



## 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:** September 20, 2017

**SUBJECT:** KEDFA Board Meeting

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The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, September 28, 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 September 28, 2017

Call to Order  
Notification of Press  
Roll Call

### Approval of Minutes

1. Minutes from August 31, 2017 Regular KEDFA Board Meeting
2. Minutes from August 31, 2017 Executive Session

### Reports

- |  |              |
|--|--------------|
| 3. Approved / Undisbursed Loan Report          | Kylee Palmer |
| 4. Financial Statements and Monitoring Reports | Katie Smith  |

### KEDFA IRB (Final)

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

### KEIA Projects (Extension)

- |                                |           |                |
|--------------------------------|-----------|----------------|
| 6. Paducah Riverfront Hotel LP | McCracken | Bobby Aldridge |
| The Huntington National Bank   | Kenton    |                |
| Catalent Pharma Solutions, LLC | Clark     |                |
| Heaven Hill Distilleries, Inc. | Nelson    |                |
| L'Oreal USA Products, Inc.     | Kenton    |                |
| A.O. Smith Corporation         | Kenton    |                |
| Creform Corporation            | Scott     |                |
| Heritage Millworks, LLC        | Powell    |                |
| Luxco Inc.                     | Nelson    |                |

### KEIA Projects

- |  |           |                                   |
|--|-----------|-----------------------------------|
| 7. DCL Logistics                             | Jefferson | Alec Germond / Lynda Cunningham   |
| 8. Hayashi Telempu North America Corporation | Franklin  | Lindsey Ransdell / Michelle Elder |
| 9. MGPI of Indiana, LLC                      | Grant     | Lindsey Ransdell / Michelle Elder |
| 10. Res-Care, Inc.                           | Jefferson | Lucas Witt / Michelle Elder       |

### KBI Projects (Preliminary) & KEIA Projects

- |                                     |           |                              |
|-------------------------------------|-----------|------------------------------|
| 11. Premier Packaging, LLC          | Jefferson | Lucas Witt / Michelle Elder  |
| 12. Premier Packaging, LLC          | Jefferson |                              |
| 13. WITHDRAWN                       |           |                              |
| 14. WITHDRAWN                       |           |                              |
| 15. CLARK Material Handling Company | Fayette   | Tess Simon / Debbie Phillips |
| 16. CLARK Material Handling Company | Fayette   |                              |

**KBI Projects (Preliminary)**

17. Froedge Machine and Supply Co., Inc.	Barren	Corky Peek / Michelle Elder
18. Holley Performance Products Inc.	Simpson	Corky Peek / Michelle Elder
19. My Visual Package, LLC	Barren	Corky Peek / Michelle Elder
20. Xooker, LLC	Fayette	Lucas Witt / Michelle Elder
21. JOMEL Seams Reasonable, LLC	Russell	Tess Simon / Debbie Phillips
22. Strigiformes, LLC	Nelson	Lindsey Ransdell / Michelle Elder
23. Ring Container Technologies, LLC	Jefferson	Alec Germond / Lynda Cunningham
24. M-I L.L.C.	Boone	Taylor Sears / Lynda Cunningham
25. Camtech Manufacturing Solutions, LLC	Pulaski	Robyn Lee / Lynda Cunningham
26. AVENTICS Corporation	Fayette	Kristina Slattery / Lynda Cunningham
27. KEEN, Inc.	Bullitt	Kristina Slattery / Lynda Cunningham
28. Sazerac North America, Inc.	Jefferson	Kristina Slattery / Lynda Cunningham

**KBI Projects (Extension)**

Michelle Elder

29. Brown-Forman Corporation	Jefferson
Innovative Mattress Solutions, LLC	Fayette
Inplast Industries USA, LLC	
dba Plastikon Industries	Grayson
PARx Solutions, Inc.	Jefferson
Senture, LLC	Jackson

**KBI Projects (Final)**

Debbie Phillips

30. AAK USA K2, LLC	Jefferson
31. Central States Manufacturing Inc.	Allen
32. CR Machine Shop, LLC	Hopkins
33. Kimball Furniture Group, LLC	Ohio
34. Logan Corporation	Magoffin
35. L'Oreal USA Products, Inc.	Kenton
36. Senture, LLC	Laurel
37. TransNav Technologies, Inc.	Boyle
38. Berry Plastics IK, LLC	Hopkins
39. ecoATM, LLC	Jefferson
40. General Cable Industries, Inc.	Anderson
41. QSR Automations, Inc.	Jefferson

**KRA Project (Preliminary)**

Kristina Slattery / Debbie Phillips

42. Meritor, Inc.	Simpson
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**KSBTC**

Tim Back

43. Bluegrass Concrete & Associates, Inc.	Barren
Hensley & Throneberry, PLLC	Warren
J. Allen Builders, Inc.	Warren

**Other Business**

Audit Report	Katie Smith
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**Closed Session**

44.

**Adjournment**



# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## BOARD MEETING

August 31, 2017

### MINUTES

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#### **Call to Order**

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:03 a.m. EDT on August 31, 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 has 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:** Tim Back, Jessica Burke, Sarah Butler, Lynda Cunningham, Michelle Elder, Alec Germond, Kimberly Gester, Reid Glass, Krista Harrod, Craig Kelly, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Vivek Sarin, Taylor Sears, Kristina Slattery, Katie Smith and Teresa Spreitzer

**Others Present:** Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky and Mark Franklin, Stoll Keenon Ogden; Chris Pullem, City of Ashland; Austin Arnold and Casey Bolton, Commonwealth Economics; Ryan Barrow and Sandy Williams, Finance & Administration Cabinet, Office of Financial Management; John Egan, Frost Brown & Todd, Becky McCubbins and Garrick Thompson, Greater Owensboro Economic Development Corporation; Scott Cox and Tom Liston, Louisville Arena Authority, Inc.; Chip Sutherland, Hilliard Lyons; Terri Bradshaw, Kentucky Capital Development Corporation; Brad Thomas, East Kentucky Power Cooperative, Barry Landrum, Paladin; Ravi Raumnarain and Adam Ziegler, The Recon Group; and David Brown Kinloch, Lock 12 Hydro Partners, LLC

#### **Approval of Minutes**

Chairman Hale entertained a motion to approve the minutes from the July 27, 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 July 31, 2017.

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

## **Tax Increment Financing (TIF) Project (Preliminary)**

Chairman Hale called on staff to present a preliminary TIF project to the Authority.

### **City of Ashland Department of Finance Ashland Plaza Redevelopment Project Boyd County**

**Kimberly Gester  
Kylee Palmer**

Kimberly Gester stated Ashland Plaza Redevelopment Project is a Mixed-Use Redevelopment in Blighted Urban Areas TIF project. The project consists of the renovation of an existing hotel, a new public parking structure and conference center as well as residential and restaurant uses on 36 acres located in downtown Ashland, on 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 149 room Marriott brand Delta Hotel with 3-star full service accommodations, including a restaurant, lobby bar and meeting spaces; the construction of a new 4-level, 400 space above ground public parking structure next to the hotel with 12,000 square feet of conference space on the top level; renovation of old college building at 1420 Central Avenue to up to 14 residential apartment units; renovation of 4-story building at 15th and Winchester to 12 residential units; and downtown streetscape and utility improvements.

Ms. Palmer stated public infrastructure costs total approximately \$18.8 million and include land preparation, public buildings/structure, sewers/storm drainage, curbs, sidewalks, promenades and pedways, provisions of utilities and parking. The applicant estimates 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. The project is expected to be completed by Spring 2019.

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 Chris Pullem, Casey Bolton and Austin Arnold and invited them to address the board regarding the project and answer any questions the board may have.

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

## **KEDFA Industrial Revenue Bond (IRB) Project (Preliminary)**

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

**Louisville Arena Authority, Inc.  
Jefferson County**

Ms. Smith referenced in the board material, a draft KEDFA bond issue report relating to the issuance of taxable and tax-exempt refunding bonds 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 the Louisville Arena Authority, Inc.

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. KEDFA serves as the conduit issuer of the bonds. The bonds will not constitute a general obligation of KEDFA and KEDFA will not be obligated to pay principal or interest for the bonds from its own funds.

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.

Staff recommended the adoption of the KEDFA inducement bond resolution.

Ms. Smith introduced Scott Cox, Tom Liston, John Egan, Chip Sutherland and Mark Franklin, and invited them to address the board regarding the project and answer any questions the board may have.

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

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

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

**Western Kentucky University Research Foundation, Inc.  
Warren County**

Ms. Palmer stated 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 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 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 requested an extension to the disbursement request date in the grant agreement and a similar extension to the term agreement date.

The Office of Entrepreneurship recommended approval of a disbursement request date extension to September 30, 2017 and a term agreement date extension to October 31, 2017.

