



CABINET FOR ECONOMIC DEVELOPMENT

Matthew G. Bevin
Governor

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

Vivek K. Sarin
Interim Secretary

MEMORANDUM

TO: KEDFA Members

FROM: Katie Smith, Commissioner
Department for Financial Services *KS*

DATE: September 20, 2019

SUBJECT: KEDFA Board Meeting

The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, September 26, 2019** at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. The meeting will convene at 10:00 a.m. (EDT) in the Board of Directors Conference Room.

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

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

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

AGENDA September 26, 2019

Call to Order

Notification of Press

Roll Call

Minutes

Minutes from August 29, 2019 Regular KEDFA Board Meeting

Minutes from August 29, 2019 Executive Session

Reports

Approved/Undisbursed Report

Kylee Palmer

Financial Statements and Monitoring Reports

Krista Harrod

KEDFA IRB Project (Supplemental Resolution)

Debbie Phillips

Masonic Homes Independent Living II, Inc.

Jefferson

Local IRB Project

Debbie Phillips

Georgia-Pacific Consumer Operations LLC

Warren

KEIA Projects (Extension)

Bobby Aldridge

Heaven Hill Distilleries, Inc.

Jefferson

Lux Row Distillers, LLC

Nelson

Strong Tower Construction LLC

Jefferson

KBI Projects (Preliminary) & KEIA Projects

United Parcel Service Co.

Jefferson

Katie Smith / Kate McCane

United Parcel Service Co.

Jefferson

KBI Projects (Preliminary)

LaurAsh LLC dba ReGadget

Kenton

Brittany Cox / Debbie Phillips

Ag Science Solutions Inc.

Simpson

Jason Neal / Michelle Elder

The Hollaender Manufacturing Company

Pulaski

Annie Franklin / Michelle Elder

KBI Projects (Extension)

Michelle Elder

Ring Container Technologies, LLC

Jefferson

SCA Personal Care, Inc.

Warren

JOMEL Seams Reasonable, LLC
M-I L.L.C.
Reynolds Manufacturing, Inc.
Sazerac North America, Inc.
Taeyang America Corp.
Xooker, LLC

Russell
Boone
Jefferson
Jefferson
Simpson
Fayette

KBI Projects (Final)

Debbie Phillips

Kentuckiana Curb Company, Inc.
Century Aluminum of Kentucky General Partnership
Integrity Express Logistics LLC
Statewide Mortgage, LLC
Sumitomo Electric Wiring Systems, Inc.
Wilderness Trace Distillery Limited Liability Company

Jefferson
Hancock
Kenton
Jefferson
Simpson
Boyle

IEIA Project (Final)

Kylee Palmer

Lock 14 Hydro Partners, LLC

Lee

KSBTC

Tim Back

Burns Equine Veterinary Service, PLLC
Gladiator Law Marketing, LLC
Greene, McCowan & Co., PLLC
Harris, Mackessy & Brennan, Inc.
Lexington Podiatry, PSC
McCain Bros. Excavating, LLC
MILA International, Inc.
Mindsight, PLLC
One Source Logistics LLC
Polaris of Paducah, Inc.
Shelton & Shelton, LLC
State Electric Company, Inc.

Scott
Madison
Laurel
Jefferson
Fayette
Washington
Boone
Pulaski
Jefferson
McCracken
McCracken
Christian

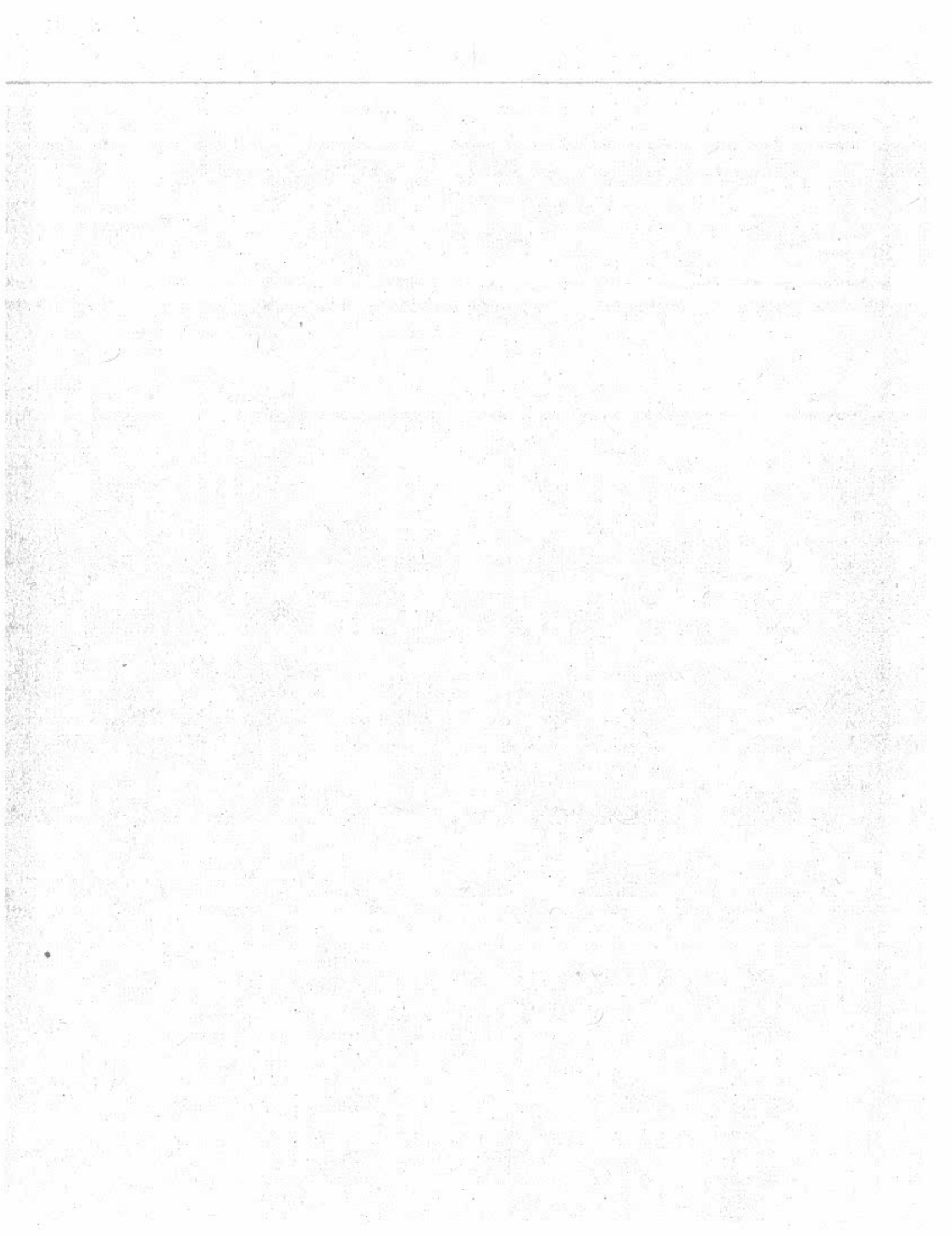
Other Business

Katie Smith

Auditor's Report

Closed Session

Adjournment



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING

August 29, 2019

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:02 a.m. EDT on August 29, 2019, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

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

Roll Call

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

Staff Present: Bobby Aldridge, Tim Back, Elizabeth Bishop, Jessica Burke, Sarah Butler, Brittany Cox, Martin David-Jacobs, Rachael Dever, Michelle Elder, Annie Franklin, David Hamilton, Krista Harrod, Jim Kirk, Zach Lawrence, Brandon Mattingly, Kate McCane, Craig McKinney, Kylee Palmer, Debbie Phillips, Jason Rainey, Vivek Sarin, Kristina Slattery, Katie Smith and Teresa Spreitzer

Others Present: Jim Deckard, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Mayor Brandi Harless and Jim Arndt, City of Paducah; Casey Bolton, Commonwealth Economics, Jeff Hodges, Gray Construction; Billy Aldridge, Kentucky Finance and Administration Cabinet, Office of Financial Management; Kevin Newton, Kentucky Legislative Research Commission; Rebecca Fleischaker and Erica Smith, Louisville Forward; Matt Zoellner, Scott Murphy & Daniel; Tim Eifler, Stoll Keenon Ogden; Dan Durbin, Tom Miller and Shannon Rickett, University of Louisville

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the July 25, 2019 regular KEDFA board meeting.

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

Approved/Undisbursed Report

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

Financial Statements and Monitoring Reports

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

Tax Increment Financing (TIF) Project (Preliminary)

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

City of Paducah, Finance Department

Paducah Downtown Riverfront Redevelopment Project

McCracken County

Ms. Palmer stated Paducah Downtown Riverfront Redevelopment Project is a Mixed-Use Redevelopment in Blighted Urban Areas TIF project. The project consists of the redevelopment of 315 acres of Paducah's downtown riverfront to attract new tourism, recreation and economic development opportunities. The development is expected to include additional hotel rooms, restaurants, retail stores, conference and event space with supportive food services, a museum, a reimagined art house/theatre and manufacturing/processing space. The construction is estimated to take place over the next five years.

The public infrastructure costs total approximately \$56.4 million and include land preparation, public buildings/structures, sewers/storm drainage, curbs, sidewalks, promenades and pedways, roads, street lighting, provision of utilities, environmental remediation, public space or parks, parking, public landings, fountains, benches and sculptures and riverbank modifications and improvements. The applicant, City of Paducah, Finance Department, estimates the project will support 1,169 full-time jobs and generate \$1.9 billion in total economic impact over a 20 year period.

By granting preliminary approval, KEDFA would enable staff to begin working with the Office of State Budget Director and the Finance and Administration Cabinet to create criteria for which an independent consultant would review the project's feasibility including financing, appropriateness for the use of the TIF program and potential increments and whether the project represents a net positive impact for the Commonwealth.

Staff recommended preliminary approval of the TIF project.

Ms. Palmer introduced Mayor Brandi Harless, Jim Arndt and Casey Bolton and invited them to address the board regarding the project.

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

Kentucky Jobs Retention Act (KJRA) Project (Supplemental)

Chairman Hale called on Katie Smith to present a KJRA supplemental project to the Authority.

Ford Motor Company

Jefferson County

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

The fifth supplemental project investment is \$550,000,000 of which \$412,500,000 qualifies as KJRA eligible costs. The highest job target over the term of the agreement is 12,000 with an average hourly wage of \$26.00 including benefits. The state wage assessment participation is 4.00% and Louisville/Jefferson County Metro Government will participate at 1.00%.

The total cumulative investment of \$2,950,000,000 in the Kentucky Truck Plant and Louisville Assembly Plant should be achieved by December 31, 2021. If the investment is less than projected, the Total Negotiated Tax Incentive Amount will be reduced to equal 12.1% of the total cumulative investment. The investment of \$550,000,000 in the Kentucky Truck Plant and Louisville Assembly Plant related to the fifth supplemental project is required to be achieved by December 31, 2021. If the investment is less than projected, the Total Negotiated Tax Incentive Amount will be reduced proportionately. Since the fourth supplement project investment was achieved on March 31, 2018, expenditures for the fifth supplemental project may begin on April 1, 2018. The term of the Agreement matures on January 31, 2025 (previously January 31, 2022). The company will be subject to automatic reduction of available incentives for the succeeding fiscal year upon failure to achieve ninety percent (90%) of the job target in any year of the agreement term. The maximum annual incentive for the fiscal year following the year in which the company achieves less than 90% of the job target shall be reduced to the percentage of job target achieved for the prior fiscal year. The company may receive the amount of incentives in subsequent years if the company achieves 90% of the job target in future years. The company will also be subject to suspension of claiming incentives for the succeeding fiscal year upon failure to achieve a job retention requirement of 10,000 full-time employees in any year of the agreement term after December 31, 2018. The amount not claimed during the suspension may be used as a carryforward amount in future years once compliance is confirmed.

Staff recommended approval of an increase in the KJRA negotiated tax incentive amount to \$355,000,000.

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

Kentucky Jobs Development Act (KJDA) Project (Amendment)

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

Tier 1 Performance Solutions, LLC

Kenton County

Mr. Aldridge stated the company notified the Authority that the original lessor to the agreement assigned its entire right, title and interest in the leased site to Technology Towers, LLC. As such, the company requested the agreement be amended to release the original lessor and add the new lessor as a party to the agreement. Further, the company requested its approved affiliate, Tier1 Government Solutions, LLC, be removed from the agreement, as the affiliate is no longer active. All other aspects of the project remain the same.

Staff recommended approval of the KJDA amendment request.

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

Kentucky Business Investment (KBI) Projects (Amendment)

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

**Berry Global Films, LLC
Warren County**

Mr. Aldridge stated due to a merger, AEP Industries, Inc. requested an amendment for an assignment of the project to reflect Berry Global Films, LLC retroactive to January 20, 2017 and a fiscal year end change to September 30. 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; Ms. Hill seconded the motion. Motion passed; unanimous.

**Engi-Mat Co.
Fayette County**

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

Staff recommended approval of the KBI amendment request.

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

**KBI Project (Modification)
and**

Kentucky Enterprise Initiative Act (KEIA) Projects (Amendment)

Chairman Hale called on staff to present a KBI modification request and two KEIA amendment requests, all to be presented as one motion.

**Braidy Atlas, LLC
Boyd and Greenup Counties**

Michelle Elder stated Braidy Industries, Inc. received preliminary approval on April 26, 2017 for a KBI project consisting of an approximate 2,345,000 sq. ft. manufacturing facility in South Shore, Greenup County to establish an eco-friendly and technically advanced aluminum mill. The project was approved for up to \$10,000,000 in KBI incentives. Braidy Industries, Inc. organized Braidy Atlas, LLC as a wholly owned single-member Delaware limited liability company effective August 3, 2018. The approved company will now be Braidy Atlas, LLC and the project will now be located in Greenup, Kentucky, which is in Boyd and Greenup Counties. All other aspects of the project remain the same.

**Braidy Atlas, LLC (#21638)
Boyd and Greenup Counties**

Mr. Aldridge stated Braidy Industries, Inc. organized Braidy Atlas, LLC, a wholly owned, single-member Delaware limited liability company effective August 3, 2018. Braidy Industries, Inc. requested the KEIA Agreement, dated June 29, 2017 be amended to transfer the agreement and all rights, obligations and privileges thereunder to Braidy Atlas, LLC which is located in Greenup, Kentucky in Boyd and Greenup Counties. All other aspects of the project remain the same.

Braidy Atlas, LLC (#21977)
Boyd and Greenup Counties

Mr. Aldridge stated Braid Industries, Inc. organized Braid Atlas, LLC, a wholly owned, single-member Delaware limited liability company effective August 3, 2018. Braid Industries, Inc. is requesting the KEIA Agreement, dated January 25, 2018 be amended to transfer the agreement and all rights, obligations and privileges thereunder, to Braid Atlas, LLC which is located in Greenup, Kentucky in Boyd and Greenup Counties. All other aspects of the project remain the same.

Staff recommended approval of the KBI modification request and the KEIA amendment requests.

Mr. Goodin moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; Jean Hale and Tucker Ballinger abstained.

KEIA Projects (Extension)

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

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

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

Staff recommended approval of the KEIA extension requests.

