employment number required by previous project) full-time, Kentucky resident employees.

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

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

**DENSO Air Systems Michigan Inc.
Christian County**

**Corky Peek
Michelle Elder**

Mr. Peek stated DENSO Air Systems Michigan Inc. has been in business in Kentucky since 2011. The company manufactures aluminum HVAC pipes, tubes and hose assemblies for the automotive industry. DENSO is considering the addition of 48,000 square feet and purchasing equipment to meet customer demand.

Ms. Elder stated the project investment is \$3,525,720 of which \$2,914,860 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 45 with an average hourly wage of \$21.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 105 (base employment number required by previous project) full-time, Kentucky resident employees.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$900,000.

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

**Stryker Logistics, LLC
Warren County**

**Corky Peek
Michelle Elder**

Mr. Peek stated Stryker Logistics, LLC is a regional third-party logistics service provider. The company is considering acquiring a 25,000 square foot facility for its headquarters as well as its international headquarters. The new space would allow the company to provide additional sorting and warehousing services for its customers.

Ms. Elder stated the project investment is \$1,450,000 of which \$1,350,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of \$15.00 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 \$200,000.

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

**The Kroger Co.
Boone County**

**Lindsey Ransdell
Michelle Elder**

Lindsey Ransdell stated The Kroger Co. ranks as one of the world's largest retailers. The company operates 38 food manufacturing facilities and 42 distribution centers. Kroger is considering upgrading its equipment to meet customer demand.

Ms. Ransdell introduced Rita Williams and Wade Williams and invited them to address the board regarding the project.

Ms. Elder stated the project investment is \$17,895,000 of which \$3,715,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 146 with an average hourly wage of \$17.00 including benefits. The state wage assessment participation is 1.88% and Boone County will participate at 0.5%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

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

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

**Global Wood Company, LLC
Pike County**

**Robyn Lee
Debbie Phillips**

Robyn Lee stated Global Wood Company, LLC is a biomass energy company with plans to produce wood chips and other kinds of biomass to be sold to energy producers around the world. The company is considering starting a biomass wood chipping operation at the old CSX yard in Shelbiana which will provide easy shipping access.

Ms. Phillips stated the project investment is \$1,700,000 of which \$1,250,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 34 with an average hourly wage of \$17.00 including benefits. The state wage assessment participation is 5.0%.

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

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

**SWVA Kentucky, LLC dba Kentucky Electric Steel
Boyd County**

**Anna Beth Bobbitt
Debbie Phillips**

Ms. Bobbitt stated SWVA Kentucky, LLC dba Kentucky Electric Steel is a merchant bar rolling mill. The company will utilize incoming produced or purchased steel billets as its raw material which is rolled into a merchant or SBQ flat product. The company is considering a new manufacturing facility in Ashland.

Ms. Phillips stated the project investment is \$6,000,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 60 with an average hourly wage of \$35.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,500,000.

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

**CCBCC Operations, LLC
Kenton County**

**Lucas Witt
Michelle Elder**

Lucas Witt stated CCBCC Operations, LLC, a wholly-owned subsidiary of Coca-Cola Bottling Co. Consolidated is currently the largest bottler of Coca-Cola products in the United States, with over 15,000 employees and multiple manufacturing facilities, distribution and sales centers. The company is considering a site in Erlanger for a newly built and highly efficient distribution center.

Ms. Elder stated the project investment is \$12,400,000 of which \$9,200,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 303 with an average hourly wage of \$28.50 including benefits. The state wage assessment participation is 3.0% and the City of Erlanger will participate at 1.0%. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval. Only investment costs incurred by the approved company will be considered toward calculating eligible costs. Only the approved company may participate in the corporate income tax credit incentive (no affiliate is eligible). The jobs creation/maintenance and wage requirements will be satisfied collectively by the approved company and the affiliate, CCBCC, Inc.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$3,500,000.

Ms. Hill moved to approve the staff recommendation, as presented; Mr. Miller 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 9 companies requested additional time to complete the projects and asked that all 9 be presented as one motion.

<u>Company</u>	<u>County</u>	<u>Extension</u>
FreshChoice Complete Diet Products, LLC	Gallatin	3 Month
Leggett & Platt, Incorporated	Scott	3 Month
Astecnos America Corporation	Jessamine	12 Month
DecoArt, Inc.	Lincoln	12 Month
Ervin Cable Construction of Florida, LLC	Union	12 Month
INFAC North America Inc.	Taylor	12 Month
MISA Metal Fabricating, Inc.	Jefferson	12 Month
North America Sticks	Knox	12 Month
ProCom Heating, Inc.	Warren	12 Month

Staff recommended approval of the KBI extension requests.

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

KBI Projects (Final)

Chairman Hale called on Ms. Phillips to present the KBI projects for final approval to the Authority.

Ms. Phillips stated 7 companies requested KBI final approval, 2 of which have modifications since preliminary approval. Ms. Phillips asked that all 7 be presented as one motion.

No Modifications:

<u>Project Name</u>	<u>County</u>	<u>Type Project</u>
ADP Beneficial Services KY, Inc.	Jefferson	Service & Technology
American Stave Company L.L.C.	Marshall	Manufacturing
Champion Home Builders, Inc.	Marshall	Manufacturing
Maxim Crane Works, L.P.	Campbell	Headquarters
Tyson Chicken, Inc.	Henderson	Manufacturing

Modifications:

Corrosion Resistant Reinforcing, LLC Boone Manufacturing
 The company was formed as a Kentucky Limited Liability Company instead of a Kentucky Subchapter S Corporation. All other aspects of the project remain the same.

iHealth Solutions LLC dba Advantum Health Jefferson Service & Technology
 The company name changed from iHealth Solutions LLC to iHealth Solutions LLC dba Advantum Health. All other aspects of the project remain the same.

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

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

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

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

Secure Energy Kentucky, LLC McCracken County

Ms. Palmer stated Secure Energy Kentucky, LLC requested a 12 month extension to its project.

Staff recommended approval of the IEIA extension request.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Ballinger 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 9 Kentucky small businesses from 4 counties with qualifying tax credits of \$67,600. The 9 businesses created 20 jobs and invested \$126,850 in qualifying equipment and/or technology.

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

Qualified Small Business	County	Beg. Emp.	Elig. Pos.	Average Hourly Wage	Qualifying Equipment and/or Technology	Tax Credit
Brockman-Hastings LLC	Fayette	0	1	\$ 36.06	\$ 17,308	\$ 3,500
Hydra, LLC	Fayette	3	4	\$ 17.43	\$ 11,633	\$ 11,600
Kinemetrix Industrial Design, Inc.	Fayette	16	1	\$ 25.00	\$ 7,200	\$ 3,500
KY Hearing Clinic, LLC	Jefferson	0	1	\$ 15.50	\$ 5,303	\$ 3,500
Patterson and Company CPAs PLLC	Jefferson	12	1	\$ 24.00	\$ 5,141	\$ 3,500
Primrose Oil, LLC	Floyd	9	2	\$ 14.80	\$ 18,255	\$ 7,000
Visumatic Industrial Products, Inc.	Fayette	29	2	\$ 19.88	\$ 12,500	\$ 7,000
VITOK Engineers, Inc.	Jefferson	26	6	\$ 42.04	\$ 21,990	\$ 21,000
W & B Broadcasting Co., Inc.	Hardin	17	2	\$ 23.56	\$ 27,520	\$ 7,000

Staff recommended approval of the tax credits.

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

Kentucky Angel Investment Act Projects

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

Guy Lloyd van Rooyen Bexion Pharmaceuticals, Inc. Kenton County

Mr. Back stated there is one Kentucky Angel Investment Act investor, Guy Lloyd van Rooyen, with a planned investment in Bexion Pharmaceuticals, Inc. in Kenton County. The projected investment is \$600,000 with an eligible tax credit of \$121,232. 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.

Staff recommended approval of the proposed Angel Investment Tax Credit.

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

Other Business

KBI Program Enhanced Incentive Counties for FY 2018-2019

Chairman Hale called on Sarah Butler to present the KBI Enhanced Incentive Counties for 2018-2019 to the Authority.

Ms. Butler stated the counties of **Boyle and Carroll** are beginning the second year of decertification and projects must complete final approval by June 30, 2020. The counties of **Gallatin, Garrard and Metcalfe**, are beginning the third year of decertification and projects must complete final approval by June 30, 2019. **Allen County** is completing the final year of decertification and projects must complete final approval by June 30, 2018.