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

## **Kentucky Business Incentives (KBI) Projects (Amendment)**

Chairman Hale called on Craig Kelly to present the KBI project amendments to the Authority.

### **PDCI Automotive LLC**

#### **Marion County**

Mr. Kelly stated PDCI Automotive, LLC requested 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 Street 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 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.

### **Rainbow Design Services, Inc.**

#### **Jefferson County**

Mr. Kelly stated 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 recommended approval of the KBI amendment request.

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

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

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

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

<b>Company</b>	<b>County</b>	<b>Extension</b>
<b>East Bernstadt Cooperage, LLC</b>	Laurel	4 Month
<b>Fischbach USA, Inc.</b>	Hardin	4 Month
<b>Patriot Brands, LLC</b>	Henry	4 Month
<b>Gibbs Die Casting Corporation</b>	Henderson	6 Month
<b>Hansens Aluminum, LLC</b>	Henderson	6 Month
<b>AAK USA K2, LLC</b>	Jefferson	9 Month
<b>Master Engineering, Inc.</b>	Bullitt	12 Month
<b>dba Piccola Manufacturing</b>		
<b>Rabbit Hole Spirits, LLC</b> (Retroactive to May 1, 2017)	Jefferson	12 Month

Staff recommended approval of KEIA extension requests.

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

## **KEIA Projects**

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

### **Buffalo Trace Distillery, Inc. Franklin County**

**Kristina Slattery  
Lynda Cunningham**

Kristina Slattery stated 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.

Lynda Cunningham stated the project investment is \$42,600,000 of which \$15,000,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$400,000 for construction materials and building fixtures.

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

### **Pinkerton Tobacco Co. LP Daviness County**

**Corky Peek  
Michelle Elder**

Corky Peek stated 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.

Michelle Edler stated the project investment is \$40,919,082 of which \$6,522,604 qualifies as KEIA eligible costs.

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

After discussion, Mr. Hall 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.

### **The Bardstown Bourbon Company, LLC Nelson County**

**Kristina Slattery  
Lynda Cunningham**

Ms. Slattery stated 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.

Ms. Cunningham stated the project investment is \$18,000,000 of which \$12,200,000 qualifies as KBI eligible costs and \$4,200,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 10 with an average hourly wage of \$37.00 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 greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 34 full-time, Kentucky resident employees.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$300,000 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; Mr. Kelly seconded the motion. Motion passed; unanimous.

**Denyo Manufacturing Corporation  
Boyle County**

**Kristina Slattery  
Lynda Cunningham**

Ms. Slattery stated 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 expansion includes a 63,000 sf building for fabrication of sheet metal components used in generator and compression assembly as well as the purchase of state-of-the-art equipment for cutting, bending and welding of steel for complex structural components on-site.

Ms. Cunningham stated the project investment is \$8,676,000 all of which qualifies as KBI eligible costs and \$2,450,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 45 with an average hourly wage of \$21.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

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

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

**KBI Projects (Preliminary)**

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

**The Recon Group Inc.  
Franklin County**

**Alec Germond  
Lynda Cunningham**

Alec Germond stated The Recon Group, incorporated in 2008, 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.

Mr. Germond introduced Ravi Ramnarain and Adam Ziegler and invited them to address the board regarding the project.

Ms. Cunningham stated the project investment is \$1,395,930 of which \$860,965 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 90 with an average hourly wage of \$16.50 including benefits. The state wage assessment participation is 1.5% and Franklin County will participate at 0.5%. The company will be required to maintain a

base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$800,000.

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

**Gryphon Environmental, LLC  
Daviness County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated 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.

Ms. Elder stated the project investment is \$1,760,040 of which \$910,020 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 20 with an average hourly wage of \$30.00 including benefits. The state wage assessment participation is 3.0% and the City of Owensboro 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.

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

**WPT Corporation  
Ohio County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated 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.

Ms. Elder stated the project investment is \$4,934,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 40 with an average hourly wage of \$17.00 including benefits. The state wage assessment participation is 5.0%. The project will include multiple locations within Beaver Dam/Ohio County. Only investment costs incurred at 795 West 7th Avenue 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. 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 full-time, Kentucky resident employees.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$750,000.

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

**KBI Projects (Extension)**

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

Ms. Elder stated 10 companies requested additional time to complete the projects. Ms. Elder asked that all 10 be presented as one motion.

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

Staff recommended approval of the KBI extension requests.

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

**KBI Projects (Final)**

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

Ms. Phillips stated 5 companies requested KBI final approval, 4 of which have modifications since preliminary approval. Ms. Phillips asked that all 5 be presented as one motion.

No Modifications:

<u>Project Name</u>	<u>County</u>	<u>Type Project</u>
<b>Florida Tile, Inc.</b>	Anderson	Manufacturing

Modifications:

**ConeXus World Global, LLC**  
**dba Creative Realities, Inc.** Jefferson Service & Technology  
 ConeXus World Global, LLC requested to add the dba Creative Realities, Inc. to the project. All other aspects of the project remain the same.

**First State Investments (US) LLC** Jefferson Service & Technology  
 First State Investments (US) LLC 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.

**Louisville Distilling Company, LLC** Jefferson Manufacturing  
 The company name 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.

**Midea America Corp**

Jefferson Service & Technology

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.

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

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

**Kentucky Reinvestment Act (KRA) Project (Preliminary)**

Chairman Hale called on staff to present a KRA preliminary project to the Authority.

**Aristech Surfaces LLC  
Boone County**

**Kristina Slattery  
Debbie Phillips**

Ms. Slattery stated 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, this project would begin in September 2017.

Ms. Phillips stated the project investment is \$17,900,000 of which \$8,950,000 qualifies as KRA eligible costs. The job retention requirement over the term of the agreement is 90% of the number of full-time jobs at the project location as of preliminary approval.

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

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

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

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

Mr. Palmer stated the following company requested an extension of its IEIA project.

<u>Company</u>	<u>County</u>	<u>Extension</u>
RCC Big Shoal, LLC	Pike	12 Month

Staff recommended approval of IEIA extension request.

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

**IEIA Project (Final)**

Chairman Hale called on Ms. Palmer to present an IEIA project for final approval to the Authority.

**Lock 12 Hydro Partners, LLC**

**Estill County**

Ms. Palmer stated Lock 12 Hydro Partners, LLC requested final approval of the IEIA project. Staff recommended approval of the IEIA negotiated tax incentive amount of \$250,000 and the available recovery methods of sales and use tax refunds.

Ms. Palmer introduced David Brown Kinloch and invited him to address the board regarding the project and answer any questions the board may have.

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

**Kentucky Small Business Credit Initiative (KSBCI) project (Modification)**

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

**Marikka's Restaurant, Inc.**

**Fayette County**

Ms. Palmer stated 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, 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 recommended approval of the modification request.

Chairman Hale moved to approve the staff recommendation, as presented; Mr. Hall 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 14 Kentucky small businesses from 6 counties with qualifying tax credits of \$150,800. The 14 businesses created 44 jobs and invested \$291,926 in qualifying equipment or technology. Mr. Back requested the following tax credits be presented as one motion:

<b>Qualified Small Business</b>	<b>County</b>	<b>Beg. Emp.</b>	<b>Elig. Pos.</b>	<b>Average Hourly Wage</b>	<b>Qualifying Equipment or Technology</b>	<b>Tax Credit</b>
<b>All Hours Lock &amp; Key, LLC</b>	Fayette	2	1	\$ 12.00	\$ 7,500	\$ 3,500
<b>Business Benefits, Inc.</b>	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
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

Staff recommended approval of the tax credits.

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

### **Kentucky Angel Investment Act Program Projects**

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

Mr. Back stated there is one (1) Angel Investment Act Program project from Jefferson County for a total projected investment of \$25,000 with an eligible tax credit of \$9,680, which is the total remaining tax credit funds available in the program for calendar year 2017. The investor, Sudhakar B. Chennareddy, agreed to the reduced tax credit on his investment in Advanced Energy Materials, LLC. The investor will have 60 calendar days in which to make the planned investment and 20 calendar days from the investment date in which to submit proof of the investment before receiving the tax credit.

Mr. Back recommended approval of the proposed tax credit.

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

### **Executive 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.

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

The board entered into executive session at 10:46 a.m.

### **Regular Session**

Chairman Hale entertained a motion to return to regular session.

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

The board returned to regular session 11:03 a.m.

## **Other Business**

### **KEDFA Loan (Modification)**

#### **The Thompson Group**

A motion was made by Mr. Ballinger and seconded by Mr. Hall to approve a modification request for The Thompson Group for a six (6) month extension beginning September 2017 and ending March 2018 with monthly principal payments of \$1,000 plus interest. The motion carried unanimously.