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

KEIA Project

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

Lakeshore Equipment Company dba Lakeshore Learning Materials **Elizabeth Bishop**
Woodford County **Michelle Elder**

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

Ms. Elder stated the project investment is \$2,925,450 of which \$2,275,450 qualifies as KEIA eligible costs.

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

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

KBI (Preliminary) and KEIA Projects

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

Lakeshore Equipment Company dba Lakeshore Learning Materials Elizabeth Bishop Woodford County Michelle Elder

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

Ms. Elder stated the project investment is \$27,570,400 of which \$25,616,000 qualifies as KBI eligible costs and \$13,554,400 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 100 with an average hourly wage of \$19.00 including benefits. The state wage assessment participation is 3.00% and Woodford County Fiscal Court will participate at 0.50% with the City of Midway participating at 0.50%. The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 262 full-time, Kentucky resident employees (the base employment number required by previous project #21213). The project will include multiple locations within Midway/Woodford County. Only investment costs incurred at an address to be determined within Woodford County will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,150,000 and the KEIA approved recovery amount of \$600,000 for construction materials and building fixtures and \$50,000 for R&D and/or electronic processing equipment.

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

Meggitt Aircraft Braking Systems Kentucky Corporation Brittany Cox Boyle County Debbie Phillips

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

Debbie Phillips stated the project investment is \$82,680,000, all of which qualifies as KBI eligible costs and \$20,947,500 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 83 with an average hourly wage of \$18.00 including benefits. The state wage assessment participation is 5.00%. The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 293 full-time, Kentucky resident employees (the base employment number required by previous project #20327). The project will include multiple locations within the City of Danville/Boyle County. Only investment costs incurred at 190 Corporate Drive will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,400,000 and the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures and \$250,000 for R&D and/or electronic processing equipment.

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

**Dameron Alloy Foundries, Inc.
Jefferson County**

**Jim Kirk
Kate McCane**

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

Kate McCane stated the project investment is \$3,150,000 of which \$2,700,000 qualifies as KBI eligible costs and \$809,631 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 75 with an average hourly wage of \$18.50 including benefits. The state wage assessment participation is 3.00% and Louisville/Jefferson County Metro Government will participate at 1.00%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The project will include multiple locations within Louisville/Jefferson County. Only investment costs incurred at 6851 Cane Run Road will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$750,000 and the KEIA approved recovery amount of \$30,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

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

**Chewy, Inc.
Jefferson County**

**Annie Franklin
Debbie Phillips**

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

Ms. Phillips stated the project investment is \$4,553,100 of which \$3,726,550 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 150 with an average hourly wage of \$33.41 including benefits. The state wage assessment participation is 1.50% and Louisville/Jefferson County Metro Government will participate at 0.50%. The company will be required to maintain a base employment equal to the greater of the following: 1) number of full-time, Kentucky resident employees as of the date of preliminary approval at the Fern Valley and Bluegrass Parkway locations plus 50 (transferring from an affiliate location in Louisville) or 2) 350 full-time Kentucky resident employees (the base employment number (300) required by previous KBI project #22224 plus 50 (transferring from an affiliate location in Louisville). The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company and affiliate locations, excluding the Fern Valley and Bluegrass Parkway locations, as of the date of preliminary approval less 50 (transferring

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

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

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

**Smiley Monroe, Inc.
Simpson County**

**Annie Franklin
Michelle Elder**

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

Ms. Elder stated the project investment is \$1,317,500 of which \$709,600 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 27 with an average hourly wage of \$17.00 including benefits. The state wage assessment participation is 3.00% and the City of Franklin will participate at 1.00%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$140,000.

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

**Bryant & Sons, Inc. dba Best Buds Botanicals
Barren County**

**Annie Franklin
Michelle Elder**

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

Ms. Elder stated the project investment is \$1,250,000 of which \$800,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 15 with an average hourly wage of \$13.00 including benefits. The state wage assessment participation is 3.00% and the City of Cave City will participate at 1.00%.

After discussion, staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$150,000.

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

**Sumitomo Electric Wiring Systems, Inc.
Allen County**

**Brittany Cox
Michelle Elder**

Ms. Cox stated Sumitomo Electric Wiring Systems, Inc. (SEWS) is an automotive supplier of electrical and electronic related products. With anticipated growth in its component business

section, the company is considering a warehouse expansion to allow SEWS to store the additional finished goods.

Ms. Elder stated the project investment is \$1,165,750 of which \$632,875 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 30 with an average hourly wage of \$23.00 including benefits. The state wage assessment participation is 3.00% and the City of Scottsville will participate at 0.50% with Allen County participating at 0.50%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval. The project will include multiple locations within Scottsville/Allen County. Only investment costs incurred at 120 Industrial Drive will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$100,000.

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

KBI Projects (Extension)

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

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

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

Staff recommended approval of the KBI extension requests.

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

No Modifications:

Project Name	County	Type Project
East Bernstadt Cooperage, LLC	Laurel	Manufacturing
Hafendorfer Machine, Inc.	Jefferson	Manufacturing

Modifications:

Ervin Cable Construction, LLC dba

Ervin Cable Construction of Florida, LLC Union Headquarters
The activity of the project changed from service & technology to headquarters. All other aspects of the project remain the same.

Pioneer Plastics, Inc.

Webster Manufacturing
The total investment increased from \$600,000 to \$850,000. The eligible costs increased from \$250,000 to \$650,000. The job target increased from 17 to 30. The wage target increased from \$16.00 to \$20.00. The total negotiated tax incentive amount increased from \$150,000 to \$270,000. The local participation increased from \$3,750 per year for 10 years to \$6,750 per year for 10 years. All other aspects of the project remain the same.

SMC, LLC

Jessamine Manufacturing
The company requested the affiliate, CW Assemblies, LLC be removed from the project. All other aspects of the project remain the same.

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

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

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

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

Ms. Palmer stated two companies requested a time extension and asked that both be presented as one motion.

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

Staff recommended approval of IEIA extension requests.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Miller 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 7 Kentucky small businesses, from 5 counties with qualifying tax credits of \$45,500. The 7 businesses created 13 jobs and invested \$76,550 in qualifying equipment or technology.

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

Qualified Small Business	County	Beg. Emp.	Elig. Pos.	Average Hourly Wage	Qualifying Equipment or Technology	Tax Credit
American Tire, Inc.	Nelson	14	3	\$ 12.58	\$ 11,226	\$ 10,500
Ben Byrne, LLC	Jefferson	4	1	\$ 19.00	\$ 6,864	\$ 3,500
Benjamin J. Byrne & Associates, LLC	Jefferson	6	1	\$ 13.00	\$ 10,743	\$ 3,500
EyeMax, PLLC	Fayette	10	2	\$ 11.50	\$ 12,258	\$ 7,000
Freedom Recycling, LLC	Kenton	3	1	\$ 20.04	\$ 6,593	\$ 3,500
Via Vitae Development, LLC	Fayette	3	4	\$ 17.64	\$ 22,900	\$ 14,000
Volta Inc.	Franklin	21	1	\$ 23.80	\$ 5,966	\$ 3,500

Staff recommended approval of the tax credits.

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

Other Business

Ms. Smith introduced to the board Craig McKinney, Director, International Business Development.

Closed Session

Pursuant to KRS Section 61.810 (1) (C), Chairman Hale entertained a motion to enter into Executive Session to discuss proposed or pending litigation against or on behalf of the public agency.

Ms. Hill moved to enter into executive session; Mr. Miller seconded the motion. Motion passed; unanimous.

The board entered into executive session at 10:52 a.m.

Regular Session

Chairman Hale entertained a motion to return to regular session.

Mr. Miller moved to return to regular session; Mr. Goodin seconded the motion. Motion passed; unanimous.

The board returned to regular session 12:19 p.m.

Adjournment

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

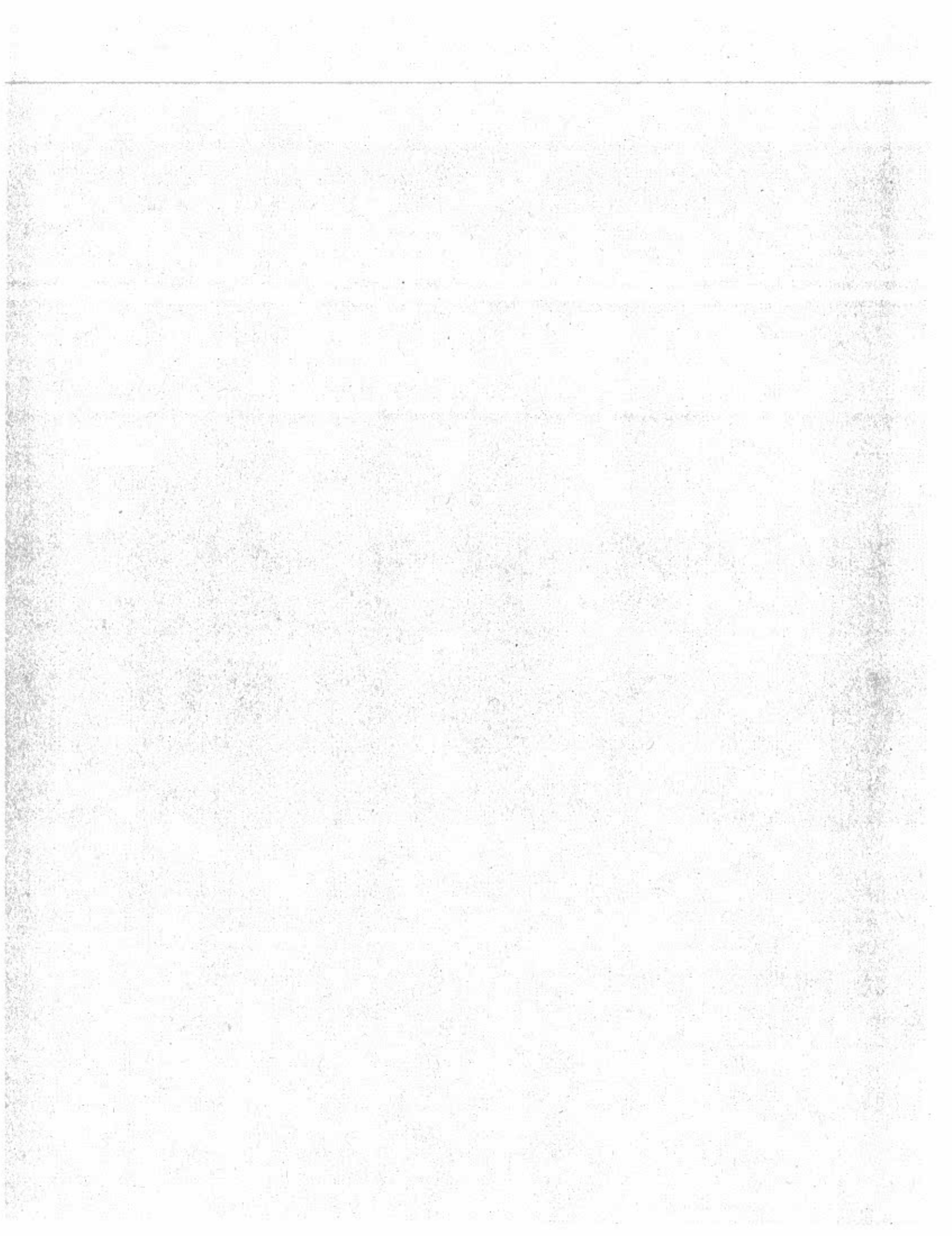
Ms. Hill moved to adjourn the August KEDFA board meeting; Mr. Miller seconded the motion. Motion passed; unanimous.

The meeting adjourned at 12:19 p.m.

**APPROVED
PRESIDING OFFICER:**



Jean R. Hale, Chairman



KEDFA APPROVED AND NOT DISBURSED

8/31/2019

Approved and Undisbursed KEDFA Projects

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

KEDFA LOANS

None

KEDFA GRANTS

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

SMALL BUSINESS LOANS

None

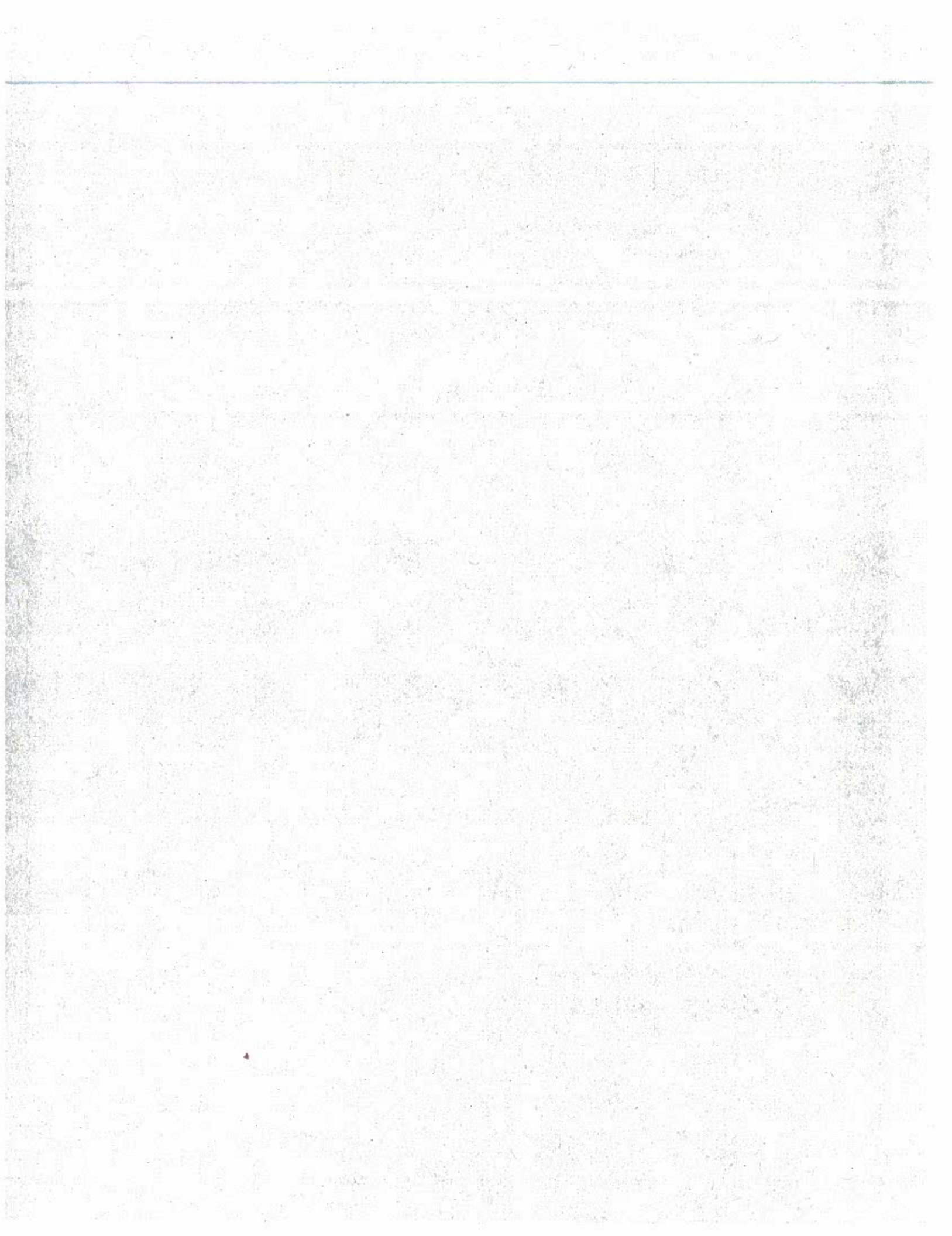
TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)**\$381,774****Approved and Partially Disbursed KEDFA Projects**