Graves, Harrison, Marshall and Meade Counties meet the criteria for certification and are designated as a KBI Enhanced Incentive County as of June 30, 2018.

Staff recommended adoption of the resolution certifying the KBI Program – FY 2018-2019 Enhanced Incentive Counties.

Mr. Ballinger moved to adopt the resolution, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

KSBTC Proposed Guideline Changes

Chairman Hale called on Mr. Back to present the KSBTC Proposed Guideline Changes to the Authority.

Mr. Back stated House Bill 557, passed during the 2018 legislative session and signed by Governor Bevin on April 26, 2018, made the following change to the Kentucky Small Business Tax Credit (KSBTC) program:

- Changed the requirement that qualifying equipment and technology be purchased within six (6) months of the creation of an eligible position. Effective July 14, 2018, qualifying equipment and technology may be purchased any time within the twenty-four (24) month period immediately preceding submission of a KSBTC application.

In addition to the statutory change above, staff recommended that the following KSBTC guidelines (non-statutory) changes to the “Qualifying Equipment or Technology” criteria be approved and made effective as of July 14, 2018.

- Delete the requirement that qualifying equipment or technology have a minimum per-unit cost of \$300.
- Change the requirement that qualifying equipment or technology have an expected useful life of “more than one year” to “one year or more” (primarily to allow annual computer software subscriptions to qualify as an eligible expense).

Staff recommended approval of the revised “Qualifying Equipment or Technology” guidelines for the Kentucky Small Business Tax Credit program.

Mr. Ballinger moved to approve the KSBTC guidelines changes, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

KEDFA Resolution – TIF Guideline

Chairman Hale called on Ms. Palmer to present the TIF program guideline resolution request.

Ms. Palmer stated House Bill 557, passed during the 2018 legislative session and signed by Governor Bevin, made the following changes to the Tax Increment Financing (TIF) program:

- Minimum capital investment must be achieved by the Activation Date or the incentive agreement automatically terminates
- Base year determined as of December 31st of the year of preliminary approval (instead of final approval)

Resolution No. TIF-18-01 defines that “projects established” shall mean any project that has not received final approval by KEDFA as of the effective date of July 14, 2018, shall be subject to the above changes.

Staff recommended adoption of the TIF resolution.

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

2018 Legislative Summary

Chairman Hale called on Ms. Smith to present the 2018 Legislative Summary to the Authority.

Ms. Smith reviewed the 2018 legislation that affected the Cabinet for Economic Development and its programs.

Adjournment

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

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

The meeting adjourned at 10:56 p.m.

PRESIDING OFFICER:



Jean R. Hale, Chairman

KEDFA APPROVED AND NOT DISBURSED

6/30/2018

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

None

KEDFA GRANTS

Louisville/Jefferson County Metro Government <i>(Louisville Regional Airlift Development, Inc.)</i>	21730	Jefferson	Jul-17	Jan-20	\$1,330,000
Louisville/Jefferson County Metro Government <i>(Res-Care, Inc.)</i>	21990	Jefferson	Jan-18	Dec-22	\$500,000

SMALL BUSINESS LOANS

None

TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S) \$1,830,000

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

Louisville/Jefferson County Metro Government <i>(Louisville Waterfront Park)</i>	21597	Jefferson	Apr-17	Sep-18	\$376,073	(\$366,264)	\$9,809
Louisville/Jefferson County Metro Government <i>(Restaurant Supply Chain Solutions)</i>	21636	Jefferson	May-17	Jun-20	\$500,000	(\$125,000)	\$375,000

TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S) \$384,809

TOTAL KEDFA APPROVED AND NOT DISBURSED

\$2,214,809

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF NET POSITION
6/30/2018

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 6/30/18	OOE 6/30/18	COMBINED 6/30/18
<u>ASSETS</u>						
Cash & Accounts Receivable						
Operating Account	230,705.70	0.00	0.00	230,705.70	0.00	230,705.70
Cash	2,254,440.73	14,831,509.07	400,515.66	17,486,465.46	0.00	17,486,465.46
High Tech Construction Pool	0.00	0.00	0.00	0.00	137,500.00	137,500.00
High Tech Investment Pool	0.00	0.00	0.00	0.00	2,990,737.19	2,990,737.19
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	46,238.26	0.00	0.00	46,238.26	0.00	46,238.26
Intergovernment Receivable	2,579,823.22	0.00	0.00	2,579,823.22	250,000.00	2,829,823.22
Total Cash & Accounts Receivable	5,111,207.91	14,831,509.07	400,515.66	20,343,232.64	3,382,281.07	23,725,513.71
Accrued Interest Receivable						
Loans	31,817.32	4,974.44	0.00	36,791.76	0.00	36,791.76
Investments	2,824.00	18,205.06	481.79	21,510.85	0.00	21,510.85
Total Accrued Interest Receivable	34,641.32	23,179.50	481.79	58,302.61	0.00	58,302.61
Notes Receivable						
Loans Receivable	18,663,106.06	2,944,147.97	0.00	21,607,254.03	0.00	21,607,254.03
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,684,722.61)	0.00	(1,684,722.61)
Total Notes Receivable	18,663,106.06	2,944,147.97	0.00	19,922,531.42	0.00	19,922,531.42
TOTAL ASSETS	23,808,955.29	17,798,836.54	400,997.45	40,324,066.67	3,382,281.07	43,706,347.74
DEFERRED OUTFLOWS OF RESOURCES:						
<i>Deferred Outflows Pension</i>				1,561,000.00	0.00	1,561,000.00
<i>Deferred Outflows OPEB</i>				219,000.00	0.00	219,000.00
<u>LIABILITIES</u>						
Accrued Salaries & Compensated Absences						
				293,609.88	0.00	293,609.88
Accounts Payable						
				0.00	0.00	0.00
Intergovernment Payable						
				0.00		0.00
Grants Payable						
				0.00	0.00	0.00
Pension Liability						
				10,763,000.00	0.00	10,763,000.00
OPEB Liability						
				1,670,000.00	0.00	1,670,000.00
TOTAL LIABILITIES				12,726,609.88	0.00	12,726,609.88
DEFERRED INFLOWS OF RESOURCES						
<i>Deferred Inflows Pension</i>				282,000.00	0.00	282,000.00
<i>Deferred Inflows OPEB</i>				36,000.00	0.00	36,000.00
<u>NET POSITION</u>						
Beginning Balance						
				33,177,769.74	4,364,119.78	37,541,889.52
Current Year Undivided Profits						
				(4,118,312.95)	(981,838.71)	(5,100,151.66)
TOTAL NET POSITION				29,059,456.79	3,382,281.07	32,441,737.86