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

#### **Advanced Cancer Therapeutics**

A motion was made by Mr. Ballinger and seconded by Mr. Kelly to accept the settlement agreement to the High-Tech Pool project with Advanced Cancer Therapeutics for an agreed upon amount of \$49,999.99. The motion carried unanimously.

## **Adjournment**

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

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

The meeting adjourned at 11:04 a.m.

### **PRESIDING OFFICER:**

A handwritten signature in black ink, appearing to read "Jean R. Hale", written over a horizontal line.

Jean Hale, Chairman



**KEDFA APPROVED AND NOT DISBURSED**

8/31/2017

**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	(\$111,838)	\$264,235
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)****\$2,551,315****TOTAL KEDFA APPROVED AND NOT DISBURSED****\$3,881,315**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**8/31/2017**

	<b>FUND A</b>	<b>BOND FUND</b>	<b>Small Bus. Loan Pool</b>	<b>KEDFA 8/31/17</b>	<b>OOE 8/31/17</b>	<b>COMBINED 8/31/17</b>
<b><u>ASSETS</u></b>						
<b>Cash &amp; Accounts Receivable</b>						
Operating Account	(56,321.17)	0.00	0.00	(56,321.17)	0.00	(56,321.17)
Cash	2,891,749.44	14,337,231.71	397,460.68	17,626,441.83	0.00	17,626,441.83
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	2,433,570.67	2,433,570.67
High Tech LGEDF Pool	0.00	0.00	0.00	0.00	4,043.88	4,043.88
Investment Account	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Intergovernment Receivable	2,808,233.00	0.00	0.00	2,808,233.00	1,251,365.33	4,059,598.33
<b>Total Cash &amp; Accounts Receivable</b>	<b>5,643,661.27</b>	<b>14,337,231.71</b>	<b>397,460.68</b>	<b>20,378,353.66</b>	<b>3,826,479.88</b>	<b>24,204,833.54</b>
<b>Accrued Interest Receivable</b>						
Loans	26,848.26	624.03	0.00	27,472.29	(836.50)	26,635.79
Investments	1,551.39	7,714.39	213.57	9,479.35	0.00	9,479.35
<b>Total Accrued Interest Receivable</b>	<b>28,399.85</b>	<b>8,338.42</b>	<b>213.57</b>	<b>36,951.64</b>	<b>(836.50)</b>	<b>36,115.14</b>
<b>Notes Receivable</b>						
Loans Receivable	18,783,458.06	3,384,082.58	0.00	22,167,540.64	20,817.00	22,188,357.64
(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>18,783,458.06</b>	<b>3,384,082.58</b>	<b>0.00</b>	<b>20,929,592.03</b>	<b>20,817.00</b>	<b>20,950,409.03</b>
<b>TOTAL ASSETS</b>	<b>24,455,518.98</b>	<b>17,729,652.71</b>	<b>397,674.25</b>	<b>41,344,897.33</b>	<b>3,846,460.38</b>	<b>45,191,357.71</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>(519,325.41)</b>	<b>(537,953.86)</b>	<b>(1,057,279.27)</b>
<b>TOTAL NET POSITION</b>				<b>32,658,444.33</b>	<b>3,826,165.92</b>	<b>36,484,610.25</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 August 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	18,431.33	5,682.93	0.00	0.00	46,765.52	34,364.46
Interest Income/ Investments	1,551.39	7,714.39	213.57	0.00	18,519.18	313.93
Late Fees	0.00	0.00	0.00	0.00	0.00	0.00
Application Fees	41,040.00	0.00	0.00	0.00	53,517.25	60,134.54
Miscellaneous Income	166.53	0.00	0.00	0.00	298.62	35.10
<b>Total Operating Revenues - KEDFA</b>	<b>61,189.25</b>	<b>13,397.32</b>	<b>213.57</b>	<b>0.00</b>	<b>119,100.57</b>	<b>94,848.03</b>
<b>Operating Expenses - KEDFA</b>						
Salaries	89,596.87				212,429.52	223,718.40
Employee benefits	62,308.60				152,875.33	150,887.63
Pension Liability Adjustment	0.00				0.00	0.00
Other Personnel Costs	0.00				0.00	0.00
Contracted Personal Services	8,000.81				15,978.46	9,399.40
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	0.79				2.33	3.52
Telecommunications	0.00				0.00	0.00
Computer Services	0.00				0.00	0.00
Supplies	0.00				0.00	0.00
Miscellaneous Services	16.00				16.00	0.00
Travel	206.00				206.00	658.46
Miscellaneous Commodities	0.00				0.00	395.00
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>160,129.07</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>381,507.64</b>	<b>385,062.41</b>
<b>Income (Loss) from Operations - KEDFA</b>	<b>(98,939.82)</b>	<b>13,397.32</b>	<b>213.57</b>	<b>0.00</b>	<b>(262,407.07)</b>	<b>(290,214.38)</b>
<b>Non-Operating Revenues (Expenses) - KEDFA</b>						
Operating Transfer Out - General Fund					0.00	0.00
Operating Transfer Out - New Business					0.00	2,000,000.00
Transfer Due from Bonds					0.00	0.00
Grants Disbursed	(43,998.00)				(256,918.34)	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>(43,998.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(256,918.34)</b>	<b>2,000,000.00</b>
<b>CHANGE IN NET POSITION - KEDFA</b>	<b>(142,937.82)</b>	<b>13,397.32</b>	<b>213.57</b>	<b>0.00</b>	<b>(519,325.41)</b>	<b>1,709,785.62</b>
<b>Operating Revenues (Expenses) - OOE</b>						
Interest Income - Loans				33.00	63.80	282.41
Misc Income				0.00	0.00	0.00
Disbursements: Projects (Note 1)				(513,017.66)	(538,017.66)	(50,000.00)
Repayments received from Projects				0.00	0.00	115,400.00
						0.00
<b>Non-Operating Revenues (Expenses) - OOE</b>						0.00
Operating Transfer in - OOE				0.00	0.00	0.00
Transfer Due from Bonds				0.00	0.00	200,000.00
Operating Transfer Out - OOE				0.00	0.00	(120,451.46)
<b>CHANGE IN NET POSITION - OOE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(512,984.66)</b>	<b>(537,953.86)</b>	<b>145,230.95</b>
<b>CHANGE IN NET POSITION - COMBINED</b>	<b>(142,937.82)</b>	<b>13,397.32</b>	<b>213.57</b>	<b>(512,984.66)</b>	<b>(1,057,279.27)</b>	<b>1,855,016.57</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**  
**8/31/2017**

	<u>8/31/2016</u>	<u>8/31/2017</u>
<b>Fund A Cash Balance</b>	\$3,395,131.85	\$2,891,749.44
Less: Approved/Undisbursed	0.00	
<b>Total Unobligated Balance</b>	<b>\$3,395,131.85</b>	<b>\$2,891,749.44</b>
<b>2003 Bond Fund Cash Balance</b>	\$14,234,284.79	\$14,337,231.71
Less: Approved/Undisbursed	(\$6,600,000.00)	(3,881,315.00)
<b>Total Unobligated Balance</b>	<b>\$7,634,284.79</b>	<b>\$10,455,916.71</b>
<b>Small Business Loan Fund Cash Balance</b>	\$395,302.97	\$397,460.68
Less: Approved/Undisbursed	\$0.00	
<b>Total Unobligated Balance</b>	<b>\$395,302.97</b>	<b>\$397,460.68</b>
<b>Bond Funds to be Provided for Loans</b>	\$0.00	
Less: Approved/Undisbursed	\$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	<b>\$0.00</b>	
<b>CASH AVAILABLE</b>	<b>\$11,424,719.61</b>	<b>\$13,745,126.83</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	\$2,413,276.21
Less: Approved/Undisbursed	(\$1,820,372.00)	(\$1,378,350.00)
LGEDF Pool	\$4,043.89	\$4,043.89
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects	\$1,230,370.00	\$1,251,365.33
Bond Funds Available for Projects	\$0.00	\$0.00
<b>Total Unobligated Balance</b>	<b>\$2,627,835.82</b>	<b>\$2,427,835.43</b>
<b>TOTAL ALL FUNDS</b>	<b>\$14,052,555.43</b>	<b>\$16,172,962.26</b>

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

KEDFA Meeting date	9/28/2017
Total Projects Approved Fiscal Year-to-Date	10
Number of Proposed Projects for Current Month	6

Construction Materials and Building Fixtures

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$1,540,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$18,460,000
Proposed Approval for Current Month	<u>\$1,435,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$17,025,000</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 August 31, 2017

**Financial Incentives Programs**

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
KBI	94	80	0	0	14
IEIA	0	0	0	0	0
KEIA	15	2	0	0	2
KIDA	17	2	0	0	2
KJDA	8	10	0	0	3
KREDA	0	10	0	0	3
KIRA	0	1	0	0	0
KJRA	1	0	0	0	0
KIFA	0	1	0	0	0
KESA	0	0	0	0	0
KRA	1	12	0	0	2
KAIA	0	0	0	0	0
TIF	2	14	0	0	0
<b>Totals</b>	<b>138</b>	<b>132</b>	<b>0</b>	<b>0</b>	<b>26</b>

**Cash Based Programs**

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
HTP	9	2	0	0	0
Direct Loans	0	0	0	0	0
EDB	22	1	0	0	0
<b>Totals</b>	<b>31</b>	<b>3</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  
September 2017**

<u>Project</u>	<u>County</u>	<u>Approval Date</u>	<u>Exit Date</u>	<u>Program</u>
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<b>Thoroughbred Houseboats, LLC</b>	Wayne	08/29/2013	08/31/2017	KBI
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Explanation:

Several attempts to contact the Company with no response. Project expired on 08/31/2017.



