



## CABINET FOR ECONOMIC DEVELOPMENT

**Matthew G. Bevin**  
Governor

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

**Terry R. Gill, Jr.**  
Secretary

### **MEMORANDUM**

**TO:** KEDFA Members

**FROM:** Katie Smith, Executive Director  
Office of Financial Services *KS*

**DATE:** August 23, 2017

**SUBJECT:** KEDFA Board Meeting

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The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, August 31, 2017** at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. The meeting will convene at 10:00 a.m. (EDT) in the Board of Directors Conference Room.

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



# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

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

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## AGENDA August 31, 2017

**Call to Order**  
**Notification of Press**  
**Roll Call**

### **Approval of Minutes**

1. Minutes from July 27, 2017 Regular KEDFA Board Meeting

### **Reports**

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- |  |  |              |
|--|--|--------------|
| 2. Approved / Undisbursed Loan Report          |  | Kylee Palmer |
| 3. Financial Statements and Monitoring Reports |  | Katie Smith  |

### **TIF Project (Preliminary)**

- 
- |  |      |                                |
|--|------|--------------------------------|
| 4. City of Ashland, Department of Finance<br>Ashland Plaza Redevelopment Project | Boyd | Kimberly Gester / Kylee Palmer |
|--|------|--------------------------------|

### **KEDFA IRB (Preliminary)**

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- |                                     |           |             |
|-------------------------------------|-----------|-------------|
| 5. Louisville Arena Authority, Inc. | Jefferson | Katie Smith |
|-------------------------------------|-----------|-------------|

### **High-Tech Pool (Amendment)**

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- |   |           |              |
|---|-----------|--------------|
| 6. Western Kentucky University Research<br>Foundation, Inc. | Jefferson | Kylee Palmer |
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### **KBI Projects (Amendment)**

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- |                                  |           |             |
|----------------------------------|-----------|-------------|
| 7. PDCI Automotive LLC           | Marion    | Craig Kelly |
| 8. Rainbow Design Services, Inc. | Jefferson |             |

### **KEIA Projects (Extension)**

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- |   |           |             |
|---|-----------|-------------|
| 9. East Bernstadt Cooperage, LLC                      | Laurel    | Craig Kelly |
| Fishbach USA, Inc.                                    | Hardin    |             |
| Patriot Brands, LLC                                   | Henry     |             |
| Gibbs Die Casting Corporation                         | Henderson |             |
| Hansens Aluminum, LLC                                 | Henderson |             |
| AAK USA K2, LLC                                       | Jefferson |             |
| Master Engineering, Inc.<br>dba Piccola Manufacturing | Bullitt   |             |
| Rabbit Hole Spirits, LLC                              | Jefferson |             |

**KEIA Projects**

10. Buffalo Trace Distillery, Inc.	Franklin	Kristina Slattery / Lynda Cunningham
11. <b>WITHDRAWN</b>		
12. Pinkerton Tobacco Co. LP	Daviess	Corky Peek / Michelle Elder
13. <b>WITHDRAWN</b>		

**KBI Projects (Preliminary) & KEIA Projects**

14. The Bardstown Bourbon Company, LLC	Nelson	Kristina Slattery / Lynda Cunningham
15. The Bardstown Bourbon Company, LLC		
16. Denyo Manufacturing Corporation	Boyle	Kristina Slattery / Lynda Cunningham
17. Denyo Manufacturing Corporation		

**KBI Projects (Preliminary)**

18. <b>WITHDRAWN</b>		
19. The Recon Group Inc.	Franklin	Alec Germond / Lynda Cunningham
20. Gryphon Environmental, LLC	Daviess	Corky Peek / Michelle Elder
21. WPT Corporation	Ohio	Corky Peek / Michelle Elder

**KBI Projects (Extension)**

		Michelle Elder
22. Filtrona Plastics LLC (dba Alliance Plastics)	Jefferson	
Gazelle, Inc.	Jefferson	
Seven Peaks Minerals, Inc.	Pike	
A.O. Smith Corporation	Kenton	
Bendix Spicer Foundation Brake LLC	Warren	
Consolo Services Group, Inc.	Fayette	
Hollison, LLC	Daviess	
Intelligrated Systems, Inc.	Boyle	
Prime Tech Manufacturing, LLC	Graves	
V-Soft Consulting Group, Inc.	Jefferson	

**KBI Projects (Final)**

		Debbie Phillips
23. Florida Tile, Inc.	Anderson	
24. <b>WITHDRAWN</b>		
25. ConeXus World Global, LLC dba Creative Realities, Inc.	Jefferson	
26. <b>WITHDRAWN</b>		
27. First State Investments (US) LLC	Jefferson	
28. Louisville Distilling Company, LLC	Jefferson	
29. Midea America Corp	Jefferson	

**KRA Project (Preliminary)**

30. Aristech Surfaces LLC	Boone	Kristina Slattery / Debbie Phillips
31. <b>WITHDRAWN</b>		

**IEIA Project (Extension)**

		Kylee Palmer
32. RCC Big Shoal, LLC	Pike	

**IEIA Project (Final)**

		Kylee Palmer
33. Lock 12 Hydro Partners, LLC	Estill	

**KSBCI Project (Modification)**

Kylee Palmer

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 34. Marikka's Restaurant, Inc. Fayette
**KSBTC**

Tim Back

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 35. All Hours Lock & Key, LLC Fayette  
 Business Benefits, Inc. Kenton  
 Concept Displays, Inc. Jefferson  
 Dental Center of Florence, Kentucky P.S.C. Boone  
 Design Comfort Heating & Air, LLC Kenton  
 Lexington Podiatry, PSC Fayette  
 Mather & Co., CPAS, LLC Jefferson  
 Old World Timber, LLC Fayette  
 Patterson and Company CPAs PLLC Jefferson  
 Pinnacle, Inc. Marshall  
 Reid's Plumbing of Bardstown, Inc. Nelson  
 Rudler, Professional Service Corporation Kenton  
 Solar Energy Solutions LLC Fayette  
 West Sixth Brewing Company, LLC Fayette
**Kentucky Angel Investment Act Program**

Tim Back

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 36. Chennareddy, Sudhaker B. Jefferson Advanced Energy Materials, LLC
**Closed Session**

37.

**Adjournment**



# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## BOARD MEETING

July 27, 2017

### MINUTES

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#### **Call to Order**

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:05 a.m. EDT on July 27, 2017, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

#### **Notification of Press**

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

#### **Roll Call**

**Members Present:** Jean Hale, Secretary William M. Landrum, III, Tucker Ballinger, Dorsey Hall and Joe Kelly

**Staff Present:** Bobby Aldridge, Tim Back, Sarah Butler, Lynda Cunningham, Michelle Elder, Alec Germond, Secretary Terry R. Gill, Jr., Reid Glass, Krista Harrod, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips, Tess Simon, Kristina Slattery, Katie Smith, Teresa Spreitzer, Joan Ward and Lucas Witt

**Others Present:** Michael Kalinyak, Hurt, Deckard & May; Dwight Young, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Sandy Williams, Office of Financial Management, Finance & Administration Cabinet; Barry Lendrum, Paladin; Lynn Hediger, ORBIS Corporation; and Luke Schmidt, L.B. Schmidt & Associates, LLC

#### **Approval of Minutes**

Chairman Hale entertained a motion to approve the minutes from the June 29, 2017 regular KEDFA board meeting.

Dorsey Hall moved to approve the minutes, as presented; Secretary William M. Landrum, III seconded the motion. Motion passed; unanimous.

#### **Approved/Undisbursed Loan Report**

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

After review, the Authority accepted the report as presented.

#### **Financial Statements and Monitoring Reports**

Chairman Hale called on Katie Smith to review the financial statements and monthly monitoring reports as of June 30, 2017.

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

**Economic Development Bond (EDB) Project (Amendment)**

Chairman Hale called on Bobby Aldridge to present an EDB project amendment request to the Authority.

**UACJ Automotive Whitehall Industries, Inc.  
McCracken County**

Mr. Aldridge stated on April 24, 2014, KEDFA granted final approval to SRS Industries LLC, a Michigan corporation, d/b/a Whitehall Industries (SRS) to assist with the acquiring, expanding, constructing, installing and equipping of a new manufacturing facility in Paducah. Following execution of the EDB Grant Agreement and effective June 28, 2016, SRS merged with and into UACJ Automotive Whitehall Industries Inc., a Delaware corporation, and has requested that UACJ be designated as the Approved Company under the Program. All other aspects of the project remain the same.

Staff recommended approval of the EDB amendment request.

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

**Kentucky Industrial Development Act (KIDA) Project (Amendment)**

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

**Halperns' Steak and Seafood Company LLC  
Boone County**

Mr. Aldridge stated Davis Creek Meats and Seafood-South, LLC received final approval for KIDA on October 26, 2006. On October 1, 2015, the company merged with Halperns' Steak and Seafood Company LLC (Halperns), and, as a result of the merger, Halperns now seeks to assume all rights and obligations as the Approved Company under the Agreement effective retroactively to the date of the merger and is requesting an amendment to the Agreement designating Halperns as the Approved Company.

Staff recommended approval of the KIDA amendment request.

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

**Kentucky Business Incentives (KBI) Project (Amendment)**

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

**SQS North America, LLC  
Fayette County**

Mr. Aldridge stated Galmont Consulting, L.L.C., a niche consulting firm that specializes in software testing for Fortune 500 companies, was approved for a KBI project to locate an expanded software testing center in Lexington. The project was amended on June 25, 2015 to add an additional campus site to accommodate growth. The Company has now leased additional space at the second site and relocated the entire project to the expanded site. Additionally, as a result of a purchase, effective September 15, 2016 the company name was changed from Galmont Consulting, L.L.C. to SQS North America, LLC.

This Second Amendment to Tax Incentive Agreement recognizes the change in the project site description, the new lease and the new company name. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

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

### **Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)**

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

Mr. Aldridge stated 4 companies requested additional time to complete the projects. Mr. Aldridge asked that all 4 be presented as one motion.

<b>Company</b>	<b>County</b>	<b>Extension</b>
American Stave Company L.L.C.	Marshall	3 Month
Thai Summit Kentucky Corporation	Nelson	3 Month
Custom Resins, Inc.	Henderson	12 Month
Kentucky Building Systems, LLC	Daviess	12 Month

Staff recommended approval of the KEIA extension requests.

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

### **KEIA Projects**

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

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

**Kristina Slattery  
Debbie Phillips**

Kristina Slattery 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.

Debbie Phillips stated the project investment is \$5,798,749 of which \$3,189,312 qualifies as KEIA eligible costs.

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

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

#### **Murakami Manufacturing U.S.A., Inc. Taylor County**

**Corky Peek  
Michelle Elder**

Corky Peek stated Murakami Manufacturing U.S.A., Inc. (MMUS) was established in Campbellsville in 2000. MMUS is a 100% wholly owned subsidiary of Murakami Corporation Japan, a rapidly growing, family-oriented company with over a one hundred thirty year history of business operations. The company is considering constructing a warehouse on its existing property to consolidate its storage, increase manufacturing capacity, and stream-line part flow throughout the facility. The warehouse would house receiving, sub-assembly, inspection, and

shipping as well as freeing up space in the existing facility to allow for future growth of its manufacturing operations.