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

KEDFA GRANTS

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

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



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF NET POSITION
8/31/2019

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 8/31/19	OEE 8/31/19	COMBINED 8/31/19
<u>ASSETS</u>						
Cash & Accounts Receivable						
Operating Account	5,557.62	0.00	0.00	5,557.62	0.00	5,557.62
Cash	845,915.28	17,322,019.95	409,252.44	18,577,187.67	0.00	18,577,187.67
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	2,820,772.58	2,820,772.58
High Tech LGEDF Pool	0.00	0.00	0.00	0.00	4,043.88	4,043.88
Investment Account	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Intergovernment Receivable	906,774.00	0.00	0.00	906,774.00	348,006.21	1,254,780.21
Total Cash & Accounts Receivable	1,758,246.90	17,322,019.95	409,252.44	19,489,519.29	3,310,322.67	22,799,841.96
Accrued Interest Receivable						
Loans	33,929.59	977.30	0.00	34,906.89	0.00	34,906.89
Investments	1,268.84	26,305.52	621.74	28,196.10	0.00	28,196.10
Total Accrued Interest Receivable	35,198.43	27,282.82	621.74	63,102.99	0.00	63,102.99
Notes Receivable						
Loans Receivable	18,079,670.10	1,219,754.31	0.00	19,299,424.41	0.00	19,299,424.41
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,434,722.43)	0.00	(1,434,722.43)
Total Notes Receivable	18,079,670.10	1,219,754.31	0.00	17,864,701.98	0.00	17,864,701.98
TOTAL ASSETS	19,873,115.43	18,569,057.08	409,874.18	37,417,324.26	3,310,322.67	40,727,646.93
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred Outflows Pension				1,893,000.00	0.00	1,893,000.00
Deferred Outflows OPEB				455,000.00	0.00	455,000.00
LIABILITIES						
Accrued Salaries & Compensated Absences				351,752.04	0.00	351,752.04
Accounts Payable				0.00	0.00	0.00
Intergovernment Payable						0.00
Grants Payable				0.00	0.00	0.00
Pension Liability				9,480,000.00	0.00	9,480,000.00
OPEB Liability				1,650,000.00	0.00	1,650,000.00
TOTAL LIABILITIES				11,481,752.04	0.00	11,481,752.04
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows Pension				133,000.00	0.00	133,000.00
Deferred Inflows OPEB				147,000.00	0.00	147,000.00
NET POSITION						
Beginning Balance				28,504,109.74	3,352,157.11	31,856,266.85
Current Year Undivided Profits				(500,537.52)	(41,834.44)	(542,371.96)
TOTAL NET POSITION				28,003,572.22	3,310,322.67	31,313,894.89

NOTE 1 The Small Business Loan Pool is presented separately only for internal tracking purposes.

NOTE 2 The Office of Entrepreneurship (OEE) 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 August 31, 2019

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2019-2020 YEAR TO DATE	FY 2018-2019 YEAR TO DATE
Operating Revenues - KEDFA						
Interest Income/Loans	16,758.09	2,177.83	0.00	0.00	36,825.30	220,273.44
Interest Income/ Investments	1,268.84	26,305.52	621.74	0.00	59,468.10	353,358.85
Late Fees	0.00	0.00	0.00	0.00	0.00	419.84
Application Fees	20,230.00	0.00	0.00	0.00	30,185.00	467,543.05
Miscellaneous Income	485.32	0.00	0.00	0.00	962.35	5,362.28
Total Operating Revenues - KEDFA	38,742.25	28,483.35	621.74	0.00	127,440.75	1,046,957.46
Operating Expenses - KEDFA						
Salaries	94,020.08				232,592.69	1,106,665.14
Employee benefits	100,043.29				252,479.32	1,081,710.88
Pension Liability Adjustment	0.00				0.00	302,000.00
OPEB Liability Adjustment	0.00				0.00	
Other Personnel Costs	0.00				0.00	0.00
Contracted Personal Services	7,996.23				15,893.06	135,564.16
Printing Services	25.00				25.00	
Utilities and Heating Fuels	0.00				0.00	0.00
Rentals	0.00				0.00	0.00
Maintenance and Repairs	0.00				0.00	0.00
Postage and Related Services	0.00				0.00	10.71
Telecommunications	0.00				0.00	0.00
Computer Services	0.00				0.00	1,400.00
Supplies	0.00				0.00	0.00
Miscellaneous Services	0.00				0.00	32.00
Travel	88.20				88.20	4,800.02
Miscellaneous Commodities	0.00				0.00	620.00
Dues	1,900.00				1,900.00	
Commodities Expense	0.00				0.00	0.00
Bad Debt Expense	0.00				0.00	0.00
Grant Disbursement	0.00				0.00	0.00
Total Operating Expenses - KEDFA	204,072.80	0.00	0.00	0.00	502,978.27	2,632,602.91
Income (Loss) from Operations - KEDFA	(165,330.55)	28,483.35	621.74	0.00	(375,537.52)	(1,585,645.45)
Non-Operating Revenues (Expenses) - KEDFA						
Operating Transfer Out - General Fund	0.00				0.00	0.00
Operating Transfer Out - BSSC					0.00	0.00
Operating Transfer Out - Secretary's Office					0.00	0.00
Operating Transfer Out - New Business	0.00				0.00	0.00
Transfer Due from Bonds					0.00	381,774.00
Transfer Due from KSBCI	0.00				0.00	0.00
Grants Disbursed	0.00				(125,000.00)	(1,564,808.79)
Operating Transfer In - Economic Dev	0.00				0.00	0.00
Unrealized Gains/(Losses) on Investment	0.00				0.00	0.00
Realized Gains/(Losses) on Investment	0.00				0.00	0
Total Non-Operating Revenues (Expenses) -	0.00	0.00	0.00	0.00	(125,000.00)	(1,183,034.79)
CHANGE IN NET POSITION - KEDFA	(165,330.55)	28,483.35	621.74	0.00	(500,537.52)	(2,768,680.24)
Operating Revenues (Expenses) - OOE						
Interest Income - Loans				0.00	0.00	0.00
Misc Income				0.00	0.00	(30.44)
Disbursements: Projects (Note 1)				(41,834.44)	(41,834.44)	(130,123.96)
Repayments received from Projects				0.00	0.00	0.00
Non-Operating Revenues (Expenses) - OOE						
Operating Transfer in - OOE					0.00	100,000.00
Transfer Due from Bonds				0.00	0.00	0.00
Operating Transfer Out - OOE				0.00	0.00	30.44
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00	(41,834.44)	(41,834.44)	(30,123.96)
CHANGE IN NET POSITION - COMBINED	(165,330.55)	28,483.35	621.74	(41,834.44)	(542,371.96)	(2,798,804.20)

NOTE 1 Represents disbursements for projects from OOE Funds. (See OOE listings for detail of approved projects)

NOTE 2 Statement does not include interest income for OOE that is swept monthly to OOE's operating account

NOTE 3 The Small Business Loan Pool is presented separately only for internal tracking purposes.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CASH POSITION STATEMENT
8/31/2019

	<u>8/31/2019</u>	<u>8/31/2019</u>
Fund A Cash Balance	\$2,127,835.60	\$845,915.28
Less: Approved/Undisbursed		
Total Unobligated Balance	<u>\$2,127,835.60</u>	<u>\$845,915.28</u>
2003 Bond Fund Cash Balance	\$16,446,249.96	\$17,322,019.95
Less: Approved/Undisbursed	(2,083,049.00)	(906,774.00)
Total Unobligated Balance	<u>\$14,363,200.96</u>	<u>\$16,415,245.95</u>
Small Business Loan Fund Cash Balance	\$401,523.46	\$409,252.44
Less: Approved/Undisbursed		
Total Unobligated Balance	<u>\$401,523.46</u>	<u>\$409,252.44</u>
Bond Funds to be Provided for Loans		
Less: Approved/Undisbursed		
Total Unobligated Balance	<u>\$0.00</u>	<u>\$0.00</u>
Budget: Cash to be Transferred to Other CED Programs for		
	<u>\$0.00</u>	<u>\$0.00</u>
CASH AVAILABLE	<u><u>\$16,892,560.02</u></u>	<u><u>\$17,670,413.67</u></u>
OCI Fund Cash Balance		
High Tech Construction Pool	\$137,500.00	\$137,500.00
Less: Approved/Undisbursed	\$0.00	\$0.00
High Tech Investment Pool	\$2,908,921.19	\$2,820,772.58
Less: Approved/Undisbursed	(\$661,218.00)	(\$936,076.00)
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects	\$250,000.00	\$348,006.21
Bond Funds Available for Projects		
Total Unobligated Balance	<u>\$2,639,247.07</u>	<u>\$2,374,247</u>
TOTAL ALL FUNDS	<u><u>\$19,531,807.09</u></u>	<u><u>\$20,044,660.34</u></u>

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

KEDFA Meeting date	9/26/2019
Total Projects Approved Fiscal Year-to-Date	8
Number of Proposed Projects for Current Month	1

Construction Materials and Building Fixtures

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$3,180,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$16,820,000
Proposed Approval for Current Month	<u>\$2,500,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$14,320,000</u></u>

Research & Development and Electronic Processing Equipment, Flight Simulation Equipment

Fiscal Year Cap	\$5,000,000
Approved Fiscal Year-to-Date	\$300,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$4,700,000
Proposed Approval for Current Month	<u>\$1,500,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$3,200,000</u></u>

KBI Summary

Updated September 17, 2019

Fiscal Year End Reporting

Year	Number of Projects	Jobs			Wages		
		Jobs Reported	Job Target	% Achieved	Average Wage Reported	Wage Target	% Achieved
2010	1	40	51	78%	\$11.42	\$11.00	104%
2011	5	269	257	105%	\$35.00	\$28.90	121%
2012	18	1,264	1,154	110%	\$25.30	\$23.23	109%
2013	58	5,908	5,395	110%	\$24.85	\$23.35	106%
2014	94	10,024	9,525	105%	\$24.85	\$22.98	108%
2015	142	14,595	13,113	111%	\$25.40	\$22.38	113%
2016	193	21,011	18,538	113%	\$24.92	\$21.68	115%
2017	231	24,812	21,136	117%	\$26.66	\$22.05	121%
2018	217	24,270	19,416	125%	\$26.21	\$21.33	123%
2019	33	2,762	1,882	147%	\$25.59	\$20.00	128%

Annual Maximums and Incentives Claimed

Year	Approved Annual Maximum	Earned Annual Maximum	Incentives Claimed*	Utilization Rate
2010-2012**	\$5,182,833	\$4,914,663	\$2,104,094	43%
2013	\$15,611,951	\$13,992,639	\$6,601,085	47%
2014	\$27,405,836	\$23,759,875	\$13,131,631	55%
2015	\$45,896,940	\$39,276,598	\$18,084,965	46%
2016	\$40,249,248	\$35,315,955	\$19,923,814	56%
2017	\$43,353,701	\$37,257,777	N/A	N/A
2018	\$48,368,451	\$41,477,310	N/A	N/A
2019	\$40,043,820	\$35,436,503	N/A	N/A
Grand Total	\$266,112,779	\$231,431,319	\$59,845,588	

- The Commonwealth provided \$2,412 of incentives per new job reported based on total actual incentives claimed through 2016 and actual jobs reported in 2017.
- Based on actual jobs and wages reported in 2017 by companies approved to claim incentives, the estimated payroll for new, full-time Kentucky resident jobs is approximately \$1.4 billion. This equated to \$22.99 for every \$1 of claimed incentives.

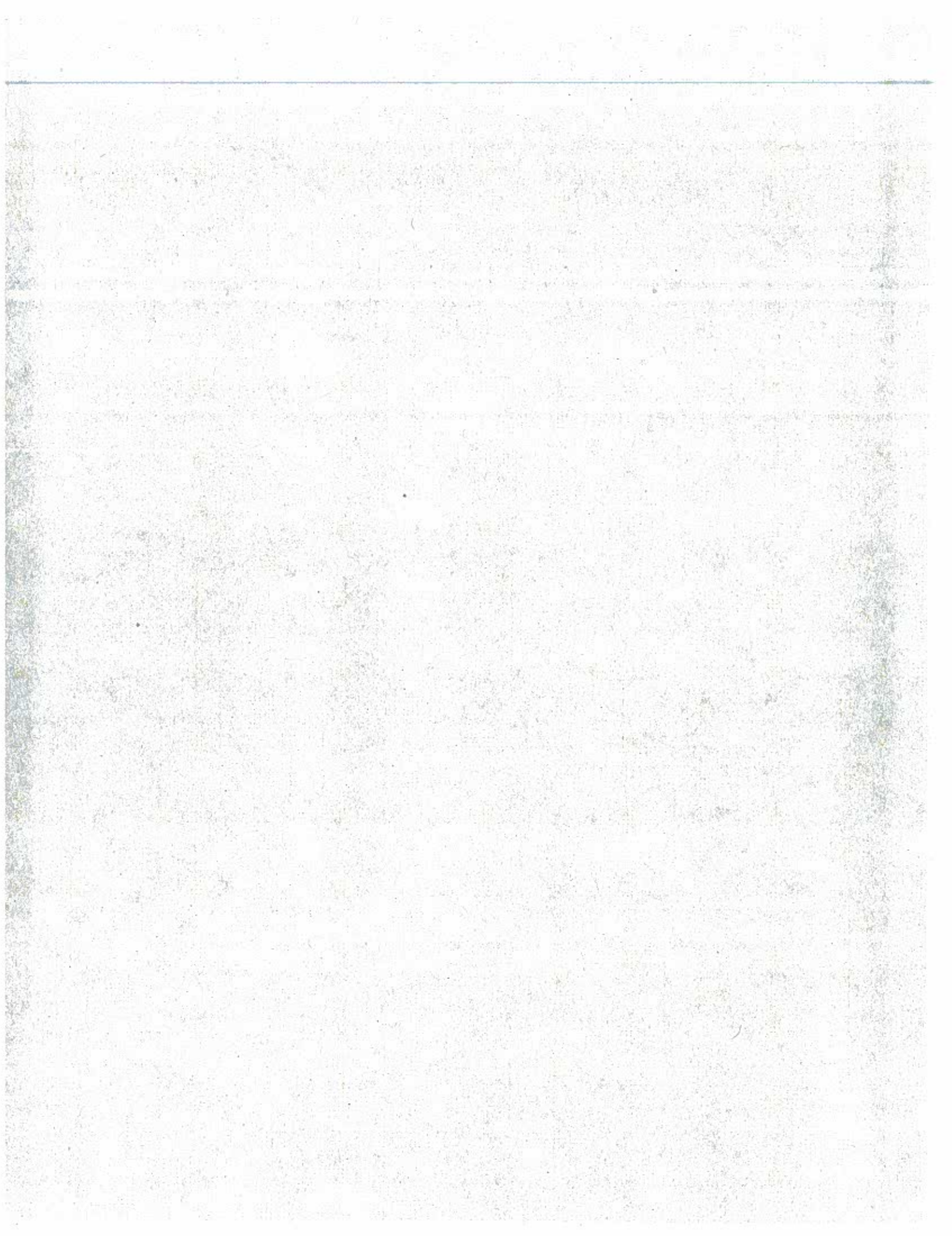
***Notes on incentives claimed:** Data is based on information provided by the Kentucky Department of Revenue. Total incentives claimed represents the total of income tax credits and wage assessments claimed through December 31, 2017.