**MEMORANDUM**

**TO:** KEDFA Board

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

**DATE:** September 28, 2017

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

A local resolution has been received from the Louisville-Jefferson County Metro Government requesting KEDFA issue the bonds. A TEFRA hearing for the purpose of receiving public comment on the proposed bond issue will be conducted by staff on September 25, 2017 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 final 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.) consisting of:

- (i) Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Series 2017A (Louisville Arena Authority, Inc.)
- (ii) Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Taxable Series 2017B (Louisville Arena Authority, Inc.)
- (ii) Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, [Taxable] Subordinate Series 2017C (Louisville Arena Authority, Inc.)

**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 09/15/2017)

**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 Inducement Resolution:** August 31, 2017

**Authorizations:** 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

**Terms of Issue:** Fixed Rate                      **Net Interest Rate:** 5.40% (estimated as of 09/15/2017)

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

**Gross debt service amount:** \$819,231,378 (estimated as of 09/15/2017)

**Average annual debt service:** \$29,275,689 (estimated as of 09/15/2017)

**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

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<sup>1</sup> Estimated as of 09/15/2017. Estimated issuance costs include underwriter's discount, bond insurance premiums, additions to the existing debt service reserve fund, and other closing costs.

**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.) consisting of:

(i) Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Series 2017A (Louisville Arena Authority, Inc.)

(ii) Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Taxable Series 2017B (Louisville Arena Authority, Inc.)

(ii) Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, [Taxable] Subordinate Series 2017C (Louisville Arena Authority, Inc.)

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	Financial Advisory Fees and Expenses	\$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.

Payee Name/Address <sup>2</sup>	Participation	Fees, commissions, or any other economic benefits received or anticipated to be received
Louisville, KY 40202		
Dinsmore & Shohl LLP 50 East RiverCenter Boulevard Suite 1150 Covington, Kentucky 41011	Underwriter's Counsel Fee and Expenses	\$TBD
Regions Bank 150 4th Avenue North Suite 900 Nashville, TN 37219	Trustee's Fee	\$TBD
Frost Brown Todd LLC 400 West Market Street Suite 3200 Louisville, KY 40202-3363	Borrower's Counsel Fee	\$TBD
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

<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.

Payee Name/Address <sup>2</sup>	Participation	Fees, commissions, or any other economic benefits received or anticipated to be received
[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 09/15/2017)

**Debt Service** Attached (estimated as of 09/15/2017)

**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

PRELIMINARY ESTIMATES ONLY

**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	1,124,078.55	-	1,124,078.55
	<u>258,234,078.55</u>	<u>129,215,000.00</u>	<u>387,449,078.55</u>
<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	243,817,801.00	122,303,641.00	366,121,442.00
	<u>243,817,801.88</u>	<u>122,303,641.76</u>	<u>366,121,443.64</u>
<b>Other Fund Deposits:</b>			
DSRF	12,477,364.47	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
KSF B Payoff	-	1,021,910.00	1,021,910.00
	<u>12,506,338.53</u>	<u>6,433,371.87</u>	<u>18,939,710.40</u>
<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>

PRELIMINARY ESTIMATES ONLY

**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
	<b>583,990,899.58</b>	<b>235,240,478.03</b>	<b>819,231,377.61</b>

PRELIMINARY ESTIMATES ONLY



## **MEMORANDUM**

**TO:** KEDFA Board Members  
**FROM:** Robert Aldridge, Assistant Director  
Compliance Division  
**DATE:** September 28, 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>
Paducah Riverfront Hotel LP	McCracken	2 Months
The Huntington National Bank	Kenton	3 Months
Catalent Pharma Solutions, LLC	Clark	6 Months
Heaven Hill Distilleries, Inc.	Nelson	6 Months
L'Oreal USA Products, Inc.	Kenton	6 Months
A.O. Smith Corporation	Kenton	12 Months
Creform Corporation	Scott	12 Months
Heritage Millworks, LLC	Powell	12 Months
Luxco Inc.	Nelson	12 Months

Staff recommends approval.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** September 28, 2017  
**Approved Company:** DCL Logistics  
**City:** Louisville **County:** Jefferson  
**Activity:** Service & Technology **Resolution #:** KEIA-18-21773  
**Bus. Dev. Contact:** A. Germond **OFS Staff:** L. Cunningham

**Project Description:** DCL Logistics was founded in 1982 as a company that provided mass-market duplication of diskette software. DCL has morphed into its current form as a leading 3PL (third-party logistics) company. The company opened its Louisville operation in 2014 and continues to grow. This project would include the purchase of 14 acres of land with the intent to develop a 160,000 SF state-of-the-art fulfillment center.

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

**Anticipated Project Investment**

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

Eligible Costs	Total Investment
\$0	\$1,350,000
\$5,850,000	\$9,750,000
\$3,025,000	\$3,025,000
\$0	\$0
\$0	\$1,375,000
\$0	\$0
<b>\$8,875,000</b>	<b>\$15,500,000</b>

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

Norman Tu - Los Altos Hills, CA  
 Antonia Tu - Los Altos Hills, CA  
 David Tu - Piedmont, CA

**Other State Participation:**

None

**Unemployment Rate:**

County: 5.6%

Kentucky: 5.9%

**Existing Presence in Kentucky:**

Jefferson County

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$300,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$300,000**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** September 28, 2017  
**Approved Company:** Hayashi Telemu North America Corporation  
**City:** Frankfort **County:** Franklin  
**Activity:** Manufacturing **Resolution #:** KEIA-18-21781  
**Bus. Dev. Contact:** L. Ransdell **OFS Staff:** M. Elder

**Project Description:** Hayashi Telemu North America Corporation is a Michigan-based supplier of automotive interior components. The company is considering expanding its current operations in Frankfort. With this expansion, Hayashi plans to construct a new office facility on a vacant lot across from its existing manufacturing site as well as add additional employees.

**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	\$500,000
\$2,600,000	\$25,570,000
\$670,000	\$670,000
\$0	\$0
\$0	\$12,030,000
\$0	\$2,000,000
<b>\$3,270,000</b>	<b>\$40,770,000</b>

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

HTNA Plymouth, MI

**Other State Participation:**

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Dec 08, 2016	KBI	Monitor	\$1,300,000

**Unemployment Rate:**

County: 5.1%

Kentucky: 5.9%

**Existing Presence in Kentucky:**

Fayette and Franklin Counties

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$150,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$150,000**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** September 28, 2017  
**Approved Company:** MGPI of Indiana, LLC  
**City:** Williamstown **County:** Grant  
**Activity:** Manufacturing **Resolution #:** KEIA-18-21775  
**Bus. Dev. Contact:** L. Ransdell **OFS Staff:** M. Elder

**Project Description:** MGP is headquartered in Kansas and also maintains a distillery production facility in Indiana. The company began in 1941 as a small distillery operation in the heart of America's grain belt. Today MGP is the source of some of the finest vodkas, gins, bourbons and whiskeys in the world. Because of the recent boom in the bourbon and whiskey business, MGP has filled its storage warehouse in Indiana. This proposed project is to provide additional storage space to enable the company to continue to grow its production capability.

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

**Anticipated Project Investment**

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

<b>Eligible Costs</b>	<b>Total Investment</b>
\$0	\$2,000,000
\$1,000,000	\$1,800,000
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
<b>\$1,000,000</b>	<b>\$3,800,000</b>

**Ownership (20% or more):**  
 MGP Ingredients, Inc. Atchison, KS

**Other State Participation:** None

**Unemployment Rate:**  
 County: 5.6% Kentucky: 5.9%

**Existing Presence in Kentucky:** None

**Approved Recovery Amount:**  
 Construction Materials and Building Fixtures: \$60,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$60,000**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** September 28, 2017  
**Approved Company:** Res-Care, Inc.  
**City:** Louisville **County:** Jefferson  
**Activity:** Headquarters **Resolution #:** KEIA-18-21761  
**Bus. Dev. Contact:** L. Witt **OFS Staff:** M. Elder

**Project Description:** Res-Care, Inc. is the largest diversified health and human services provider in the United States. With more than 40 years of experience, Res-Care offers daily living support services and in-home care, vocational training, job placement, pharmacy, rehab and behavioral health services for people of all ages and skill levels. The company is currently headquartered in Louisville, KY. With its existing office lease expiring in 2018, the company is considering a new headquarters facility.