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 June 30, 2018

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2017-2018 YEAR TO DATE	FY 2016-2017 YEAR TO DATE
Operating Revenues - KEDFA						
Interest Income/Loans	16,815.06	5,336.32	0.00	0.00	278,804.93	249,028.36
Interest Income/ Investments	2,824.00	18,205.06	481.79	0.00	167,389.85	30,727.14
Late Fees	0.00	0.00	0.00	0.00	0.00	1,875.60
Application Fees	133,406.03	0.00	0.00	0.00	509,727.78	737,337.62
Miscellaneous Income	357.22	0.00	0.00	0.00	3,037.70	407.00
Total Operating Revenues - KEDFA	153,402.31	23,541.38	481.79	0.00	958,960.26	1,019,375.72
Operating Expenses - KEDFA						
Salaries	10,532.75				989,289.82	1,045,239.10
Employee benefits	31,937.91				750,172.93	718,398.95
Pension Liability Adjustment	1,123,000.00				1,123,000.00	1,312,000.00
OPEB Liability Adjustment	1,487,000.00				1,487,000.00	
Other Personnel Costs	0.00				0.00	300.00
Contracted Personal Services	8,178.49				130,561.21	130,787.83
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	2.95				16.55	20.04
Telecommunications	0.00				0.00	0.00
Computer Services	0.00				0.00	0.00
Supplies	0.00				0.00	1,050.00
Miscellaneous Services	265.00				281.00	0.00
Travel	121.06				2,655.49	3,101.91
Miscellaneous Commodities	673.00				872.00	1,238.00
Commodities Expense	0.00				0.00	0.00
Bad Debt Expense	0.00				0.00	0.00
Grant Disbursement	0.00				0.00	0.00
Total Operating Expenses - KEDFA	2,661,711.16	0.00	0.00	0.00	4,483,849.00	3,212,135.83
Income (Loss) from Operations - KEDFA	(2,508,308.85)	23,541.38	481.79	0.00	(3,524,888.74)	(2,192,760.11)
Non-Operating Revenues (Expenses) - KEDFA						
Operating Transfer Out - General Fund	0.00				0.00	0.00
Operating Transfer Out - BSSC					0.00	0.00
Operating Transfer Out - Secretary's Office					0.00	0.00
Operating Transfer Out - New Business	0.00				0.00	0.00
Transfer Due from Bonds	0.00				500,000.00	1,376,073.00
Transfer Due from KSBCI	1,330,000.00				1,330,000.00	0.00
Grants Disbursed	(365,014.44)				(2,423,424.21)	(67,840.00)
Operating Transfer In - Economic Dev	0.00				0.00	0.00
Unrealized Gains/(Losses) on Investment	0.00				0.00	0.00
Realized Gains/(Losses) on Investment	0.00				0.00	0.00
Total Non-Operating Revenues (Expenses) -	964,985.56	0.00	0.00	0.00	(593,424.21)	1,308,233.00
CHANGE IN NET POSITION - KEDFA	(1,543,323.29)	23,541.38	481.79	0.00	(4,118,312.95)	(884,527.11)
Operating Revenues (Expenses) - OOE						
Interest Income - Loans				0.00	1,016.90	1,082.79
Misc Income				0.00	0.00	0.00
Disbursements: Projects (Note 1)					(1,400,088.84)	(15,654,004.67)
Repayments received from Projects				150,000.00	245,567.32	405,723.04
Non-Operating Revenues (Expenses) - OOE						
Operating Transfer in - OOE					0.00	15,000,000.00
Transfer Due from Bonds					226,755.51	700,000.00
Operating Transfer Out - OOE					(55,089.60)	(484,582.08)
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00	150,000.00	(981,838.71)	(31,780.92)
CHANGE IN NET POSITION - COMBINED	(1,543,323.29)	23,541.38	481.79	150,000.00	(5,100,151.66)	(916,308.03)

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
6/30/2018

	<u>6/30/2017</u>	<u>6/30/2018</u>
Fund A Cash Balance	\$2,820,739.54	\$2,254,440.73
Less: Approved/Undisbursed	\$0.00	
	<hr/>	<hr/>
Total Unobligated Balance	\$2,820,739.54	\$2,254,440.73
 2003 Bond Fund Cash Balance	 \$14,429,465.55	 \$14,831,509.07
Less: Approved/Undisbursed	(\$2,808,233.00)	(2,214,809.00)
	<hr/>	<hr/>
Total Unobligated Balance	\$11,621,232.55	\$12,616,700.07
 Small Business Loan Fund Cash Balance	 \$397,097.81	 \$400,515.66
Less: Approved/Undisbursed	\$0.00	
	<hr/>	<hr/>
Total Unobligated Balance	\$397,097.81	\$400,515.66
 Bond Funds to be Provided for Loans	 \$0.00	
Less: Approved/Undisbursed	\$0.00	
	<hr/>	<hr/>
Total Unobligated Balance	\$0.00	\$0.00
 Budget: Cash to be Transferred to Other CED Programs for	 \$0.00	 \$0.00
	<hr/>	<hr/>
CASH AVAILABLE	\$14,839,069.90	\$15,271,656.46
	<hr/> <hr/>	<hr/> <hr/>
 OCI Fund Cash Balance		
High Tech Construction Pool	\$137,500.00	\$137,500.00
Less: Approved/Undisbursed	\$0.00	\$0.00
High Tech Investment Pool	\$2,862,210.51	\$2,990,737.19
Less: Approved/Undisbursed	(\$1,916,367.00)	(\$743,034.00)
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects	\$1,340,448.69	\$250,000.00
Bond Funds Available for Projects	\$0.00	
	<hr/>	<hr/>
Total Unobligated Balance	\$2,427,836.08	\$2,639,247.07
 TOTAL ALL FUNDS	 \$17,266,905.98	 \$17,910,903.53
	<hr/> <hr/>	<hr/> <hr/>

**Kentucky Enterprise Initiative Act (KEIA) Projects
Fiscal 2018**

KEDFA Meeting date	7/26/2018
Total Projects Approved Fiscal Year-to-Date	0
Number of Proposed Projects for Current Month	3
<u>Construction Materials and Building Fixtures</u>	
Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$0
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$20,000,000
Proposed Approval for Current Month	<u>\$195,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$19,805,000</u></u>

Research & Development and Electronic Processing Equipment

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

KBI Summary

Updated July 18, 2018

Fiscal Year End Reporting

Year	Number of Projects	Jobs			Wages		
		Jobs Reported	Job Target	% Achieved	Average Wage Reported	Wage Target	% Achieved
2010	1	40	51	78%	\$11.42	\$11.00	104%
2011	5	269	257	105%	\$35.00	\$28.90	121%
2012	18	1,264	1,154	110%	\$25.30	\$23.23	109%
2013	58	5,882	5,395	109%	\$24.88	\$23.35	107%
2014	94	10,019	9,552	105%	\$24.87	\$22.99	108%
2015	138	14,273	12,831	111%	\$25.35	\$22.30	114%
2016	182	20,533	17,760	116%	\$24.74	\$21.57	115%
2017	170	18,367	14,479	127%	\$25.47	\$21.14	120%

Annual Maximums and Incentives Claimed

Year	Approved Annual Maximum	Earned Annual Maximum	Incentives Claimed*	Utilization Rate
2010-2012**	\$5,182,833	\$4,914,663	\$2,104,094	43%
2013	\$15,799,451	\$14,088,639	\$6,601,085	47%
2014	\$27,770,169	\$24,112,127	\$13,131,631	54%
2015	\$46,169,440	\$40,389,848	\$18,084,965	45%
2016	\$40,500,648	\$35,834,783	\$19,923,814	56%
2017	\$39,632,667	\$33,634,822	N/A	N/A
Grand Total	\$175,055,207	\$152,974,881	\$59,845,588	39%

- The Commonwealth provided \$2,915 of incentives per new job reported based on total actual incentives claimed to date and actual jobs reported in 2016.
- Based on actual jobs and wages reported in 2016 by companies approved to claim incentives, the estimated payroll for new, full-time Kentucky resident jobs is approximately \$1 billion. This equated to \$17.66 for every \$1 of claimed incentives.

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

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

Project Update Report

Project	County	Approval Date	Exit Date	Program
<u>Transmarine Propulsion Systems</u>	<u>Marshall</u>	<u>7/30/2015</u>	<u>6/30/2018</u>	<u>KBI</u>

Explanation: Company requested to let incentives expire as of 6/30/2018.

<u>Murakami Manufacturing USA, Inc.</u>	<u>Taylor</u>	<u>12/07/2006</u>	<u>03/24/2016</u>	<u>KREDA</u>
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Explanation: Received letter from company dated 7/13/2018 that project closed on 3/24/2016 (meaning used all available KREDA incentives and withdrew from KREDA program.

MEMORANDUM

TO: KEDFA Board Members

FROM: Michelle Elder
Incentive Assistance Division

DATE: July 26, 2018 

SUBJECT: Ernst & Young U.S. LLP (Jefferson)
Modification - KBI-IL-17-21491

Ernst & Young LLP received KBI preliminary approval on February 23, 2017 for an expansion of the Louisville facility. As a result of further discussions, staff is requesting a modification to the previously approved project. The approved company will now be Ernst & Young U.S. LLP.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director 
Compliance Division

DATE: July 26, 2018

SUBJECT: KBI Amendment
Royal Flush Leasing Company, Inc. (Carroll County)
KBI Project # 18981

D.R.C. Industries, Inc. is requesting the Tax Incentive Agreement dated May 28, 2015 be amended for a company name change and assignment of all incentives to Royal Flush Leasing Company, Inc. as a result of its merger with Royal Flush Leasing Company, Inc.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director 
Compliance Division

DATE: July 26, 2018

SUBJECT: KEIA Amendment
Lux Row Distillers, LLC (Nelson County)
KEIA Project # 20737

Luxco Inc. is requesting that the KEIA Agreement, dated December 10, 2015, be amended for a company name change and assignment of all incentives, to its affiliate, Lux Row Distillers, LLC due to a company reorganization.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division 

DATE: July 26, 2018

SUBJECT: KEIA Extensions

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

Company	County	Extension
Rabbit Hole Spirits, LLC	Jefferson	3 Months
Custom Resins, Inc.	Henderson	12 Months
Jim Beam Brands Co.	Bullitt	12 Months
Kentucky Building Systems, LLC	Daviess	12 Months

Staff recommends approval.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: July 26, 2018
Approved Company: Fisher Auto Parts, Inc.
City: Walton
Activity: Service & Technology
Bus. Dev. Contact: L. Ransdell

County: Boone
Resolution #: KEIA-19-22130
OFS Staff: M. Elder

Project Description: Fisher Auto Parts, Inc.'s focus is to offer its customers name brand parts at competitive prices and the fastest, most accurate delivery service available. The company has relocated its parts distribution warehouse to Kentucky in order to improve efficiency and add a more productive storage space.