Michelle Elder stated the project investment is \$2,722,000 of which \$2,248,000 qualifies as KEIA eligible costs.

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

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

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

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

#### **Carter Lumber Company Warren County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated Carter Lumber Company, founded in 1932, is the nation's 5th largest lumberyard with over 150 locations across 12 states. Carter Lumber acquired the Kight Home Center brand in 2005 and the proposed Bowling Green location will operate under the Kight name. The new location will allow the company to add manufacturing capabilities of roof and floor trusses, wall panels, and carry engineered wood products.

Ms. Elder stated the project investment is \$10,000,000 of which \$7,500,000 qualifies as KBI eligible costs and \$2,250,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of \$21.00 including benefits. The state wage assessment participation is 3.0% and the City of Bowling Green will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$600,000 and the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

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

#### **The Hillshire Brands Company Campbell County**

**Kristina Slattery  
Lynda Cunningham**

Ms. Slattery stated, in 2014, Tyson Foods, Inc. acquired and consolidated The Hillshire Brands Company, a manufacturer and marketer of branded, convenient foods, which includes leading brands such as Tyson, Jimmy Dean, Hillshire Farm, Ball Park, and Wright. The Campbell County location has been in operation since 1984 as a distribution center and then as a manufacturer. This expansion would include a new wastewater treatment facility and warehouse cold storage addition to maintain a competitive strategy in the marketplace.

Lynda Cunningham stated the project investment is \$50,450,000 of which \$21,141,000 qualifies as KBI eligible costs and \$10,721,400 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 26 with an average hourly wage of \$28.30 including benefits. The state wage assessment participation is 3.0% and Campbell County 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 \$400,000 and the KEIA approved recovery amount of \$200,000 for construction materials and building fixtures.

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

**Audubon Metals LLC  
Henderson County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated Audubon Metals LLC is a heavy-media separator of various scrap metals and secondary specification aluminum alloy producer. The company is considering constructing an addition to its existing building to house a new reverberatory furnace. This will be Audubon's fifth furnace and would add much needed capacity to its aluminum production to help meet sales demands.

Ms. Elder stated the project investment is \$8,342,000 of which \$3,780,000 qualifies as KBI eligible costs and \$1,500,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 39 with an average hourly wage of \$24.00 including benefits. The state wage assessment participation is 3.0% and Henderson County 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 \$1,010,000 and the KEIA approved recovery amount of \$90,000 for construction materials and building fixtures.

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

**ORBIS Corporation  
Nelson County**

**Tess Simon  
Debbie Phillips**

Tess Simon stated ORBIS Corporation is the industrial leader in reusable packaging serving automotive, industrial, retail and food/beverage supply chains. The company is considering the expansion of its existing facility in Bardstown to increase production and warehouse space. The project will also include the purchase of additional equipment.

Ms. Simon introduced Lynn Hediger and invited him to address the board regarding the project and answer any questions the board may have.

Ms. Phillips stated the project investment is \$30,000,000 of which \$9,400,000 qualifies as KBI eligible costs and \$4,800,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 55 with an average hourly wage of \$31.00 including benefits. The state wage assessment participation is 1.5% and the City of Bardstown 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 \$900,000 and the KEIA approved recovery amount of \$200,000 for construction materials and building fixtures.

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

### **KBI Projects (Preliminary)**

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

#### **Southeast Solutions, Inc. Laurel County**

**Joan Ward  
Debbie Phillips**

Joan Ward stated Southeast Solutions, Inc. is a recycling company that takes scrap polyester and polypropylene products and process it into plastic pellets. The pellets are used in many different components for many different industries. The products include fiber, film, extrusion, sheet packaging and strapping industries. The company is considering a startup facility in London, to produce plastic pellets for a variety of products.

Ms. Phillips stated the project investment is \$5,150,000 of which \$3,650,000 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 5.0%.

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

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

#### **Whitehall Inc. Boone County**

**Tess Simon  
Debbie Phillips**

Ms. Simon stated Whitehall Inc. is a manufacturer and national distributor of baked goods. The company is considering the construction of a new manufacturing facility to increase capacity for new regional and national contracts.

Ms. Phillips stated the project investment is \$40,000,000 of which \$10,592,547 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 81 with an average hourly wage of \$22.00 including benefits. The state wage assessment participation is 2.25% and Boone County will participate at 0.6%. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company 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 \$1,250,000.

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

#### **Beam Technologies LLC Boone County**

**Lucas Witt  
Michelle Elder**

Lucas Witt stated, in 2012, Beam Dental opened for business in Louisville as a high-tech dental insurance/benefits company. Since that time, the company has grown and expanded into Ohio. Beam Technologies LLC is considering opening a manufacturing facility in Boone County to produce and distribute its own smart toothbrushes and respond to new market demands.

Ms. Elder stated the project investment is \$1,248,000 of which \$672,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 40 with an average hourly wage of \$19.50 including benefits. The state wage assessment participation is 1.5% and Boone County will participate at 0.4%.

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

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Hall 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. Ms. Elder asked that all 9 be presented as one motion.

<b>Company</b>	<b>County</b>	<b>Extension</b>
Century Aluminum Sebree LLC	Henderson	6 Month
A. Kayser Automotive Systems USA, LP	Fulton	12 Month
Angell-Demmel North America Corporation	Marion	12 Month
Jacobs & Thompson Ltd.	Greenup	12 Month
Kentucky Dairy Product Innovations, LLC	Laurel	12 Month
PDCI Automotive, LLC	Marion	12 Month
PMC Organometallics, Inc.	Carroll	12 Month
Structures USA, LLC (SUSA)	Hardin	12 Month
Zotefoams Inc.	Kenton	12 Month

Staff recommended approval of the KBI extension requests.

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

### **KBI Projects (Final)**

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

Ms. Phillips stated 7 companies requested KBI final approval, one of which has a modification since preliminary approval. Ms. Phillips asked that all 7 be presented as one motion.

No Modifications:

<b>Project Name</b>	<b>County</b>	<b>Type Project</b>
<b>Accentfx LLC</b>	Jefferson	Headquarters
<b>Green Tokal Limited Co.</b>	Mason	Manufacturing
<b>Harbor Steel &amp; Supply Corporation</b>	Fayette	Manufacturing
<b>Hendrickson USA, LLC</b> <b>dba Hendrickson Truck Commercial Vehicle Systems</b>	Marion	Manufacturing
<b>Homecare Homebase, LLC</b>	Jefferson	Service & Technology
<b>Strong Tower Construction, LLC</b> <b>dba Koch Corporation</b>	Jefferson	Manufacturing

Modifications since preliminary approval:

**Generation Tux, Inc.**

Jefferson Service & Technology

The company name changed from zTux, Inc. to Generation Tux, Inc. All other aspects of the project remain the same.

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

Mr. Kelly 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 6 Kentucky small businesses from 4 counties with qualifying tax credits of \$70,500. The 6 businesses created 21 jobs and invested \$160,020 in qualifying equipment or technology.

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

<u>Qualified Small Business</u>	<u>County</u>	<u>Beg. Emp.</u>	<u>Elig. Pos.</u>	<u>Average Hourly Wage</u>	<u>Qualifying Equipment or Technology</u>	<u>Tax Credit</u>
Carabello Coffee Company	Campbell	0	1	\$ 12.02	\$ 29,142	\$ 3,500
Crist Propane Services, LLC	Breckinridge	20	1	\$ 23.01	\$ 32,000	\$ 3,500
EndoProtech, Inc.	Jefferson	0	1	\$ 22.12	\$ 11,413	\$ 3,500
Huffman & Huffman, P.S.C.	Laurel	38	8	\$ 17.65	\$ 49,450	\$ 25,000
SuperFanU, Inc.	Jefferson	7	5	\$ 18.29	\$ 17,641	\$ 17,500
The Door Store of Louisville, LLC	Jefferson	12	5	\$ 22.57	\$ 20,374	\$ 17,500

Staff recommended approval of the KSBTC tax credits.

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

**Kentucky Small Business Credit Initiative (KSBCI) Collateral Support Project**

Chairman Hale called on Ms. Palmer to present the KSBCI collateral support request to the Authority.

**Marikka's Restaurant, Inc.**

**Fayette County**

Ms. Palmer stated Traditional Bank, Inc. requested collateral assistance for up to \$461,140 to assist in the new construction and equipment for Marikka's Restaurant, Inc., a German restaurant located on Southland Drive in Lexington. The previous building was demolished. The restaurant previously had 8 employees. After re-opening, the restaurant anticipates employing between 20-30 employees. The collateral support loan will be an interim loan for 24 months, at which time SBA 504 support will be the primary source of repayment. The total bank loan is \$2,305,700.

Staff recommended approval of the bank request for up to \$461,140 in support from the KSBCI Kentucky Collateral Support Program.

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

## **Quarterly Kentucky Small Business Credit Initiative (KSBCI) Report**

Chairman Hale called on Ms. Palmer to review the Quarterly KSBCI Report for the period ending June 30, 2017.

After review, the Authority accepted the report as presented.

## **KEDFA Funding and KEDFA Grant Project**

Chairman Hale called on Ms. Smith to present the KEDFA Funding and KEDFA Grant requests to the Authority.

### **KEDFA Funding**

Ms. Smith stated the Cabinet was previously approved by the United States Department of Treasury to receive the Commonwealth's allocation of State Small Business Credit Initiative funds for implementation of the KSBCI Program in the amount of \$15,558,050. On August 25, 2011, the Kentucky Economic Development Finance Authority approved guidelines for the Kentucky Small Business Credit Initiative.

The KSBCI programs have been successful in assisting small businesses since creation in 2011. Since inception of the program, over \$2,000,000 in funds have repaid the KSBCI Program. Staff is requesting approval to utilize \$1,330,000 of these unrestricted KSBCI replenished payments to assist projects under the KEDFA Grant program. Please note the Authority granted approval transferring \$5,000,000 in KEDFA Loan Pool funds in April 2017 to assist with KSBCI projects.

### **KEDFA Grant**

#### **Louisville/Jefferson County Metro Government**

#### **Louisville Regional Airlift Development, Inc.**

#### **Jefferson County**

Ms. Smith stated the lack of nonstop commercial air service to key domestic and international markets from Louisville International Airport (SDF) has been an impediment to expansions by existing companies and the recruitment of new companies to the Commonwealth. Louisville Regional Airlift Development, Inc. (LRAD) is a recently established 501(c)(3) organization focused on developing new nonstop commercial air service from SDF to key domestic and international communities. LRAD is led by state and local business and government leaders and is positioned to achieve the goal of recruiting new air service to Louisville.

