CABINET FOR ECONOMIC DEVELOPMENT

Matthew G. Bevin
Governor

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

Vivek K. Sarin
Interim Secretary

MEMORANDUM

TO: KEDFA Members

FROM: Katie Smith, Commissioner KS
Department for Financial Services

DATE: August 23, 2019

SUBJECT: **KEDFA Board Meeting**

The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, August 29, 2019** 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
August 29, 2019

Call to Order
Notification of Press
Roll Call

Minutes

Minutes from July 25, 2019 Regular KEDFA Board Meeting

Reports

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

TIF Project (Preliminary) — Kylee Palmer

City of Paducah, Finance Department	McCracken
Paducah Downtown Riverfront Redevelopment Project	

KJRA Project (Supplemental) — Katie Smith

Ford Motor Company	Jefferson

KJDA Project (Amendment) — Bobby Aldridge

Tier 1 Performance Solutions, LLC	Kenton

KBI Project (Amendment) — Bobby Aldridge

Berry Global Films, LLC	Warren
Engi-Mat Co.	Fayette

KBI Projects (Modification)

Braidy Atlas, LLC	Boyd / Greenup	Michelle Elder

KEIA Projects (Amendment) — Bobby Aldridge

Braidy Atlas, LLC (#21638)	Boyd / Greenup
Braidy Atlas, LLC (#21977)	Boyd / Greenup

KEIA Projects (Extension)		Bobby Aldridge
United Dairy Farmers, Inc.	Kenton	
Pizza Wholesale of Lexington, Incorporated	Bourbon	
Distilled Spirits Epicenter, LLC	Jefferson	
Extiel-Advantage, Somerset 1, LLC	Pulaski	

KEIA Projects		
Lakeshore Equipment Company dba Lakeshore Learning Materials	Woodford	Elizabeth Bishop / Michelle Elder

KBI Project (Preliminary) & KEIA Project		
Lakeshore Equipment Company dba Lakeshore Learning Materials	Woodford	Elizabeth Bishop / Michelle Elder
Lakeshore Equipment Company dba Lakeshore Learning Materials	Woodford	
Meggitt Aircraft Braking Systems Kentucky Corporation	Boyle	Brittany Cox / Debbie Phillips
Meggitt Aircraft Braking Systems Kentucky Corporation	Boyle	
Dameron Alloy Foundries, Inc.	Jefferson	James Kirk / Kate McCane
Dameron Alloy Foundries, Inc.	Jefferson	

KBI Projects (Preliminary)		
Chewy, Inc.	Jefferson	Annie Franklin / Debbie Phillips
Smiley Monroe, Inc.	Simpson	Annie Franklin / Michelle Elder
Bryant & Sons, Inc. dba Best Buds Botanicals	Barren	Corky Peek / Michelle Elder
Sumitomo Electric Wiring Systems, Inc.	Allen	Corky Peek / Michelle Elder

KBI Projects (Extension)		Michelle Elder
Duro Hilex Poly LLC	Boone	
Statewide Mortgage, LLC	Jefferson	
American Howa Kentucky, Inc.	Warren	
Bed Wood and Parts, LLC	Christian	
CTI - Clinical Trial Services, Inc.	Kenton	
Gibbs Die Casting Corporation	Henderson	
Gryphon Environmental, LLC	Daviess	
Lakeshore Equipment Company dba Lakeshore Learning Materials	Woodford	
The Recon Group Inc.	Franklin	

KBI Projects (Final)		Debbie Phillips
East Bernstadt Cooperage, LLC	Laurel	
Hafendorfer Machine, Inc.	Jefferson	
Ervin Cable Construction, LLC dba Ervin Cable Construction of Florida, LLC	Union	

Pioneer Plastics, Inc.	Webster
SMC, LLC	Jessamine

IEIA Projects (Extension) — Kylee Palmer

Lock 14 Hydro Partners, LLC	Lee
RCC Big Shoal, LLC	Pike

KSBTC — Tim Back

American Tire, Inc.	Nelson
Ben Byrne, LLC	Jefferson
Benjamin J. Byrne & Associates, LLC	Jefferson
EyeMax, PLLC	Fayette
Freedom Recycling, LLC	Kenton
Via Vitae Development, LLC	Fayette
Volta Inc.	Franklin

Closed Session

Adjournment

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING
July 25, 2019

MINUTES

Call to Order
The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EDT on July 25, 2019, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press
J. Don Goodin, Vice Chairman, received verification that the media had been notified of the KEDFA regular monthly board meeting.

Roll Call
Members Present: J. Don Goodin, Melinda Hill, proxy for Secretary William M. Landrum, III, Tucker Ballinger and Chad Miller

Staff Present: Tim Back, Jessica Burke, Sarah Butler, Brittany Cox, Martin David-Jacobs, Danielle Dunmire, Michelle Elder, Annie Franklin, Kate Greenwell, David Hamilton, Krista Harrod, Adam Houk, Craig Kelly, Jim Kirk, Zach Lawrence, Brandon Mattingly, Jason Neal, Kylee Palmer, Corky Peek, Erran Persley, Debbie Phillips, Vivek Sarin, Katie Smith and Teresa Spreitzer

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; David Smith and Alex Stafferini, Stoll Keenon Ogden; David Hahn, City of Erlanger; Billy Aldridge, Kentucky Finance and Administration Cabinet, Office of Financial Management; Bobby Lee, Heaven Hill Distilleries, Inc.; Josh Tubbs, Kentucky Lake Economic Development; Owen McNeill, Maysville-Mason County Industrial Development Authority; Joe Pfeffer, Mason County Judge Executive; Jacob Edmonds, Northern Kentucky Tri-ED; Heather Pierce, Paducah Economic Development; and Matt Zoellner, Scott, Murphy & Daniel

Approval of Minutes
Vice Chairman Goodin entertained a motion to approve the minutes from the June 27, 2019 regular KEDFA board meeting and executive session.

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

Approved/Undisbursed Report
Vice Chairman Goodin called on Kylee Palmer to review the approved/undisbursed report. After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports
Vice Chairman Goodin called on Krista Harrod to review the financial statements and monitoring reports. After review, the Authority accepted the statements and reports as presented.

Kentucky Business Investment (KBI) Project (Amendment)
Vice Chairman Goodin called on Katie Smith to present a KBI project amendment to the Authority.

El Toro.com, LLC
Jefferson County
Ms. Smith stated El Toro.com, LLC is a developer of unique technology for delivering digital ads to users browsing the Internet. The company received final approval on October 26, 2017 for a project to expand its headquarters in Louisville. Subsequent to the execution of the original Tax Incentive Agreement, the company increased the size and scope of the project and changed the project site to a larger leased facility in Louisville. To encourage the expanded growth and recognize the increased investment from $2,150,000 to $11,106,000, staff negotiated the following changes to the project: increased the tax incentive amount from $1,000,000 to $7,500,000 including an increase in the annual maximums, increased the job target from 60 to 400 and decreased the wage target from $35.00 to $30.00.

The company has not activated the project and requested an amendment to the Tax Incentive Agreement recognizing the changes to the project.

Staff recommended approval of the KBI amendment request.

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

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

Vice Chairman Goodin called on Craig Kelly to present the KEIA extension requests to the Authority.

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

Company	County	Extension
Four Roses Distillery LLC	Anderson	3 Month
International Crankshaft Inc.	Scott	3 Month
Catalent Pharma Solutions, LLC	Clark	6 Month
Fisher Auto Parts	Boone	6 Month
Kobe Aluminum Automotive Products LLC	Warren	6 Month
Kentucky Building Systems, LLC	Daviess	9 Month
Custom Resins, Inc.	Henderson	12 Month
HBC Radiomatic, Inc.	Boone	12 Month
Heritage Millworks LLC	Powell	12 Month
Jim Beam Brands Co.	Bullitt	12 Month

Staff recommended approval of the KEIA extension requests.

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

KEIA Projects

Vice Chairman Goodin called on staff to present the KEIA projects to the Authority.

Heaven Hill Distilleries, Inc. **Jim Kirk**
Nelson County **Kate Greenwell**
Jim Kirk stated Heaven Hill Distilleries, Inc. is the nation's second largest family-owned producer and marketer of distilled spirits. The company is considering an expansion to add a new bourbon barrel aging warehouse to increase its barrel storage capacity and aging operations.

Mr. Kirk introduced Bobby Lee and invited him to address the board regarding the project.

Kate Greenwell stated the project investment is $17,744,172 of which $9,759,294 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of $250,000 for construction materials and building fixtures.

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

Agri-Chem, LLC **Corky Peek**
Christian County **Michelle Elder**

Corky Peek stated Agri-Chem, LLC is a supplier of agricultural seed, fertilizer and chemicals. To become more competitive and efficient, the company is considering the consolidation of its office, warehouse and fertilizer facilities to one location in Christian County.

Michelle Elder stated the project investment is $5,212,550 of which $4,308,050 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of $100,000 for construction materials and building fixtures.