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

**Anticipated Project Investment**

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

Eligible Costs	Total Investment
\$0	\$0
\$9,475,000	\$18,950,000
\$8,855,152	\$8,855,152
\$0	\$0
\$0	\$0
\$0	\$6,255,304
<b>\$18,330,152</b>	<b>\$34,060,456</b>

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

Onex Partners III LP Wilmington, DE

**Other State Participation:** None

**Unemployment Rate:**

County: 5.6%

Kentucky: 5.9%

**Existing Presence in Kentucky:**

Clark, Daviess, Franklin, Hardin, Henderson, Jefferson, Jessamine, Marshall, McCracken, Perry, Pike, Pulaski, Rowan and Warren Counties

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$550,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$550,000**



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

**Date:** September 28, 2017  
**Approved Company:** Premier Packaging, LLC  
**City:** Louisville **County:** Jefferson  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-17-21803  
**Bus. Dev. Contact:** L. Witt **OFS Staff:** M. Elder

**Project Description:** Premier Packaging, LLC is a regional manufacturer of corrugated boxes and a national distributor of all packaging supplies. Premier has been in business since 1994. The company is considering purchasing land to build a large distribution center, which will include manufacturing and allow Premier to consolidate 3-4 facilities into one.

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

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

Eligible Costs	Total Investment
\$1,500,000	\$1,500,000
\$9,500,000	\$9,500,000
\$500,000	\$750,000
\$100,000	\$100,000
<b>\$11,600,000</b>	<b>\$11,850,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	25	\$31.50	
1	25	\$31.50	\$50,000
2	30	\$31.50	\$50,000
3	35	\$31.50	\$50,000
4	40	\$31.50	\$50,000
5	40	\$31.50	\$50,000
6	40	\$31.50	\$50,000
7	40	\$31.50	\$50,000
8	40	\$31.50	\$50,000
9	40	\$31.50	\$50,000
10	40	\$31.50	\$50,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$500,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** September 28, 2017  
**Approved Company:** Premier Packaging, LLC  
**City:** Louisville **County:** Jefferson  
**Activity:** Manufacturing **Resolution #:** KEIA-18-21804  
**Bus. Dev. Contact:** L. Witt **OFS Staff:** M. Elder

**Project Description:** Premier Packaging, LLC is a regional manufacturer of corrugated boxes and a national distributor of all packaging supplies. Premier has been in business since 1994. The company is considering purchasing land to build a large distribution center, which will include manufacturing and allow Premier to consolidate 3-4 facilities into one.

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

**Anticipated Project Investment**

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

Eligible Costs	Total Investment
\$0	\$1,500,000
\$8,500,000	\$9,500,000
\$0	\$0
\$0	\$0
\$0	\$750,000
\$0	\$100,000
<b>\$8,500,000</b>	<b>\$11,850,000</b>

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$250,000

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

See KBI file (KBI-I-17-21803) for Ownership, Other State Participation and Unemployment Rate.



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

**Date:** September 28, 2017  
**Approved Company:** CLARK Material Handling Company  
**City:** Lexington **County:** Fayette  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-17-21786  
**Bus. Dev. Contact:** T. Simon **OFS Staff:** D. Phillips

**Project Description:** CLARK Material Handling Company is an international leader in the material handling industry. The proposed project would include the construction of a new facility and adding new product lines.

**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
\$0	\$0
<b>\$4,500,000</b>	<b>\$4,500,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	40	\$24.00	
1	40	\$24.00	\$50,000
2	40	\$24.00	\$50,000
3	40	\$24.00	\$50,000
4	40	\$24.00	\$50,000
5	40	\$24.00	\$50,000
6	40	\$24.00	\$50,000
7	40	\$24.00	\$50,000
8	40	\$24.00	\$50,000
9	40	\$24.00	\$50,000
10	40	\$24.00	\$50,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$500,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** September 28, 2017  
**Approved Company:** CLARK Material Handling Company  
**City:** Lexington **County:** Fayette  
**Activity:** Manufacturing **Resolution #:** KEIA-18-21787  
**Bus. Dev. Contact:** T. Simon **OFS Staff:** D. Phillips

**Project Description:** CLARK Material Handling Company is an international leader in the material handling industry. The proposed project would include the construction of a new facility and adding new product lines.

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

**Anticipated Project Investment**

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

<b>Eligible Costs</b>	<b>Total Investment</b>
\$0	\$0
\$2,700,000	\$4,500,000
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
<b>\$2,700,000</b>	<b>\$4,500,000</b>

**Existing Presence in Kentucky:**

Fayette and Jefferson County

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$125,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$125,000**

See KBI file (KBI-I-17-21786) for Ownership, Other State Participation and Unemployment Rate.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** September 28, 2017  
**Approved Company:** Froedge Machine and Supply Co., Inc.  
**City:** Glasgow **County:** Barren  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-17-21808  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Froedge Machine and Supply Co., Inc., established as Froedge Machine & Watch Repair in 1962, has evolved into a repair business for local industries. Today, Froedge has several areas of business including CNC machining, drilling, boring, cutting and honing, surface grinding, welding lathe and mill work and tool & die. The company is out of space at its facility in Monroe County and is considering a location in Barren County to expand its CNC machining portion of the business.

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

**Anticipated Project Investment - Owned**

	<b>Eligible Costs</b>	<b>Total Investment</b>
Land	\$25,000	\$25,000
Building/Improvements	\$175,000	\$175,000
Equipment	\$200,000	\$400,000
Other Start-up Costs	\$90,000	\$90,000
<b>TOTAL</b>	<b>\$490,000</b>	<b>\$690,000</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	10	\$33.00	
1	10	\$33.00	\$10,000
2	10	\$33.00	\$10,000
3	11	\$33.00	\$10,000
4	11	\$33.00	\$10,000
5	12	\$33.00	\$10,000
6	12	\$33.00	\$10,000
7	12	\$33.00	\$10,000
8	12	\$33.00	\$10,000
9	12	\$33.00	\$10,000
10	12	\$33.00	\$10,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$100,000**

**County Type:**  
Other

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

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

H. Tom Froedge Tompkinsville, KY

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

**Requested Wage Assessment / Local Participation:**

State: 3.0%

Local: \$30,000 Up-Front Forgivable Loan- Glasgow/Barren County Industrial  
Development Authority

**Unemployment Rate:**

County: 5.3%

Kentucky: 5.9%

**Existing Presence in Kentucky:**

Monroe County

**Special Conditions:**

The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.



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

**Date:** September 28, 2017  
**Approved Company:** Holley Performance Products, Inc.  
**City:** Franklin **County:** Simpson  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-IL-17-21790  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Holley Performance Products, Inc. is a leading manufacturer of a variety of high performance specialty products for the racing and performance segment of the automotive aftermarket. The company is considering relocating one of its distribution and light manufacturing operation to Kentucky.

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

**Anticipated Project Investment - Leased**

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

Eligible Costs	Total Investment
\$3,800,000	\$7,600,000
\$50,000	\$50,000
\$600,000	\$1,000,000
\$500,000	\$500,000
<b>\$4,950,000</b>	<b>\$9,150,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	30	\$20.00	
1	30	\$20.00	\$60,000
2	30	\$20.00	\$60,000
3	30	\$20.00	\$60,000
4	30	\$20.00	\$60,000
5	30	\$20.00	\$60,000
6	30	\$20.00	\$60,000
7	30	\$20.00	\$60,000
8	30	\$20.00	\$60,000
9	30	\$20.00	\$60,000
10	30	\$20.00	\$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

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

Lincolnshire Management New York, NY

**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: 5.6%

Kentucky: 5.9%

**Existing Presence in Kentucky:**

Simpson and Warren Counties

**Special Conditions:**

The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** September 28, 2017  
**Approved Company:** My Visual Package, LLC  
**City:** Glasgow **County:** Barren  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-IL-17-21780  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** My Visual Package, LLC is a start-up company that plans to design and manufacture all visual printed products for the marching arts industry. The company is considering leasing space in Glasgow, purchasing sewing machines, apparel cutting equipment and eco-friendly printing equipment to produce band uniforms, color guard flags, props, accessories and vehicle wraps.