LRAD has requested funding from the Commonwealth, Louisville/Jefferson County Metro Government and civic partners, and private investors/companies in the amount of \$1,330,000 each to support the development of new commercial air service by working through LRAD. The funding will be used to provide a minimum revenue guarantee for one year. The initial fundraising will be used to recruit two new non-stop domestic routes from SDF. The routes will be determined by a market study completed by a consultant commissioned by LRAD.

Ms. Smith introduced Luke Schmidt, consultant for LRAD, and invited him to address the board regarding the project. In addition, Mr. Schmidt provided the board with a handout for review.

The Secretary of the Cabinet for Economic Development and staff recommended approval of a resolution authorizing \$1,330,000 of Repaid KSBCI Program funds for projects approved under the KEDFA Grant Program and transferring the funds to the appropriate accounts. In addition, staff recommended approval of the KEDFA Grant to the Louisville/Jefferson County

Metro Government for the benefit of Louisville Regional Airlift Development, Inc. for assistance in securing 2 nonstop flights out of SDF to key domestic and international communities.

After discussion, Mr. Hall moved to approve the resolution authorizing the transfer of repaid funds from the KSBCI program to the KEDFA Grant program and approval of the KEDFA Grant request, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

### **Quarterly Amendment Report / Resolutions**

Chairman Hale called on Reid Glass to review the Quarterly Amendment Report ending June 30, 2017.

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

Mr. Glass noted the following amendments have been executed:

#### **KBI**

##### **Heartland Automation LLC**

Letter Amendment to KBI Tax Incentive Agreement dated April 24, 2014, by and between the Kentucky Economic Development Finance Authority and ICI, LLC due to a name change from ICI, LLC to Heartland Automation LLC effective retroactively to May 22, 2014, and dated for convenience October 4, 2016.

#### **KBI**

##### **Bowling Green Metalforming LLC**

Letter Amendment to KBI Tax Incentive Agreement dated March 31, 2016, by and between the Kentucky Economic Development Finance Authority and Bowling Green Metalforming LLC due to an error in the base employment figure recited in the Agreement and to reflect the new address to which the Company will be issued notices in connection with the Agreement effective retroactively to March 31, 2016, and dated for convenience July 27, 2017.

#### **KEDFA Loan**

##### **Southeast Kentucky Industrial Development Authority**

Amendment to Original Loan Agreement, Original Note and related loan documents dated effective as of December 14, 2016, by and between Kentucky Economic Development Finance Authority and Southeast Kentucky Industrial Development Authority, Inc. to extend the deadline to request and to issue an advance of loan proceeds to June 30, 2017, effective retroactively to February 20, 2017.

#### **KEIA**

##### **Safran Landing Systems Kentucky, LLC**

Letter Amendment to KEIA Agreement dated January 28, 2016, by and between the Kentucky Economic Development Finance Authority and Messier-Bugatti USA LLC (f/k/a A-Carb, LLC), due to a name change from Messier-Bugatti USA LLC to Safran Landing Systems Kentucky, LLC effective retroactively to July 5, 2016, and dated for convenience October 12, 2016.

#### **KIDA**

##### **Safran Landing Systems Kentucky, LLC**

Letter Amendment to KIDA Tax Incentive Agreement dated December 10, 2009, by and between the Kentucky Economic Development Finance Authority and Messier-Bugatti USA LLC (f/k/a A-Carb, LLC) due to a name change from Messier-Bugatti USA LLC to Safran

Landing Systems Kentucky, LLC effective retroactively to July 5, 2016, and dated for convenience October 12, 2016.

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

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

### **Resolution of Recognition**

Chairman Hale read and presented to the board a Resolution of Recognition for Michael T. Vogt, KEDFA Board Member and Secretary/Treasurer, who resigned after over 10 years of dedicated service to the Kentucky Economic Development Finance Authority and the people of the Commonwealth.

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

### **Adjournment**

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

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

The meeting adjourned at 11:08 a.m.

**PRESIDING OFFICER:**



Jean Hale, Chairman



**KEDFA APPROVED AND NOT DISBURSED**

7/31/2017

**Approved and Undisbursed KEDFA Projects**

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

None

**KEDFA GRANTS**

Louisville/Jefferson County Metro Government (Louisville Regional Airlift Development, Inc.)		Jefferson	Jul-17	Jan-20	\$1,330,000
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**SMALL BUSINESS LOANS**

None

**TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)****\$1,330,000****Approved and Partially Disbursed KEDFA Projects**

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

Louisville/Jefferson County Metro Government (Louisville Waterfront Park)	21597	Jefferson	Apr-17	Jun-18	\$376,073	(\$67,840)	\$308,233
Louisville/Jefferson County Metro Government (Restaurant Supply Chain Solutions)	21636	Jefferson	May-17	Jun-20	\$500,000	(\$125,000)	\$375,000
Tri-County Economic Development Corporation	21599	Kenton	Feb-17	Jun-23	\$2,000,000	(\$87,920)	\$1,912,080

**TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)****\$2,595,313****TOTAL KEDFA APPROVED AND NOT DISBURSED****\$3,925,313**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**7/31/2017**

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 7/31/17	OOE 7/31/17	COMBINED 7/31/17
<b><u>ASSETS</u></b>						
<b>Cash &amp; Accounts Receivable</b>						
Operating Account	62,601.37	0.00	0.00	62,601.37	0.00	62,601.37
Cash	2,878,542.09	14,293,315.67	397,258.09	17,569,115.85	0.00	17,569,115.85
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	2,946,588.33	2,946,588.33
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	0.00	2,808,233.00	0.00	2,808,233.00	1,251,365.33	4,059,598.33
<b>Total Cash &amp; Accounts Receivable</b>	<b>2,941,143.46</b>	<b>17,101,548.67</b>	<b>397,258.09</b>	<b>20,439,950.22</b>	<b>4,339,487.54</b>	<b>24,779,447.76</b>
<b>Accrued Interest Receivable</b>						
Loans	18,169.12	8,931.41	0.00	27,100.53	(869.50)	26,231.03
Investments	1,455.16	7,382.08	202.59	9,039.83	0.00	9,039.83
<b>Total Accrued Interest Receivable</b>	<b>19,624.28</b>	<b>16,313.49</b>	<b>202.59</b>	<b>36,140.36</b>	<b>(869.50)</b>	<b>35,270.86</b>
<b>Notes Receivable</b>						
Loans Receivable	18,785,458.06	3,450,624.23	0.00	22,236,082.29	20,817.00	22,256,899.29
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,237,948.61)	0.00	(1,237,948.61)
<b>Total Notes Receivable</b>	<b>18,785,458.06</b>	<b>3,450,624.23</b>	<b>0.00</b>	<b>20,998,133.68</b>	<b>20,817.00</b>	<b>21,018,950.68</b>
<b>TOTAL ASSETS</b>	<b>21,746,225.80</b>	<b>20,568,486.39</b>	<b>397,460.68</b>	<b>41,474,224.26</b>	<b>4,359,445.04</b>	<b>45,833,669.30</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				<b>980,000.00</b>	<b>0.00</b>	<b>980,000.00</b>
<b><u>LIABILITIES</u></b>						
<b>Accrued Salaries &amp; Compensated Absences</b>				<b>325,453.00</b>	<b>0.00</b>	<b>325,453.00</b>
<b>Accounts Payable</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Intergovernment Payable</b>				<b>0.00</b>	<b>20,294.46</b>	<b>20,294.46</b>
<b>Grants Payable</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Pension Liability</b>				<b>9,341,000.00</b>	<b>0.00</b>	<b>9,341,000.00</b>
<b>TOTAL LIABILITIES</b>				<b>9,666,453.00</b>	<b>20,294.46</b>	<b>9,686,747.46</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b><u>NET POSITION</u></b>						
<b>Beginning Balance</b>				<b>33,177,769.74</b>	<b>4,364,119.78</b>	<b>37,541,889.52</b>
<b>Current Year Undivided Profits</b>				<b>(389,998.48)</b>	<b>(24,969.20)</b>	<b>(414,967.68)</b>
<b>TOTAL NET POSITION</b>				<b>32,787,771.26</b>	<b>4,339,150.58</b>	<b>37,126,921.84</b>

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, 2017**

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2017-2018 YEAR TO DATE	FY 2016-2017 YEAR TO DATE
<b>Operating Revenues - KEDFA</b>						
Interest Income/Loans	17,227.56	5,423.70			22,651.26	17,221.25
Interest Income/ Investments	1,455.16	7,382.08	202.59		9,039.83	152.55
Late Fees	0.00	0.00			0.00	0.00
Application Fees	12,477.25	0.00			12,477.25	33,862.98
Miscellaneous Income	132.09	0.00			132.09	19.35
<b>Total Operating Revenues - KEDFA</b>	<b>31,292.06</b>	<b>12,805.78</b>	<b>202.59</b>	<b>0.00</b>	<b>44,300.43</b>	<b>51,256.13</b>
<b>Operating Expenses - KEDFA</b>						
Salaries	122,832.65				122,832.65	134,271.04
Employee benefits	90,566.73				90,566.73	88,706.87
Pension Liability Adjustment	0.00				0.00	0.00
Other Personnel Costs	0.00				0.00	0.00
Contracted Personal Services	7,977.65				7,977.65	7,800.00
Utilities and Heating Fuels	0.00				0.00	0.00
Rentals	0.00				0.00	0.00
Maintenance and Repairs	0.00				0.00	0.00
Postage and Related Services	1.54				1.54	0.00
Telecommunications	0.00				0.00	0.00
Computer Services	0.00				0.00	0.00
Supplies	0.00				0.00	0.00
Miscellaneous Services	0.00				0.00	0.00
Travel	0.00				0.00	68.88
Miscellaneous Commodities	0.00				0.00	85.00
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
<b>Total Operating Expenses - KEDFA</b>	<b>221,378.57</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>221,378.57</b>	<b>230,931.79</b>
<b>Income (Loss) from Operations - KEDFA</b>	<b>(190,086.51)</b>	<b>12,805.78</b>	<b>202.59</b>	<b>0.00</b>	<b>(177,078.14)</b>	<b>(179,675.66)</b>
<b>Non-Operating Revenues (Expenses) - KEDFA</b>						
Operating Transfer Out - General Fund	0.00				0.00	0.00
Operating Transfer Out - New Business					0.00	2,000,000.00
Transfer Due from Bonds	0.00				0.00	0.00
Grants Disbursed	(212,920.34)				(212,920.34)	0.00
Operating Transfer In - Economic Dev					0.00	0.00
Unrealized Gains/(Losses) on Investment					0.00	0.00
Realized Gains/(Losses) on Investment					0.00	0.00
<b>Total Non-Operating Revenues (Expenses) -</b>	<b>(212,920.34)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(212,920.34)</b>	<b>2,000,000.00</b>
<b>CHANGE IN NET POSITION - KEDFA</b>	<b>(403,006.85)</b>	<b>12,805.78</b>	<b>202.59</b>	<b>0.00</b>	<b>(389,998.48)</b>	<b>1,820,324.34</b>
<b>Operating Revenues (Expenses) - OOE</b>						
Interest Income - Loans				30.80	30.80	141.96
Misc Income					0.00	0.00
Disbursements: Projects (Note 1)				(25,000.00)	(25,000.00)	(50,000.00)
Repayments received from Projects					0.00	0.00
<b>Non-Operating Revenues (Expenses) - OOE</b>						0.00
Operating Transfer in - OOE					0.00	(3,041.56)
Transfer Due from Bonds					0.00	0.00
Operating Transfer Out - OOE					0.00	(3,041.56)
<b>CHANGE IN NET POSITION - OOE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(24,969.20)</b>	<b>(24,969.20)</b>	<b>(55,941.16)</b>
<b>CHANGE IN NET POSITION - COMBINED</b>	<b>(403,006.85)</b>	<b>12,805.78</b>	<b>202.59</b>	<b>(24,969.20)</b>	<b>(414,967.68)</b>	<b>1,764,383.18</b>