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

Project Update Report

September 2019

Project	County	Approval Date	Exit Date	Program
Hansens Aluminum, LLC Per an email dated 1/19/2018, legal counsel for Hansens Aluminum requested to let the incentives expire.	Henderson	08/25/2016	08/31/2019	KBI
TMS Automotive LLC Per an email dated August 1, 2019, the company requested to withdraw from the KBI program.	Warren	08/27/2015	08/31/2019	KBI
Sumitomo Electric Wiring systems, Inc. Company withdrew from the KBI Program per an email dated August 15, 2019.	Fayette	10/30/2014	08/15/2019	KBI
Wilbert, Inc. Company paid off the Kentucky Industrial Building Revenue Bonds serving as the KREDA debt in full on 4/15/2019.	Marion	12/20/1994	04/15/2019	KREDA
Lincoln Manufacturing USA, LLC Company claimed all available KREDA incentives.	Lincoln	8/30/2007	12/31/2017	KREDA



MEMORANDUM

TO: KEDFA Board

FROM: Debbie Phillips
Incentive Administration Division

DATE: September 26, 2019

SUBJECT: Healthcare Facilities Revenue Bonds, Series 2016B-1
(Masonic Homes Independent Living II, Inc.) – \$140 million –
Supplemental Indenture

On September 29, 2016, KEDFA's approved issuance of revenue bonds in an aggregate principal amount not to exceed \$140 million for the benefit of Masonic Homes Independent Living II, Inc. The proceeds of the bonds have been used to finance the construction, installation, and equipping of healthcare and health related facilities consisting of independent living units located on the Masonic Homes campus in Louisville, Kentucky (Jefferson County).

The Authority and the Bond Trustee are authorized under Section 901 of the Trust Indenture, without the consent of or notice to any of the holders of bonds under the Trust Indenture, to further amend or supplement the Trust Indenture for certain purposes specified therein, including to cure any ambiguity or formal defect.

The Trust Indenture includes a Section 502(b) which requires mandatory sinking fund redemption of the Series 2016B-1 Bonds, which Section 502(b) was inadvertently and incorrectly included in the Trust Indenture and is inconsistent with the actual stated maturity of the Series 2016B-1 Bonds and their redemption provisions as described in the offering materials related to the Series 2016B-1 Bonds.

In order to cure the defect, the Authority, Bond Trustee and the Borrower agree that Section 502(b) should be disregarded and therefore desire to amend the Trust Indenture via this Supplemental Indenture to remove Section 502(b).

The remainder of the Trust Indenture shall remain unchanged in full force and effect.

The bonds do not constitute a general obligation of KEDFA and KEDFA is not obligated to pay principal or interest for the bonds from its own funds.

Staff recommends KEDFA's approval of the supplemental indenture.

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

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

Date: September 26, 2019
Issuer: Warren County Fiscal Court
Company: Georgia-Pacific Consumer Operations LLC
City: Bowling Green **County:** Warren
Project Type: Existing **Resolution #:** LIRB-2019-03
Bus. Dev. Contact: A. Luttner **OFS Staff:** D. Phillips

Project Description: Georgia-Pacific Consumer Operations LLC manufactures plates and bowls for the Dixie® brand and for various private labels. The company is considering the construction of an approximately 80,000 square foot expansion to its existing facility to increase production capacity. The investment will include a new printer, new Plate Forming Presses, additional equipment to widen formers, a building expansion and associated infrastructure changes.

Proposed Issuance Date	Principal amount of IRB authorization	Term of Bond (years)
September 23, 2019	up to \$95,000,000	20

New, Full-time Jobs to be Created	Average Annual Salary
50	\$37,500

Anticipated Financed Project Costs

Land	\$0
Building/Improvements	\$39,163,088
Equipment	\$53,045,067
Infrastructure	\$2,791,845
TOTAL	\$95,000,000

Active State Participation at the Project Site: None

Unemployment Rate:

County: 4.6%

Kentucky: 5.1%

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

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

State Tax Revenues
Local Tax Revenue
TOTAL

\$1,330,962
\$0
\$1,330,962

Requested % Reduction in the Ad Valorem

State: 100%*

Local: 100%*

Projected Tax Savings over Bond Term

\$284,100

\$4,218,800

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

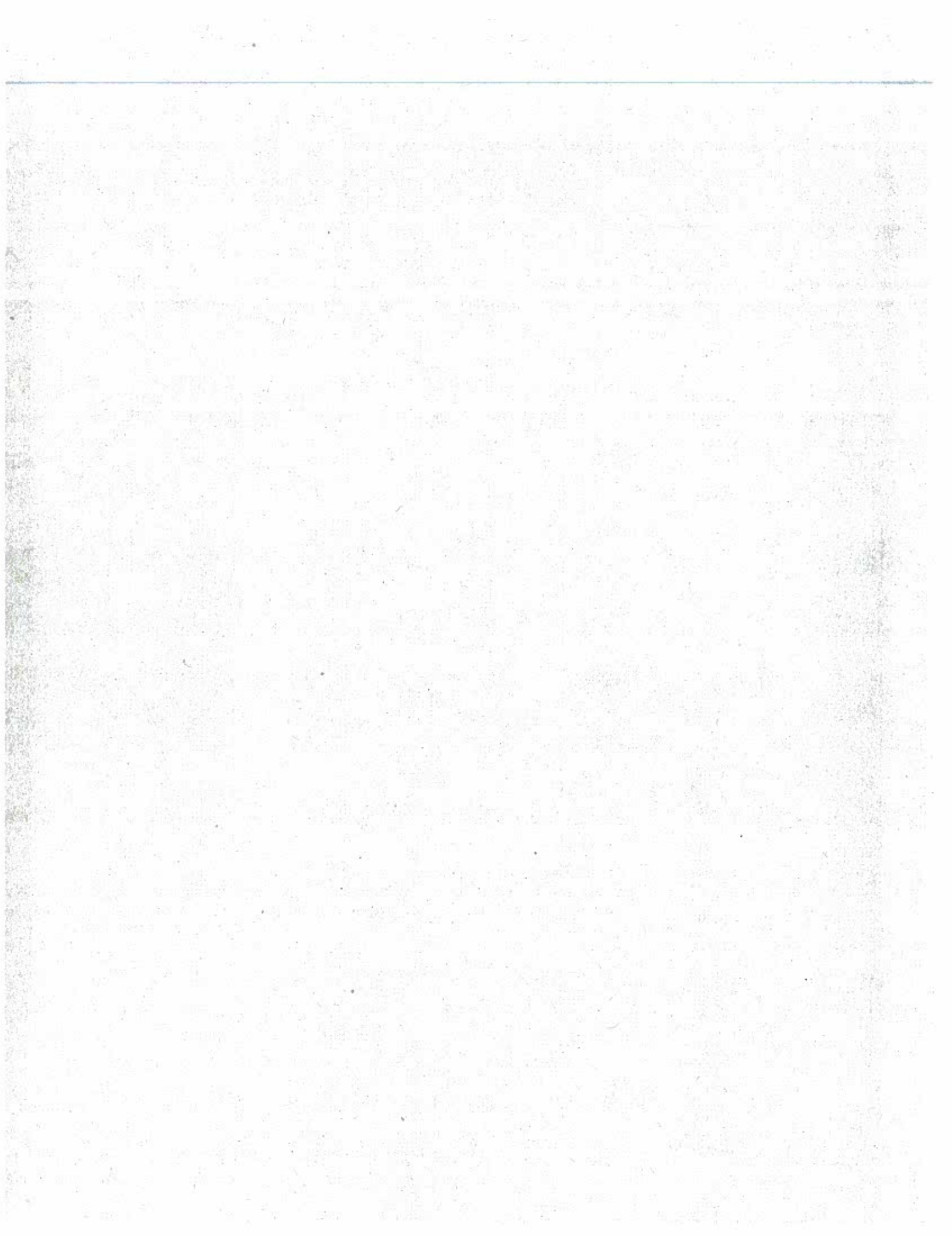
Warren County Board of Education - 100%

Recommendation:

The Staff recommends approval of the requested percentage (100% years 1 and 2 and 50% for years 3 through 10) reduction in the state ad valorem tax rate on the industrial building, equipment and proposed to be financed through the issuance of the industrial revenue bonds.

*The City of Bowling Green, Warren County Fiscal Court and the Board of Education anticipate entering into a PILOT agreement with the Company which indicates that the abatement percentage reduction rate may be adjusted by the local authorities should certain requirements not be achieved by the Company. The Warren County Fiscal Court or any other local entity involved with the PILOT Agreement will be responsible for notifying the Kentucky Department of Revenue if the local participation rate is reduced below 100% years 1 and 2 and 50% for years 3 through 10 so the state ad valorem reduction is consistent with the local participation.

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



MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Director
Compliance Division 

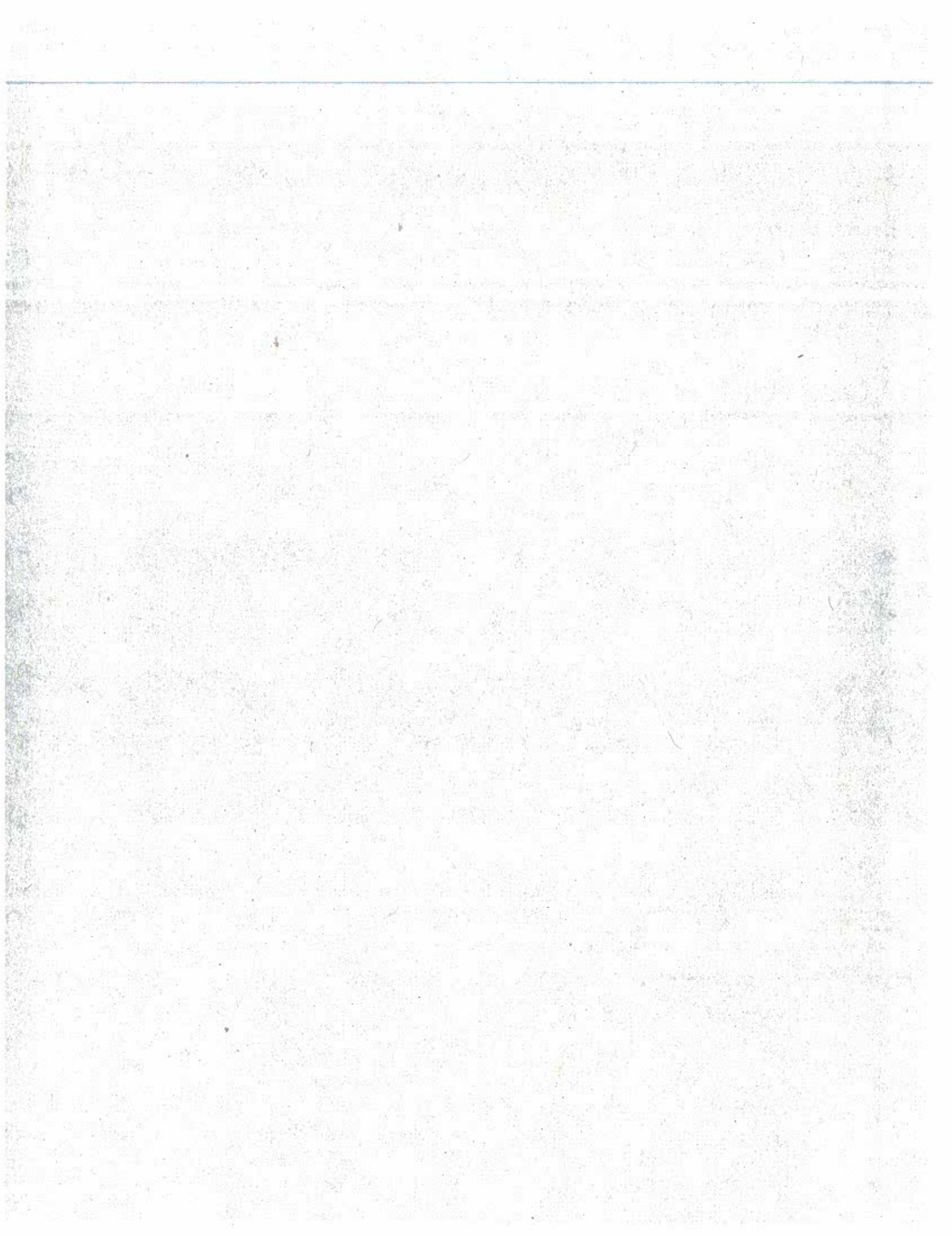
DATE: September 26, 2019

SUBJECT: KEIA Extensions

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

Company	County	Extension
Heaven Hill Distilleries, Inc.	Jefferson	3 Months
Lux Row Distillers, LLC	Nelson	12 Months
Strong Tower Construction LLC	Jefferson	12 Months

Staff recommends approval.