**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
\$0	\$0
\$200,000	\$550,000
\$20,000	\$20,000
<b>\$490,000</b>	<b>\$1,110,000</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	\$15.00	
1	10	\$15.00	\$20,000
2	15	\$15.00	\$20,000
3	30	\$15.00	\$20,000
4	30	\$15.00	\$20,000
5	30	\$15.00	\$20,000
6	30	\$15.00	\$20,000
7	30	\$15.00	\$20,000
8	30	\$15.00	\$20,000
9	30	\$15.00	\$20,000
10	30	\$15.00	\$20,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$200,000**

**County Type:**  
Other

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

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

Pete Searle Bowling Green, KY  
Matthew Searle Bowling Green, KY

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

**Requested Wage Assessment / Local Participation:**

State: 3.0%  
Local: 1.0% City of Glasgow

**Unemployment Rate:**

County: 5.3%

Kentucky: 5.9%

**Existing Presence in Kentucky:** None

**Special Conditions:** None



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** September 28, 2017  
**Approved Company:** Xooker, LLC  
**City:** Lexington **County:** Fayette  
**Activity:** Service & Technology **Prelim Resolution #:** KBI-IL-17-21801  
**Bus. Dev. Contact:** L. Witt **OFS Staff:** M. Elder

**Project Description:** Xooker is a free app, available on both iPhone and Android, for consumers to be able to find great deals and specials from their favorite restaurants and shops. Xooker's primary focus is the small and medium-sized businesses that are seeking to attract and retain customers through their mobile devices. The company is planning to enter into several new markets across the country, which will consist of newly hired consultants for each market.

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

**Anticipated Project Investment - Leased**

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

Eligible Costs	Total Investment
\$361,000	\$722,000
\$0	\$0
\$0	\$0
\$750,000	\$750,000
<b>\$1,111,000</b>	<b>\$1,472,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	35	\$28.00	
1	55	\$28.00	\$100,000
2	75	\$28.00	\$100,000
3	95	\$28.00	\$100,000
4	100	\$28.00	\$100,000
5	100	\$28.00	\$100,000
6	100	\$28.00	\$100,000
7	100	\$28.00	\$100,000
8	100	\$28.00	\$100,000
9	100	\$28.00	\$100,000
10	100	\$28.00	\$100,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$1,000,000**

**County Type:**  
Other

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

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

Conrad R. Carney II      Lexington, KY

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

**Requested Wage Assessment / Local Participation:**

State: 3.0%

Local: 1.0% Lexington-Fayette County Urban Government

**Unemployment Rate:**

County: 4.5%

Kentucky: 5.9%

**Existing Presence in Kentucky:** None

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



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** September 28, 2017  
**Approved Company:** JOMEL Seams Reasonable, LLC  
**City:** Jamestown **County:** Russell  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-IL-17-21784  
**Bus. Dev. Contact:** T. Simon **OFS Staff:** D. Phillips

**Project Description:** JOMEL Seams Reasonable, LLC (JSR) manufactures smooth top, and quilted zippered mattress covers. Due to growing demand for its products, the company needs to open a new facility that will allow it to tap into a new labor market and increase production. JSR currently has operations in Burkesville, KY and Trinity, NC. Owners are considering a second location in Kentucky, which would be located in Russell County to tap into a workforce experienced in sewing operations.

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

**Anticipated Project Investment - Leased**

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

Eligible Costs	Total Investment
\$136,024	\$272,048
\$0	\$0
\$50,000	\$50,000
\$100,000	\$100,000
<b>\$286,024</b>	<b>\$422,048</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	\$12.50	
1	15	\$12.50	\$15,000
2	20	\$12.50	\$15,000
3	25	\$12.50	\$15,000
4	30	\$12.50	\$15,000
5	30	\$12.50	\$15,000
6	30	\$12.50	\$15,000
7	30	\$12.50	\$15,000
8	30	\$12.50	\$15,000
9			
10			
11			
12			
13			
14			
15			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$120,000**

**County Type:**  
Enhanced

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

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

Phil Iuliano - Toms River, NJ  
Jeff Spitz - Springfield, NJ

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

**Requested Wage Assessment / Local Participation:**

State: 5.0%

**Unemployment Rate:**

County: 7.7%

Kentucky: 5.9%

**Existing Presence in Kentucky:**

Cumberland County

**Special Conditions:**

The company will be required to maintain 85% 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.



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

**Date:** September 28, 2017  
**Approved Company:** Strigiformes, LLC  
**City:** Bardstown **County:** Nelson  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-17-21806  
**Bus. Dev. Contact:** L. Ransdell **OFS Staff:** M. Elder

**Project Description:** SPI Group is an independent company headquartered in Luxembourg with production facilities in the US, Mexico, Argentina, Latvia and Spain. The group's mission is to build a portfolio of select premium drink brands by controlling and perfecting every stage of the process, from cultivation to distribution. The company, through its subsidiary Strigiformes, LLC, is considering property in Bardstown to establish a distillery, rickhouses, visitor's center and other related facilities for the production of bourbon.

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

**Anticipated Project Investment - Owned**

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

Eligible Costs	Total Investment
\$2,750,000	\$2,750,000
\$115,600,000	\$115,600,000
\$1,540,000	\$26,400,000
\$5,000,000	\$5,000,000
<b>\$124,890,000</b>	<b>\$149,750,000</b>

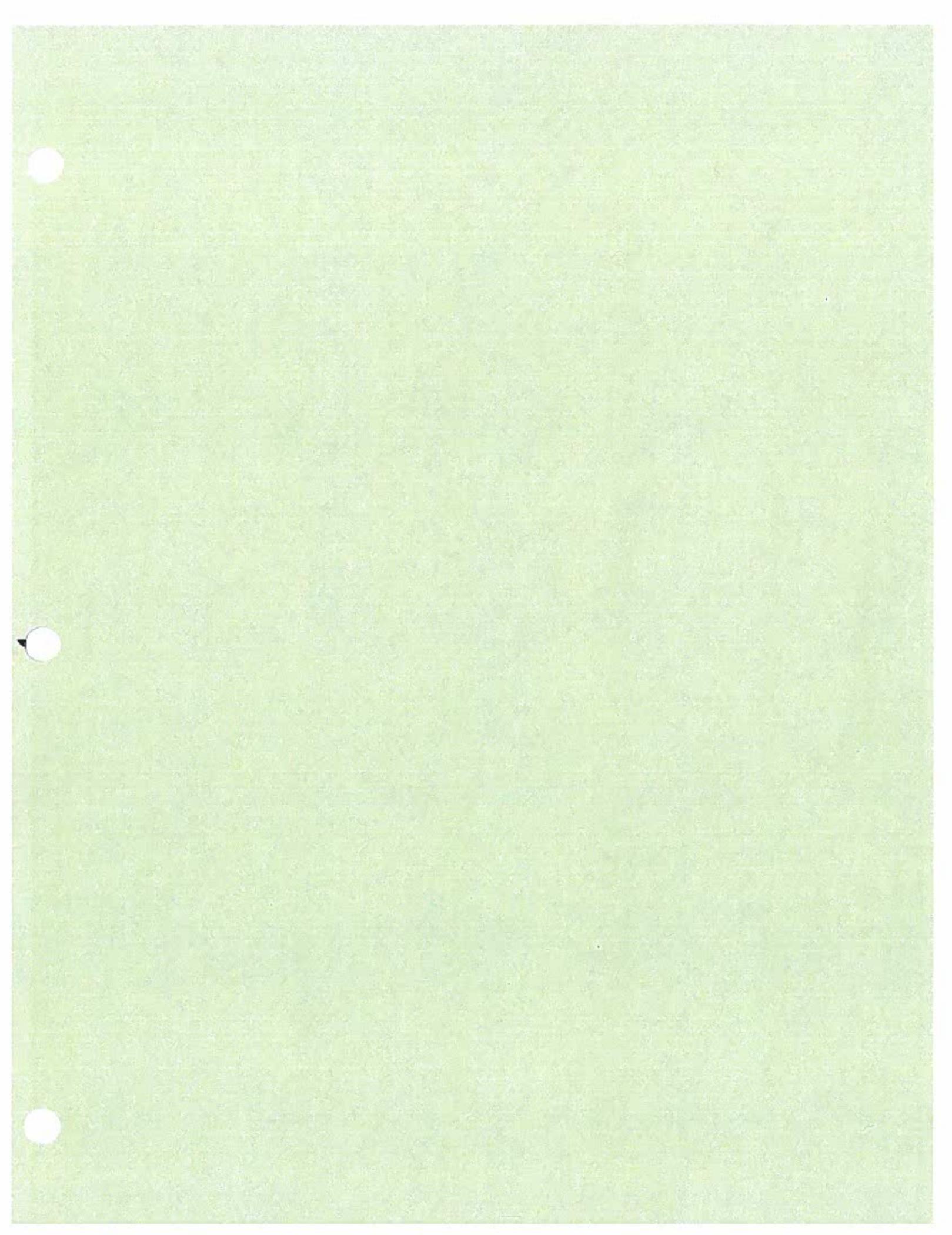
**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	77	\$25.00	
1	77	\$25.00	\$200,000
2	77	\$25.00	\$200,000
3	77	\$25.00	\$200,000
4	77	\$25.00	\$200,000
5	77	\$25.00	\$200,000
6	77	\$25.00	\$200,000
7	77	\$25.00	\$200,000
8	77	\$25.00	\$200,000
9	77	\$25.00	\$200,000
10	77	\$25.00	\$200,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$2,000,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** September 28, 2017  
**Approved Company:** Ring Container Technologies, LLC  
**City:** Louisville **County:** Jefferson  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-IL-17-21809  
**Bus. Dev. Contact:** A. Germond **OFS Staff:** L. Cunningham

**Project Description:** Ring Container Technologies is a privately held, multi-national corporation focused on finding sustainable solutions for the consumer packaging industry. The company has grown to be one of the largest plastic container manufacturers in North America. The company is considering a new location in Louisville to manufacture food grade PET bottles for local companies.