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**  
**7/31/2017**

	<b>7/31/2016</b>	<b>7/31/2017</b>
<b>Fund A Cash Balance</b>	\$3,378,941.51	\$2,878,542.09
Less: Approved/Undisbursed	0.00	0.00
<b>Total Unobligated Balance</b>	<b>\$3,378,941.51</b>	<b>\$2,878,542.09</b>
<b>2003 Bond Fund Cash Balance</b>	14,188,018.38	\$14,293,315.67
Less: Approved/Undisbursed	(6,600,000.00)	(3,925,313.00)
<b>Total Unobligated Balance</b>	<b>\$7,588,018.38</b>	<b>\$10,368,002.67</b>
<b>Small Business Loan Fund Cash Balance</b>	\$394,651.08	\$397,258.09
Less: Approved/Undisbursed	\$0.00	0.00
<b>Total Unobligated Balance</b>	<b>\$394,651.08</b>	<b>\$397,258.09</b>
<b>Bond Funds to be Provided for Loans</b>	\$0.00	\$0.00
Less: Approved/Undisbursed	\$0.00	0.00
<b>Total Unobligated Balance</b>	<b>\$0.00</b>	<b>\$0.00</b>
Budget: Cash to be Transferred to Other CED Programs for	\$0.00	\$0.00
<b>CASH AVAILABLE</b>	<b>\$11,361,610.97</b>	<b>\$13,643,802.85</b>
<b>OCI Fund Cash Balance</b>		
High Tech Construction Pool	\$137,500.00	\$137,500.00
Less: Approved/Undisbursed	\$0.00	\$0.00
High Tech Investment Pool	\$3,076,293.93	\$2,926,293.87
Less: Approved/Undisbursed	(\$1,820,372.00)	(\$1,891,367.00)
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects	\$1,030,370.00	\$1,251,365.69
Bond Funds Available for Projects	\$0.00	\$0.00
<b>Total Unobligated Balance</b>	<b>\$2,427,835.81</b>	<b>\$2,427,836</b>
<b>TOTAL ALL FUNDS</b>	<b>\$13,789,446.78</b>	<b>\$16,071,639.29</b>

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

KEDFA Meeting date	8/31/2017
Total Projects Approved Fiscal Year-to-Date	6
Number of Proposed Projects for Current Month	4

Construction Materials and Building Fixtures

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$790,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$19,210,000
Proposed Approval for Current Month	<u>\$750,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$18,460,000</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>

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

**Financial Incentives Programs**

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
KBI	101	96	0	0	16
IEIA	0	0	0	0	0
KEIA	24	3	0	0	3
KIDA	15	3	0	0	3
KJDA	2	10	0	0	5
KREDA	3	10	0	0	4
KIRA	0	0	0	0	0
KJRA	0	0	0	0	0
KIFA	1	9	0	0	2
KESA	0	0	0	0	0
KRA	2	7	0	0	2
KALA	4	5	0	0	0
TIF	7	7	0	0	0
<b>Totals</b>	<b>159</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>35</b>

**Cash Based Programs**

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
HTP	7	3	0	0	0
Direct Loans	0	0	0	0	0
EDB	41	4	0	0	0
<b>Totals</b>	<b>48</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

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

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

**Project Update Report  
August 2017**

<u>Project</u>	<u>County</u>	<u>Approval Date</u>	<u>Exit Date</u>	<u>Program</u>
<b>EDAC Composites, LLC</b> Explanation: Company withdrew from the KBI program per email dated July 25, 2017.	Boone	10/29/2015	7/25/2017	KBI
<b>US Chita Co., Ltd.</b> Explanation: Company decided to not move forward the KBI Incentives and requested to let the project expire.	Marion	07/31/2014	07/31/2017	KBI
<b>Compass Manufacturing, LLC</b> Explanation: Several attempts to contact the company with no response. The project expired 7/31/2017.	Jefferson	07/26/2012	07/31/2017	KBI



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

**Date:** August 31, 2017  
**Applicant:** City of Ashland Department of Finance  
**Project Name:** Ashland Plaza Redevelopment Project  
**City:** Ashland **County:** Boyd  
**Program Type:** Mixed-Use Redevelopment in Blighted Urban Areas  
**TIF Term:** 20 years **OFS Staff:** Kylee Palmer  
**ORPA Staff:** Kimberly Gester

**Project Description:** Development is expected to include renovation of the existing hotel, construction of a new public parking structure and conference center, as well as some residential and restaurant uses. The 36-acre project is located in downtown Ashland, Boyd County, upon the southern bank of the Ohio River and across from West Virginia.

The proposed development is expected to include:

- Renovation of the current Ashland Plaza Hotel into a Marriott brand Delta Hotel (149 room, 3-star full service accommodations, including restaurant, lobby bar, meetings spaces, etc.)
- Construction of new public parking structure and conference center next to the hotel (4-level, 400 space above ground parking structure with 12,000 square feet of conference space on top level)
- Downtown streetscape and utility improvements
- Renovation of old college building at 1420 Central Avenue to residential units (13 or 14 apartment units)
- Renovation of 4-story building at 15th and Winchester (12 residential units targeted to young professionals)

The project is in 3 zones and construction is estimated to be completed by Spring 2019.

**Certification:** Stephen E. Gilmore, Mayor, City of Ashland, has certified that the Ashland Plaza Redevelopment Project is not reasonably expected to be developed without public assistance, including but not limited to tax increment financing.

**Impact:** The Project and its related improvements will involve new capital investment of approximately \$43.5 million when fully developed. The applicant estimates that the Project could generate \$18.7 million in on-site State and local taxes over a 20-year period while also supporting approximately 204 jobs, providing \$4.6 million in income, and generating a total economic impact of \$13.2 million annually.

**Public Infrastructure:** Infrastructure costs total approximately \$18.8 million:

- Land preparation
- Public buildings/structure
- Sewers/storm drainage
- Curbs, sidewalks, promenades and pedways
- Provision of utilities
- Parking

**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.



**MEMORANDUM**

**TO:** KEDFA Board

**FROM:** Katie Smith, Executive Director *KS*

**DATE:** August 31, 2017

**SUBJECT:** Refunding Revenue Bonds, Series 2017 (Louisville Arena Authority, Inc.) – \$450 million – Inducement Resolution

Attached is a draft Bond Issue Report related to KEDFA's proposed issuance of revenue refunding bonds (taxable and tax-exempt) in an aggregate principal amount not to exceed \$450 million on behalf of Louisville Arena Authority, Inc. The bond proceeds will be used to refund all of the outstanding Kentucky Economic Development Finance Authority Series 2008A, B and C revenue bonds for Louisville Arena Authority, Inc.

Please note that KEDFA's adoption of a final resolution will be contingent on the Cabinet's receipt of a referral resolution from the affected local jurisdiction requesting that KEDFA issue these bonds. Furthermore, a TEFRA hearing for the purpose of receiving public comment on the proposed bond issue will be conducted by staff prior to KEDFA's adoption of a final resolution.

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

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

DRAFT

**KEDFA BOND INFORMATION FORM**

**Name of Issue:** Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Series 2017 (Louisville Arena Authority, Inc.) [Note: applicable subseries to be named and identified at a later date]

**Name of project(s) covered by Issue:** Louisville Arena Authority, Inc. - KFC Yum! Center refunding

**Purpose of Issue:** To refund all of the outstanding (a) Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Series 2008A (Louisville Arena Authority, Inc.), consisting of (i) Subseries 2008A-1 - Current Interest Bonds and Subseries 2008A-2 - Capital Appreciation Bonds; (b) Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Taxable Series 2008B (Louisville Arena Authority, Inc.); and (c) Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Taxable Subordinate Series 2008C (Louisville Arena Authority, Inc.)

**Size:** \$450,000,000 (not-to-exceed amount estimated as of 08/16/2017)

**Proposed Date of Sale:** November 13-17, 2017

**Proposed Date of Issue:** December 4, 2017

**Proposed Final Maturity:** December 31, 2054 (estimated; a shorter maturity may be possible depending on the results of the refunding.)

**Ratings:** Existing ratings:

Moody's: Ba3 underlying, A2 insured

S&P: BB underlying, AA insured

New ratings will be obtained before issuance of the refunding bonds

**Security:** Revenue pledge, mortgage, debt service reserve fund, bond insurance, and various operating and financial covenants

**Date of Authorizations:** Inducement Resolution: August 31, 2017  
Bond Resolution: September 28, 2017 (estimated)

Net proceeds for refunding: \$366,121,444<sup>1</sup>

Plus issuance costs: 21,327,635<sup>1</sup>

**GROSS PROCEEDS:** \$387,449,079

<sup>1</sup> Estimated as of 08/16/2017. Estimated issuance costs include underwriter's discount, bond insurance premiums, additions to the existing debt service reserve fund, and other closing costs.

**Terms of Issue:** Fixed Rate **Net Interest Rate:** 5.40% (estimated as of 08/16/2017)

**Length of Term:** Up to 35 years

**Gross debt service amount:** \$819,231,378 (estimated as of 08/16/2017)

**Average annual debt service:** \$29,275,689 (estimated as of 08/16/2017)

**First Call Date:** 06/01/2022 (estimated) **Premium At First Call:** 0%

**Method of Sale:** Negotiated public offering

**Purchasers:** Merrill Lynch, Pierce, Fenner & Smith Incorporated, as underwriter

PRELIMINARY

**Professional Services**

Pursuant to the provisions of KRS Chapter 47, the

**Agency:** Kentucky Economic Development Finance Authority

**Issue:** Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Series 2017 (Louisville Arena Authority, Inc.) [Note: applicable subseries to be named and identified at a later date]

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

Payee Name/Address <sup>2</sup>	Participation	Fees, commissions, or any other economic benefits received or anticipated to be received
Kentucky Economic Development Finance Authority Old Capitol Annex 300 West Broadway Frankfort, KY 40601	Issuance Fee	\$10,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated 1 Bryant Park, 12 <sup>th</sup> Floor New York, NY 10036	Underwriter's Discount	\$TBD
Stoll Keenon Ogden PLLC 500 West Jefferson Street Suite 2000 Louisville, KY 40202	Bond Counsel Fee and Expenses	\$TBD
J.J.B. Hilliard, W.L. Lyons, LLC 500 West Jefferson Street Suite 800 Louisville, KY 40202	Financial Advisory Fees and Expenses	\$TBD
TBD	Underwriter's Counsel Fee and Expenses	\$TBD
TBD	Trustee's Fee	\$TBD
Frost Brown Todd LLC 400 West Market Street Suite 3200	Borrower's Counsel Fee	\$TBD

<sup>2</sup> Payees listed shall include issuers, underwriters, placement agents and advisors, financial advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel, special tax counsel, and any other persons receiving financing benefit from the issuance of revenue bonds or notes.