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

WKY Development, LLC d/b/a/
Oak Grove Gaming and Racing, LLC **Corky Peek**
Christian County **Michelle Elder**

Mr. Peek stated WKY Development, LLC was established in 2017 as a partnership between Churchill Downs Incorporated and Keeneland Association, Inc. The company is proposing the construction of a state-of-the-art, live and historical horse racing venue in Oak Grove.

Ms. Elder stated the project investment is $179,250,000 of which $104,194,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of $1,000,000 for construction materials and building fixtures.

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

Nucor Steel Gallatin LLC **Brittany Cox**
Gallatin County **Michelle Elder**

Brittany Cox stated Nucor Steel Gallatin LLC (Nucor), previously Gallatin Steel Company, is located on the Ohio River in Ghent, KY. The mill produces flat-rolled steel products with an annual capacity of approximately 1.8 million tons. Nucor is expanding its operations by adding additional melting capacity as well as expanding the pickle and galvanizing line.

Ms. Elder stated the project investment is $645,000,000 of which $28,000,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of $1,000,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

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

Atlas Air, Inc. **Brittany Cox**
Kenton County **Debbie Phillips**

Ms. Cox stated Atlas Air, Inc. (Atlas) is a global provider of outsourced aviation services. The company controls the world's largest fleet of freighter aircraft for cargo and passenger operations. Atlas is considering relocating its regional headquarters to Erlanger.

Debbie Phillips stated the project investment is $34,104,000 of which $22,524,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 593 with an average hourly wage of $43.00 including benefits. The state wage assessment participation is 3.00% and Kenton County will participate at 0.25% with the City of Erlanger participating at 0.75%. 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 located at Turfway Road, Florence, KY (approved company and approved affiliate employees) or 150 full-time, Kentucky resident employees (the base employment number required by a previous project with the approved affiliate). The company will be required to maintain 90% of the total statewide, full-time, Kentucky resident employees at all approved company and approved affiliate locations, excluding the site of the project, as of the date of preliminary approval. Only investment costs incurred by the approved company at Viox Drive, Erlanger, KY 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 job creation/maintenance and wage requirements will be satisfied collectively by the approved company and the affiliate, Southern Air, Inc. The company's affiliate, Southern Air, Inc., will be required to withdraw its project (#18999) from the KBI program prior to final approval of this KBI project. Incentives may only be claimed on employees of the approved company and approved affiliate located at the site of the project – Viox Drive.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of $15,000,000.

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

Wolf Steel U.S.A. Inc. **Brittany Cox**
Grant County **Debbie Phillips**

Ms. Cox stated Wolf Steel U.S.A. Inc. manufactures fireplaces, stoves, grills and accessories. The company is considering an expansion of its current facility by acquiring additional adjacent land, adding square footage to its manufacturing facility and improvements to its warehouse operations.

Ms. Phillips stated the project investment is $5,950,000 of which $3,500,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 30 with an average hourly wage of $19.00 including benefits. The state wage assessment participation is 3.00% and Grant County Fiscal Court will participate at 1.00%. 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 85 full-time, Kentucky resident employees (the base employment number required by a previous project).

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

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

PatienTech LLC **Annie Franklin**
Mason County **Debbie Phillips**
Annie Franklin stated PatienTech LLC develops and markets advanced medical, sleep and sports systems using proprietary and patented smart fabric technology. The company is considering a new manufacturing operation in Maysville.

Ms. Franklin introduced Owen McNeill and Joseph Pfeffer and invited them to address the board regarding the project.

Ms. Phillips stated the project investment is $1,775,000 of which $1,425,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 100 with an average hourly wage of $21.94 including benefits. The state wage assessment participation is 5.00%

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

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

Faneuil, Inc. **Jason Neal**
Fayette County **Michelle Elder**
Jason Neal stated Faneuil, Inc. provides outsourcing solutions like customer care, staffing, back office operations, as well as eligibility, and enrollment and case management. The company has clients in various industries including municipal, transportation, government healthcare, social programs, utilities and payer, provider and pharma. The project would include leasing a 45,376 square foot call center to meet growing demands.

Ms. Elder stated the project investment is $12,200,000 of which $7,200,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 450 with an average hourly wage of $17.00 including benefits. The state wage assessment participation is 1.50% and the Lexington-Fayette Urban County Government will participate at 0.50%.

After discussion, 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; Ms. Hill seconded the motion. Motion passed; unanimous.

RCCH PMDS, LLC **Jason Neal**
Scott County **Michelle Elder**
Mr. Neal stated RCCH PMDS, LLC opened in 2004 as a Revenue Cycle Management company and is currently expanding nationwide. The company is considering leasing a 20,000 sq foot building to support the new operational expansion.

Ms. Elder stated the project investment is $2,946,000 of which $1,650,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of $20.00 including benefits. The state wage assessment participation is 3.00% and the City of Georgetown will participate at 0.50% with Scott County Fiscal Court

participating at 0.50%. 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 $175,000.

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

Dippin' Dots, L.L.C. **Corky Peek**
McCracken County **Michelle Elder**

Mr. Peek stated Dippin' Dots, L.L.C. was founded in 1988 as a cryogenically frozen ice cream manufacturing company in Paducah. The company has secured a new contract with a meatless burger company and is considering purchasing a 6,000 sq. ft. building and equipment to produce the ingredients for this product.

Ms. Elder stated the project investment is $3,300,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 28 with an average hourly wage of $19.00 including benefits. The state wage assessment participation is 5.00%. The company will be required to maintain 90% of the total countywide 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.

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

Holley Performance Products, Inc. **Corky Peek**
Warren County **Michelle Elder**

Mr. Peek stated Holley Performance Products, Inc. is a leading manufacturer and marketer of specialty products for the racing and performance segment of the automotive aftermarket. The company needs more warehouse space and is considering relocating to a larger facility in Bowling Green.

Ms. Elder stated the project investment is $4,915,940 of which $2,887,970 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 30 with an average hourly wage of $16.00 including benefits. The state wage assessment participation is 3.00% and the City of Bowling Green will participate at 1.00%. The company will be required to maintain a base employment equal to the sum of all Warren County operations full-time, Kentucky resident employees as of the date of preliminary approval plus the greater of the number of full-time, Kentucky resident employees at the Simpson County facility as of preliminary approval or 50 full-time, Kentucky resident employees (the base employment number required by a previous project). The project will include multiple locations within the City of Bowling Green. Only investment costs incurred at 442 Century Street will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of $450,000.

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

Kentucky Bio Science International, LLC **Corky Peek**
Warren County **Michelle Elder**

Mr. Peek stated Kentucky Bio Science International, LLC is a newly formed company intending to grow, harvest and dry hemp, as well as extract the oils and isolates in-house. The company is considering purchasing and renovating a 181,300 sf property in Bowling Green as well as purchasing lab and processing equipment.

Ms. Elder stated the project investment is $23,600,000 of which $9,120,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 46 with an average hourly wage of $28.00 including benefits. The state wage assessment participation is 3.00% and the City of Bowling Green will participate at 1.00%.

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

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

MegaFit Meals, LLC **Corky Peek**
Marshall County **Michelle Elder**

Mr. Peek stated MegaFit Meals, LLC is an USDA certified meal prep company that prepares fresh cooked, healthy meals and ships packages all across the United States. The company is considering constructing a new facility in order to meet the company's rapid growth.

Ms. Elder stated the project investment is $2,925,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of $15.00 including benefits. The state wage assessment participation is 5.00%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

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

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

Resonate Foods Limited Liability Company **Corky Peek**
Lyon County **Michelle Elder**

Mr. Peek stated Resonate Foods Limited Liability Company is a grower and processor of hemp. After a successful harvest last year, the company is considering the addition of a craft processing facility which would include greenhouses, industrial dryers and dehumidifiers as well as a processing lab.

Ms. Elder stated the project investment is $1,620,640, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 16 with an average hourly wage of $25.00 including benefits. The state wage assessment participation is 5.00%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of $375,000.

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

Taz Trucking, Inc. **Corky Peek**
Warren County **Michelle Elder**

Mr. Peek stated Taz Trucking, Inc. provides trucking and transportation services to its clients. The company needs to make improvements to its shop and purchase new equipment in order to expand and remain competitive in the trucking industry.

Ms. Elder stated the project investment is $550,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 27 with an average hourly wage of $17.00 including benefits. The state wage assessment participation is 3.00% and Warren County will participate at 1.00%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

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

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

KBI Projects (Extension)

Vice Chairman Goodin called on Ms. Elder to present the KBI extension requests to the Authority.

Ms. Elder stated five companies requested additional time to complete the projects. Ms. Elder asked that all five be presented as one motion.

Company	County	Extension
Thorntons Inc.	Jefferson	6 Month
Beam Technologies LLC	Boone	12 Month
Jacobs & Thompson Ltd.	Greenup	12 Month
Meredith Machinery, LLC	Jefferson	12 Month
Patriot Brands LLC	Henry	12 Month

Staff recommended approval of the KBI extension requests.