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
\$1,284,137	\$8,060,887
\$0	\$0
\$0	\$0
\$0	\$7,377,000
\$0	\$0
\$1,284,137	\$15,437,887

Ownership (20% or more):

Authur J. Fisher, III - Stuarts Draft, VA
 Mary Louise Fisher - Staunton, VA

Other State Participation: None

Unemployment Rate:

County: 3.2%

Kentucky: 4.2%

Existing Presence in Kentucky: None

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$60,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$60,000

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: July 26, 2018
Approved Company: HBC Radiomatic, Inc.
City: Hebron **County:** Boone
Activity: Headquarters **Resolution #:** KEIA-19-22117
Bus. Dev. Contact: L. Osborne **OFS Staff:** D. Phillips

Project Description: HBC Radiomatic, Inc. is a global leader in the development and production of radio control systems for industrial and mobile hydraulic applications. The company produces products for markets including overhead cranes, logistics and automation, construction, mining, oil and gas, amusement, and utilities, among others. Due to increased production needs, the company will be adding additional space to the existing building to expand its headquarters operation.

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
\$1,050,000	\$1,950,000
\$0	\$0
\$0	\$0
\$0	\$250,000
\$0	\$0
\$1,050,000	\$2,200,000

Ownership (20% or more):

HBC-radiomatic GmbH - Crailsheim, Germany

Other State Participation: None

Unemployment Rate:

County: 3.2%

Kentucky: 4.2%

Existing Presence in Kentucky:

Boone County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$60,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$60,000

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: July 26, 2018
Approved Company: Alpla, Inc.
City: Bowling Green
Activity: Manufacturing
Bus. Dev. Contact: C. Peek

County: Warren
Prelim Resolution #: KBI-I-18-22118
DFS Staff: M. Elder

Project Description: Alpla, Inc. is a world leader in the development and production of plastic packaging solutions. The company produces bottles, closures and injection molded parts for a wide range of customers. Alpla's Bowling Green location is at capacity and the company is considering constructing additional space to meet customer demand.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$6,000,000	\$6,000,000
\$480,000	\$900,000
\$0	\$0
\$6,480,000	\$6,900,000

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	\$40,000
2	24	\$18.00	\$40,000
3	24	\$18.00	\$40,000
4	24	\$18.00	\$40,000
5	24	\$18.00	\$40,000
6	24	\$18.00	\$40,000
7	24	\$18.00	\$40,000
8	24	\$18.00	\$40,000
9	24	\$18.00	\$40,000
10	24	\$18.00	\$40,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$400,000

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: July 26, 2018
Approved Company: Givaudan Flavors Corporation
City: Florence **County:** Boone
Activity: Manufacturing **Prelim Resolution #:** KBI-I-18-22135
Bus. Dev. Contact: L. Witt **DFS Staff:** M. Elder

Project Description: Givaudan is a global leader in the creation of flavors and fragrances. In close collaboration with food, beverage, consumer products and fragrance partners, Givaudan develops tastes and scents that delight consumers the world over. The company is considering an expansion at its current facility to increase capacity and efficiency of their production process.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

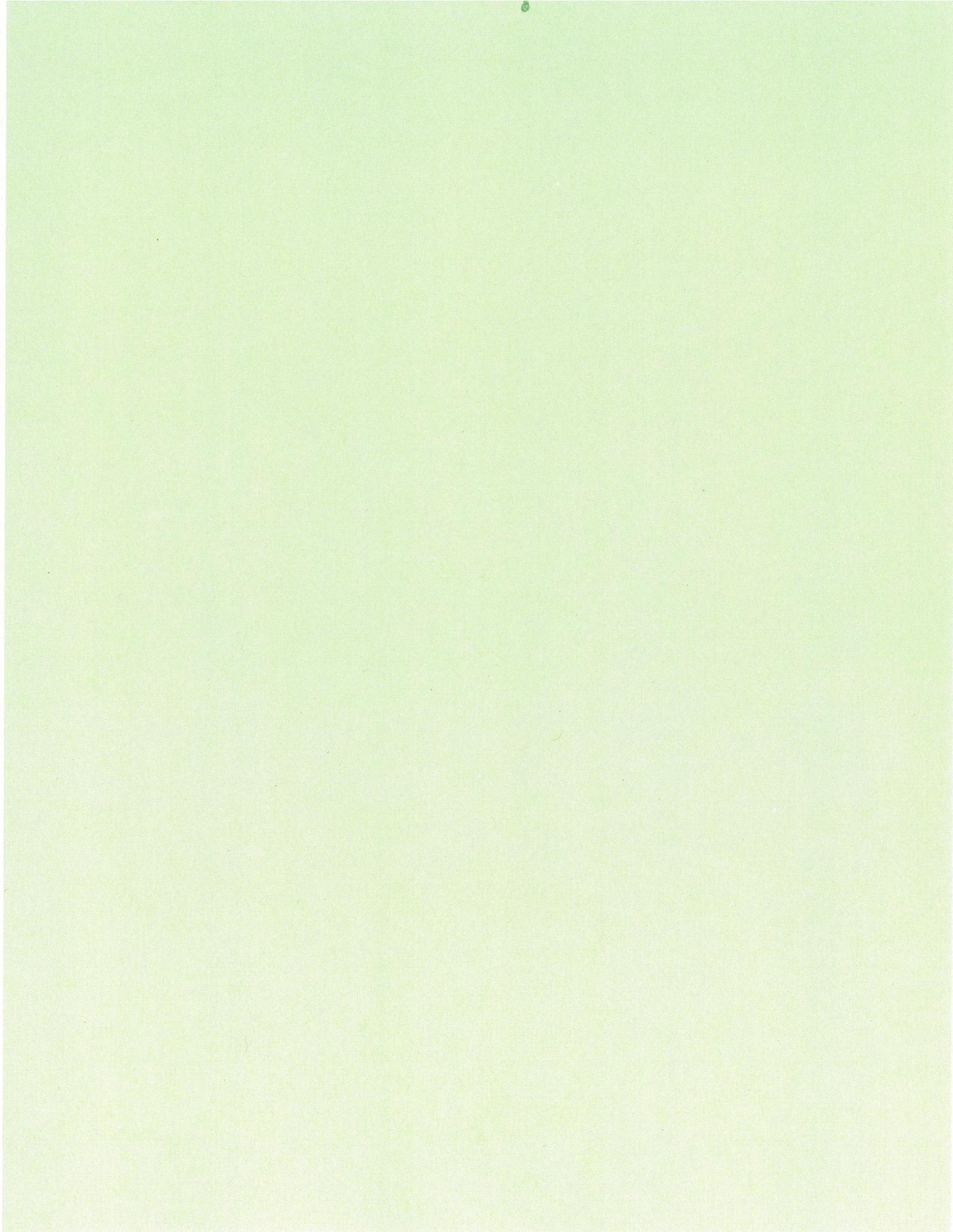
Eligible Costs	Total Investment
\$0	\$0
\$12,300,000	\$12,300,000
\$400,000	\$8,500,000
\$0	\$0
\$12,700,000	\$20,800,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$37.50	
1	20	\$37.50	\$20,000
2	20	\$37.50	\$20,000
3	20	\$37.50	\$20,000
4	20	\$37.50	\$20,000
5	20	\$37.50	\$20,000
6	20	\$37.50	\$20,000
7	20	\$37.50	\$20,000
8	20	\$37.50	\$20,000
9	20	\$37.50	\$20,000
10	20	\$37.50	\$20,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$200,000



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: July 26, 2018
Approved Company: Sunstrand, LLC
City: Milton **County:** Carroll
Activity: Manufacturing **Prelim Resolution #:** KBI-ILD-18-22131
Bus. Dev. Contact: L. Ransdell **DFS Staff:** M. Elder
Project Description: Sunstrand, LLC is a manufacturer of eco-friendly bio-industrial material for the plastic and polymer composite industries. Sunstrand now works with a variety of feedstocks including bamboo, hemp, kenaf, flax, and jute. The company's production processes ensure product consistency and is compatible with the most major resin and manufacturing techniques. The company is considering locating a new facility in Carroll County to add processing and production capacity.