<b>Payee Name/Address<sup>2</sup></b>	<b>Participation</b>	<b>Fees, commissions, or any other economic benefits received or anticipated to be received</b>
Louisville, KY 40202-3363		
Stites & Harbison PLLC 400 West Market Street Suite 1800 Louisville, KY 40202-3352	Issuer's Counsel Fee and Expenses	\$TBD
Moody's Investors Service <sup>3</sup> 7 World Trade Center 250 Greenwich Street New York, NY 10007	Rating Agency Fee	\$TBD
Standard & Poor's Financial Services LLC <sup>2</sup> 37 Water Street New York, NY 10041	Rating Agency Fee	\$TBD
Assured Guaranty Corp. <sup>4</sup> 1633 Broadway New York, NY 10019	Bond Insurance Premium	\$TBD
[TBD]	Bond Insurer Counsel Fees and Expenses	\$TBD
Crowe Horwath LLP 9600 Brownsboro Road Suite 400 Louisville, KY 40241-3902	Auditor Fee	\$TBD
[TBD]	Verification Fee	\$TBD
[TBD]	Printer Costs	\$TBD

All costs of issuance paid from Bond proceeds.

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

**Sources and Uses:** Attached (estimated as of 08/16/2017)

**Debt Service** Attached (estimated as of 08/16/2017)

<sup>3</sup> A different rating agency may be substituted if deemed beneficial to the Louisville Arena Authority, Inc.

<sup>4</sup> Credit enhancement may be provided by an affiliate of Assured Guaranty Corp.

**FOR REFUNDING ONLY**

**Bond Issues Being Refinanced:** All of the outstanding (a) Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Series 2008A (Louisville Arena Authority, Inc.), consisting of Subseries 2008A-1 - Current Interest Bonds and Subseries 2008A-2 - Capital Appreciation Bonds; (b) Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Taxable Series 2008B (Louisville Arena Authority, Inc.); and (c) Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Taxable Subordinate Series 2008C (Louisville Arena Authority, Inc.)

<b>Amount Of Principal and Interest on Capital Appreciation Bonds:</b>	\$366,655,000	<b>Amount To Be Refunded:</b>	\$366,655,000
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**Term Of Existing Bond Issue:** December 1, 2017 through December 1, 2042

<b>Net Interest Rate:</b>	6.00%	<b>Length Of Term Remaining:</b>	Approximately 25 years and 4 months
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<b>First Call Date:</b>	2008A-1 Bonds: June 1, 2018 2008A-2 Bonds: Noncallable 2008B Bonds: June 1, 2017 2008C Bonds: June 1, 2017	<b>Call At Par:</b>	2008A-1 Bonds: Yes 2008A-2 Bonds: N/A 2008B Bonds: Yes 2008C Bonds: Yes
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**Average Annual Debt Service:** \$25,682,985

**REFUNDING ACTIVITY**

Funds to apply to refunding:

Proceeds from New Bonds: \$TBD

Released Debt Service Reserve: \$0

Total Available to Pay Old Bond Issue: \$TBD

**SAVINGS RESULTING FROM REFINANCING**

Average annual debt service savings: \$TBD

Number of years savings will accrue: \$TBD

Total present value savings: \$TBD

**SOURCES AND USES OF FUNDS**

Louisville Arena Authority  
Series 2017

Sources:	TE Refunding Bonds	Taxable Refunding Bonds	Total
<b>Bond Proceeds:</b>			
Par Amount	257,110,000.00	129,215,000.00	386,325,000.00
Net Premium	<u>1,124,078.55</u>	-	<u>1,124,078.55</u>
	258,234,078.55	129,215,000.00	387,449,078.55
<b>Other Sources of Funds:</b>			
DSRF	10,271,620.54	5,643,413.36	15,915,033.90
	<u>268,505,699.09</u>	<u>134,858,413.36</u>	<u>403,364,112.45</u>
<b>Uses:</b>			
<b>Refunding Escrow Deposits:</b>			
Cash Deposit	0.88	0.76	1.64
SLGS Purchases	<u>243,817,801.00</u>	<u>122,303,641.00</u>	<u>366,121,442.00</u>
	243,817,801.88	122,303,641.76	366,121,443.64
<b>Other Fund Deposits:</b>			
DSRF	12,177,364.47	6,119,941.46	18,297,305.93
<b>Delivery Date Expenses:</b>			
Cost of Issuance	1,331,055.46	668,944.54	2,000,000.00
Underwriter's Discount	1,928,325.00	969,112.50	2,897,437.50
Insurance	8,759,863.49	3,528,607.17	12,288,470.66
Surety	487,094.58	244,797.66	731,892.24
KSFB Payoff	-	<u>1,021,910.00</u>	<u>1,021,910.00</u>
	12,506,338.53	6,433,371.87	18,939,710.40
<b>Other Uses of Funds:</b>			
Additional Proceeds	4,194.21	1,458.27	5,652.48
	<u>268,505,699.09</u>	<u>134,858,413.36</u>	<u>403,364,112.45</u>

## BOND DEBT SERVICE BREAKDOWN

Louisville Arena Authority  
Series 2017

Period Ending	TE Refunding Bonds	Taxable Refunding Bonds	Total
12/01/2018	13,088,437.08	8,271,915.03	21,360,352.11
12/01/2019	13,310,275.00	8,746,476.50	22,056,751.50
12/01/2020	13,310,275.00	9,253,119.50	22,563,394.50
12/01/2021	13,310,275.00	9,820,464.50	23,130,739.50
12/01/2022	13,310,275.00	10,208,251.50	23,518,526.50
12/01/2023	13,310,275.00	10,754,071.50	24,064,346.50
12/01/2024	13,310,275.00	11,178,892.50	24,489,167.50
12/01/2025	13,310,275.00	11,769,212.00	25,079,487.00
12/01/2026	13,310,275.00	12,164,170.00	25,474,445.00
12/01/2027	13,310,275.00	12,799,910.50	26,110,185.50
12/01/2028	13,310,275.00	13,055,165.50	26,365,440.50
12/01/2029	13,310,275.00	13,661,737.50	26,972,012.50
12/01/2030	13,310,275.00	13,952,732.00	27,263,007.00
12/01/2031	13,310,275.00	14,608,219.50	27,918,494.50
12/01/2032	13,310,275.00	15,238,969.00	28,549,244.00
12/01/2033	13,310,275.00	15,737,321.00	29,047,596.00
12/01/2034	13,310,275.00	16,421,821.50	29,732,096.50
12/01/2035	13,310,275.00	16,886,437.00	30,196,712.00
12/01/2036	20,030,275.00	10,711,591.50	30,741,866.50
12/01/2037	31,454,275.00	-	31,454,275.00
12/01/2038	32,170,275.00	-	32,170,275.00
12/01/2039	32,953,975.00	-	32,953,975.00
12/01/2040	33,501,075.00	-	33,501,075.00
12/01/2041	34,263,925.00	-	34,263,925.00
12/01/2042	35,096,512.50	-	35,096,512.50
12/01/2043	35,919,650.00	-	35,919,650.00
12/01/2044	36,737,825.00	-	36,737,825.00
12/01/2045	52,500,000.00	-	52,500,000.00
	583,990,899.58	235,240,478.03	819,231,377.61

PRELIMINARY



## MEMORANDUM

**TO:** KEDFA Board  
**FROM:** Kylee Palmer   
**DATE:** August 31, 2017  
**RE:** **Western Kentucky University Research Foundation, Inc.**

Western Kentucky University Research Foundation, Inc. (WKURF) was approved for a \$200,000 High-Tech Pool grant at the July 28, 2016 KEDFA meeting. The WKURF has collaborated with other entities to conduct a one-year on-site test for the development of a Nano enzyme treatment for coal and combustion technology. The Nano enzyme treatment proposal would have a profound positive impact on Kentucky's coal industry. The treatment has the capability of minimizing the problems seen using high sulfur coal and can bring both combustion and emission efficiencies to coal burning power plants.

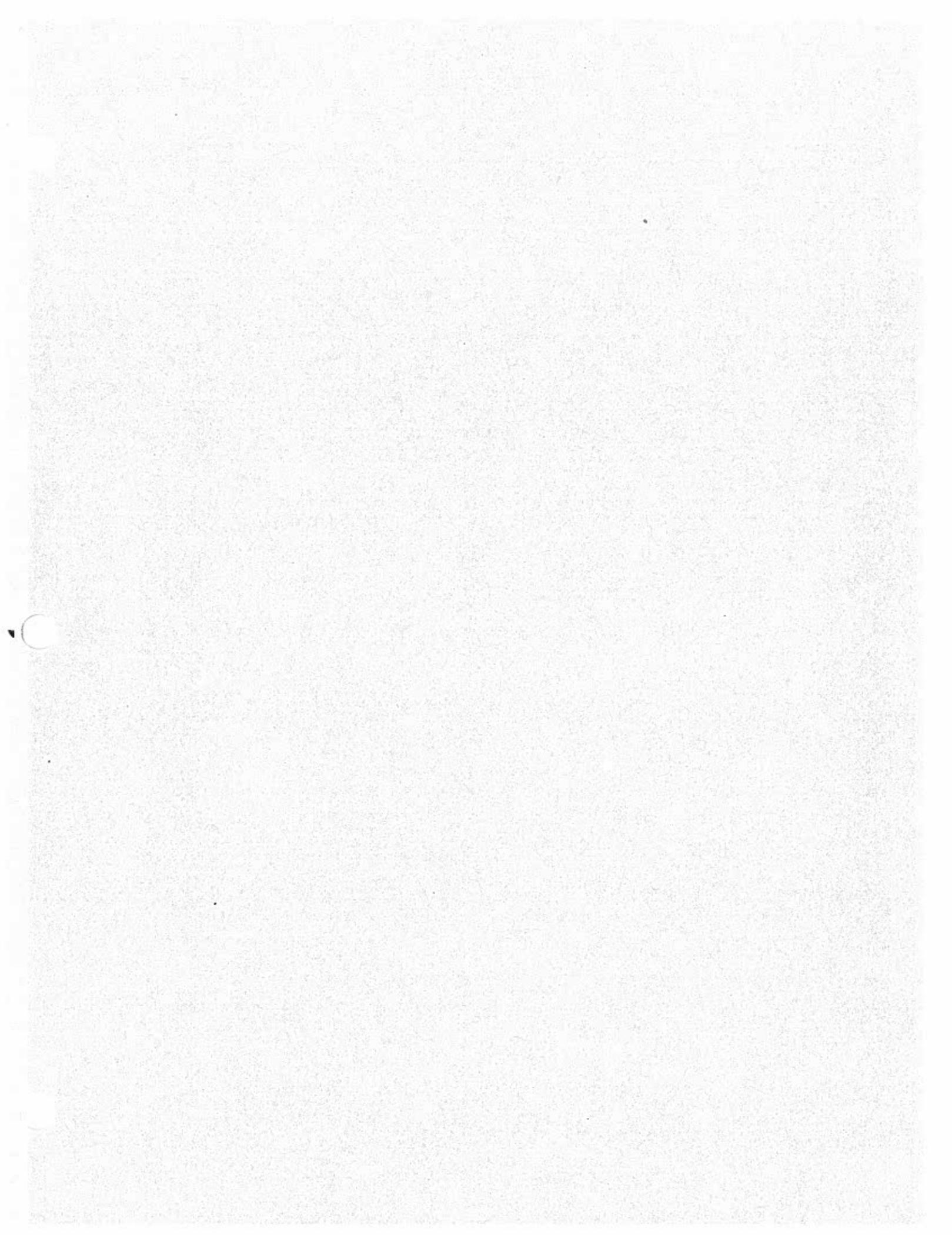
The project was approved on a reimbursement basis. The first disbursement occurred on April 6, 2017 for \$89,083.36. The WKURF submitted the required reports regarding the use of the KEDFA funds for the first disbursement.