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

KBI Projects (Final)

Vice Chairman Goodin called on Ms. Phillips to present the KBI final projects to the Authority.

Ms. Phillips stated two companies requested KBI final approval, both of which have modifications since preliminary approval. Ms. Phillips asked that both projects be presented as one motion.

Inplast Industries USA, LLC dba
Plasticon Industries Kentucky, LLC Grayson Manufacturing
The project will no longer include multiple locations. All other aspects of the project remain the same.

Holley Preformance Products, Inc. Simpson Manufacturing
The investment increased from $9,150,000 to $9,350,000; the eligible costs increased from $4,950,000 to $5,350,000; the job target increased from 30 to 50 and the total negotiated tax incentive amount increased from $600,000 to $800,000. All other aspects of the project remain the same.

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

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

Kentucky Small Business Tax Credit (KSBTC) Projects

Vice Chairman Goodin called on Tim Back to present the KSBTC projects to the Authority.

Mr. Back stated there are three Kentucky small businesses, from three counties with qualifying tax credits of $49,000. The three businesses created 14 jobs and invested $104,006 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
EEMSCO, Inc.	Henderson	1	1	$ 30.00	$ 10,000	$ 3,500
Motus Freight, LLC	Campbell	8	7	$ 34.85	$ 64,153	$ 24,500
Pinnacle, Inc.	Marshall	40	6	$ 19.83	$ 29,853	$ 21,000

Staff recommended approval of the tax credits.

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

Other Business

Quarterly Report - Kentucky Small Business Credit Initiative (KSBCI)

Vice Chairman Goodin called on Ms. Palmer to review the KSBCI Quarterly Funding Report for the period ending June 30, 2019. After review, the Authority accepted the report as presented.

Quarterly Report – Letter Amendment / Resolution

Vice Chairman Goodin called on Jessica Burke to review the Quarterly Amendment Report ending June 30, 2019.

Ms. Burke stated the Bylaws of the Board of Directors of KEDFA grant authority to the Commissioner of the Department for Financial Services to effectuate minor changes or modifications to existing agreements with approved companies that do not substantively modify contract terms.

Ms. Burke noted that the following amendment has been executed:

KEIA
Kentucky Owl, LLC
Letter Amendment to the KEIA Tax Incentive Agreement dated October 26, 2017, for Kentucky Owl, LLC, due to a company name change from Strigiformes, LLC, effective as of September 25, 2017.

Staff recommended the Authority accept the amendment report and adopt the resolution to ratify the amendment.

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

Adjournment

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

Mr. Miller moved to adjourn the July 2019 KEDFA board meeting; Mr. Ballinger seconded the motion. Motion passed; unanimous.

The meeting adjourned at 10:42 a.m.

APPROVED
PRESIDING OFFICER:

Jean R. Hale, Chairman

KEDFA APPROVED AND NOT DISBURSED
7/31/2019

Approved and Undisbursed KEDFA Projects

Applicant	Form #	County	Date Approved	Commitment Expires	Project Amount
KEDFA LOANS					
None					
KEDFA GRANTS					
Corbin Tri-County Joint Industrial Development Authority	22283	Knox	Oct-15	Oct-21	$381,774
SMALL BUSINESS LOANS					
None					
TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)					**$381,774**

Approved and Partially Disbursed KEDFA Projects

Applicant	Form #	County	Date Approved	Closing Date	Project Amount	Disbursed to Date	Remaining Balance
KEDFA GRANTS							
Louisville/Jefferson County Metro Government (Restaurant Supply Chain Solutions)	21636	Jefferson	May-17	Jun-20	$500,000	($375,000)	$125,000
Louisville/Jefferson County Metro Government (Res-Care, Inc.)	21990	Jefferson	Jan-18	Dec-22	$500,000	($100,000)	$400,000
TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)							**$525,000**

TOTAL KEDFA APPROVED AND NOT DISBURSED	**$906,774**

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

STATEMENT OF NET POSITION

7/31/2019

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 7/31/19	OOE 7/31/19	COMBINED 7/31/19
ASSETS						
Cash & Accounts Receivable						
Operating Account	188,915.10	0.00	0.00	188,915.10	0.00	*188,915.10*
Cash	823,853.99	17,256,730.16	408,566.08	18,489,150.23	0.00	*18,489,150.23*
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	2,862,607.02	*2,862,607.02*
High Tech LGEDF Pool	0.00	0.00	0.00	0.00	4,043.88	*4,043.88*
Investment Account	0.00	0.00	0.00	0.00	0.00	*0.00*
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	*0.00*
Intergovernment Receivable	906,774.00	0.00	0.00	906,774.00	348,006.21	*1,254,780.21*
Total Cash & Accounts Receivable	**1,919,543.09**	**17,256,730.16**	**408,566.08**	**19,584,839.33**	**3,352,157.11**	***22,936,996.44***
Accrued Interest Receivable						
Loans	23,253.54	1,039.51	0.00	24,293.05	0.00	*24,293.05*
Investments	1,615.15	28,970.49	686.36	31,272.00	0.00	*31,272.00*
Total Accrued Interest Receivable	**24,868.69**	**30,010.00**	**686.36**	**55,565.05**	**0.00**	***55,565.05***
Notes Receivable						
Loans Receivable	18,094,034.20	1,253,833.57	0.00	19,347,867.77	0.00	*19,347,867.77*
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,434,722.43)	0.00	*(1,434,722.43)*
Total Notes Receivable	**18,094,034.20**	**1,253,833.57**	**0.00**	**17,913,145.34**	**0.00**	***17,913,145.34***
TOTAL ASSETS	***20,038,445.98***	***18,540,573.73***	***409,252.44***	***37,553,549.72***	***3,352,157.11***	***40,905,706.83***
DEFERRED OUTFLOWS OF RESOURCES:						
Deffered Outflows Pension				***1,893,000.00***	***0.00***	***1,893,000.00***
Deffered Outflows OPEB				***455,000.00***	***0.00***	***455,000.00***
LIABILITIES						
Accrued Salaries & Compensated Absences				**351,752.04**	**0.00**	***351,752.04***
Accounts Payable				**0.00**	**0.00**	***0.00***
Intergovernment Payable						***0.00***
Grants Payable				**0.00**	**0.00**	***0.00***
Pension Liability				**9,480,000.00**	**0.00**	***9,480,000.00***
OPEB Liability				**1,650,000.00**	**0.00**	***1,650,000.00***
TOTAL LIABILITIES				***11,481,752.04***	***0.00***	***11,481,752.04***
DEFERRED INFLOWS OF RESOURCES						
Deffered Inflows Pension				***133,000.00***	***0.00***	***133,000.00***
Deffered Inflows OPEB				***147,000.00***	***0.00***	***147,000.00***
NET POSITION						
Beginning Balance				**28,504,109.74**	**3,352,157.11**	***31,856,266.85***
Current Year Undivided Profits				**(364,312.06)**	**0.00**	**(364,312.06)**
TOTAL NET POSITION				***28,139,797.68***	***3,352,157.11***	***31,491,954.79***