Facility Details: Locating in a new facility

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$900,000	\$1,800,000
\$550,000	\$550,000
\$2,100,000	\$2,100,000
\$250,000	\$250,000
\$3,800,000	\$4,700,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	21	\$23.00	
1	21	\$23.00	\$90,000
2	26	\$23.00	\$90,000
3	32	\$23.00	\$90,000
4	38	\$23.00	\$90,000
5	42	\$23.00	\$90,000
6	46	\$23.00	\$90,000
7	50	\$23.00	\$90,000
8	55	\$23.00	\$90,000
9	60	\$23.00	\$90,000
10	60	\$23.00	\$90,000
11			
12			
13			
14			
15			
TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:			\$900,000

County Type:

Enhanced

Statutory Minimum Wage Requirements:

Base hourly wage: \$9.06

Total hourly compensation: \$10.42

Ownership (20% or more):

William Riddle, III - Louisville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 5.0%

Unemployment Rate:

County: 4.3%

Kentucky: 4.2%

Existing Presence in Kentucky:

Jefferson County

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 Administration Division
DATE: July 26, 2018
SUBJECT: KBI Extensions

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

Company	County	Extension
A. Kayser Automotive Systems USA, LP	Fulton	3 Month
Country Boy Brewing, LLC	Scott	3 Month
Kentucky Building Systems, LLC	Daviess	6 Month
Structures USA, LLC (SUSA)	Hardin	6 Month
Jacobs & Thompson Ltd.	Greenup	12 Month
Thorntons Inc.	Jefferson	12 Month

Staff recommends approval.

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

Date: July 26, 2018
Preliminary Approval: July 25, 2013
Approved Company: PMC Organometallic, Inc.
City: Carrollton **County:** Carroll
Activity: Manufacturing **Final Resolution #:** KBI-F-18-19609
Bus. Dev. Contact: J. Ward **OFS Staff:** M. Elder

Project Description: PMC Organometallic, Inc. (PMC) produces products used primarily in the housing and automotive industries. PMC produces stabilizers which are used in the manufacture of vinyl siding, window profiles, decking, railing, cellular PVC bards and PVC pipe. With the housing market improvements PMC expanded its Carrollton plant to better serve the emerging market.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$16,418,000	\$16,418,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$29.00	
1	36	\$29.00	\$60,000
2	36	\$29.00	\$60,000
3	36	\$29.00	\$60,000
4	36	\$29.00	\$60,000
5	36	\$29.00	\$60,000
6	36	\$29.00	\$60,000
7	36	\$29.00	\$60,000
8	36	\$29.00	\$60,000
9	36	\$29.00	\$60,000
10	36	\$29.00	\$60,000
11	36	\$29.00	\$60,000
12	36	\$29.00	\$60,000
13	36	\$29.00	\$60,000
14	36	\$29.00	\$60,000
15	36	\$29.00	\$60,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$900,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 103

Modifications since preliminary approval? No

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

Date: July 26, 2018
Preliminary Approval: September 29, 2016
Approved Company: UniFirst Corporation
City: Owensboro
Activity: Service & Technology
Bus. Dev. Contact: C. Peek

County: Daviess
Final Resolution #: KBI-F-18-21279
OFS Staff: M. Elder

Project Description: UniFirst Corporation started out of a horse barn 80 years ago in 1936 in Massachusetts. Its Owensboro distribution location, established in 1998, fulfills and personalizes orders for workwear and ancillary services for nearly 300,000 global customers. The company has grown significantly over the past 18 years and expanded to be able to serve its customer base more effectively.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$5,000,000	\$12,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	25	\$19.50	
1	25	\$19.50	\$50,000
2	25	\$19.50	\$50,000
3	25	\$19.50	\$50,000
4	25	\$19.50	\$50,000
5	25	\$19.50	\$50,000
6	25	\$19.50	\$50,000
7	25	\$19.50	\$50,000
8	25	\$19.50	\$50,000
9	25	\$19.50	\$50,000
10	25	\$19.50	\$50,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$500,000

County Type:
Other

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

Special Conditions:
 Maintain Base Employment: 345

Modifications since preliminary approval? No

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

Date: July 26, 2018
Preliminary Approval: July 30, 2015
Approved Company: 3 Ten Enterprises, LLC dba 310 Tempering
City: Louisville **County:** Jefferson
Activity: Manufacturing **Final Resolution #:** KBI-F-18-20553
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** M. Elder

Project Description: 3 Ten Enterprises, LLC dba 310 Tempering started a glass tempering company in Louisville. The company produces and sells fabricated tempered glass and shower door hardware to glass installers located in the eastern half of the United States.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$4,670,000	\$5,950,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	36	\$22.00	
1	36	\$22.00	\$150,000
2	61	\$22.00	\$150,000
3	87	\$22.00	\$150,000
4	120	\$22.00	\$150,000
5	147	\$22.00	\$150,000
6	147	\$22.00	\$150,000
7	147	\$22.00	\$150,000
8	147	\$22.00	\$150,000
9	147	\$22.00	\$150,000
10	147	\$22.00	\$150,000

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

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

Special Conditions: None

Modifications since preliminary approval? Yes

The company name changed from 3 Ten Enterprises, LLC to 3 Ten Enterprises, LLC dba 310 Tempering. All other aspects of the project remain the same.

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

Date: July 26, 2018
Preliminary Approval: June 30, 2016
Approved Company: Leggett & Platt, Incorporated
City: Georgetown **County:** Scott
Activity: Manufacturing **Final Resolution #:** KBI-F-18-21153
Bus. Dev. Contact: K. Slattery **OFS Staff:** D. Phillips

Project Description: Leggett & Platt, Incorporated manufactures adjustable bed frames for household use. The project included an expansion to consolidate its existing Georgetown operations into two facilities.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$8,505,801	\$8,505,801

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	111	\$21.00	
1	125	\$21.00	\$150,000
2	125	\$21.00	\$150,000
3	125	\$21.00	\$150,000
4	125	\$21.00	\$150,000
5	125	\$21.00	\$150,000
6	125	\$21.00	\$150,000
7	125	\$21.00	\$150,000
8	125	\$21.00	\$150,000
9	125	\$21.00	\$150,000
10	125	\$21.00	\$150,000

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

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

Special Conditions:
 Maintain Base Employment: 273
 Maintain Statewide Employment: 513

Modifications since preliminary approval? Yes
 The project ownership changed from leased to owned; the total investment and eligible costs increased from \$1,850,000 to \$8,505,801; jobs increased from 64 to 125; average hourly wage target increased from \$18 to \$21 and the total negotiated tax incentive amount increased from \$800,000 to \$1,500,000. All other aspects of the project remain the same.

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

Date: July 26, 2018
Preliminary Approval: February 23, 2017
Approved Company: Traughber Mechanical Services, Inc.
City: Franklin **County:** Simpson
Activity: Manufacturing **Final Resolution #:** KBI-F-18-21518
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

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

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$579,320	\$579,320

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

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

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$120,000**

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

Special Conditions:
 Maintain Base Employment: 27

Modifications since preliminary approval? Yes
 The local participation changed from 1% from the City of Franklin to .75% from Simpson County and the state participation changed from 3% to 2.25%. All other aspects of the project remain the same.