Due to some confusion and misunderstanding regarding the final disbursement date and term date, the grant agreement has expired prior to WKURF's submitting a request for the final disbursement. The final disbursement request would exhaust the balance of the \$200,000 grant. All approved expenses were expended prior to the term date of the grant agreement.

WKURF is requesting an extension to the disbursement request date in the grant agreement and a similar extension to the term agreement date.

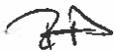
Staff requests a disbursement request date extension to September 30, 2017 and a term agreement date extension to October 31, 2017.

Recommended for Approval by the Office of Entrepreneurship.



## **MEMORANDUM**

**TO:** KEDFA Board Members

**FROM:** Robert Aldridge, Assistant Director   
Compliance Division

**DATE:** August 31, 2017

**SUBJECT:** KBI Amendment  
PDCI Automotive LLC (Marion County)  
Project #18179

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PDCI Automotive, LLC is requesting a First Amendment to Tax Incentive Agreement to reflect a project location change from a 30,000 square foot manufacturing facility at 715 East Main St in Lebanon, Marion County to a 66,000 square foot manufacturing facility at 300 Corporate Drive, Lebanon, Marion County retroactive to April 18, 2016. All other aspects of the project remain the same.

Staff recommends approval



## **MEMORANDUM**

**TO:** KEDFA Board

**FROM:** Robert Aldridge, Assistant Director *RA*  
Compliance Division

**DATE:** August 31, 2017

**SUBJECT:** KBI Amendment  
Rainbow Design Services, Inc. (Jefferson County)  
KBI Project #18329

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Rainbow Design Services, Inc. received Final Approval on October 31, 2013 for a KBI project to expand its Louisville business providing engineering design services for cable companies. The original project site was a campus, with leased locations at Watterson Trail and Cargo Court. Due to greater than anticipated growth, the company needed more space and has relocated to a larger consolidated location at Linn Station Road.

This amendment documents the change of the project site and recognizes the new leases. All other aspects of the project remain the same.

Staff recommends approval.



## **MEMORANDUM**

**TO:** KEDFA Board Members

**FROM:** Katie Smith, Executive Director *KS*  
Office of Financial Services

**DATE:** August 31, 2017

**SUBJECT:** KEIA Extensions

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

<b>Company</b>	<b>County</b>	<b>Extension</b>
East Bernstadt Cooperage, LLC	Laurel	4 Months
Fischbach USA, Inc.	Hardin	4 Months
Patriot Brands, LLC	Henry	4 Months
Gibbs Die Casting Corporation	Henderson	6 Months
Hansens Aluminum, LLC	Henderson	6 Months
AAK USA K2, LLC	Jefferson	9 Months
Master Engineering, Inc. dba Piccola Manufacturing	Bullitt	12 Months
Rabbit Hole Spirits, LLC*	Jefferson	12 Months

\*Retroactive to May 1, 2017

Staff recommends approval.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** August 31, 2017  
**Approved Company:** Buffalo Trace Distillery, Inc.  
**City:** Frankfort **County:** Franklin  
**Activity:** Manufacturing **Resolution #:** KEIA-18-21749  
**Bus. Dev. Contact:** K. Slattery **OFS Staff:** L. Cunningham

**Project Description:** Buffalo Trace Distillery, Inc. is considering expanding its facility to meet the growing demands of its customers. This project would include upgrading the current bottling operation to keep up with increased demand.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment**

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

Eligible Costs	Total Investment
\$0	\$0
\$15,000,000	\$22,600,000
\$0	\$0
\$0	\$0
\$0	\$20,000,000
\$0	\$0
<b>\$15,000,000</b>	<b>\$42,600,000</b>

**Ownership (20% or more):**

Sazerac Distillers, LLC - Metairie, LA

**Other State Participation:**

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Mar 31, 2011	KIDA	Monitor	\$780,000
Aug 25, 2016	KEIA	Approve-Final	\$150,000
Feb 23, 2017	KBI	Monitor	\$1,250,000

**Unemployment Rate:**

County: 4.9%

Kentucky: 5.7%

**Existing Presence in Kentucky:**

Daviess, Franklin, Jefferson and Nelson Counties

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$400,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$400,000**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** August 31, 2017  
**Approved Company:** Pinkerton Tobacco Co. LP  
**City:** Owensboro **County:** Daviess  
**Activity:** Manufacturing **Resolution #:** KEIA-18-21771  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Pinkerton Tobacco Co. LP, a division of Swedish Match North America, manufactures smokeless tobacco products such as moist snuff and loose leaf and plug tobacco. Pinkerton's major brands are Red Man Chewing Tobacco, Longhorn, Timberwolf and Red Man Moist Snuff, and Day's Work Plug Tobacco. The company is considering constructing a new building, reconstructing some space in its existing building and purchasing new equipment.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment**

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

Eligible Costs	Total Investment
\$0	\$0
\$6,397,604	\$12,051,494
\$125,000	\$125,000
\$0	\$0
\$0	\$28,542,588
\$0	\$200,000
<b>\$6,522,604</b>	<b>\$40,919,082</b>

**Ownership (20% or more):**

The Pinkerton Tobacco Co LLC Owensboro, KY

**Other State Participation:** None

**Unemployment Rate:**

County: 5.3%

Kentucky: 5.7%

**Existing Presence in Kentucky:**

Daviess County

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$150,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$150,000**



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

**Date:** August 31, 2017  
**Approved Company:** The Bardstown Bourbon Company, LLC  
**City:** Bardstown **County:** Nelson  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-17-21758  
**Bus. Dev. Contact:** K. Slattery **OFS Staff:** L. Cunningham

**Project Description:** The Bardstown Bourbon Company, LLC founded in 2014, is one of the largest new distilleries in America. The company started commercial production in September 2016 and is producing whiskey, bourbon, and rye for its own brands as well as for its Collaborative Distilling Program partners. The company seeks to undertake a capital project to double the capacity of the distillery from 3 million to 6 million proof gallons per year.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**

Land  
 Building/Improvements  
 Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$0
\$10,500,000	\$10,500,000
\$200,000	\$6,000,000
\$1,500,000	\$1,500,000
<b>\$12,200,000</b>	<b>\$18,000,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$37.00	
1	10	\$37.00	\$30,000
2	10	\$37.00	\$30,000
3	10	\$37.00	\$30,000
4	10	\$37.00	\$30,000
5	10	\$37.00	\$30,000
6	10	\$37.00	\$30,000
7	10	\$37.00	\$30,000
8	10	\$37.00	\$30,000
9	10	\$37.00	\$30,000
10	10	\$37.00	\$30,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$300,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** August 31, 2017  
**Approved Company:** The Bardstown Bourbon Company, LLC  
**City:** Bardstown **County:** Nelson  
**Activity:** Manufacturing **Resolution #:** KEIA-18-21759  
**Bus. Dev. Contact:** K. Slattery **OFS Staff:** L. Cunningham

**Project Description:** The Bardstown Bourbon Company, LLC founded in 2014, is one of the largest new distilleries in America. The company started commercial production in September 2016 and is producing whiskey, bourbon, and rye for its own brands as well as for its Collaborative Distilling Program partners. The company seeks to undertake a capital project to double the capacity of the distillery from 3 million to 6 million proof gallons per year.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment**

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

Eligible Costs	Total Investment
\$0	\$0
\$4,200,000	\$10,500,000
\$0	\$0
\$0	\$0
\$0	\$6,000,000
\$0	\$1,500,000
<b>\$4,200,000</b>	<b>\$18,000,000</b>

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$100,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$100,000**

See KBI file (KBI-I-17-21758) for Ownership, Other State Participation and Unemployment Rate.