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 July 31, 2019

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2019-2020 YEAR TO DATE	*FY 2018-2019 YEAR TO DATE*
Operating Revenues - KEDFA						
Interest Income/Loans	15,781.29	2,108.09	0.00	0.00	17,889.38	*220,273.44*
Interest Income/ Investments	1,615.15	28,970.49	686.36	0.00	31,272.00	*353,358.85*
Late Fees	0.00	0.00	0.00	0.00	0.00	*419.84*
Application Fees	9,955.00	0.00	0.00	0.00	9,955.00	*467,543.05*
Miscellaneous Income	477.03	0.00	0.00	0.00	477.03	*5,362.28*
Total Operating Revenues - KEDFA	27,828.47	31,078.58	686.36	0.00	59,593.41	*1,046,957.46*
Operating Expenses - KEDFA						
Salaries	138,572.61				138,572.61	*1,106,665.14*
Employee benefits	152,436.03				152,436.03	*1,081,710.88*
Pension Liability Adjustment	0.00				0.00	*302,000.00*
OPEB Liability Adjustment	0.00				0.00	
Other Personnel Costs	0.00				0.00	*0.00*
Contracted Personal Services	7,896.83				7,896.83	*135,564.16*
Utilities and Heating Fuels	0.00				0.00	*0.00*
Rentals	0.00				0.00	*0.00*
Maintenance and Repairs	0.00				0.00	*0.00*
Postage and Related Services	0.00				0.00	*10.71*
Telecommunications	0.00				0.00	*0.00*
Computer Services	0.00				0.00	*1,400.00*
Supplies	0.00				0.00	*0.00*
Miscellaneous Services	0.00				0.00	*32.00*
Travel	0.00				0.00	*4,600.02*
Miscellaneous Commodities	0.00				0.00	*620.00*
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	298,905.47	0.00	0.00	0.00	298,905.47	*2,632,602.91*
Income (Loss) from Operations - KEDFA	(271,077.00)	31,078.58	686.36	0.00	(239,312.06)	*(1,585,645.45)*
Non-Operating Revenues (Expenses) - KEDFA						
Operating Transfer Out - General Fund	0.00				0.00	*0.00*
Operating Transfer Out - BSSC					0.00	*0.00*
Operating Transfer Out - Secretary's Office					0.00	*0.00*
Operating Transfer Out - New Business	0.00				0.00	*0.00*
Transfer Due from Bonds					0.00	*381,774.00*
Transfer Due from KSBCI	0.00				0.00	*0.00*
Grants Disbursed	(125,000.00)				(125,000.00)	*(1,564,808.79)*
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
Total Non-Operating Revenues (Expenses) -	(125,000.00)	0.00	0.00	0.00	(125,000.00)	*(1,183,034.79)*
CHANGE IN NET POSITION - KEDFA	(396,077.00)	31,078.58	686.36	0.00	(364,312.06)	*(2,768,680.24)*
Operating Revenues (Expenses) - OOE						
Interest Income - Loans				0.00	0.00	*0.00*
Misc Income				0.00	0.00	*(30.44)*
Disbursements: Projects (Note 1)				0.00	0.00	*(130,123.96)*
Repayments received from Projects				0.00	0.00	*0.00*
Non-Operating Revenues (Expenses) - OOE						
Operating Transfer in - OOE					0.00	*100,000.00*
Transfer Due from Bonds				0.00	0.00	*0.00*
Operating Transfer Out - OOE				0.00	0.00	30.44
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00	0.00	0.00	*(30,123.96)*
CHANGE IN NET POSITION - COMBINED	(396,077.00)	31,078.58	686.36	0.00	(364,312.06)	*(2,798,804.20)*

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
7/31/2019

	7/31/2018	7/31/2019
Fund A Cash Balance	$2,306,772.10	$823,853.99
Less: Approved/Undisbursed		
Total Unobligated Balance	**$2,306,772.10**	**$823,853.99**
2003 Bond Fund Cash Balance	$16,514,727.82	$17,256,730.16
Less: Approved/Undisbursed	(2,208,049.00)	(906,774.00)
Total Unobligated Balance	**$14,306,678.82**	**$16,349,956.16**
Small Business Loan Fund Cash Balance	$400,997.45	$408,566.08
Less: Approved/Undisbursed		
Total Unobligated Balance	**$400,997.45**	**$408,566.08**
Bond Funds to be Provided for Loans		
Less: Approved/Undisbursed		
Total Unobligated Balance	**$0.00**	**$0.00**
Budget: Cash to be Transferred to Other CED Programs for	**$0.00**	**$0.00**
CASH AVAILABLE	**$17,014,448.37**	**$17,582,376.23**
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	$2,990,737.19	$2,862,607.02
Less: Approved/Undisbursed	($743,034.00)	($977,910.00)
LGEDF Pool	$4,043.88	$4,043.88
Less: Approved/Undisbursed	$0.00	$0.00
Bond Funds to be Provided for Approved Projects	$250,000.00	$348,006.21
Bond Funds Available for Projects		
Total Unobligated Balance	**$2,639,247.07**	**$2,374,247**
TOTAL ALL FUNDS	**$19,653,695.44**	**$19,956,623.34**

Kentucky Enterprise Initiative Act (KEIA) Projects
Fiscal 2018

KEDFA Meeting date	8/29/2019
Total Projects Approved Fiscal Year-to-Date	4
Number of Proposed Projects for Current Month	4

Construction Materials and Building Fixtures

Fiscal Year Cap	$20,000,000
Approved Fiscal Year-to-Date	$2,350,000
Committed Amount	$0
Balance Available for Current Month	$17,650,000
Proposed Approval for Current Month	$830,000
Balance Available for Remainder of Fiscal Year	$16,820,000

Research & Development and Electronic Processing Equipment, Flight Simulation Equipment

Fiscal Year Cap	$5,000,000
Approved Fiscal Year-to-Date	$0
Committed Amount	$0
Balance Available for Current Month	$5,000,000
Proposed Approval for Current Month	$300,000
Balance Available for Remainder of Fiscal Year	$4,700,000

KBI Summary

Updated August 15, 2019

Fiscal Year End Reporting

		Jobs			Wages		
Year	Number of Projects	Jobs Reported	Job Target	% Achieved	Averge Wage Reported	Wage Target	% Achieved
2010	1	40	51	78%	$11.42	$11.00	104%
2011	5	269	257	105%	$35.00	$28.90	121%
2012	18	1,264	1,154	110%	$25.30	$23.23	109%
2013	58	5,908	5,395	110%	$24.85	$23.35	106%
2014	94	10,024	9,525	105%	$24.85	$22.98	108%
2015	142	14,595	13,113	111%	$25.40	$22.38	113%
2016	192	21,000	18,528	113%	$24.92	$21.68	115%
2017	227	24,729	20,918	118%	$26.67	$22.06	121%
2018	196	20,180	15,562	130%	$25.55	$20.97	122%
2019	28	2,396	1,440	166%	$26.21	$19.99	131%

Annual Maximums and Incentives Claimed

Year	Approved Annual Maximum	Earned Annual Maximum	Incentives Claimed*	Utilization Rate
2010-2012**	$5,182,833	$4,914,663	$2,104,094	43%
2013	$15,611,951	$13,992,639	$6,601,085	47%
2014	$27,405,836	$23,759,875	$13,131,631	55%
2015	$45,896,940	$39,276,598	$18,084,965	46%
2016	$40,249,248	$35,315,955	$19,923,814	56%
2017	$43,331,201	$37,235,277	N/A	N/A
2018	$47,715,951	$41,234,206	N/A	N/A
2019	$33,760,954	$30,226,147	N/A	N/A
Grand Total	$259,154,913	$225,955,359	$59,845,588	

- The Commonwealth provided $2,420 of incentives per new job reported based on total actual incentives claimed through 2016 and actual jobs reported in 2017.
- Based on actual jobs and wages reported in 2017 by companies approved to claim incentives, the estimated payroll for new, full-time Kentucky resident jobs is approximately $1.4 billion. This equated to $22.92 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

August 2019

Project	County	Approval Date	Exit Date	Program
Kentucky Building systems, LLC	**Daviess**	**07/30/2015**	**07/31/2019**	**KBI**
Company withdrew from the KBI Program per an email dated 8/18/2019.				
Superb IPC, LLC	**Shelby**	**07/28/2016**	**07/31/2019**	**KBI**
Several attempts to contact the Company with no response. Project expired on 7/31/2019.				
Southeast Solutions, Inc.	**Laurel**	**07/27/2017**	**07/31/2019**	**KBI**
Several attempts to contact the Company with no response. Project expired on 7/31/2019.				

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
TIF REPORT - PRELIMINARY APPROVAL

Date: August 29, 2019
Applicant: City of Paducah, Finance Department
Project Name: Paducah Downtown Riverfront Redevelopment Project
City: Paducah **County:** McCracken
Program Type: Mixed-Use Redevelopment in Blighted Urban Areas
TIF Term: 20 years **DFS Staff:** Kylee Palmer

Project Description: The City of Paducah, along with its county and regional partners, plan to redevelop 315 acres of Paducah's downtown riverfront to attract new tourism, recreation, and economic development opportunities. The TIF District includes approximately 200 acres of city-owned lands underwater to support water dependent uses and shoreline improvements, and approximately 115 acres of upland mixed-use redevelopment and public infrastructure investment. The Project will increase capacity for downtown visitors while creating a more welcoming environment offering a variety of entertainment options and attractions. The reimagined riverfront will further enhance the attractiveness of Paducah as a site to host a variety of events, and the additional boating capacity will allow for more out-of-town boating traffic to dock downtown. The overall environment is expected to make Paducah a more attractive location for businesses and their employees.

The Project is expected to include additional hotel rooms, restaurants, retail stores, conference and event space with supportive food services, a museum, a reimagined art house/theatre, and manufacturing/processing space.

The proposed development is expected to include:
- 100-room limited service hotel (80,000 square feet)
- 47 boutique hotel rooms (28,215 square feet)
- 266,540 square feet of residential (204 units)
- 77,653 square feet of restaurant/entertainment space
- 34,075 square feet of retail space
- 130,000 square feet of manufacturing space
- 42,540 square feet of public building
- Public infrastructure improvements
- Surface lot parking

Total estimated cost of the project is approximately $156.3 million, excluding financing.

Construction is expected to begin in 2020 with completion in 2025.

Certification: Brandi Harless, Mayor of the City of Paducah and Craig Clymer, County Judge Executive, have both certified that the Paducah Downtown Riverfront Redevelopment Project is not reasonably expected to be developed without public assistance, including but not limited to tax increment financing.