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

**Anticipated Project Investment - Leased**

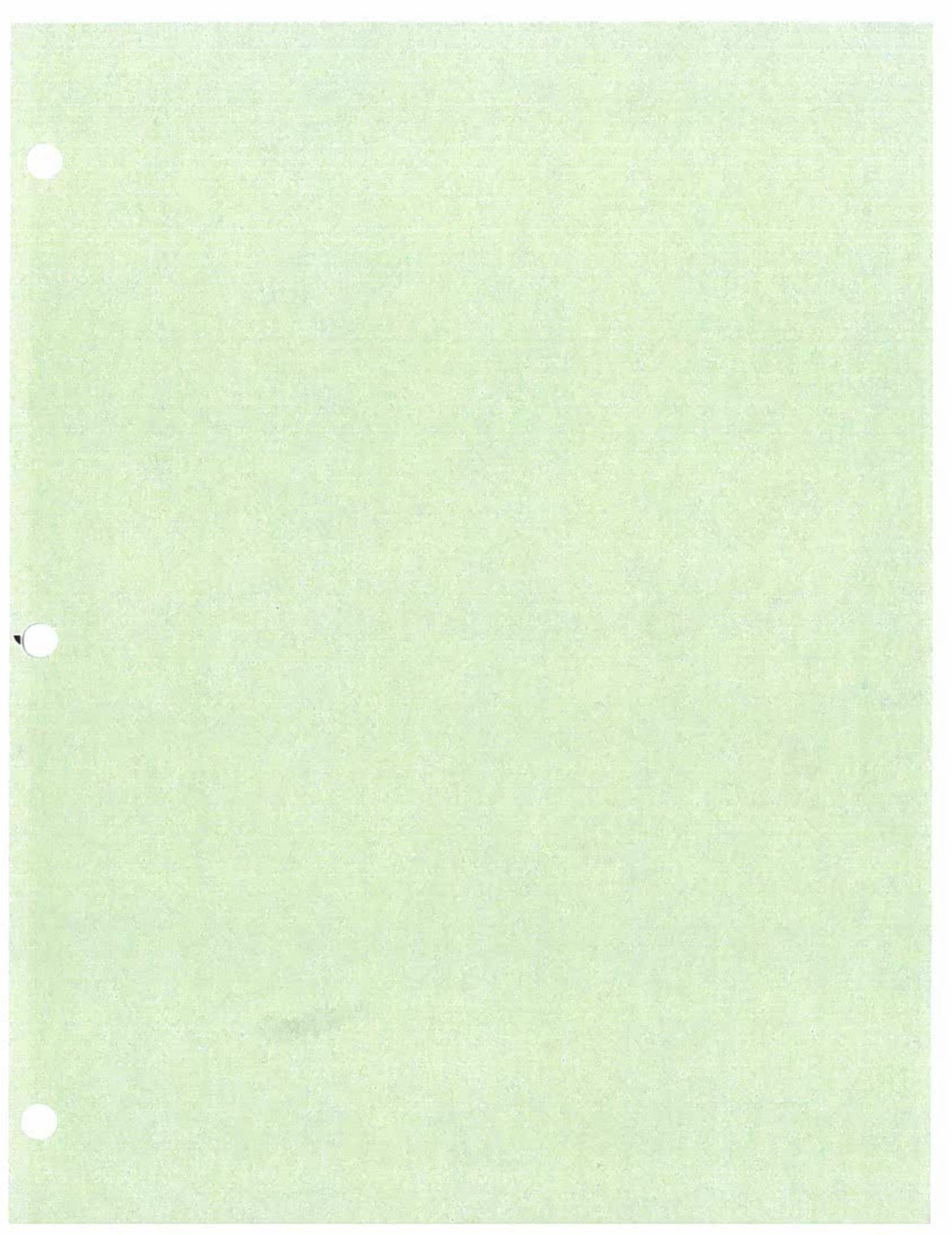
	<b>Eligible Costs</b>	<b>Total Investment</b>
Rent	\$2,650,000	\$5,300,000
Building/Improvements	\$1,300,000	\$1,300,000
Equipment	\$620,000	\$16,200,000
Other Start-up Costs	\$500,000	\$500,000
<b>TOTAL</b>	<b>\$5,070,000</b>	<b>\$23,300,000</b>

**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	31	\$30.00	
1	41	\$30.00	\$70,000
2	41	\$30.00	\$70,000
3	41	\$30.00	\$70,000
4	41	\$30.00	\$70,000
5	41	\$30.00	\$70,000
6	41	\$30.00	\$70,000
7	41	\$30.00	\$70,000
8	41	\$30.00	\$70,000
9	41	\$30.00	\$70,000
10	41	\$30.00	\$70,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$700,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** September 28, 2017  
**Approved Company:** M-I L.L.C.  
**City:** Florence **County:** Boone  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-IL-17-21805  
**Bus. Dev. Contact:** T. Sears **OFS Staff:** L. Cunningham

**Project Description:** M-I L.L.C. has acquired SWECO, which has had a presence in Florence, KY since 1973. This facility has established a world class manufacturing operation with CNC laser cutting devices, machining centers, robotic welding, high end injection molding and numerous other world class processes. The company is considering an investment in equipment and facility upgrades.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Leased**

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

Eligible Costs	Total Investment
\$0	\$0
\$0	\$0
\$1,080,000	\$2,500,000
\$2,100,000	\$2,100,000
<b>\$3,180,000</b>	<b>\$4,600,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	54	\$35.00	
1	54	\$35.00	\$200,000
2	54	\$35.00	\$200,000
3	54	\$35.00	\$200,000
4	54	\$35.00	\$200,000
5	54	\$35.00	\$200,000
6			
7			
8			
9			
10			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$1,000,000**

**County Type:**

Other

**Statutory Minimum Wage Requirements:**

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

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

Schlumberger - Houston, TX

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

None

**Requested Wage Assessment / Local Participation:**

State: 3.0%

Local: 1.0% - Boone County (.3%) / City of Florence (.7%)

**Unemployment Rate:**

County: 4.5%

Kentucky: 5.9%

**Existing Presence in Kentucky:**

Boone

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



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** September 28, 2017  
**Approved Company:** Camtech Manufacturing Solutions, LLC  
**City:** Science Hill **County:** Pulaski  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-17-21789  
**Bus. Dev. Contact:** R. Lee **OFS Staff:** L. Cunningham

**Project Description:** Camtech Manufacturing Solutions, LLC, established in 2006, focuses on manufacturing support services and custom automated systems to manufacturers. The company is considering expanding the manufacturing capacity at its Science Hill operation.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**

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

Eligible Costs	Total Investment
\$0	\$0
\$300,000	\$300,000
\$200,000	\$200,000
\$25,000	\$25,000
<b>\$525,000</b>	<b>\$525,000</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	\$28.00	
1	11	\$28.00	\$20,000
2	11	\$28.00	\$20,000
3	11	\$28.00	\$20,000
4	11	\$28.00	\$20,000
5	11	\$28.00	\$20,000
6	11	\$28.00	\$20,000
7	11	\$28.00	\$20,000
8	11	\$28.00	\$20,000
9	11	\$28.00	\$20,000
10	11	\$28.00	\$20,000
11	11	\$28.00	\$10,000
12	11	\$28.00	\$10,000
13	11	\$28.00	\$10,000
14	11	\$28.00	\$10,000
15	11	\$28.00	\$10,000