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

Date: July 26, 2018
Preliminary Approval: July 31, 2014
Approved Company: Zotefoams Inc.
City: Walton
Activity: Manufacturing
Bus. Dev. Contact: J. Bevington

County: Kenton
Final Resolution #: KBI-F-18-20030
OFS Staff: M. Elder

Project Description: Zotefoams Inc. is a subsidiary of London based Zotefoams plc, a world leader in cellular material technology. At the time of preliminary approval, the Walton facility only performed part of Zotefoams core processes. Since then, the company added the other two major components to its manufacturing process capabilities.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$5,610,000	\$21,610,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	25	\$33.00	
1	25	\$33.00	\$60,000
2	25	\$33.00	\$60,000
3	25	\$33.00	\$60,000
4	25	\$33.00	\$60,000
5	25	\$33.00	\$60,000
6	25	\$33.00	\$60,000
7	25	\$33.00	\$60,000
8	25	\$33.00	\$60,000
9	25	\$33.00	\$60,000
10	25	\$33.00	\$60,000

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

County Type:
Other

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

Special Conditions:
 Maintain Base Employment: 19

Modifications since preliminary approval? Yes

The local participation was incorrectly stated on the preliminary board summary. The local participation should state, "Kenton County will support 50% of its local occupational tax which is less than 1%". The states percentage has not changed. All other aspects of the project remain the same.

Kentucky Small Business Tax Credit Projects July 2018

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/Technology	Tax Credit Amount
B & C Industries, Inc.	Pulaski	23	1	\$13.00	\$10,900	\$3,500
Babcon Inc.	Madison	27	5	\$13.20	\$24,988	\$17,500
Bluegrass Book Buyers LLC	Fayette	2	6	\$12.25	\$48,511	\$21,000
Cuddle Clones LLC	Jefferson	4	2	\$24.64	\$7,414	\$7,000
Franklin Management, Inc.	Adair	8	2	\$38.22	\$10,500	\$7,000
Louisville Alzheimer's Investors, LLC	Jefferson	7	7	\$23.05	\$26,687	\$24,500
Pinnacle, Inc.	Marshall	39	1	\$20.00	\$27,077	\$3,500
Renaissance Holdings, LLC Southern Kentucky Industrial Equipment LLC	Jefferson Pulaski	25 2	3 1	\$18.50 \$18.00	\$38,778 \$8,000	\$10,500 \$3,500
United Installs LLC	Kenton	7	7	\$16.43	\$38,968	\$24,500
10	7		35	Total	\$241,823	\$122,500

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	\$122,500
Remaining Credits	\$2,877,500



KSBCI Quarterly Funding Report

June 30, 2018

Closed

Participating Bank	KSBCI Program	Total Project Amount	KSBCI Support Amount
Women's First PLLC	KYCSP	\$ 335,000.00	\$ 67,000.00
M&M Partners (project #1)	KYCSP	\$ 95,612.00	\$ 18,800.00
Ruby Concrete, Inc.	KYLPP	\$ 5,675,000.00	\$ 80,000.00
CKW Physical Therapy, Inc.	KYCSP	\$ 272,900.92	\$ 54,580.00
AU Associates, Inc.	KYCSP	\$ 471,919.11	\$ 45,855.00
Skidaddles, Inc.	KYCAP	\$ 65,306.12	\$ 1,902.12
Beaver Creek Vet.	KYLPP	\$ 410,000.00	\$ 68,000.00
J & H McGlone, LLC - (project #1)	KYCSP	\$ 366,000.00	\$ 26,700.00
J & H McGlone, LLC - (project #2)	KYCSP	\$ 50,000.00	\$ 10,000.00
Burgess Steel Services, Inc.	KYCSP	\$ 75,173.47	\$ 14,000.00
Casey's Foods, Inc. dba Happy IGA	KYCSP	\$ 176,610.00	\$ 34,800.00
JAKLAK LLC	KYLPP	\$ 550,147.16	\$ 106,029.40
ROR, LLC/Stepping Stones For Children, Inc.	KYCSP	\$ 1,300,000.00	\$ 98,030.89
Nicholas D. Ring & Maren B. Ring / Rotolamento Forno LLC	KYCSP	\$ 95,000.00	\$ 10,500.00
Purley Enterprises, Inc./Purley Associates, LLC/Mills Express, Inc. (project #1)	KYCSP	\$ 147,500.00	\$ 29,500.00
Purley Enterprises, Inc./Purley Associates, LLC/Mills Express, Inc. (project #2)	KYCSP	\$ 317,355.00	\$ 57,471.00
DC Logistics, Inc.	KYCSP	\$ 350,000.00	\$ 18,750.00
Miller Insulation, LLC / Andrew & Eli Miller	KYLPP	\$ 85,000.00	\$ 17,000.00
Durbin Super Bowl, LLC	KYCSP	\$ 2,125,000.00	\$ 285,000.00
Arnett Dental Practice, PLLC/Shelia's Property, LLC	KYCSP	\$ 580,000.00	\$ 104,400.00
Prosigns LLC	KYCSP	\$ 150,000.00	\$ 30,000.00
D & M Contracting, Inc.	KYCSP	\$ 100,000.00	\$ 16,000.00
Print My Threads, LLC	KYCSP	\$ 230,000.00	\$ 40,000.00
Marshall T. West d/b/a West & Jones Funeral Home	KYCSP	\$ 225,000.00	\$ 40,000.00
Against The Grain, LLC	KYCSP	\$ 1,100,000.00	\$ 200,000.00
Mountain Music Exchange, LLC	KYCSP	\$ 50,000.00	\$ 10,000.00
Shooting Star Properties, LLC/Paladin, Inc.	KYCSP	\$ 705,000.00	\$ 40,125.00
Best Tyler, LLC	KYCSP	\$ 279,000.00	\$ 48,000.00
Miles Exterminating Co., Inc.	KYCSP	\$ 80,000.00	\$ 16,000.00
Phillips Diversified Manufacturing, Inc. breathe, LLC	KYCSP	\$ 1,200,000.00	\$ 240,000.00
S & K Farms LLC/S & K Powder Coating, LLC	KYCSP	\$ 57,000.00	\$ 10,000.00
Grace Community Health Center	KYCSP	\$ 203,133.00	\$ 40,000.00
Trackside Butcher Shoppe - Request #1	KYCSP	\$ 600,000.00	\$ 99,000.00
Trackside Butcher Shoppe - Request #2	KYCSP	\$ 50,000.00	\$ 10,000.00
Land Shark Shredding, LLC	KYCSP	\$ 376,000.00	\$ 75,200.00
Land Shark Shredding, LLC	KYCSP	\$ 455,000.00	\$ 91,000.00
Franklin Bank & Trust Company	KYCSP	\$ 120,000.00	\$ 24,000.00