Impact: This Project could generate significant new economic impact to the area and the Commonwealth. The applicant estimates that during construction, the Project will have an effect of $258.9 million and support an estimated 1,935 jobs. After the Project is complete, the applicant estimates that over 20 years, it will support a total economic impact of $1.9 billion and 1,169 full-time jobs. The Project could generate a total impact occurring within the anticipated development area of $95.9 million of state tax revenues and $19.8 million of local tax revenues.

Public Infrastructure: Infrastructure costs total approximately $56.4 million:

- Land preparation
- Public buildings/structures
- Sewers/storm drainage
- Curbs, sidewalks, promenades and pedways
- Roads
- Street lighting
- Provision of utilities
- Environmental remediation
- Public space or parks
- Parking
- Public landings
- Fountains, benches and sculptures
- Riverbank modifications and improvements

Preliminary Approval: By granting preliminary approval, KEDFA would enable staff to begin working with the Office of State Budget Director and the Office of Financial Management to create criteria for which a consultant would review the project feasibility including financing, appropriateness for the use of the TIF program and potential increments, and whether the project represents a net positive impact to the Commonwealth.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KJRA REPORT - APPROVAL OF SUPPLEMENTAL PROJECT

Date: August 29, 2019
Preliminary Approval: June 28, 2007
Final Approval: November 20, 2007
Activation Date: December 9, 2010
Approved Company: Ford Motor Company
City: Louisville
County: Jefferson
Activity: Manufacturing
Supplemental Res #: KJRA-F-16-16741-S5
Bus. Dev. Contact: E. Persley
OFS Staff: D. Phillips

Project Description:
Ford Motor Company is requesting approval to amend its Jobs Retention Agreement with its existing Kentucky Truck Plant and Louisville Assembly Plant project locations to include a fifth supplemental project. The additional investment involves equipment and facility upgrades as well as modernization actions to support improved efficiency standards and increase competitiveness. The majority of the investment is designated for product upgrades at the Louisville Assembly Plant, specifically the all-new Ford Escape and Lincoln derivative. The investment includes major product upgrades to the Escape, including a hybrid and plug-in hybrid option. The upgrade will also include a number of new safety features including standard automatic emergency braking, road departure warning, pre-collision assist and lane change warning.

5th Supplemental Project Costs	**Eligible Costs**	**Total Investment**
Building (new construction/acquisition/additions)	$11,250,000	$15,000,000
Equipment (including installation costs)	$401,250,000	$535,000,000
Total 5th Supplemental Project Costs	**$412,500,000**	**$550,000,000**

Original, 1st, 2nd, 3rd and 4th Supplemental Project Costs	$2,400,000,000
TOTAL KJRA PROJECT COSTS	**$2,950,000,000**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Current number of full-time employees	Year	Previous Job Target (90% required)	REVISED Job Target (90% required)	Annual Approved Cost Limitation
	Previously Earned			$240,000,000
	12/31/2018	11,200	11,200	Included above
	12/31/2019	11,200	12,000	$25,000,000
	12/31/2020	11,200	12,000	$25,000,000
	12/31/2021	11,200	12,000	$25,000,000
12,070	12/31/2022	N/A	12,000	$15,000,000
	12/31/2023	N/A	12,000	$15,000,000
	12/31/2024	N/A	12,000	$10,000,000

(Note: Current and anticipated jobs do not include variable and contract workers)

Average total hourly compensation for existing jobs: $26.00
Anticipated average total hourly compensation for new jobs: N/A

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$355,000,000**

Other Conditions/Requirements:

1) Total cumulative investment of $2,950,000,000 in the Kentucky Truck Plant and Louisville Assembly Plant to be achieved by December 31, 2021. If the investment is less than projected, the Total Negotiated Tax Incentive Amount will be reduced to equal 12.1% of the total cumulative investment.

2) Investment of $550,000,000 in the Kentucky Truck Plant and Louisville Assembly Plant related to the fifth supplemental project is required to be achieved by December 31, 2021. If the investment is less than projected, the Total Negotiated Tax Incentive Amount will be reduced proportionately. Since the fourth supplement project investment was achieved on March 31, 2018, expenditures for the fifth supplemental project may begin on April 1, 2018.

3) The term of the Agreement matures on January 31, 2025 (previously January 31, 2022).

4) The state wage assessment is 4%. Louisville-Jefferson County Metro Government supports the project and will contribute 1% of its local occupational tax.

5) The company will be subject to automatic reduction of available incentives for the succeeding fiscal year upon failure to achieve ninety percent (90%) of the job target in any year of the agreement term. The maximum annual incentive for the fiscal year following the year in which the company achieves less than 90% of the job target shall be reduced to the percentage of job target achieved for the prior fiscal year. The company may receive the amount of incentives in subsequent years if the company achieves 90% of the job target in future years.

6) The company will also be subject to suspension of claiming incentives for the succeeding fiscal year upon failure to achieve a job retention requirement of 10,000 full-time employees in any year of the agreement term after December 31, 2018. The amount not claimed during the suspension may be used as a carryforward amount in future years once compliance is confirmed.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Director
Compliance Division

DATE: August 29, 2019

SUBJECT: KJDA Amendment
Tier 1 Performance Solutions, LLC, Covington (Kenton County)
KJDA Project #15644

The company has notified the Authority that the original lessor to the agreement has assigned its entire right, title and interest in the leased site to Technology Towers, LLC. As such, the company has requested that the agreement be amended to release the original lessor from the agreement and to add the new lessor as a party to the agreement. Further, the company has requested that its approved affiliate, Tier1 Government Solutions, LLC, be removed from the agreement as the affiliate is no longer active.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Director
Compliance Division

DATE: August 29, 2019

SUBJECT: KBI Amendment
Berry Global Films, LLC, (Warren County)
KBI Project # 19113

Due to merger, AEP Industries, Inc. is requesting an Amended and Restated Incentive Agreement for an assignment of the KBI project to reflect Berry Global Films, LLC retroactively to January 20, 2017. The fiscal year end changed to September 30 as well. All other aspects of the agreement remain the same.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board

FROM: Robert Aldridge, Director
Compliance Division

DATE: August 29, 2019

SUBJECT: KBI Amendment
Engi-Mat Co. (Fayette County)
Project #18031

On July 26, 2012, KEDFA granted Final Approval to nGimat, LLC, a Kentucky limited liability company (nGimat), to assist with the leasing, equipping and upfit of a new service and technology facility in Fayette County. The project activated on July 26, 2014. Effective on January 1, 2019, nGimat merged with and into Engi-Mat Co., a Delaware corporation. Company representatives have requested that Engi-Mat Co. be designated as the Approved Company under the Program. All other aspects of the project remain the same.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Michelle Elder
Incentives Administration Division

DATE: August 29, 2019

SUBJECT: Braidy Atlas, LLC – Boyd and Greenup County
KBI Modification – KBI-I-17-21584

Braidy Industries, Inc. was given preliminary approval on April 26, 2017 for a project consisting of an approximate 2,345,000 square foot manufacturing facility in South Shore, Greenup County to establish an eco-friendly and technically advanced aluminum mill. The project was approved for up to $10,000,000 in KBI incentives.

Braidy Industries, Inc. has organized Braidy Atlas, LLC as a wholly-owned single-member Delaware limited liability company effective August 3, 2018. The approved company will now be Braidy Atlas, LLC and the project will now be located in Greenup, KY, which is in Boyd and Greenup Counties.

All other aspects of the project remain the same. Staff recommends approval of the modifications for this project.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Director
Compliance Division

DATE: August 29, 2019

SUBJECT: KEIA Amendment
Braidy Atlas, LLC (Boyd and Greenup County)
KEIA Project # 21638

Braidy Industries, Inc. has organized Braidy Atlas, LLC as a wholly-owned single-member Delaware limited liability company effective August 3, 2018. Braidy Industries, Inc. is requesting that the KEIA Agreement, dated June 29, 2017 be amended to transfer the Agreement, and all rights, obligations, and privileges thereunder, to Braidy Atlas, LLC which is located in Greenup, KY which is in Boyd and Greenup Counties.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Director
Compliance Division

DATE: August 29, 2019

SUBJECT: KEIA Amendment
Braidy Atlas, LLC (Boyd and Greenup County)
KEIA Project # 21977

Braidy Industries, Inc. has organized Braidy Atlas, LLC as a wholly-owned single-member Delaware limited liability company effective August 3, 2018. Braidy Industries, Inc. is requesting that the KEIA Agreement, dated January 25, 2018 be amended to transfer the Agreement, and all rights, obligations, and privileges thereunder, to Braidy Atlas, LLC which is located in Greenup, KY which is in Boyd and Greenup Counties.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Director
Compliance Division

DATE: August 29, 2019

SUBJECT: KEIA Extensions

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

Company	County	Extension
United Dairy Farmers, Inc.	Kenton	2 Months
Pizza Wholesale of Lexington, Incorporated	Bourbon	3 Months
Distilled Spirits Epicenter, LLC	Jefferson	12 Months
Extiel-Advantage, Somerset 1, LLC	Pulaski	12 Months

Staff recommends approval.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT

Date: August 29, 2019
Approved Company: Lakeshore Equipment Company dba Lakeshore Learning Materials
City: Midway **County:** Woodford
Activity: Service & Technology **Resolution #:** KEIA-20-22707
Bus. Dev. Contact: E. Bishop **DFS Staff:** M. Elder

Project Description: Founded in 1954, Lakeshore Learning Materials is the leading U.S. developer of educational materials and classroom furniture & supplies. Over the last decade, Lakeshore's business has grown at a remarkable rate and its site in Midway is already nearing capacity. The company is considering retrofitting its existing location to help meet customer demand.