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: September 26, 2019
Approved Company: United Parcel Service Co.
Approved Affiliate(s): United Parcel Service General Services Co.
 UPS Worldwide Forwarding, Inc.
 United Parcel Service, Inc. (OH)
City: Louisville **County:** Jefferson
Activity: Service & Technology **Prelim Resolution #:** KBI-I-19-22734
Bus. Dev. Contact: V. Sarin **DFS Staff:** K. McCane

Project Description: United Parcel Service Co. (UPS) is the world's largest package delivery company and global leader in supply chain services. The company is considering constructing an additional 2 bay hangar to support the continued expansion of its UPS aircraft fleet, specifically maintenance on the 747-8F aircraft. UPS also will incur many other enhancement projects to the airport and surrounding area. The Approved Affiliates are also considering additional investment costs of at least \$234,000,000 above the projected investment below for the Approved Company. Thus, total projected investment for UPS exceeds \$750,000,000.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$459,011,979	\$459,011,979
\$7,960,000	\$57,224,630
\$0	\$0
\$466,971,979	\$516,236,609

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	398	\$70.00	
1	398	\$70.00	\$3,600,000
2	630	\$70.00	\$3,600,000
3	800	\$70.00	\$3,600,000
4	869	\$70.00	\$3,600,000
5	900	\$70.00	\$3,600,000
6	900	\$70.00	\$3,600,000
7	1,000	\$70.00	\$3,600,000
8	1,000	\$70.00	\$3,600,000
9	1,000	\$70.00	\$3,600,000
10	1,000	\$70.00	\$3,600,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$36,000,000

Incentive Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

Publicly Traded

Active State Participation at the project site: None**Requested Wage Assessment / Local Participation:**

State: 3.0%

Local: 1.0% Louisville/Jefferson County Metro Government

Unemployment Rate:

County: 5.0%

Kentucky: 5.1%

Existing Presence in Kentucky:

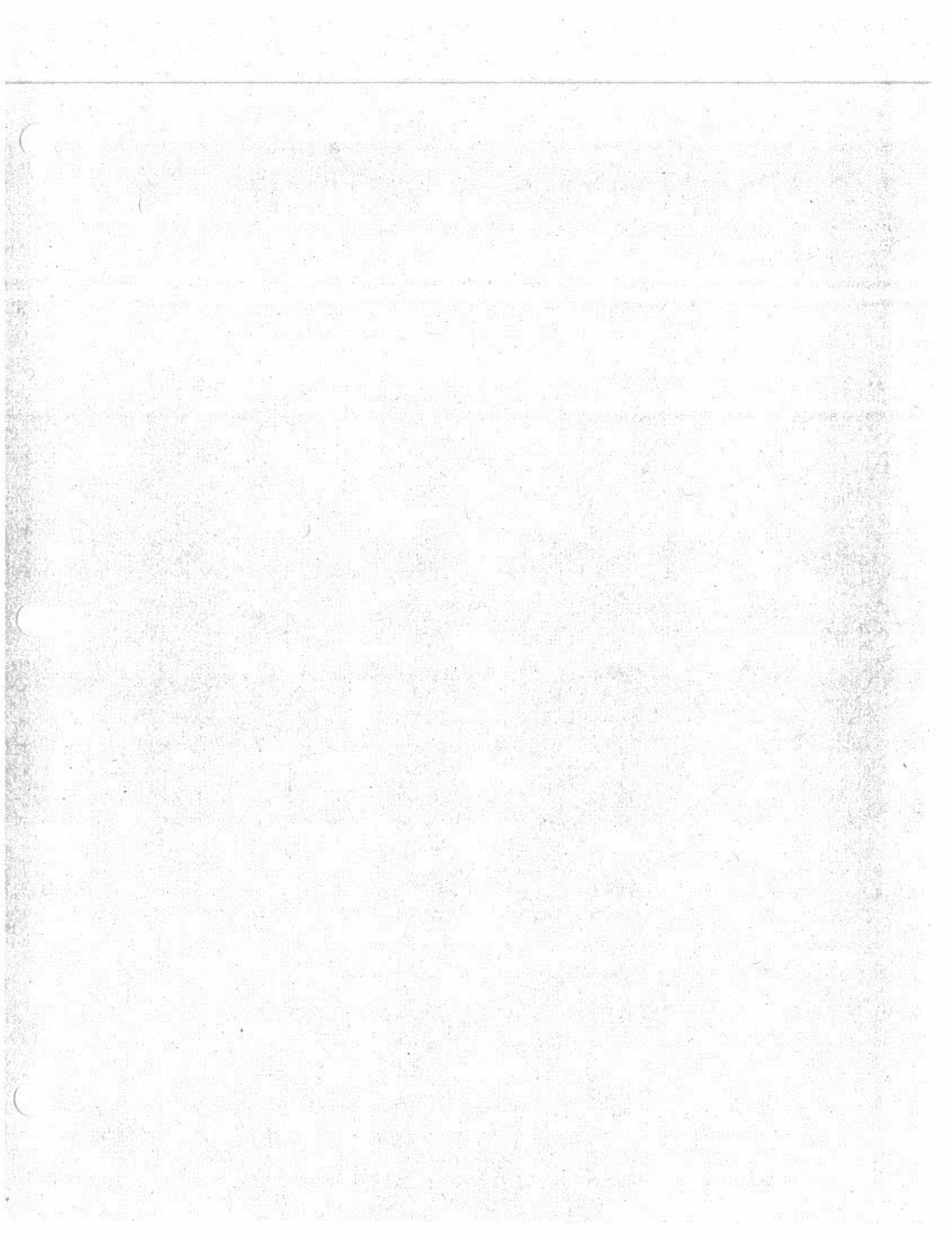
Jefferson County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 6,436 full-time, Kentucky resident employees as of the application date.

The project will include multiple locations within Jefferson County/Louisville. Only investment costs incurred at 911 Grade Lane 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.

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



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: September 26, 2019
Approved Company: United Parcel Service Co.
City: Louisville
Activity: Service & Technology
Bus. Dev. Contact: V. Sarin

County: Jefferson
Resolution #: KEIA-20-22735
DFS Staff: K. McCane

Project Description: United Parcel Service Co. (UPS) is the world's largest package delivery company and global leader in supply chain services. The company is considering constructing an additional 2 bay hangar to support the continued expansion of its UPS aircraft fleet, specifically maintenance on the 747-8F aircraft. UPS also will incur many other enhancement projects to the airport and surrounding area. The Approved Affiliates are also considering additional investment costs of at least \$234,000,000 above the projected investment below for the Approved Company. Thus, total projected investment for UPS exceeds \$750,000,000.

Facility Details: Expanding existing operations

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$0
\$229,505,990	\$459,011,979
\$0	\$0
\$0	\$0
\$35,691,145	\$35,691,145
\$0	\$21,533,485
\$0	\$0
\$265,197,135	\$516,236,609

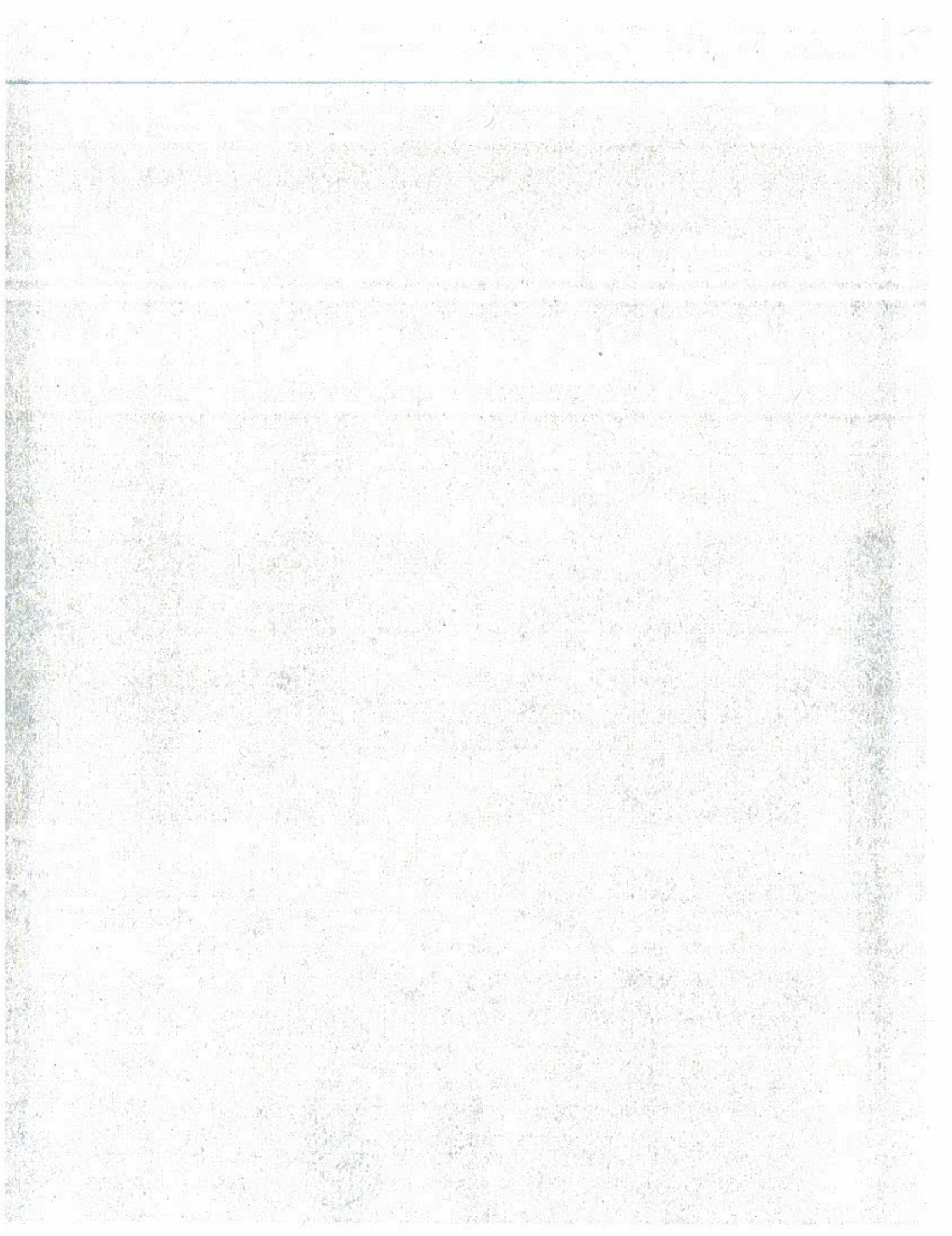
Approved Recovery Amount:

Construction Materials and Building Fixtures: \$2,500,000
Flight Simulation Equipment: \$1,500,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$4,000,000

See KBI file (KBI-I-19-22734) for Ownership, Other State Participation and Unemployment Rate.



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

Date: September 26, 2019
Approved Company: LaurAsh LLC dba ReGadget
City: Covington **County:** Kenton
Activity: Service & Technology **Prelim Resolution #:** KBI-I-19-22729
Bus. Dev. Contact: B. Cox **DFS Staff:** D. Phillips

Project Description: LaurAsh LLC dba ReGadget opened for business in January of 2017 with the green initiative of repurposing slightly retired Chromebooks, Apple products and mobile PC equipment. The company offers these products to a wide variety of customers through major marketplaces such as Amazon and Walmart. The project would consist of relocating to a larger facility to meet customer demands.

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
\$4,500,000	\$4,500,000
\$0	\$0
\$40,000	\$40,000
\$4,540,000	\$4,540,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$19.00	
1	10	\$19.00	\$20,000
2	12	\$19.00	\$20,000
3	12	\$19.00	\$20,000
4	14	\$19.00	\$25,000
5	14	\$19.00	\$25,000
6	16	\$19.00	\$25,000
7	16	\$19.00	\$25,000
8	18	\$19.00	\$30,000
9	18	\$19.00	\$30,000
10	20	\$19.00	\$30,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$250,000

Incentive Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

Kurt Reynolds - Union, KY

Andy Blair - Ryland Heights, KY

Active State Participation at the project site: None**Requested Wage Assessment / Local Participation:**

State: 3.0%

Local: 1.0% - City of Covington

Unemployment Rate:

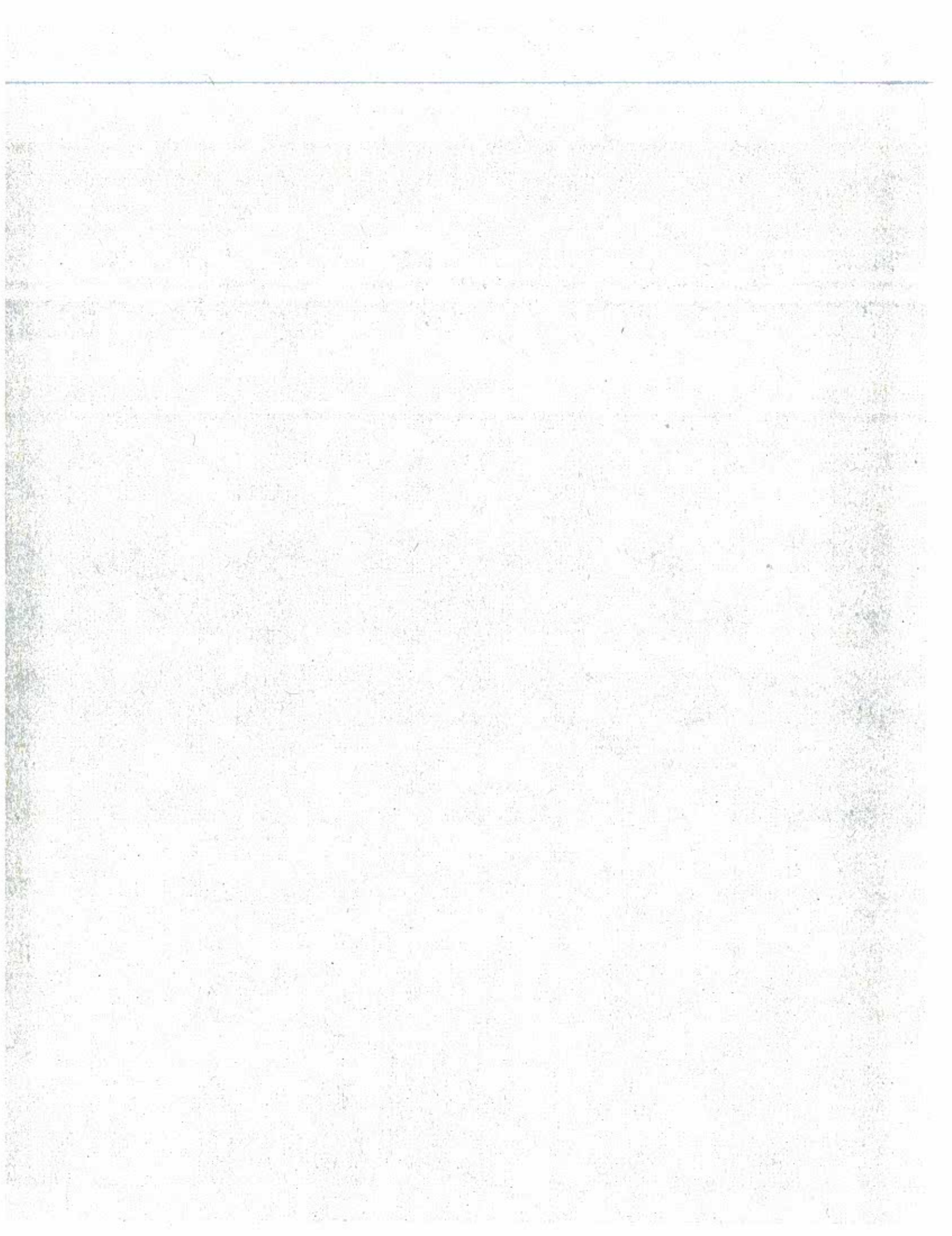
County: 4.1%

Kentucky: 5.1%

Existing Presence in Kentucky:

Boone County

Special Conditions: None



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: September 26, 2019
Approved Company: Ag Science Solutions Inc.
City: Franklin
Activity: Manufacturing
Bus. Dev. Contact: C. Peek

County: Simpson
Prelim Resolution #: KBI-IL-19-22727
DFS Staff: M. Elder

Project Description: Ag Science Solutions Inc. is a start-up industrial hemp extraction operation. The company is considering using an ethanol extraction machine along with ancillary equipment to process a variety of end concentrated products. At full capacity, the extraction machinery could process 12,000 pounds of biomass material per day.