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

**Date:** August 31, 2017  
**Approved Company:** Denyo Manufacturing Corporation  
**City:** Danville **County:** Boyle  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-ID-17-21743  
**Bus. Dev. Contact:** K. Slattery **OFS Staff:** L. Cunningham

**Project Description:** Denyo Manufacturing Corporation's Danville facility assembles engine-driven generators that are designed for continuous, long-term service and are widely used in rental, construction, telecommunications, and special events applications as well as by the U.S. military and FEMA. The proposed Danville expansion would be the addition of an approximately 63,000 SF building for fabrication of sheet metal components used in generator and compression assembly. The expansion would include the addition of state-of-the-art equipment for cutting, bending and welding of steel for complex structural components on-site.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**

Land  
 Building/Improvements  
 Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	
\$5,000,000	\$5,000,000
\$3,276,000	\$3,276,000
\$400,000	\$400,000
<b>\$8,676,000</b>	<b>\$8,676,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	17	\$21.00	
1	21	\$21.00	\$60,000
2	25	\$21.00	\$60,000
3	29	\$21.00	\$60,000
4	33	\$21.00	\$60,000
5	37	\$21.00	\$60,000
6	41	\$21.00	\$60,000
7	45	\$21.00	\$60,000
8	45	\$21.00	\$60,000
9	45	\$21.00	\$60,000
10	45	\$21.00	\$60,000
11			
12			
13			
14			
15			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$600,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** August 31, 2017  
**Approved Company:** Denyo Manufacturing Corporation  
**City:** Danville **County:** Boyle  
**Activity:** Manufacturing **Resolution #:** KEIA-18-21744  
**Bus. Dev. Contact:** K. Slattery **OFS Staff:** L. Cunningham

**Project Description:** Denyo Manufacturing Corporation's Danville facility assembles engine-driven generators that are designed for continuous, long-term service and are widely used in rental, construction, telecommunications, and special events applications as well as by the U.S. military and FEMA. The proposed Danville expansion would be the addition of an approximately 63,000 SF building for fabrication of sheet metal components used in generator and compression assembly. The expansion would include the addition of state-of-the-art equipment for cutting, bending and welding of steel for complex structural components on-site.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment**

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

<b>Eligible Costs</b>	<b>Total Investment</b>
\$0	\$0
\$2,280,000	\$5,000,000
\$170,000	\$170,000
\$0	\$0
\$0	\$3,106,000
\$0	\$400,000
<b>\$2,450,000</b>	<b>\$8,676,000</b>

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$100,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$100,000**

See KBI file (KBI-ID-17-21743) for Ownership, Other State Participation and Unemployment Rate.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** August 31, 2017  
**Approved Company:** The Recon Group Inc.  
**City:** Frankfort **County:** Franklin  
**Activity:** Service & Technology **Prelim Resolution #:** KBI-IL-17-21772  
**Bus. Dev. Contact:** A. Germond **OFS Staff:** L. Cunningham

**Project Description:** The Recon Group was incorporated in 2008 and provides reverse logistic services primarily to certain national big box retailers in the U.S. and Canada. The company purchases returned merchandise such as portable media players, tablets, computers, and televisions; inspects them for functionality and physical condition, wipes to clear existing data, returns to defaults, repairs, or refurbishes, and repackages. The proposed relocation site would allow the company to expand as business continues to grow.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Leased**

	<b>Eligible Costs</b>	<b>Total Investment</b>
Rent	\$534,965	\$1,069,930
Building/Improvements	\$160,000	\$160,000
Equipment	\$166,000	\$166,000
Other Start-up Costs	\$0	\$0
<b>TOTAL</b>	<b>\$860,965</b>	<b>\$1,395,930</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

<b>Year</b>	<b>Job Target</b>	<b>Average Hourly Wage Target (Including Employee Benefits)</b>	<b>Annual Approved Cost Limitation</b>
As of Activation Date	40	\$16.50	
1	40	\$16.50	\$80,000
2	60	\$16.50	\$80,000
3	80	\$16.50	\$80,000
4	90	\$16.50	\$80,000
5	90	\$16.50	\$80,000
6	90	\$16.50	\$80,000
7	90	\$16.50	\$80,000
8	90	\$16.50	\$80,000
9	90	\$16.50	\$80,000
10	90	\$16.50	\$80,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$800,000**

**County Type:**

Other

**Statutory Minimum Wage Requirements:**

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

**Ownership (20% or more):**

Sender Shamiss - Sunny Isles Beach, FL

**Active State Participation at the project site:**

None

**Requested Wage Assessment / Local Participation:**

State: 1.5%

Local: .5% - Franklin County

**Unemployment Rate:**

County: 4.9%

Kentucky: 5.7%

**Existing Presence in Kentucky:**

Franklin 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 60 full-time, Kentucky resident employees as of the application date.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** August 31, 2017  
**Approved Company:** Gryphon Environmental, LLC  
**City:** Owensboro **County:** Daviess  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-IL-17-21739  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Gryphon Environmental LLC builds advanced drying systems to remove water from biomass, sludge, plastics and proteins. The company's technology is used by large industry, municipalities and research professionals worldwide. Gryphon senses a growth cycle coming and more space is needed to meet this demand. Therefore, the company is considering relocating its production facility which will increase the manufacturing space as well as add for future growth.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Leased**

Rent  
 Building/Improvements  
 Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$850,020	\$1,700,040
\$20,000	\$20,000
\$20,000	\$20,000
\$20,000	\$20,000
<b>\$910,020</b>	<b>\$1,760,040</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$30.00	
1	15	\$30.00	\$40,000
2	20	\$30.00	\$40,000
3	20	\$30.00	\$40,000
4	20	\$30.00	\$40,000
5	20	\$30.00	\$40,000
6	20	\$30.00	\$40,000
7	20	\$30.00	\$40,000
8	20	\$30.00	\$40,000
9	20	\$30.00	\$40,000
10	20	\$30.00	\$40,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$400,000**

**County Type:**  
Other

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

**Ownership (20% or more):**  
DRV Investments Cohasset, MA

**Active State Participation at the project site:** None

**Requested Wage Assessment / Local Participation:**

State: 3.0%  
Local: 1.0% City of Owensboro

**Unemployment Rate:**

County: 5.3%

Kentucky: 5.7%

**Existing Presence in Kentucky:**

Daviess 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 7 full-time, Kentucky resident employees as of the application date.



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

**Date:** August 31, 2017  
**Approved Company:** WPT Corporation  
**City:** Beaver Dam  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** C. Peek

**County:** Ohio  
**Prelim Resolution #:** KBI-I-17-21742  
**OFS Staff:** M. Elder

**Project Description:** WPT Corporation, a nonwoven fabric manufacturer, has been in business since 2008. The company is considering expanding its manufacturing capabilities, by installing a state of the art nonwoven production line that will focus on the hygiene and filtration media sectors. This would be WPT's second facility in Ohio County.

**Facility Details:** Locating in a new facility

**Anticipated Project Investment - Owned**

Land  
 Building/Improvements  
 Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$0
\$525,000	\$525,000
\$4,324,500	\$4,324,500
\$84,500	\$84,500
<b>\$4,934,000</b>	<b>\$4,934,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$17.00	
1	20	\$17.00	\$50,000
2	30	\$17.00	\$50,000
3	40	\$17.00	\$50,000
4	40	\$17.00	\$50,000
5	40	\$17.00	\$50,000
6	40	\$17.00	\$50,000
7	40	\$17.00	\$50,000
8	40	\$17.00	\$50,000
9	40	\$17.00	\$50,000
10	40	\$17.00	\$50,000
11	40	\$17.00	\$50,000
12	40	\$17.00	\$50,000
13	40	\$17.00	\$50,000
14	40	\$17.00	\$50,000
15	40	\$17.00	\$50,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$750,000**

**County Type:**  
Enhanced

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

**Ownership (20% or more):**

Wayne Robbins Bowling Green, KY

**Active State Participation at the project site:**

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Mar 26, 2015	KBI	Approve/Prelim	\$120,000

**Requested Wage Assessment / Local Participation:**

State: 5.0%

**Unemployment Rate:**

County: 7.4%

Kentucky: 5.7%

**Existing Presence in Kentucky:**

Ohio County

**Special Conditions:**

The project will include multiple locations within Beaver Dam/Ohio County. Only investment costs incurred at 795 West 7th Ave. 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 44 (*base employment number required by previous project*) full-time, Kentucky resident employees.



## MEMORANDUM

**TO:** KEDFA Board Members  
**FROM:** Michelle Elder *ME*  
Incentive Assistance Division  
**DATE:** August 31, 2017  
**SUBJECT:** KBI Extensions

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

<b>Company</b>	<b>County</b>	<b>Extension</b>
Filtrona Plastics LLC (dba Alliance Plastics)	Jefferson	6 month
Gazelle, Inc.	Jefferson	6 month
Seven Peaks Minerals, Inc.	Pike	6 month
A.O. Smith Corporation	Kenton	12 month
Bendix Spicer Foundation Brake LLC	Warren	12 month
Consolo Services Group, Inc.	Fayette	12 month
Hollison, LLC	Daviess	12 month
Intelligrated Systems, Inc.	Boyle	12 month
Prime Tech Manufacturing, LLC	Graves	12 month
V-Soft Consulting Group, Inc.	Jefferson	12 month

Staff recommends approval.



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

**Date:** August 31, 2017  
**Preliminary Approval:** October 29, 2015  
**Approved Company:** Florida Tile, Inc.  
**City:** Lawrenceburg  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** A. Bobbitt

**County:** Anderson  
**Final Resolution #:** KBI-F-17-20676  
**OFS Staff:** M. Elder

**Project Description:** Florida Tile, Inc. is one of the United States' largest producers of glazed and unglazed porcelain wall and floor tile. The company expanded its manufacturing capacity and its national distribution center to accommodate increased demand for the Company's products in North America.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$9,625,875	\$25,175,736

**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	25	\$20.00	\$45,000
2	35	\$20.00	\$45,000
3	45	\$20.00	\$45,000
4	55	\$20.00	\$45,000
5	61	\$20.00	\$45,000
6	61	\$20.00	\$45,000
7	61	\$20.00	\$45,000
8	61	\$20.00	\$45,000
9	61	\$20.00	\$45,000
10	61	\$20.00	\$45,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$450,000**

**County Type:**  
Other

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

**Special Conditions:**

Maintain Base Employment: 205  
 Maintain Statewide Employment: 39

**Modifications since preliminary approval?** No



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

**Date:** August 31, 2017  
**Preliminary Approval:** September 27, 2012  
**Approved Company:** ConeXus World Global, LLC dba Creative Realities, Inc.  
**City:** Louisville **County:** Jefferson  
**Activity:** Service & Technology **Final Resolution #:** KBI-FL-17-19278  
**Bus. Dev. Contact:** A. Bobbitt **OFS Staff:** M. Elder

**Project Description:** ConeXus World Global, LLC, established in 2010, is a digital signage technology and maintenance company. The company expanded its present operations in order to provide installation services for enterprise mobile phone technology that enables increased connectivity within individual buildings and facilities.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$1,092,000	\$1,812,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$23.00	
1	30	\$23.00	\$50,000
2	30	\$23.00	\$50,000
3	30	\$23.00	\$50,000
4	30	\$23.00	\$50,000
5	30	\$23.00	\$50,000
6	30	\$23.00	\$50,000
7	30	\$23.00	\$50,000
8	30	\$23.00	\$50,000
9	30	\$23.00	\$50,000
10	30	\$23.00	\$50,000

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

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

**Special Conditions:**  
 Maintain Base Employment: 2

**Modifications since preliminary approval?** Yes

The company requests to add the dba Creative Realities, Inc. to the project. All other aspects of the project remain the same.



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

**Date:** August 31, 2017  
**Preliminary Approval:** December 12, 2013  
**Approved Company:** First State Investments (US) LLC  
**City:** Louisville **County:** Jefferson  
**Activity:** Service & Technology **Final Resolution #:** KBI-FL-17-19786  
**Bus. Dev. Contact:** A. Bobbitt **OFS Staff:** M. Elder

**Project Description:** First State Investments (US) LLC, a subsidiary of Commonwealth Bank of Australia (CBA) is Australia's leading provider of integrated financial services including retail banking, premium banking, business banking and institutional banking. The company opened an operation in Louisville that provides administrative and marketing support for its global operations.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$1,470,070	\$2,070,070

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	12	\$79.00	
1	12	\$79.00	\$50,000
2	12	\$79.00	\$50,000
3	12	\$79.00	\$50,000
4	12	\$79.00	\$50,000
5	15	\$79.00	\$50,000
6	15	\$79.00	\$50,000
7	19	\$79.00	\$50,000
8	19	\$79.00	\$50,000
9	19	\$79.00	\$50,000
10	19	\$79.00	\$50,000

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

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

**Special Conditions:**  
 Maintain Base Employment: 6

**Modifications since preliminary approval?** Yes  
 First State Investments (US) LLC has acquired First State Investments International, Inc. First State Investments (US) LLC intends to complete the project and make the investment. All other aspects of the project remain the same.