Facility Details: Expanding existing operations

Anticipated Project Investment	**Eligible Costs**	**Total Investment**
Land	$0	$0
Building Construction	$2,275,450	$2,775,450
Electronic Processing Equipment	$0	$0
Research & Development Equipment	$0	$0
Flight Simulation Equipment	$0	$0
Other Equipment	$0	$150,000
Other Start-up Costs	$0	$0
TOTAL	**$2,275,450**	**$2,925,450**

Ownership (20% or more):

Michael Kaplan Hermosa Beach, CA
Charles Kaplan Santa Monica, CA

Other State Participation:

Date	Program	Status	Amount
Aug 25, 2016	KBI	Approve/Prelim	$3,700,000
Aug 25, 2016	EDF	Approve/Final	$1,400,000
Oct 27, 2016	LIRB	Approve/Final	$50,000,000

Unemployment Rate:

County: 3.4% Kentucky: 4.9%

Existing Presence in Kentucky:

Woodford County

Approved Recovery Amount:

Construction Materials and Building Fixtures: $100,000

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

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: August 29, 2019
Approved Company: Lakeshore Equipment Company dba Lakeshore Learning Materials
City: Midway **County:** Woodford
Activity: Service & Technology **Prelim Resolution #:** KBI-I-19-22705
Bus. Dev. Contact: E. Bishop **DFS Staff:** M. Elder

Project Description: Founded in 1954, Lakeshore Learning Materials is the leading U.S. developer of educational materials and classroom furniture & supplies. Over the last decade, Lakeshore's business has grown at a remarkable rate and its site in Midway is already nearing capacity. The company is considering adding an additional 500,000 square foot distribution location to meet customer demand.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned	**Eligible Costs**	**Total Investment**
Land	$1,500,000	$1,500,000
Building/Improvements	$21,000,000	$21,000,000
Equipment	$2,000,000	$3,954,400
Other Start-up Costs	$1,116,000	$1,116,000
TOTAL	**$25,616,000**	**$27,570,400**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	100	$19.00	
1	100	$19.00	$115,000
2	100	$19.00	$115,000
3	100	$19.00	$115,000
4	100	$19.00	$115,000
5	100	$19.00	$115,000
6	100	$19.00	$115,000
7	100	$19.00	$115,000
8	100	$19.00	$115,000
9	100	$19.00	$115,000
10	100	$19.00	$115,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$1,150,000**

Incentive Type:
Other

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

Ownership (20% or more):
Michael Kaplan Hermosa Beach, CA
Charles Kaplan Santa Monica, CA

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: .5% Woodford County Fiscal Court/.5% City of Midway

Unemployment Rate:
County: 3.4% Kentucky: 4.9%

Existing Presence in Kentucky:
Woodford County

Special Conditions:
The project will include multiple locations within Midway/Woodford County. Only investment costs incurred at an address to be determined within Woodford County 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 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 262 *(base employment number required by previous project #21213)* full-time, Kentucky resident employees.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT

Date: August 29, 2019
Approved Company: Lakeshore Equipment Company dba Lakeshore Learning Materials
City: Midway **County:** Woodford
Activity: Service & Technology **Resolution #:** KEIA-20-22706
Bus. Dev. Contact: E. Bishop **DFS Staff:** M. Elder

Project Description: Founded in 1954, Lakeshore Learning Materials is the leading U.S. developer of educational materials and classroom furniture & supplies. Over the last decade, Lakeshore's business has grown at a remarkable rate and its site in Midway is already nearing capacity. The company is considering adding an additional 500,000 square foot distribution location to meet customer demand.

Facility Details: Locating in a new facility

Anticipated Project Investment	**Eligible Costs**	**Total Investment**
Land	$0	$1,500,000
Building Construction	$12,600,000	$21,000,000
Electronic Processing Equipment	$954,400	$954,400
Research & Development Equipment	$0	$0
Flight Simulation Equipment	$0	$0
Other Equipment	$0	$3,000,000
Other Start-up Costs	$0	$1,116,000
TOTAL	**$13,554,400**	**$27,570,400**

Approved Recovery Amount:

Construction Materials and Building Fixtures:	$600,000
R&D and/or Electronic Processing Equipment:	$50,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$650,000**

See KBI file (KBI-I-19-22705) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: August 29, 2019
Approved Company: Meggitt Aircraft Braking Systems Kentucky Corporation
City: Danville **County:** Boyle
Activity: Manufacturing **Prelim Resolution #:** KBI-ID-19-22680
Bus. Dev. Contact: B. Cox **DFS Staff:** D. Phillips

Project Description: Meggitt Aircraft Braking Systems Kentucky Corporation manufactures carbon brakes for commercial and military aircraft. The company is considering a 95,000 s.f. expansion to its furnace operations at its existing facility in Danville. The project would also include the purchase of 11 carbon furnaces, related equipment and upgrades to existing equipment.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned	**Eligible Costs**	**Total Investment**
Land	$0	$0
Building/Improvements	$21,895,000	$21,895,000
Equipment	$60,785,000	$60,785,000
Other Start-up Costs	$0	$0
TOTAL	**$82,680,000**	**$82,680,000**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	26	$18.00	
1	54	$18.00	$25,000
2	83	$18.00	$75,000
3	83	$18.00	$100,000
4	83	$18.00	$100,000
5	83	$18.00	$100,000
6	83	$18.00	$100,000
7	83	$18.00	$100,000
8	83	$18.00	$100,000
9	83	$18.00	$100,000
10	83	$18.00	$100,000
11	83	$18.00	$100,000
12	83	$18.00	$100,000
13	83	$18.00	$100,000
14	83	$18.00	$100,000
15	83	$18.00	$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$1,400,000**

Incentive Type:
Enhanced

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

Ownership (20% or more):
MABS-Akron - Akron, OH

Active State Participation at the project site:

Date	Program	Status / Jobs Required	Amount
Jun 29, 2017	KBI	Monitor/293	$3,450,000
Oct 25, 2012	KBI	Monitor/63	$2,000,000

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate:
County: 5.6%
Kentucky: 4.9%

Existing Presence in Kentucky:
Boyle County

Special Conditions:
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 293 *(base employment number required by previous project #20327)* full-time, Kentucky resident employees.

The project will include multiple locations within Boyle County/City of Danville. Only investment costs incurred at 190 Corporate Drive will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT

Date: August 29, 2019
Approved Company: Meggitt Aircraft Braking Systems Kentucky Corporation
City: Danville **County:** Boyle
Activity: Manufacturing **Resolution #:** KEIA-20-22681
Bus. Dev. Contact: B. Cox **DFS Staff:** D. Phillips

Project Description: Meggitt Aircraft Braking Systems Kentucky Corporation manufactures carbon brakes for commercial and military aircraft. The company is considering a 95,000 s.f. expansion to its furnace operations at its existing facility in Danville. The project would also include the purchase of 11 carbon furnaces, related equipment and upgrades to existing equipment.

Facility Details: Expanding existing operations

Anticipated Project Investment	**Eligible Costs**	**Total Investment**
Land	$0	$0
Building Construction	$10,947,500	$21,895,000
Electronic Processing Equipment	$10,000,000	$10,000,000
Research & Development Equipment	$0	$0
Flight Simulation Equipment	$0	$0
Other Equipment	$0	$50,785,000
Other Start-up Costs	$0	$0
TOTAL	**$20,947,500**	**$82,680,000**

Existing Presence in Kentucky:
Boyle County

Approved Recovery Amount:

Construction Materials and Building Fixtures:	$100,000
R&D and/or Electronic Processing Equipment:	$250,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$350,000**

See KBI file (KBI-ID-19-22680) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date:	August 29, 2019		
Approved Company:	Dameron Alloy Foundries, Inc.		
City:	Louisville	**County:**	Jefferson
Activity:	Manufacturing	**Prelim Resolution #:**	KBI-I-19-22698
Bus. Dev. Contact:	J. Kirk	**DFS Staff:**	K. McCane

Project Description: Dameron Alloy Foundries, Inc. was founded in 1946 and uses mostly stainless steel and aluminum to produce investment castings (metal parts). The company has exhausted its capacity and is considering an expansion that would combine and connect its two existing buildings in order to increase its workspace to meet potential contracts.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned	**Eligible Costs**	**Total Investment**
Land	$0	$0
Building/Improvements	$2,400,000	$2,400,000
Equipment	$300,000	$750,000
Other Start-up Costs	$0	$0
TOTAL	**$2,700,000**	**$3,150,000**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	15	$18.50	
1	15	$18.50	$75,000
2	30	$18.50	$75,000
3	45	$18.50	$75,000
4	50	$18.50	$75,000
5	75	$18.50	$75,000
6	75	$18.50	$75,000
7	75	$18.50	$75,000
8	75	$18.50	$75,000
9	75	$18.50	$75,000
10	75	$18.50	$75,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$750,000**

Incentive Type:
Other

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

Ownership (20% or more):
John Dameron - Long Beach, CA

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% Louisville Metro Government

Unemployment Rate:
County: 4.6%
Kentucky: 4.9%

Existing Presence in Kentucky:
Jefferson 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 134 full-time, Kentucky resident employees as of the application date.