Facility Details: Locating in a new facility

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$150,000	\$300,000
\$200,000	\$200,000
\$600,000	\$3,000,000
\$0	\$0
\$950,000	\$3,500,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	30	\$27.00	
1	30	\$27.00	\$50,000
2	30	\$27.00	\$50,000
3	30	\$27.00	\$50,000
4	30	\$27.00	\$50,000
5	30	\$27.00	\$50,000
6			
7			
8			
9			
10			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$250,000

Incentive Type:
Other

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

Ownership (20% or more):

Allan James Huang Los Angeles, CA

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% City of Franklin

Unemployment Rate:

County: 5.0%

Kentucky: 5.1%

Existing Presence in Kentucky: None

Special Conditions: None

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: September 26, 2019
Approved Company: The Hollaender Manufacturing Company
City: Somerset **County:** Pulaski
Activity: Manufacturing **Prelim Resolution #:** KBI-IL-19-22732
Bus. Dev. Contact: A. Franklin **DFS Staff:** M. Elder

Project Description: The Hollaender Manufacturing Company, incorporated in 1946, has operated as a family owned business based in Ohio. The company's main products are structural pipe fittings and handrail systems. These products are used in applications such as rocket launch pads, oil rigs, movie studios, amusement parks, water treatment plants, and powergen facilities around the world. Hollaender is considering establishing a manufacturing location in Somerset.

Facility Details: Locating in a new facility

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$270,000	\$540,000
\$10,000	\$10,000
\$102,000	\$102,000
\$15,000	\$15,000
\$397,000	\$667,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$26.47	
1	12	\$26.47	\$20,000
2	12	\$26.47	\$20,000
3	12	\$26.47	\$20,000
4	12	\$26.47	\$20,000
5	12	\$26.47	\$20,000
6	13	\$26.47	\$20,000
7	14	\$26.47	\$20,000
8	14	\$26.47	\$20,000
9	14	\$26.47	\$20,000
10	15	\$26.47	\$20,000
11	15	\$26.47	\$20,000
12	15	\$26.47	\$20,000
13	16	\$26.47	\$20,000
14	16	\$26.47	\$20,000
15	16	\$26.47	\$20,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$300,000

Incentive Type:
Enhanced

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

Ownership (20% or more):

Robert Hollaender III Cincinnati, OH

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 5.0%

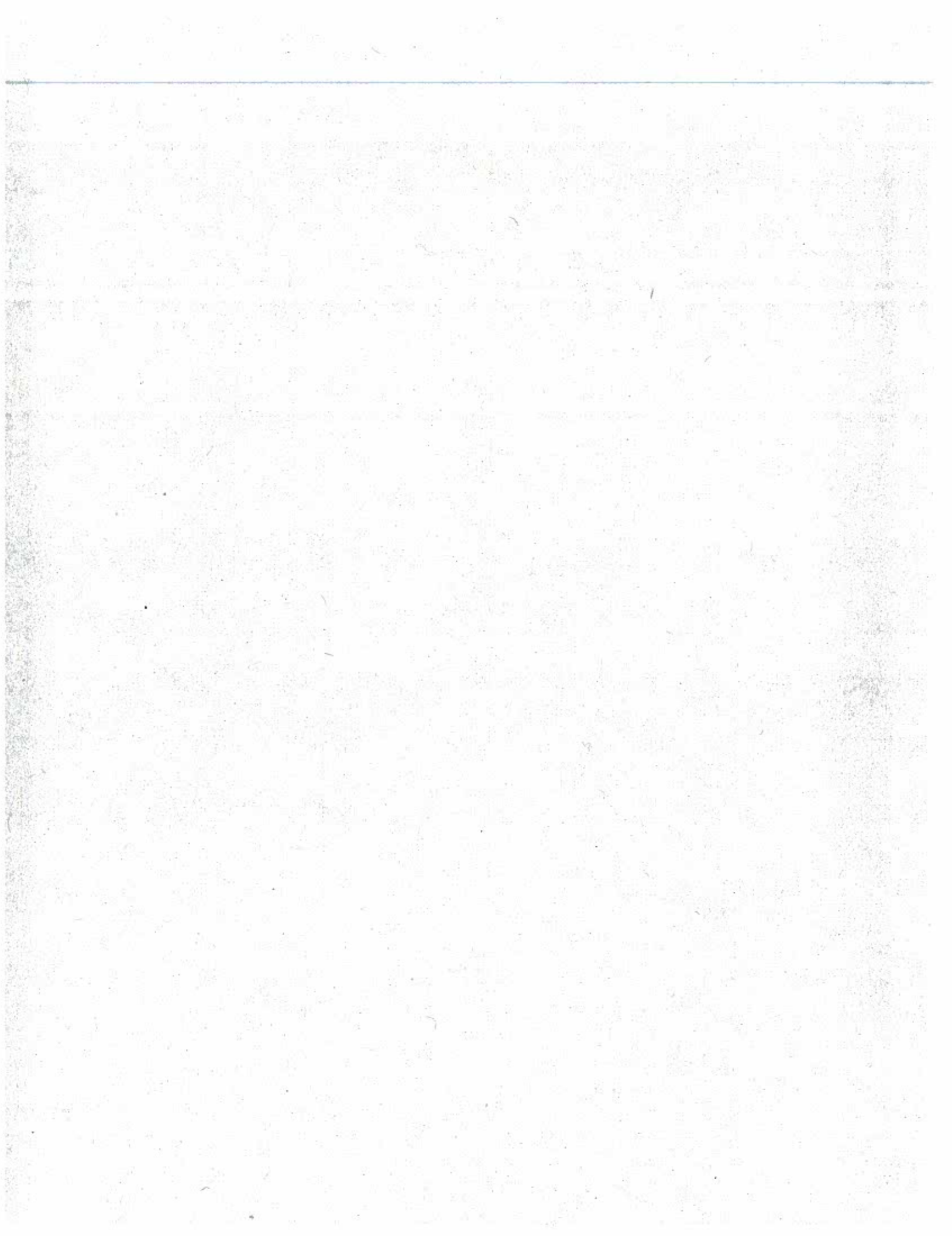
Unemployment Rate:

County: 5.6%


Kentucky: 5.1%

Existing Presence in Kentucky: None

Special Conditions: None



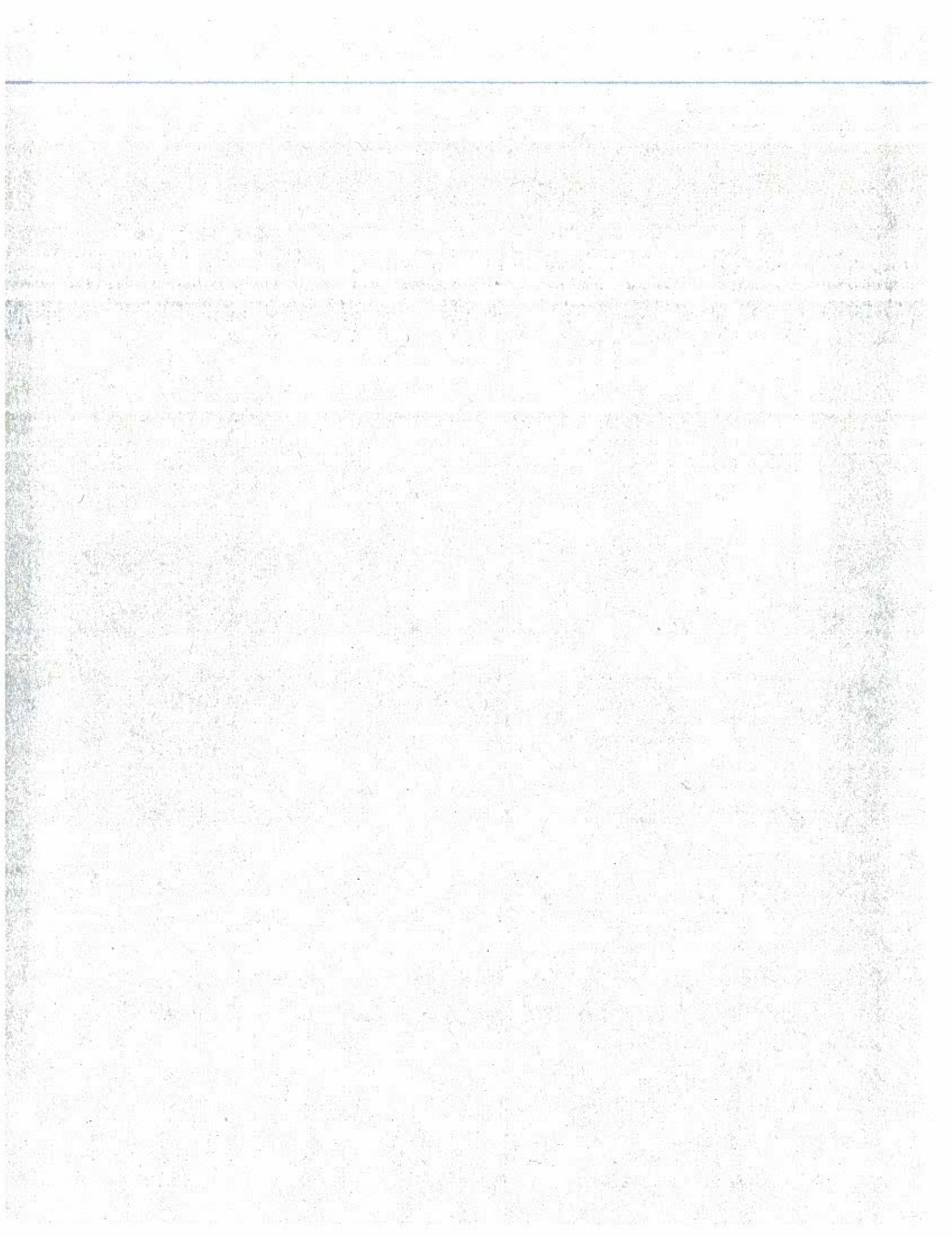
MEMORANDUM

TO: KEDFA Board Members
FROM: Michelle Elder 
Incentive Administration Division
DATE: September 26, 2019
SUBJECT: KBI Extensions

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

Company	County	Extension
Ring Container Technologies, LLC	Jefferson	3 Month
SCA Personal Care, Inc.	Warren	3 Month
JOMEL Seams Reasonable, LLC	Russell	12 Month
M-I L.L.C.	Boone	12 Month
Reynolds Manufacturing, Inc.	Jefferson	12 Month
Sazerac North America, Inc.	Jefferson	12 Month
Taeyang America Corp.	Simpson	12 Month
Xooker, LLC	Fayette	12 Month

Staff recommends approval.



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

Date: September 26, 2019
Preliminary Approval: December 7, 2017
Approved Company: Kentuckiana Curb Company, Inc.
City: Louisville
Activity: Manufacturing
Bus. Dev. Contact: J. Kirk

County: Jefferson
Final Resolution #: KBI-FL-19-21847
DFS Staff: K. McCane

Project Description: Kentuckiana Curb Company, Inc. opened in Jefferson County in 1979, establishing a world class HVAC manufacturing facility. The company expanded its production capabilities to capture an emerging market for 100% outside air HVAC products.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$7,190,000	\$24,500,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	72	\$29.00	
1	85	\$29.00	\$250,000
2	100	\$29.00	\$250,000
3	115	\$29.00	\$250,000
4	130	\$29.00	\$250,000
5	135	\$29.00	\$250,000
6	135	\$29.00	\$250,000
7	135	\$29.00	\$250,000
8	135	\$29.00	\$250,000
9	135	\$29.00	\$250,000
10	135	\$29.00	\$250,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,500,000

County Type:
Other

Statutory Minimum Wage Requirements:

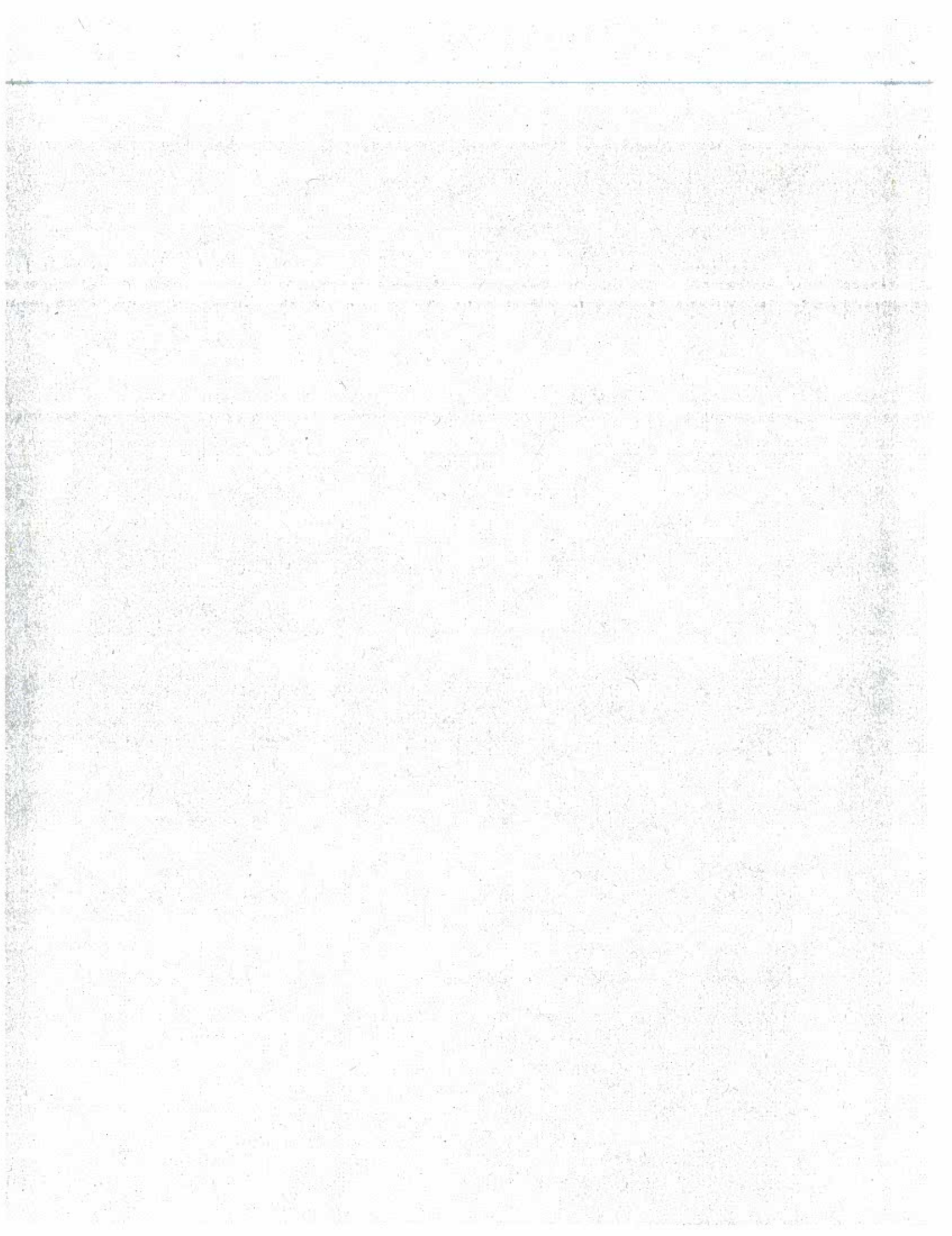
Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 288

Modifications since preliminary approval? No



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: September 26, 2019
Preliminary Approval: March 29, 2018
Approved Company: Century Aluminum of Kentucky General Partnership
City: Hawesville **County:** Hancock
Activity: Manufacturing **Final Resolution #:** KBI-F-19-22042
Bus. Dev. Contact: C. Peek **DFS Staff:** M. Elder