Starlite, LLC	Kentucky Bank	KYCSP	\$	1,777,000.00	\$	250,000.00
Invictus 2468, LLC	Fifth Third Bank	KYCSP	\$	875,000.00	\$	175,000.00
Bader's Food Mart, Inc.	MainSource Bank	KYCSP	\$	286,000.00	\$	57,200.00
Bradley Ebelhar and Angela Ebelhar dba The Crowne	Community Ventures Corporation	KYCSP	\$	435,000.00	\$	27,000.00
Tilted Tulip, LLC	MACED	KYCSP	\$	305,000.00	\$	49,000.00
Heritage Millworks, LLC d/b/a Powell Valley Millwork	MACED	KYCSP	\$	425,000.00	\$	80,000.00
Heritage Millworks, LLC	MACED	KYCSP	\$	4,500,000.00	\$	150,000.00
Atlas Development Group, LLC	First Citizens Bank	KYCSP	\$	2,590,000.00	\$	440,000.00
Whitaker Group, LLC	MACED	KYCSP	\$	175,000.00	\$	35,000.00
Whitaker Group II, LLC	MACED	KYCSP	\$	175,000.00	\$	35,000.00
Carey Technologies, Inc. dba Pine Mountain Canopy Tours	KHIC	KYCSP	\$	550,000.00	\$	50,000.00
Frontier Veterinary Services, LLC	United Southern Bank	KYCSP	\$	300,000.00	\$	37,498.55
Gaunce's Café and Deli LLC	Kentucky Bank	KYCSP	\$	200,000.00	\$	28,000.00
Christian Academy of Lawrenceburg, Kentucky, Inc.	MainSource Bank	KYCSP	\$	707,000.00	\$	131,400.00
Steamer Seafood Bowling Green LLC	Franklin Bank & Trust Company	KYCSP	\$	700,000.00	\$	100,000.00
Posh Academy, LLC	Paducah Bank & Trust	KYCSP	\$	358,250.00	\$	49,000.00
Eastman Law Office, PSC	MainSource Bank	KYCSP	\$	91,000.00	\$	18,200.00
Stapleton Holdings, LLC	MainSource Bank	KYCSP	\$	457,000.00	\$	91,400.00
Steamer Seafood Concessions & Catering, LLC	Franklin Bank & Trust Company	KYCSP	\$	148,000.00	\$	20,000.00
CFO Advantage, LLC - Travel Guide-Kentucky	MainSource Bank	KYCSP	\$	99,086.76	\$	19,817.35
Bluegrass Tool & Industrial, LLC	First Security Bank	KYCSP	\$	1,250,000.00	\$	250,000.00
Latonia Star, LLC	MainSource Bank	KYCSP	\$	548,000.00	\$	45,000.00
Julep Pets, Inc.	Kentucky Bank	KYCSP	\$	155,000.00	\$	23,250.00
Miles Away, Inc.	Community Ventures Corporation	KYCSP	\$	290,000.00	\$	10,000.00
Quality Tire & Access, Inc.	SKED	KYCSP	\$	150,000.00	\$	22,500.00
Whitaker Group, LLC	KHIC	KYCSP	\$	270,000.00	\$	54,000.00
Whitaker Group II, LLC	KHIC	KYCSP	\$	5,535,000.00	\$	108,000.00
Wellness Care, LLC	Fifth Third Bank	KYCSP	\$	470,000.00	\$	70,500.00
Malibu Jack's 2, LLC	Community Ventures Corporation	KYCSP	\$	1,604,500.00	\$	60,000.00
Parkview Pharmacy, Inc.	Citizens National Bank of Paintsville	KYCSP	\$	260,000.00	\$	52,000.00
M & M Newspapers, LLC	Traditional Bank	KYCSP	\$	500,000.00	\$	90,000.00
Cane Run Properties, LLC	MainSource Bank	KYCSP	\$	285,000.00	\$	57,000.00
Two Martini's LLC	Community Ventures Corporation	KYCSP	\$	540,027.00	\$	37,801.00
Taylor Tot Child Center, Inc.	Community Ventures Corporation	KYCSP	\$	177,110.00	\$	15,750.00
Canewood Homeowners Association, Inc. & Canewood HOA GC, LLC	Kentucky Bank	KYCSP	\$	1,230,000.00	\$	184,500.00
B & B Contracting, LLC	MACED	KYCSP	\$	100,000.00	\$	20,000.00
RuffieGirl Inc.	First Harrison Bank	KYCSP	\$	1,450,000.00	\$	290,000.00
Downtown Fitness Paducah, LLC	Community Financial Services Bank	KYCSP	\$	468,230.78	\$	88,000.00
Critchfield Meats, Inc.	Traditional Bank	KYCSP	\$	1,607,905.79	\$	211,543.20
Latonia Star, LLC	MainSource Bank	KYCSP	\$	40,000.00	\$	8,000.00
Cunningham Golf Car Co., Inc.	MainSource Bank	KYCSP	\$	700,000.00	\$	140,000.00
Michael A. Green and Vipavee T. Green (Crank and Boom)	Community Ventures Corporation	KYCSP	\$	410,500.00	\$	33,656.00
Kentucky River Community Care, Inc. (project #1)	Citizens National Bank of Paintsville	KYCSP	\$	525,000.00	\$	105,000.00
Empress Properties, LLC	Republic Bank & Trust	KYCSP	\$	1,200,000.00	\$	150,000.00



The Law Offices of John Thompson, PLLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$	78,662.00	\$	15,732.00
GBC Enterprises, LLC	Republic Bank & Trust	KYCSP	\$	2,822,500.00	\$	360,000.00
Mike Combs, Inc. dba Concrete Craft of Lexington	Community Ventures Corporation	KYCSP	\$	20,000.00	\$	4,000.00
Dalton Development Company Limited Liability Company (Project #1)	Fifth Third Bank	KYCSP	\$	243,000.00	\$	27,000.00
Addition Recovery Care, LLC (project #1)	MACED	KYCSP	\$	150,000.00	\$	16,000.00
Dalton Development Company Limited Liability Company (Project #2)	Fifth Third Bank	KYCSP	\$	375,208.00	\$	75,041.60
5454 LLC	First Harrison Bank	KYCSP	\$	144,100.00	\$	15,851.00
Faith Holdings LLC	First Harrison Bank	KYCSP	\$	3,120,000.00	\$	456,000.00
SNEAK Properties, LLC	Stock Yards Bank	KYCSP	\$	4,200,000.00	\$	798,000.00
Drs. Burch, Renshaw, Wix & Associates, P.S.C.	Republic Bank & Trust	KYCSP	\$	1,907,637.00	\$	250,000.00
Parker Lilly Holdings, LLC	Fifth Third Bank	KYCSP	\$	690,000.00	\$	69,000.00
The B Hive Child Care Academy Limited Liability Company	United Citizens Bank & Trust	KYCSP	\$	97,380.00	\$	9,738.00
Crum Funeral Home LLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$	750,000.00	\$	150,000.00
Philip Sharp LLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$	300,000.00	\$	53,000.00
Marikka's Restaurant, Inc.	Traditional Bank	KYCSP	\$	3,641,565.00	\$	461,140.00
TVC Holdings LLC	First Harrison Bank	KYCSP	\$	610,000.00	\$	120,000.00
East End Foot, LLC	First Harrison Bank	KYCSP	\$	615,000.00	\$	108,309.00
Zinky's Dog Care, LLC	Citizens First Bank	KYCSP	\$	189,230.00	\$	37,000.00
My Visual Package, LLC	South Central Bank	KYCSP	\$	30,000.00	\$	3,000.00
May and Lee Management, LLC	Citizens Bank of Kentucky, Inc.	KYCSP	\$	1,100,000.00	\$	220,000.00
Robert Leon Allen	Monticello Banking Company	KYCSP	\$	87,500.00	\$	17,500.00
Addiction Recovery Care, LLC (project #2)	MACED	KYCSP	\$	500,000.00	\$	100,000.00
AAA CNC Milling Center LLC	First Harrison Bank	KYCSP	\$	330,000.00	\$	36,000.00
Alley Land Company	Citizens Bank of Kentucky, Inc.	KYCSP	\$	768,000.00	\$	88,200.00

TOTAL CLOSED FUNDS \$ 114,082,603.50 \$ 14,050,354.11

Paid Off/Recyclable Funds

NucSafe, Inc. / NucSafe Instruments, Inc.	SKED	KYCSP	\$	2,000,000.00	\$	100,000.00
M&M Partners (project #2)	Community Trust Bank	KYCSP	\$	51,442.00	\$	10,000.00
Eastern Telephone & Technologies	MACED	KYCSP	\$	275,000.00	\$	9,500.00
OB Holdings, LLC (Ocean Breeze)	Community Trust Bank	KYCSP	\$	386,086.50	\$	47,250.00
The RF Group, LLC DBA Simply the Best Sports Bar & Grill	The Commercial Bank of Grayson	KYCSP	\$	151,274.27	\$	30,000.00
Indatus	PNC Bank	KYCSP	\$	8,700,000.00	\$	1,000,000.00
Sunny Deals, LLC	MainSource Bank	KYCSP	\$	25,000.00	\$	5,000.00
Wreck-A-Mend Auto Restoration, LLC	United Southern Bank	KYCSP	\$	94,500.00	\$	14,250.00
Vest Fabrication & Certified Welding, LLC	Kentucky Bank	KYCSP	\$	40,000.00	\$	4,000.00
Grace Coffee, Café, Bakery, LLC	Community Ventures Corporation	KYCSP	\$	75,000.00	\$	15,000.00
Land of Tomorrow Productions, LLC	South Central Bank	KYCSP	\$	-	\$	326.05
Lincoln Manufacturing USA, LLC	Commercial Bank	KYCSP	\$	7,245,000.00	\$	449,000.00
Lincoln Manufacturing USA, LLC	Commercial Bank	KYCSP	\$	2,800,000.00	\$	280,000.00
H & S Distributing, LLC	Wilson & Muir Bank & Trust Co.	KYCSP	\$	104,000.00	\$	19,400.00
BCM JR WR LLC/Elevation Management Group, LLC	United Southern Bank	KYCSP	\$	480,000.00	\$	96,000.00