The project will include multiple locations within Jefferson county. Only investment costs incurred at 6851 Cane Run Road will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT

Date: August 29, 2019
Approved Company: Dameron Alloy Foundries, Inc.
City: Louisville
County: Jefferson
Activity: Manufacturing
Resolution #: KEIA-20-22699
Bus. Dev. Contact: J. Kirk
DFS Staff: K. McCane

Project Description: Dameron Alloy Foundries, Inc. was founded in 1946 and uses mostly stainless steel and aluminum to produce investment castings (metal parts). The company has exhausted its capacity and is considering an expansion that would combine and connect its two existing buildings in order to increase its workspace to meet potential contracts.

Facility Details: Expanding existing operations

Anticipated Project Investment	**Eligible Costs**	**Total Investment**
Land	$0	$0
Building Construction	$809,631	$2,400,000
Electronic Processing Equipment	$0	$0
Research & Development Equipment	$0	$0
Flight Simulation Equipment	$0	$0
Other Equipment	$0	$750,000
Other Start-up Costs	$0	$0
TOTAL	**$809,631**	**$3,150,000**

Approved Recovery Amount:

Construction Materials and Building Fixtures: $30,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$30,000**

See KBI file (KBI-I-19-22698) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: August 29, 2019
Approved Company: Chewy, Inc.
City: Jeffersontown **County:** Jefferson
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-19-22685
Bus. Dev. Contact: A. Franklin **DFS Staff:** D. Phillips

Project Description: Chewy, Inc., founded in 2011, is an online source for pet products, pet supplies and pet prescriptions. The company is considering the establishment of a pharmacy fulfillment center to serve its customers more efficiently.

Facility Details: Locating in a new facility

Anticipated Project Investment - Leased	**Eligible Costs**	**Total Investment**
Rent	$826,550	$1,653,100
Building/Improvements	$2,700,000	$2,700,000
Equipment	$200,000	$200,000
Other Start-up Costs	$0	$0
TOTAL	**$3,726,550**	**$4,553,100**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	50	$33.41	
1	150	$33.41	$100,000
2	150	$33.41	$100,000
3	150	$33.41	$100,000
4	150	$33.41	$100,000
5	150	$33.41	$100,000
6	150	$33.41	$100,000
7	150	$33.41	$100,000
8	150	$33.41	$100,000
9	150	$33.41	$100,000
10	150	$33.41	$100,000

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

Incentive Type:
Other

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

Ownership (20% or more):
PetSmart, Inc. - Phoenix, AZ
Buddy Holdings Corp. - Phoenix, AZ

Active State Participation at the project site:

Date	Program	Status / Jobs Required	Amount
Aug 30, 2018	KBI	Prelim-Approve/300	$1,250,000

Requested Wage Assessment / Local Participation:
State: 1.5%
Local: 0.5% - Louisville-Jefferson County Metro Government

Unemployment Rate:
County: 4.6%
Kentucky: 4.9%

Existing Presence in Kentucky:
Jefferson County

Special Conditions:
The company will be required to maintain a base employment equal to the greater of the following: 1) number of full-time, Kentucky resident employees as of the date of preliminary approval at the Fern Valley and Bluegrass Parkway locations plus 50 (transferring from an affiliate location in Louisville) or 2) 350 full-time, Kentucky resident employees (base employment number (300) required by previous KBI project #22224 plus 50 (transferring from an affiliate location in Louisville)).

The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company and affiliate locations, excluding the Fern Valley and Bluegrass Parkway locations, as of the date of preliminary approval less 50 (employees transferring to project location and included in the base employment requirement).

The project will include multiple locations within the City of Louisville/Jefferson County. Only investment costs incurred at 11403 Bluegrass Parkway (the project location) will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date:	August 29, 2019		
Approved Company:	Smiley Monroe Inc.		
City:	Franklin	**County:**	Simpson
Activity:	Manufacturing	**Prelim Resolution #:**	KBI-IL-19-22700
Bus. Dev. Contact:	A. Franklin	**DFS Staff:**	M. Elder

Project Description: Smiley Monroe has experienced a significant growth of sales to its US based customers over the last three years. These sales are currently serviced by the Northern Ireland based manufacturing facilities. Due to customer demands for reduction of lead times, the company is considering its first manufacturing facility in the United States. Smiley Monroe is considering leasing a facility in Franklin, KY.

Facility Details: Locating in a new facility

Anticipated Project Investment - Leased	**Eligible Costs**	**Total Investment**
Rent	$429,600	$859,200
Building/Improvements	$0	$0
Equipment	$240,000	$418,300
Other Start-up Costs	$40,000	$40,000
TOTAL	**$709,600**	**$1,317,500**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	12	$17.00	
1	17	$17.00	$28,000
2	24	$17.00	$28,000
3	26	$17.00	$28,000
4	26	$17.00	$28,000
5	27	$17.00	$28,000
6			
7			
8			
9			
10			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$140,000**

Incentive Type:
Other

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

Ownership (20% or more):
Smiley Monroe Holdings Limited Lisburn, United Kingdom

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% City of Franklin

Unemployment Rate:
County: 4.8% Kentucky: 4.9%

Existing Presence in Kentucky: None

Special Conditions: None

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: August 29, 2019
Approved Company: Bryant & Sons, Inc. dba Best Buds Botanicals
City: Cave City **County:** Barren
Activity: Manufacturing **Prelim Resolution #:** KBI-I-19-22682
Bus. Dev. Contact: C. Peek **DFS Staff:** M. Elder

Project Description: Bryant & Sons, Inc. dba Best Buds Botanicals, a start-up agri-business company, is considering becoming a processor of industrial hemp to manufacture CBD and distillate. The company is looking at the possibility of constructing a facility in the Chapatcha Industrial Park in Cave City for this new endeavor.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned	**Eligible Costs**	**Total Investment**
Land	$0	$0
Building/Improvements	$200,000	$200,000
Equipment	$300,000	$750,000
Other Start-up Costs	$300,000	$300,000
TOTAL	**$800,000**	**$1,250,000**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	15	$13.00	
1	15	$13.00	$15,000
2	15	$13.00	$15,000
3	15	$13.00	$15,000
4	15	$13.00	$15,000
5	15	$13.00	$15,000
6	15	$13.00	$15,000
7	15	$13.00	$15,000
8	15	$13.00	$15,000
9	15	$13.00	$15,000
10	15	$13.00	$15,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$150,000**

Incentive Type:
Other

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

Ownership (20% or more):

Jill D. Bryant	Glasgow, KY
Robert J. Bryant	Glasgow, KY
John K. Miller	Flatwoods, KY
Shelly M. Miller	Flatwoods, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% City of Cave City

Unemployment Rate:
County: 5.0% Kentucky: 4.9%

Existing Presence in Kentucky: None

Special Conditions: None

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: August 29, 2019
Approved Company: Sumitomo Electric Wiring Systems, Inc.
City: Scottsville **County:** Allen
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-19-22674
Bus. Dev. Contact: C. Peek **DFS Staff:** M. Elder

Project Description: Sumitomo Electric Wiring Systems, Inc. (SEWS) is an automotive supplier of electrical and electronic related products. With anticipated growth in its component business section, the company is considering a warehouse expansion to allow SEWS to store the additional finished goods.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased	**Eligible Costs**	**Total Investment**
Rent	$532,875	$1,065,750
Building/Improvements	$0	$0
Equipment	$100,000	$100,000
Other Start-up Costs	$0	$0
TOTAL	**$632,875**	**$1,165,750**

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	$23.00	
1	10	$23.00	$10,000
2	20	$23.00	$10,000
3	20	$23.00	$20,000
4	30	$23.00	$30,000
5	30	$23.00	$30,000
6			
7			
8			
9			
10			

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

Incentive 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: .50% City of Scottsville/.50% Allen County

Unemployment Rate:
County: 4.7%
Kentucky: 4.9%

Existing Presence in Kentucky:
Allen, Fayette, Metcalfe, Simpson 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 313 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 Allen County/Scottsville. Only investment costs incurred at 120 Industrial Drive 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.