Project Description: Century Aluminum of Kentucky General Partnership's smelter located on the Ohio River is the last remaining producer of High Purity Metal in the US and the largest producer of primary aluminum in the United States. Aluminum from this facility supplies the electrical conductor, remelt ingot and high-purity ingot markets, as well as the defense and aerospace industries. The company upgraded its equipment to remain competitive in the marketplace and to increase capacity.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$96,900,000	\$116,500,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	80	\$57.00	
1	80	\$57.00	\$1,000,000
2	250	\$57.00	\$1,000,000
3	250	\$57.00	\$1,500,000
4	250	\$57.00	\$1,500,000
5	250	\$57.00	\$250,000
6	250	\$57.00	\$150,000
7	250	\$57.00	\$25,000
8	250	\$57.00	\$25,000
9	250	\$57.00	\$25,000
10	250	\$57.00	\$25,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$5,500,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

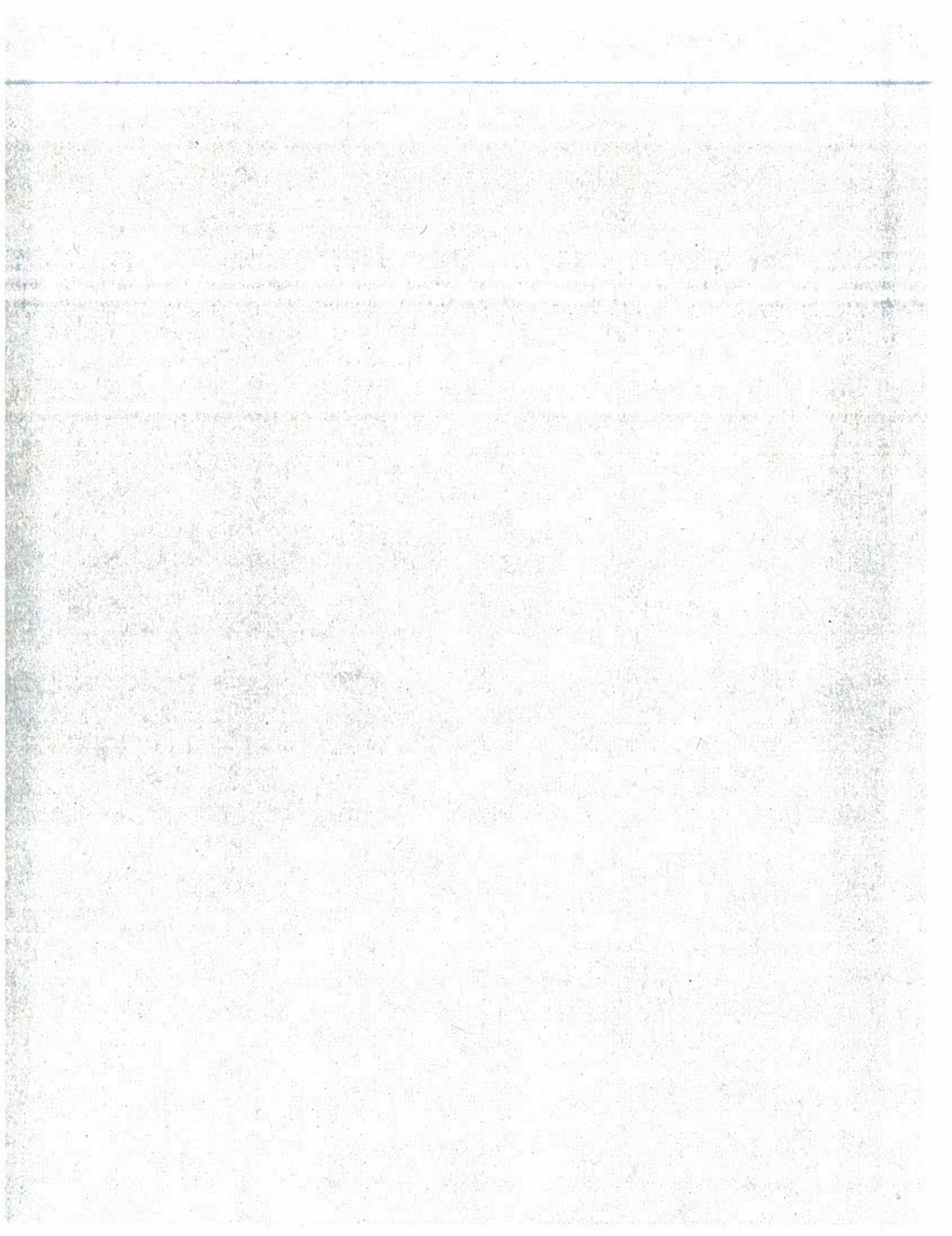
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 229
Maintain Statewide Employment: 435

Modifications since preliminary approval? Yes

The term of the project increased from 7 to 10 years. All other aspects of the project remain the same.



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

Date: September 26, 2019
Preliminary Approval: February 25, 2016
Approved Company: Integrity Express Logistics LLC
City: Covington **County:** Kenton
Activity: Service & Technology **Final Resolution #:** KBI-FL-19-20917
Bus. Dev. Contact: B. Cox **DFS Staff:** D. Phillips

Project Description: Integrity Express Logistics LLC is a leading third-party logistics provider specializing in LTL, truckload and intermodal freight solutions both regionally and nationally. The company established an operation in Covington to better serve its customers.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$460,000	\$820,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$21.00	
1	16	\$21.00	\$40,000
2	22	\$21.00	\$40,000
3	30	\$21.00	\$40,000
4	30	\$21.00	\$40,000
5	30	\$21.00	\$40,000
6			
7			
8			
9			
10			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$200,000

County Type:
Other

Statutory Minimum Wage Requirements:

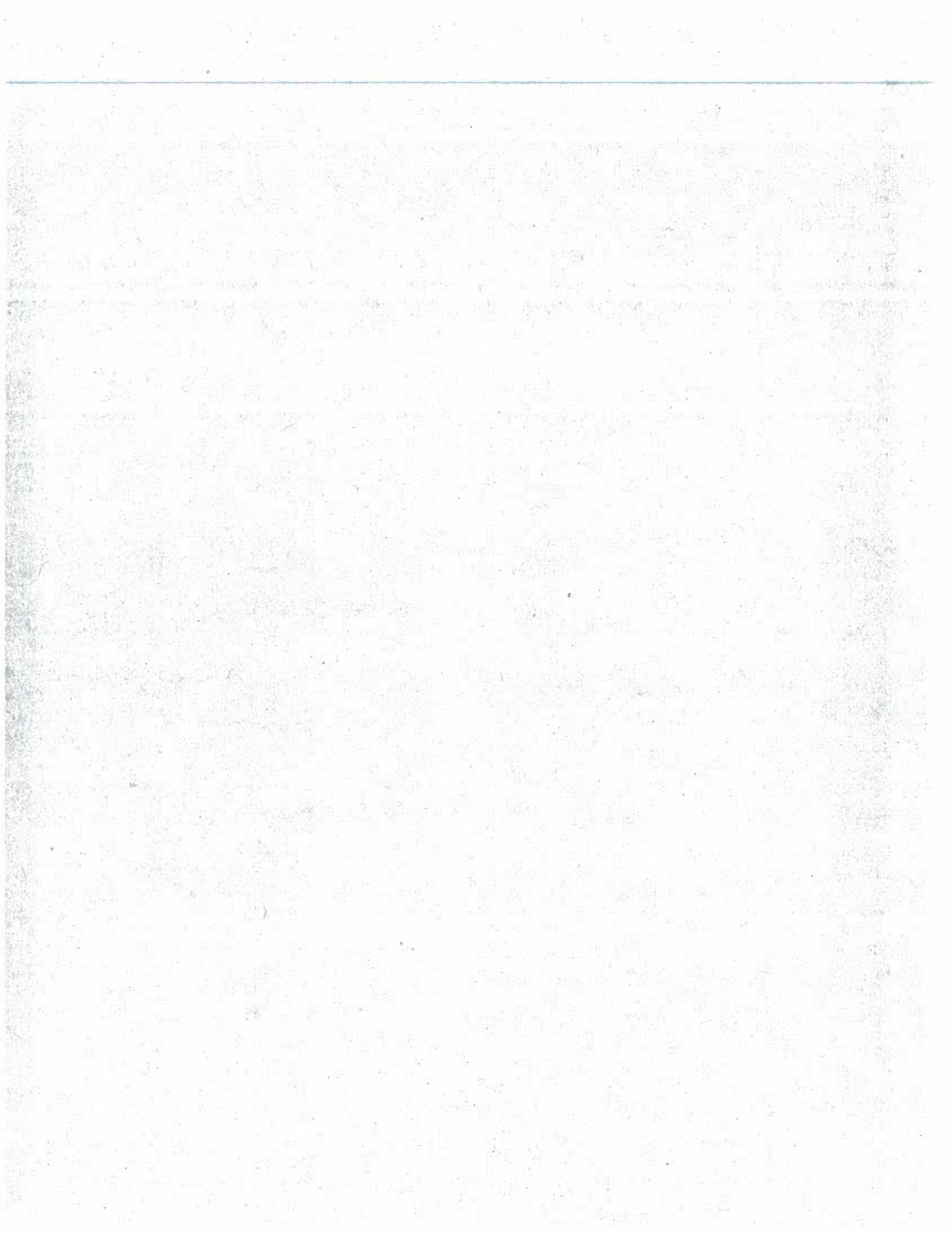
Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Special Conditions: None

Modifications since preliminary approval? Yes

The project location changed from Fort Mitchell to Covington. The City of Covington will participate at 0.50% in wage assessments. The term of the project decreased from ten years to five years. All other aspects of the project remain the same.



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL

Date: September 26, 2019
Preliminary Approval: August 25, 2016
Approved Company: Statewide Mortgage, LLC
City: Louisville
Activity: Service & Technology
Bus. Dev. Contact: J. Kirk

County: Jefferson
Final Resolution #: KBI-F-19-21218
DFS Staff: K. McCane

Project Description: Statewide Mortgage, LLC, established in 2002, has offices in Kentucky, Indiana, and Georgia. The company originates residential mortgage loans in Kentucky as well as several other states. The Jefferson County location, which supports all its branches, completed an expansion due to an increased demand for services.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$3,128,000	\$3,403,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$40.00	
1	14	\$40.00	\$60,000
2	18	\$40.00	\$60,000
3	22	\$40.00	\$60,000
4	26	\$40.00	\$60,000
5	30	\$40.00	\$60,000
6	30	\$40.00	\$60,000
7	30	\$40.00	\$60,000
8	30	\$40.00	\$60,000
9	30	\$40.00	\$60,000
10	30	\$40.00	\$60,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$600,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

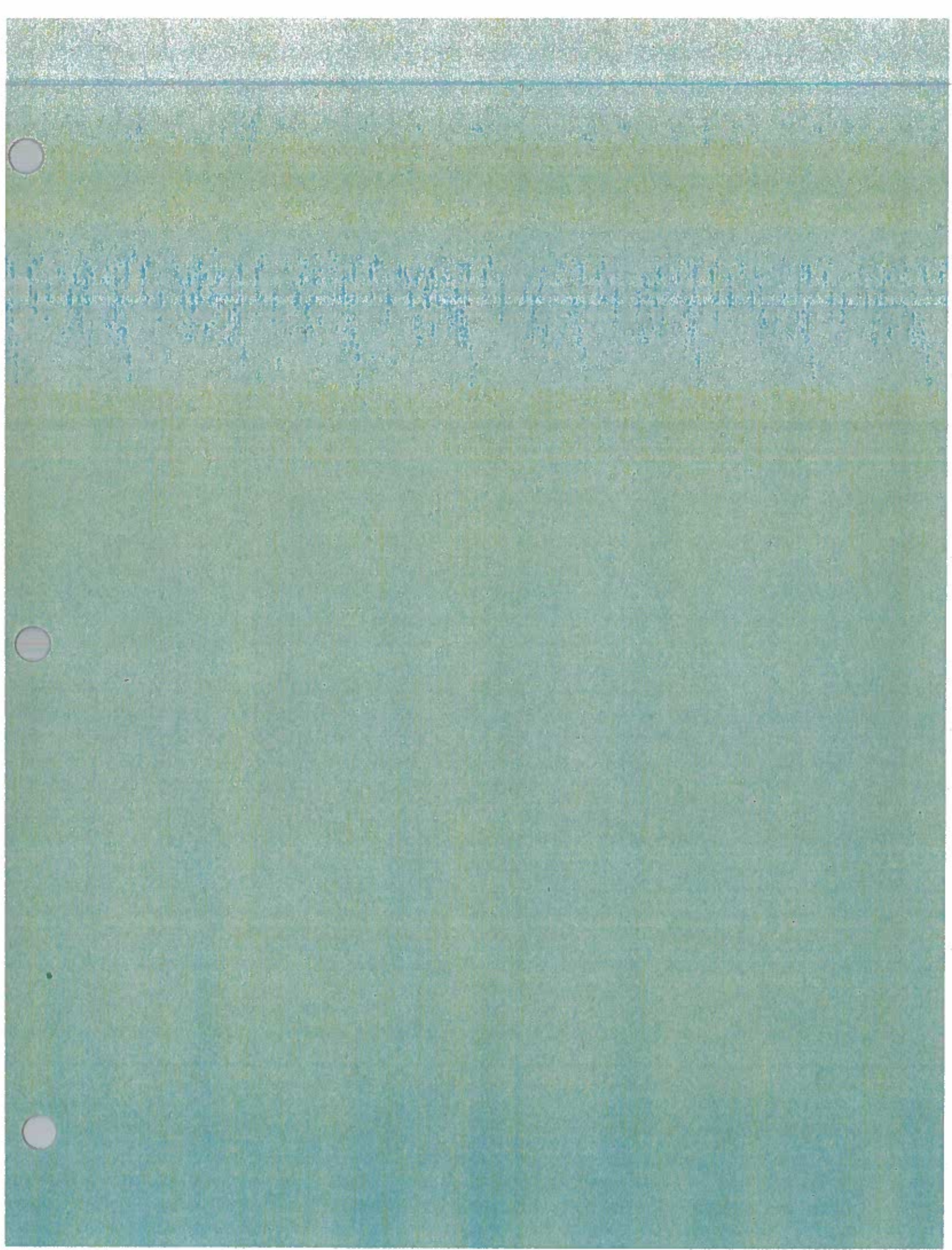
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 27

Modifications since preliminary approval? Yes

The project no longer includes multiple locations. All other aspects of the project remain the same.



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - FINAL APPROVAL

Date: September 26, 2019

Preliminary Approval: April 28, 2016

Approved Company: Sumitomo Electric Wiring Systems, Inc.