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

**Date:** August 31, 2017  
**Preliminary Approval:** May 30, 2013  
**Approved Company:** Louisville Distilling Company, LLC  
**City:** Louisville **County:** Jefferson  
**Activity:** Manufacturing **Final Resolution #:** KBI-F-17-19526  
**Bus. Dev. Contact:** A. Bobbitt **OFS Staff:** M. Elder

**Project Description:** Louisville Distilling Company LLC established a distillery in Jefferson County for the production of Angel's Envy Bourbon and related products. This project included a column still for expanded production, a bottling line, grain handling equipment, barrel storage and a product "finishing" area.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$24,213,535	\$27,000,001

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	30	\$25.00	
1	30	\$25.00	\$110,000
2	35	\$25.00	\$110,000
3	40	\$25.00	\$110,000
4	50	\$25.00	\$110,000
5	60	\$25.00	\$110,000
6	60	\$25.00	\$110,000
7	60	\$25.00	\$110,000
8	60	\$25.00	\$110,000
9	60	\$25.00	\$110,000
10	60	\$25.00	\$110,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$1,100,000**

**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 has changed from Angel's Share Brands, LLC to Louisville Distilling Company, LLC. The affiliate has been removed from the project. The investment increased from \$10,000,000 to \$27,000,001. The eligible costs increased from \$7,340,000 to \$24,213,535. Jobs increased from 40 to 60. The total negotiated tax incentive amount increased from \$800,000 to \$1,100,000. All other aspects of the project remain the same.



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

**Date:** August 31, 2017  
**Preliminary Approval:** March 26, 2015  
**Approved Company:** Midea America Corp  
**City:** Louisville  
**Activity:** Service & Technology  
**Bus. Dev. Contact:** L. Ransdell

**County:** Jefferson  
**Final Resolution #:** KBI-FL-17-20349  
**OFS Staff:** M. Elder

**Project Description:** Midea America Corporation, a division of Midea Group, the third largest appliance maker in the world, has been serving North America for more than ten years. Midea established a United States based Research and Development center to better focus on North American products and customers through product innovation and development.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$5,350,000	\$8,950,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	25	\$85.00	
1	35	\$85.00	\$150,000
2	60	\$85.00	\$150,000
3	60	\$85.00	\$150,000
4	60	\$85.00	\$150,000
5	60	\$85.00	\$150,000
6	60	\$85.00	\$150,000
7	60	\$85.00	\$150,000
8	60	\$85.00	\$150,000
9	60	\$85.00	\$150,000
10	60	\$85.00	\$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 investment increased from \$2,650,000 to \$8,950,000. The eligible costs increased from \$1,900,000 to \$5,350,000. The jobs increased from 25 to 60. 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  
KRA REPORT - PRELIMINARY APPROVAL**

**Date:** August 31, 2017  
**Approved Company:** Aristech Surfaces LLC  
**City:** Florence  
**Prelim Resolution #:** KRA-I-17-21753  
**Bus. Dev. Contact:** K. Slattery

**County:** Boone

**OFS Staff:** D. Phillips

**Project Description:** Aristech Surfaces LLC has been in business for almost 50 years and is a leader manufacturer of continuous cast acrylic sheet, and 100% acrylic and specialty blend solid surface products. The company produces acrylic and solid surface sheets used for a broad variety of horizontal, vertical and 3-dimensional applications used for hot tubs, bath shells, wall panels, countertops and signage applications.

The Florence headquarters and manufacturing facility is in need of significant improvements and upgrades to its equipment, which will increase efficiencies, increase production output, decrease costs and allow the company to enter into new product markets. The company states that without the KRA incentives the project would not be possible. If approved, the timeline for this project would begin in September 2017.

Number of full-time jobs at the project location as of the application date:  
 paying average hourly wages, excluding benefits, of:

132
\$31.25

**Negotiated job retention percentage:**

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

90%
-----

**Anticipated Equipment and Related Costs**

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

Eligible Costs (50% eligible)	Total Investment
\$0	\$0
\$0	\$0
\$0	\$0
\$8,950,000	\$17,900,000
\$0	\$0
<b>\$8,950,000</b>	<b>\$17,900,000</b>

**Maximum Amount of Eligible Costs:**

\$8,950,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

<b>\$375,000</b>
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**Financing:**

Source	Amount
Other - Committed Funding	\$13,425,000
Other - Aristech Working Capital	\$1,790,000
Other - Commercial Loan	\$2,685,000
<b>TOTAL</b>	<b>\$17,900,000</b>

**Ownership (20% or more):**

SK AA Holdings, LLC - Boca Raton, FL

**Active State Participation at the project site:** None

**Unemployment Rate**

County: 4.6%

Kentucky: 5.7%

**Special Conditions:** None



## **MEMORANDUM**

**TO:** KEDFA Board Members  
**FROM:** Kylee Palmer *CP*  
Office of Financial Services  
**DATE:** August 31, 2017  
**SUBJECT:** IEIA Extension

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The following company previously received IEIA preliminary approval and is requesting approval of a time extension:

<b>Company</b>	<b>County</b>	<b>Extension</b>
RCC Big Shoal, LLC	Pike	12 month

Staff recommends approval to August 31, 2018



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

**Date:** August 31, 2017  
**Preliminary Approval:** August 25, 2016  
**Approved Company:** Lock 12 Hydro Partners, LLC  
**City:** Ravenna **County:** Estill  
**Activity:** Manufacturing **Final Resolution #:** IEIA-I-17-21231  
**Bus. Dev. Contact:** Robyn Lee **OFS Staff:** Kylee Palmer

**Project Description:** Lock 12 Hydro Partners, LLC will construct a hydroelectric plant in the abandoned lock chambers at Lock 12 on the Kentucky River in Estill County. The company has been involved in the installation of several small hydroelectric plants, including one currently operating on Lock 7 of the Kentucky River. This facility is near Shakertown in Mercer County. All power produced will be sold through a Power Purchase Agreement to Jackson Energy Cooperative.

**Facility Details:** Locating in a new facility

**Anticipated Project Investment**

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

<b>Total Investment</b>	
	\$0
	\$2,000,000
	\$400,000
	\$3,500,000
	\$1,900,000
	<b>\$7,800,000</b>

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

<b>\$250,000</b>
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**Available Recovery Methods:**

Sales and Use Tax Refunds

**Modifications since preliminary approval?** No



## MEMORANDUM

**TO:** KEDFA Board  
**FROM:** Kylee Palmer *KP*  
**DATE:** August 31, 2017  
**RE:** Kentucky Small Business Credit Initiative (KSBCI)

At the July 27, 2017 Kentucky Economic Development Finance Authority (KEDFA) board meeting, Traditional Bank, Inc. received approval to enroll a \$2,305,700 loan in the Kentucky Collateral Support Program (KYCSP). The loan is for new construction and equipment for Marikka's Restaurant. A German restaurant located on Southland Drive in Lexington. Traditional Bank, Inc. requested \$461,140 in collateral support for this project.

Revisions to the project have since occurred and the lender now requests to modify the project. The original project request and approval listed Marikka's Restaurant, Inc. as the borrower and Steel Curtain Holdings, LLC as the co-borrower. In addition, the principals Douglas E Tackett and Douglas E Tackett, Jr. were listed as the guarantors.

With the revised request, the loan will now be structured to list Marikka's Restaurant, Inc. as the borrower and Steel Curtain Holdings, LLC, Douglas E Tackett, Douglas E Tackett, Jr. and Samson Properties LLC all as co-borrowers.

Staff recommends approval to modify this project.



## Kentucky Small Business Tax Credit Projects August 2017

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment	Tax Credit Amount
All Hours Lock & Key, LLC	Fayette	2	1	\$12.00	\$7,500	\$3,500
Business Benefits, Inc.	Kenton	13	1	\$15.36	\$5,154	\$3,500
Concept Displays, Inc.	Jefferson	13	3	\$19.27	\$10,544	\$10,500
Dental Center of Florence, Kentucky, P.S.C.	Boone	38	4	\$26.43	\$49,995	\$14,000
Design Comfort Heating & Air, LLC	Kenton	16	1	\$12.30	\$46,955	\$3,500
Lexington Podiatry, PSC	Fayette	16	3	\$13.23	\$7,339	\$7,300
Mather & Co., CPAS, LLC	Jefferson	11	6	\$28.54	\$22,564	\$21,000
Old World Timber, LLC	Fayette	5	3	\$11.58	\$14,240	\$10,500
Patterson and Company CPAs PLLC	Jefferson	7	5	\$16.60	\$18,452	\$17,500
Pinnacle, Inc.	Marshall	34	5	\$17.70	\$19,721	\$17,500

<b>Small Business</b>	<b>County</b>	<b>Beginning Employment</b>	<b>Eligible Positions</b>	<b>Average Hourly Wage</b>	<b>Qualifying Equipment</b>	<b>Tax Credit Amount</b>
Reid's Plumbing of Bardstown, Inc.	Nelson	13	2	\$15.88	\$45,300	\$7,000
Rudler, Professional Service Corporation	Kenton	23	2	\$23.20	\$8,994	\$7,000
Solar Energy Solutions LLC	Fayette	7	4	\$30.11	\$20,468	\$14,000
West Sixth Brewing Company, LLC	Fayette	22	4	\$17.65	\$14,700	\$14,000
<b>14</b>	<b>6</b>		<b>44</b>	<b>Total</b>	<b>\$291,926</b>	<b>\$150,800</b>

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	\$221,300
<b>Remaining Credits</b>	<b>\$2,778,700</b>



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

<b>Qualified Investor</b>	<b>Qualified Small Business</b>	<b>County</b>	<b>Qualified Activity</b>	<b>Projected Investment</b>	<b>Tax Credit Amount</b>
Chennareddy, Sudhakar B.	Advanced Energy Materials, LLC	Jefferson	Materials Science & Advanced Manufacturing	\$25,000	\$9,680
<b>1</b>	<b>1</b>	<b>1</b>	<b>Total</b>	<b>\$25,000</b>	<b>\$9,680</b>
<b>Projected Credits - To Date</b>					
Reclaimed Credits (\$3,453,681)					
Current Projected/Approved Credits \$453,681					
<b>Current Projected/Approved Credits (\$3,000,000)</b>					
<b>Credit Limit</b>					
Current CY Projected/Approved Credits \$3,000,000					
<b>Remaining Credits (\$3,000,000)</b>					
<b>Remaining Credits \$0</b>					

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