MEMORANDUM

TO: KEDFA Board Members

FROM: Michelle Elder ME
Incentive Administration Division

DATE: August 29, 2019

SUBJECT: KBI Extensions

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

Company	County	Extension
Duro Hilex Poly LLC	Boone	6 Month
Statewide Mortgage, LLC	Jefferson	6 Month
American Howa Kentucky, Inc.	Warren	12 Month
Bed Wood and Parts, LLC	Christian	12 Month
CTI - Clinical Trial Services, Inc.	Kenton	12 Month
Gibbs Die Casting Corporation	Henderson	12 Month
Gryphon Environmental, LLC	Daviess	12 Month
Lakeshore Equipment Company dba Lakeshore Learning Materials	Woodford	12 Month
The Recon Group Inc.	Franklin	12 Month

Staff recommends approval.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: August 29, 2019
Preliminary Approval: August 25, 2016
Approved Company: East Bernstadt Cooperage, LLC
City: East Bernstadt
County: Laurel
Activity: Manufacturing
Final Resolution #: KBI-F-19-21203
Bus. Dev. Contact: J. Neal
DFS Staff: D. Phillips

Project Description: East Bernstadt Cooperage, LLC manufactures bourbon barrels and wood chip products. The project included an expansion of its operation in East Bernstadt. The company constructed a new 100,000 square foot facility to increase its barrel production.

	Eligible Costs	Total Investment
Anticipated Project Investment - Owned	$20,250,000	$20,250,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	75	$15.05	
1	75	$15.05	$125,000
2	75	$15.05	$125,000
3	75	$15.05	$125,000
4	75	$15.05	$125,000
5	75	$15.05	$125,000
6	75	$15.05	$125,000
7	75	$15.05	$125,000
8	75	$15.05	$125,000
9	75	$15.05	$125,000
10	75	$15.05	$125,000
11	75	$15.05	$125,000
12	75	$15.05	$125,000
13	75	$15.05	$125,000
14	75	$15.05	$125,000
15	75	$15.05	$125,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$1,875,000**

County Type:
Enhanced

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

Special Conditions:
Maintain Base Employment: 90

Modifications since preliminary approval? No

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: August 29, 2019
Preliminary Approval: February 26, 2015
Approved Company: Hafendorfer Machine, Inc.
City: Louisville
County: Jefferson
Activity: Manufacturing
Final Resolution #: KBI-F-19-20321
Bus. Dev. Contact: J. Kirk
DFS Staff: M. Elder

Project Description: Hafendorfer Machine, Inc. has been providing a wide range of sheet metal services including precision machining, sheet metal fabrication, sheet metal forming, laser cutting, welding, bending and forming, custom design, and engineering since 1994. The company expanded its existing facility and purchased additional machinery and equipment.

	Eligible Costs	Total Investment
Anticipated Project Investment - Owned	$1,200,000	$5,900,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	$18.00	
1	15	$18.00	$27,500
2	20	$18.00	$27,500
3	25	$18.00	$27,500
4	29	$18.00	$27,500
5	29	$18.00	$27,500
6	29	$18.00	$27,500
7	29	$18.00	$27,500
8	29	$18.00	$27,500
9	29	$18.00	$27,500
10	29	$18.00	$27,500

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$275,000**

County Type:
Other

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

Special Conditions:
Maintain Base Employment: 44

Modifications since preliminary approval? No

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: August 29, 2019
Preliminary Approval: June 30, 2016
Approved Company: Ervin Cable Constuction, LLC dba Ervin Cable Construction of Florida, LLC
City: Sturgis **County:** Union
Activity: Headquarters **Final Resolution #:** KBI-FL-19-21133
Bus. Dev. Contact: C. Peek **DFS Staff:** M. Elder

Project Description: Ervin Cable Construction of Florida, LLC (ECC), began business in 1980 as a small construction company doing Cable TV design and construction work. With steady growth and continued reinvestment in the company, ECC has grown allowing them to serve more customers throughout the Southeastern United States. The company reached maximum capacity at its headquarters location in Sturgis and expanded to support this growth.

	Eligible Costs	Total Investment
Anticipated Project Investment - Leased	$391,000	$511,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	$17.00	
1	20	$17.00	$20,000
2	20	$17.00	$20,000
3	20	$17.00	$20,000
4	20	$17.00	$20,000
5	20	$17.00	$20,000
6	20	$17.00	$20,000
7	20	$17.00	$20,000
8	20	$17.00	$20,000
9	20	$17.00	$20,000
10	20	$17.00	$20,000

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

County Type:
Other

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

Special Conditions:
Maintain Base Employment: 59
Wage Assessment Only

Modifications since preliminary approval? Yes

The activity of the project changed from service & technology to headquarters. All other aspects of the project remain the same.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: August 29, 2019
Preliminary Approval: March 29, 2018
Approved Company: Pioneer Plastics, Inc.
City: Dixon
County: Webster
Activity: Manufacturing
Final Resolution #: KBI-F-19-22050
Bus. Dev. Contact: C. Peek
DFS Staff: M. Elder

Project Description: Pioneer Plastics, Inc., in business since early 1960, has several buildings that house 22 injection molding machines ranging from 75 to 990 tons used to manufacture a variety of plastic injection molded products. The company invested in new equipment, made improvements to its facility and hired additional employees to help meet the needs of its customers.

	Eligible Costs	Total Investment
Anticipated Project Investment - Owned	$650,000	$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	30	$20.00	
1	30	$20.00	$27,000
2	30	$20.00	$27,000
3	30	$20.00	$27,000
4	30	$20.00	$27,000
5	30	$20.00	$27,000
6	30	$20.00	$27,000
7	30	$20.00	$27,000
8	30	$20.00	$27,000
9	30	$20.00	$27,000
10	30	$20.00	$27,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **$270,000**

County Type:
Other

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

Special Conditions:
Maintain Base Employment: 30

Modifications since preliminary approval? Yes
Investment increased from $600,000 to $850,000. Eligible costs increased from $250,000 to $650,000. Jobs targets will increase from 17 to 30. Wages increased from $16.00/hour to $20.00/hour. The total negotiated tax incentive amount increased from $150,000 to $270,000. The local participation increased from $3,750 per year for 10 years to $6,750 per year for 10 years. All other aspects of the project remain the same.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: August 29, 2019
Preliminary Approval: August 27, 2015
Approved Company: SMC, LLC
City: Nicholasville
County: Jessamine
Activity: Manufacturing
Final Resolution #: KBI-F-19-20587
Bus. Dev. Contact: B. Cox
DFS Staff: D. Phillips

Project Description: SMC, LLC is an Electronics Manufacturing Services (EMS) company that produces high technology circuit board assemblies and integrates them into a final product for its customers. The project included the expansion of its operation in Nicholasville to produce printed circuit board assemblies for the EMS industry and the purchase of new equipment.

	Eligible Costs	Total Investment
Anticipated Project Investment - Owned	$2,652,000	$2,652,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	50	$17.00	
1	75	$17.00	$150,000
2	100	$17.00	$150,000
3	100	$17.00	$150,000
4	100	$17.00	$150,000
5	100	$17.00	$150,000
6	100	$17.00	$150,000
7	100	$17.00	$150,000
8	100	$17.00	$150,000
9	100	$17.00	$150,000
10	100	$17.00	$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: 99
Maintain Statewide Employment: 38

Modifications since preliminary approval? Yes
The company is requesting a modification to remove the approved affiliate, CW Assemblies, LLC. All other aspects of the project remain the same.

MEMORANDUM

TO: KEDFA Board Members

FROM: Kylee Palmer
Department for Financial Services

DATE: August 29, 2019

SUBJECT: IEIA Extensions

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

Company	County	Extension
Lock 14 Hydro Partners, LLC	Lee	12-month
RCC Big Shoal, LLC	Pike	12-month

Staff recommends approval.

Kentucky Small Business Tax Credit Projects
August 2019

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/ Technology	Tax Credit Amount
American Tire, Inc.	Nelson	14	3	$12.58	$11,226	$10,500
Ben Byrne, LLC	Jefferson	4	1	$19.00	$6,864	$3,500
Benjamin J. Byrne & Associates, LLC	Jefferson	6	1	$13.00	$10,743	$3,500
EyeMax, PLLC	Fayette	10	2	$11.50	$12,258	$7,000
Freedom Recycling, LLC	Kenton	3	1	$20.04	$6,593	$3,500
Via Vitae Development, LLC	Fayette	3	4	$17.64	$22,900	$14,000
Volta Inc.	Franklin	21	1	$23.80	$5,966	$3,500
7	**5**		**13**	**Total**	**$76,550**	**$45,500**

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	$94,500
Remaining Credits	**$2,905,500**