City: Franklin

County: Simpson

Activity: Manufacturing

Final Resolution #: KBI-FL-19-21019

Bus. Dev. Contact: C. Peek

DFS Staff: M. Elder

Project Description: Sumitomo Electric Wiring Systems, Inc. is an automotive manufacturing facility that develops electric wiring harnesses and wiring for automobiles. The company has been in Kentucky since 1988. Sumitomo established an additional operational facility in Simpson County.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$8,130,000	\$10,490,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	82	\$28.00	
1	82	\$28.00	\$136,000
2	82	\$28.00	\$136,000
3	145	\$28.00	\$136,000
4	145	\$28.00	\$136,000
5	145	\$28.00	\$136,000
6	145	\$28.00	\$136,000
7	145	\$28.00	\$136,000
8	145	\$28.00	\$136,000
9	145	\$28.00	\$136,000
10	145	\$28.00	\$136,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,360,000

County Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

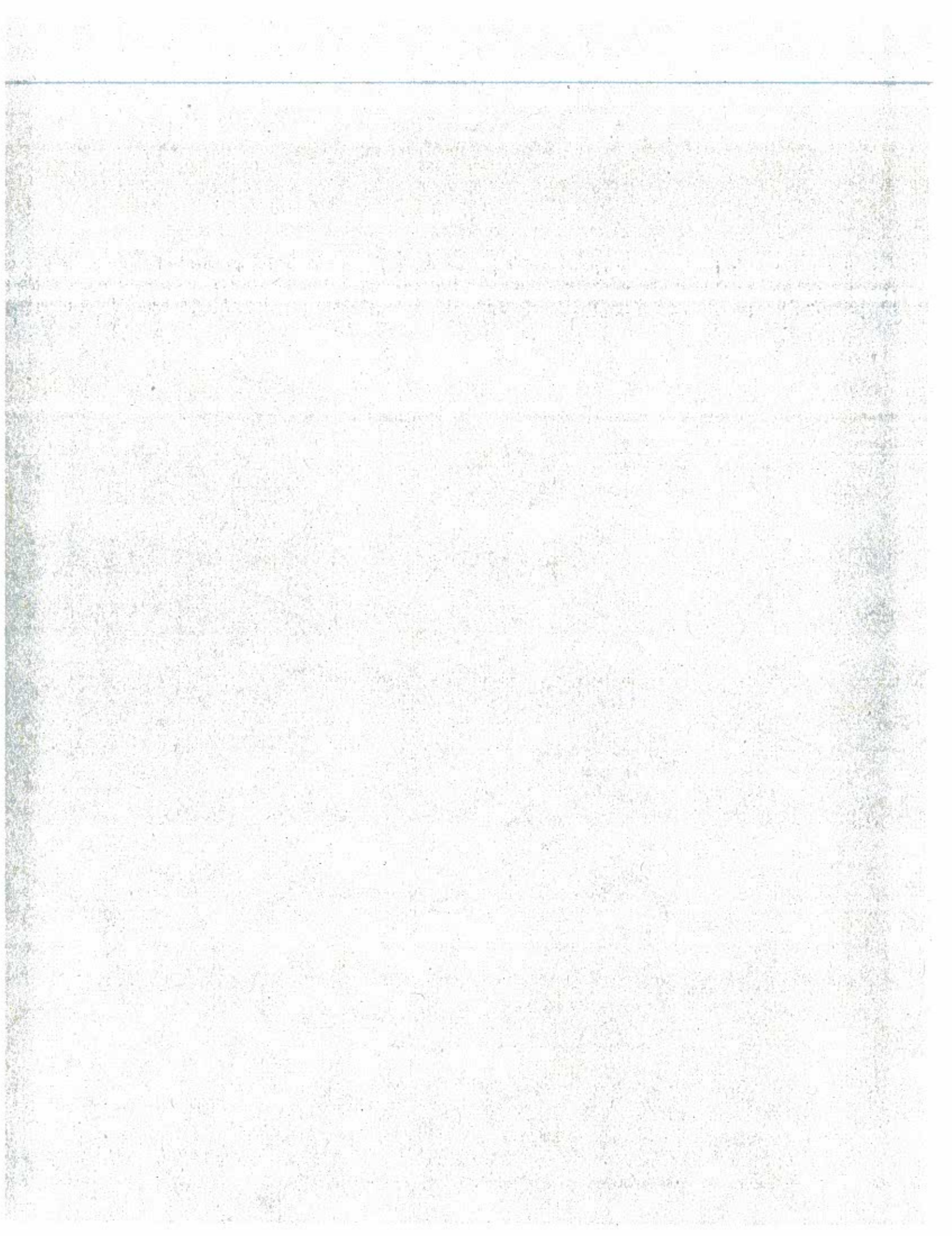
Total hourly compensation: \$12.51

Special Conditions:

Maintain Statewide Employment: 648

Modifications since preliminary approval? Yes

The ownership has changed from an owned project to a leased project with no rent eligible. All other aspects of the project remain the same.



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

Date: September 26, 2019
Preliminary Approval: May 25, 2017
Approved Company: Wilderness Trace Distillery Limited Liability Company
Approved Affiliate(s): Ferm Solutions, Inc.
City: Danville **County:** Boyle
Activity: Manufacturing **Final Resolution #:** KBI-F-19-21620
Bus. Dev. Contact: B. Cox **DFS Staff:** M. Elder

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

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$9,910,000	\$9,910,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	25	\$22.00	
1	25	\$22.00	\$50,000
2	25	\$22.00	\$50,000
3	25	\$22.00	\$50,000
4	25	\$22.00	\$50,000
5	25	\$22.00	\$50,000
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$250,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

Base hourly wage: \$9.06

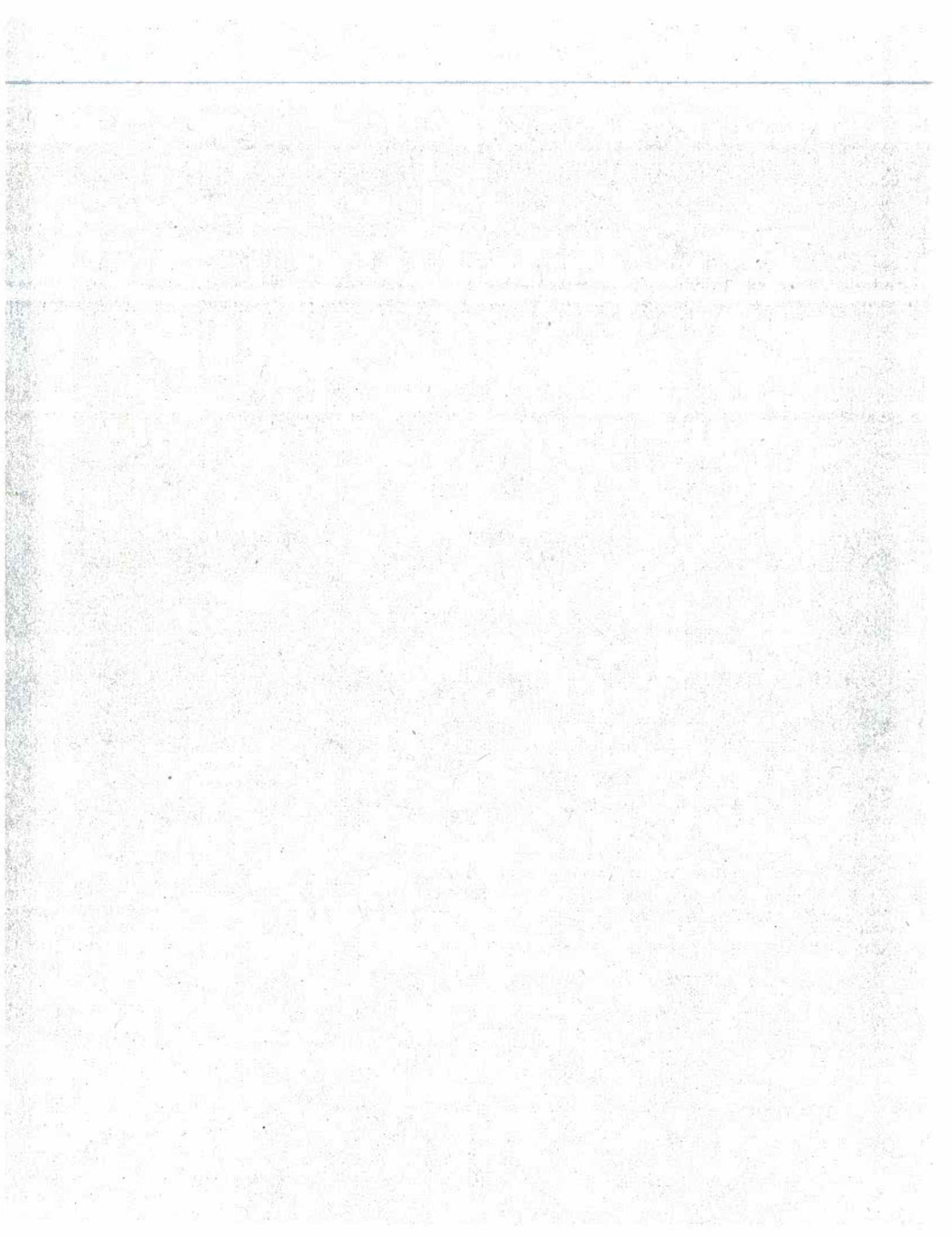
Total hourly compensation: \$10.42

Special Conditions:

Maintain Base Employment: 18 (company and affiliate)

Modifications since preliminary approval? Yes

The addition of an affiliate; Ferm Solutions, Inc. Job targets increased from 10 to 25. Term of the project decreased from 8 to 5 years. The Tax Incentive Amount increased from \$200,000 to \$250,000. All other aspects of the project remain the same.



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

Date: September 26, 2019
Preliminary Approval: August 25, 2016
Approved Company: Lock 14 Hydro Partners, LLC
City: Heidelberg **County:** Lee
Activity: Manufacturing **Final Resolution #:** IEIA-F-19-21230
Bus. Dev. Contact: Zach Lawrence **DFS Staff:** Kylee Palmer

Project Description: Lock 14 Hydro Partners, LLC will construct a hydroelectric plant in the abandoned lock chambers at Lock 14 on the Kentucky River in Lee 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

Total Investment	
	\$0
	\$2,000,000
	\$400,000
	\$3,500,000
	\$1,900,000
	\$7,800,000

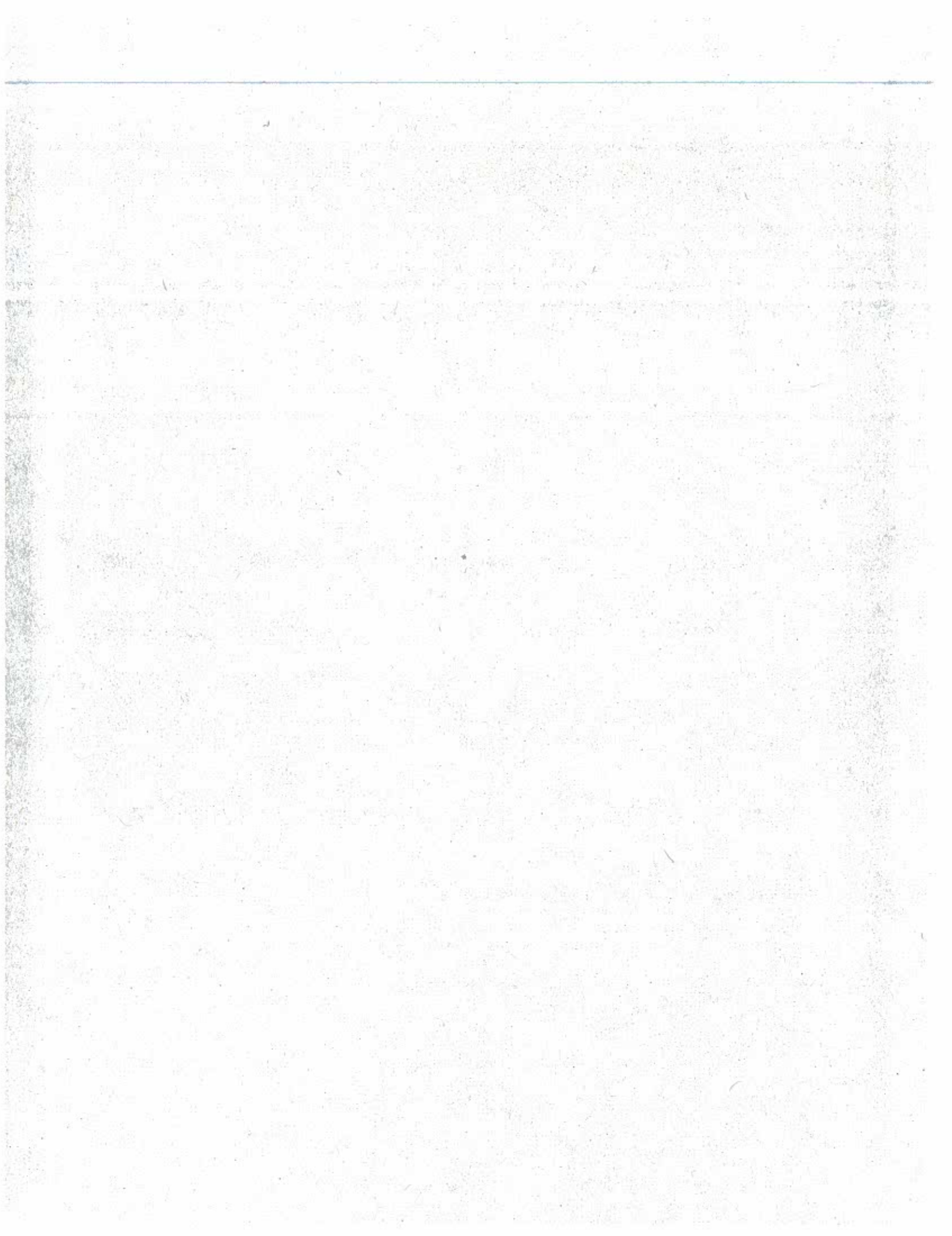
TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$250,000

Available Recovery Methods:

Sales and Use Tax Refunds

Modifications since preliminary approval? No



Kentucky Small Business Tax Credit Projects

September 2019

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/ Technology	Tax Credit Amount
Burns Equine Veterinary Service, PLLC	Scott	0	1	\$38.91	\$11,695	\$3,500
Gladiator Law Marketing, LLC	Madison	6	2	\$20.00	\$7,189	\$7,000
Greene, McCowan & Co., PLLC	Laurel	12	5	\$13.21	\$24,541	\$17,500
Harris, Mackessy & Brennan, Inc.	Jefferson	8	5	\$35.10	\$17,729	\$17,500
Lexington Podiatry, PSC	Fayette	24	3	\$13.71	\$31,000	\$10,500
McCain Bros. Excavating, LLC	Washington	11	6	\$19.75	\$34,000	\$21,000
MILA International, Inc.	Boone	18	1	\$12.50	\$5,284	\$3,500
Mindsight, PLLC	Pulaski	4	2	\$15.00	\$41,000	\$7,000
One Source Logistics LLC	Jefferson	18	5	\$16.81	\$18,969	\$17,500
Polaris of Paducah, Inc.	McCracken	8	2	\$18.89	\$7,793	\$7,000
Shelton & Shelton, LLC	McCracken	9	2	\$13.50	\$21,030	\$7,000
State Electric Company, Inc.	Christian	18	8	\$21.00	\$28,085	\$25,000
12	10		42	Total	\$248,315	\$144,000

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	\$238,500
Remaining Credits	\$2,761,500