J and L Lyle, Inc. Project #2	Kentucky Bank	\$	29,000.00	\$	5,220.00
Carnage Outdoor Gear, LLC	Paducah Bank & Trust	\$	90,522.00	\$	18,000.00
K&G Bear Creek Retreat/Montgomery Wildness/KY Antler	Kentucky Farmers Bank	\$	-	\$	11,582.47
Tim and Bonita Butler	Citizens First Bank	\$	140,000.00	\$	26,000.00
ROR, LLC/Stepping Stones For Children, Inc.	Kentucky Bank	\$		\$	151,969.11
Maynard Studios	Community Trust Bank	\$	165,750.00	\$	24,862.50
Benjamin Watts/William & Kathy Watts/Wattys's House of Iron	United Citizens Bank & Trust	\$	50,000.00	\$	10,000.00
J and L Lyle, Inc. Project #1	Kentucky Bank	\$	35,000.00	\$	6,300.00
Fit Bodies, Inc.	Fifth Third Bank	\$	211,000.00	\$	26,954.00
Big Red Burritos, LLC	Fifth Third Bank	\$	25,000.00	\$	5,000.00
Walnut Specialists Incorporated	KHIC	\$	150,000.00	\$	30,000.00
JSB Industrial Solutions, Inc.	MACED	\$	550,000.00	\$	50,000.00
Lee's Ford Wine & Spirit Shoppe, LLC	Community Trust Bank	\$	350,000.00	\$	70,000.00
Palate Restaurant Group, LLC	Traditional Bank	\$	1,175,000.00	\$	120,000.00
Grace Community Health Center	Forcht Bank	\$	-	\$	21,000.00
Geoffrey & Angel Knight/Knights Transportation Services	South Central Bank	\$	225,000.00	\$	45,000.00
H.B. Molding	Huntington Bank	\$	40,000.00	\$	1,200.00
LES Workout, LLC	Citizens First Bank	\$	1,098,920.00	\$	49,672.00
JC Brewer Construction, Inc.	Citizens First Bank	\$	251,200.00	\$	50,000.00
Clark County Veterinary Clinic, INC, Jeff and Kim Castle	Kentucky Bank	\$	680,823.58	\$	24,800.00
HC Matthews	Kentucky Bank	\$	242,000.00	\$	48,400.00
212 Wayne Drive LLC, dba LaFontaine Preparatory School, LLC	Citizens First Bank	\$	444,900.00	\$	69,101.00
All Type Supply, LLC	MACED	\$	355,000.00	\$	69,000.00
CGS Machine & Tool, Inc.	Citizens Deposit Bank	\$	181,868.00	\$	36,000.00
Stardust Holdings, LLC & Stardust Ventures, LLC	Franklin Bank & Trust Company	\$	1,440,000.00	\$	248,000.00
Godi Corporation	KHIC	\$	1,800,000.00	\$	250,000.00
Cosmic Cheer and Tumble LLC	Fifth Third Bank	\$	908,000.00	\$	60,000.00
	First National Bank of Grayson	\$	239,000.00	\$	29,850.00
	TOTAL PAID OFF/RECYCLABLE FUNDS	\$	33,305,286.35	\$	3,637,637.13

Claims Paid

Land of Tomorrow Productions, LLC	South Central Bank	\$	250,000.00	\$	49,673.95
K&G Bear Creek Retreat/Montgomery Wildness/KY Antler	Kentucky Farmers Bank	\$	3,353,745.85	\$	388,417.53
	TOTAL CLAIMS PAID	\$	3,603,745.85	\$	438,091.48

Approved

AEK Transport Services LLC	Community Ventures Corporation	\$	85,000.00	\$	17,000.00
PEARCE Group LLC	Fifth Third Bank	\$	230,000.00	\$	46,000.00
ShellTech LLC	SKED	\$	650,000.00	\$	117,000.00
ShellTech LLC	KHIC	\$	1,875,000.00	\$	184,005.00
True North Properties, LLC	Fifth Third Bank	\$	120,000.00	\$	24,000.00
Highland Property Group LLC	Fifth Third Bank	\$	1,400,000.00	\$	200,000.00
John Schmidt Insurance, Inc.	First Harrison Bank	\$	462,000.00	\$	91,000.00
Narrow Gate Properties, LLC	Fifth Third Bank	\$	3,625,000.00	\$	360,000.00



Wente Holdings, LLC

Citizens Bank of Kentucky, Inc.

KYCSP \$ 845,953.00 \$ 169,190.00
TOTAL APPROVED FUNDS \$ 9,292,953.00 \$ 1,208,195.00

TOTAL CLOSED, PAID OFF/RECYCLABLE, CLAIMS PAID & APPROVED \$ 160,284,588.70 \$ 19,334,277.72

Approved but Withdrawn

Corinth Christian Bookstore / Frankfort, KY
 Champion Chevrolet/Oldham Co.
 Carty-Vicars, Inc. dba Carty-Polly & Craft Funeral Home
 E & R Enterprises, PLLC d/b/a Advantage Physical Therapy
 Marrowbone Family Pharmacy, LLC
 Brown's Fresh Meats and Produce, LLC
 Bethlehem Fabrication, LLC
 Walnut Specialists Incorporated
 Cumberland Manor Rest Home, Inc.
 Barnhill Enterprises - Request #2
 PMAK, LLC
 Grassroots Pharmacy, PLLC - Project #2
 Grassroots Pharmacy, PLLC - Project #1
 Robby Shell and Renae Shell
 2nd Star, LLC dba Something 2 Do
 Melissa J Stamper and Thomas Stamper dba Got Roots Hair Salon
 SGCE LLC
 Fairview Eye Care Real Estate, LLC
 Hickory & Oak, LLC
 Robert Leon Allen - Project #1
 Haney Enterprises LLC
 Superior Expeditors LLC (project #2)

Community Trust Bank	KYCSP	\$ 120,000.00	\$ 20,750.00
The Bank - Oldham County	KYLPP	\$ 1,264,934.00	\$ 250,000.00
SKED	KYCSP	\$ 790,000.00	\$ 120,000.00
Community Trust Bank	KYCSP	\$ 123,541.00	\$ 24,708.20
MACED	KYCSP	\$ 100,000.00	\$ 20,000.00
Community Ventures Corporation	KYCSP	\$ 20,000.00	\$ 4,000.00
Traditional Bank	KYCSP	\$ 48,000.00	\$ 9,600.00
KHIC	KYCSP	\$ 980,000.00	\$ 20,000.00
MACED	KYCSP	\$ 250,000.00	\$ 50,000.00
Kentucky Bank	KYCSP	\$ 150,000.00	\$ 30,000.00
Fifth Third Bank	KYCSP	\$ 700,000.00	\$ 63,000.00
Central Bank & Trust	KYCSP	\$ 75,000.00	\$ 15,000.00
Central Bank & Trust	KYCSP	\$ 170,000.00	\$ 34,000.00
Community Ventures Corporation	KYCSP	\$ 299,000.00	\$ 12,000.00
Community Ventures Corporation	KYCSP	\$ 50,000.00	\$ 10,000.00
Community Ventures Corporation	KYCSP	\$ 30,300.00	\$ 4,000.00
Fifth Third Bank	KYCSP	\$ 162,000.00	\$ 16,200.00
Republic Bank & Trust	KYCSP	\$ 2,500,000.00	\$ 100,000.00
Franklin Bank & Trust Company	KYCSP	\$ 750,000.00	\$ 150,000.00
Monticello Banking Company	KYCSP	\$ 92,500.00	\$ 18,500.00
Citizens Deposit Bank	KYCSP	\$ 59,864.52	\$ 11,972.00
SKED	KYCSP	\$ 150,000.00	\$ 27,000.00
TOTAL APPROVED BUT WITHDRAWN	\$	8,885,139.52	\$ 1,010,730.20

Closed, Paid Off/Recyclable Funds, Claims Paid & Approved Projects By Program

Fund Used By Program	Total Project Amounts	KSBCI Support Amount
KYLPP	\$ 6,720,147.16	\$ 271,029.40
KYCSP	\$ 153,459,135.42	\$ 19,060,146.20
KYCSP	\$ 105,306.12	\$ 3,102.12
TOTAL	\$ 160,284,588.70	\$ 19,334,277.72

MEMORANDUM

TO: Kentucky Economic Development Finance Authority
FROM: Jessica Burke
General Counsel
RE: Quarterly Amendment Resolution
DATE: July 26, 2018

The following companies are the subject of the July 26, 2018 quarterly amendment resolution:

Kentucky Angel Investment Act

Edj Analytics, LLC Letter Amendment Name Change

Kentucky Reinvestment Act

Kellogg USA, Inc. Letter Amendment Name Change