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

**County Type:**  
Enhanced

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

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

Chris Daniels - Science Hill, KY  
Maria Daniels - Science Hill, KY

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

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jun 25, 2015	KBI	Monitor	\$300,000

**Requested Wage Assessment / Local Participation:**

State: 5.0%

**Unemployment Rate:**

County: 6.7%

Kentucky: 5.9%

**Existing Presence in Kentucky:**

Pulaski 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 15 full-time, Kentucky resident employees as of the application date.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** September 28, 2017  
**Approved Company:** AVENTICS Corporation  
**City:** Lexington **County:** Fayette  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-17-21799  
**Bus. Dev. Contact:** K. Slattery **OFS Staff:** L. Cunningham

**Project Description:** AVENTICS is one of the world's leading manufacturers of pneumatic components, systems and customer-specific applications. The pneumatic engineering company provides products and services for industrial automation, focusing on the sectors of commercial vehicles, food and beverage, railway technology, life sciences, energy and marine technology. The company is considering establishing three new production lines to develop and produce new products completely in the U.S.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**

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

Eligible Costs	Total Investment
\$0	\$0
\$24,000	\$24,000
\$400,000	\$777,830
\$60,000	\$60,000
<b>\$484,000</b>	<b>\$861,830</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$34.00	
1	20	\$34.00	\$50,000
2	20	\$34.00	\$50,000
3	20	\$34.00	\$50,000
4	20	\$34.00	\$50,000
5	20	\$34.00	\$50,000
6			
7			
8			
9			
10			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$250,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** September 28, 2017  
**Approved Company:** KEEN, Inc.  
**City:** Shepherdsville **County:** Bullitt  
**Activity:** Service & Technology **Prelim Resolution #:** KBI-IL-17-21800  
**Bus. Dev. Contact:** K. Slattery **OFS Staff:** L. Cunningham

**Project Description:** KEEN, Inc. designs, manufactures, promotes and sells footwear, bags, accessories and apparel. To improve the quality, service and cost structure associated with customer order fulfillment needs, KEEN has decided to insource its order fulfillment function for its U.S. operations, which is currently being performed by a third-party service provider. The company is considering Shepherdsville to locate this facility.

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

**Anticipated Project Investment - Leased**

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

Eligible Costs	Total Investment
\$5,185,805	\$10,371,610
\$1,000,000	\$1,000,000
\$1,520,000	\$6,645,753
\$600,000	\$600,000
<b>\$8,305,805</b>	<b>\$18,617,363</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	76	\$27.00	
1	76	\$27.00	\$100,000
2	82	\$27.00	\$100,000
3	82	\$27.00	\$100,000
4	83	\$27.00	\$100,000
5	83	\$27.00	\$100,000
6	83	\$27.00	\$100,000
7	83	\$27.00	\$100,000
8	83	\$27.00	\$100,000
9	83	\$27.00	\$100,000
10	83	\$27.00	\$100,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$1,000,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** September 28, 2017  
**Approved Company:** Sazerac North America, Inc.  
**Approved Affiliate(s):** Sazerac Brands, LLC  
 Sazerac Company, Inc.  
**City:** Louisville **County:** Jefferson  
**Activity:** Headquarters **Prelim Resolution #:** KBI-IL-17-21788  
**Bus. Dev. Contact:** K. Slattery **OFS Staff:** L. Cunningham

**Project Description:** Sazerac is a family-owned, top ten producer and marketer of distilled spirits. The company has five major facilities in the U.S., three of which are in Kentucky. In 2009, Sazerac opened its first administrative office in Jeffersontown. As a result of significant business growth, this office was moved to a larger space in 2011. The company has once again outgrown its current space and is considering alternatives for additional space to meet both current and future needs.

**Facility Details:** Expanding existing operations

<b>Anticipated Project Investment - Leased</b>	<b>Eligible Costs</b>	<b>Total Investment</b>
Rent	\$2,125,685	\$4,251,370
Building/Improvements	\$1,500,000	\$1,500,000
Equipment	\$150,000	\$150,000
Other Start-up Costs	\$0	\$0
<b>TOTAL</b>	<b>\$3,775,685</b>	<b>\$5,901,370</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	10	\$48.00	
1	20	\$48.00	\$75,000
2	30	\$48.00	\$75,000
3	40	\$48.00	\$75,000
4	50	\$48.00	\$75,000
5	50	\$48.00	\$75,000
6	50	\$48.00	\$75,000
7	50	\$48.00	\$75,000
8	50	\$48.00	\$75,000
9	50	\$48.00	\$75,000
10	50	\$48.00	\$75,000

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

**County Type:**  
Other

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

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

Sazerac Company, Inc. - Metairie, LA

**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: 5.6%

Kentucky: 5.9%

**Existing Presence in Kentucky:**

Daviess, Franklin, Jefferson and Nelson Counties

**Special Conditions:**

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 86 full-time, Kentucky resident employees as of the application date.

The company will be required to maintain 85% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

Only investment costs incurred by the approved company will be considered 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.



## **MEMORANDUM**

**TO:** KEDFA Board Members  
**FROM:** Michelle Elder *ME*  
Incentive Assistance Division  
**DATE:** September 28, 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>
Brown-Forman Corporation	Jefferson	12 month
Innovative Mattress Solutions, LLC	Fayette	12 month
Inplast Industries USA, LLC dba Plastikon Industries	Grayson	12 month
PARx Solutions, Inc.	Jefferson	12 month
Senture, LLC	Jackson	12 month

Staff recommends approval.



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

**Date:** September 28, 2017  
**Preliminary Approval:** April 28, 2016  
**Approved Company:** AAK USA K2, LLC  
**Approved Affiliate(s):** AAK USA REALCO, LLC  
 AAK USA K1, LLC

**City:** Louisville  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** A. Bobbitt

**County:** Jefferson  
**Final Resolution #:** KBI-F-17-21022  
**OFS Staff:** L. Cunningham

**Project Description:** AAK is an international corporation that refines vegetable oils for specialized products. The company is organized into four business areas: Confectionery Fats, Food Ingredients, Personal Care and Technical Products and Feed. AAK USA K2, LLC is primarily engaged in the Food Ingredients business with a focus on value-added specialty oil solutions to minimize trans fat and saturated fat. The company invested in its current facility in Louisville to meet current demand and to accommodate for future growth.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$6,370,000	\$32,750,000

**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	10	\$21.00	\$20,000
2	15	\$21.00	\$20,000
3	20	\$21.00	\$20,000
4	20	\$21.00	\$20,000
5	20	\$21.00	\$20,000
6	20	\$21.00	\$20,000
7	20	\$21.00	\$20,000
8	20	\$21.00	\$20,000
9	20	\$21.00	\$20,000
10	20	\$21.00	\$20,000

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

**County Type:**  
Other

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

**Special Conditions:**  
 Maintain Base Employment: 114

**Modifications since preliminary approval?** No



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

**Date:** September 28, 2017  
**Preliminary Approval:** October 30, 2014  
**Approved Company:** Central States Manufacturing Inc.  
**City:** Scottsville **County:** Allen  
**Activity:** Manufacturing **Final Resolution #:** KBI-F-17-20180  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** L. Cunningham

**Project Description:** Central States Manufacturing, Inc. produces building components for metal buildings. The company began operations in 1988 in Arkansas and currently has six manufacturing facilities located in the southern and mid-west United States. The company opened a new manufacturing location to serve its customers in the Kentucky/Tennessee region.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$2,015,000	\$2,015,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	11	\$29.00	
1	12	\$29.00	\$27,500
2	16	\$29.00	\$27,500
3	19	\$29.00	\$27,500
4	19	\$29.00	\$27,500
5	19	\$29.00	\$27,500
6	19	\$29.00	\$27,500
7	19	\$29.00	\$27,500
8	19	\$29.00	\$27,500
9	19	\$29.00	\$27,500
10	19	\$29.00	\$27,500
11			
12			
13			
14			
15			

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

**County Type:**  
Enhanced

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

**Special Conditions:** None

**Modifications since preliminary approval?** No







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

**Date:** September 28, 2017  
**Preliminary Approval:** January 29, 2015  
**Approved Company:** Kimball Furniture Group, LLC  
**City:** Fordsville **County:** Ohio  
**Activity:** Manufacturing **Final Resolution #:** KBI-F-17-20289  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Kimball Furniture Group, LLC is a manufacturer of hospitality and office furniture. The company chose a facility in Fordsville for a new technology using a water-based finishing process which eliminates the use of solvent-borne coatings and manual application of clear-coat finish materials.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$318,015	\$318,315

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	27	\$22.00	
1	42	\$22.00	\$30,000
2	42	\$22.00	\$30,000
3	42	\$22.00	\$30,000
4	42	\$22.00	\$30,000
5	42	\$22.00	\$30,000
6	42	\$22.00	\$30,000
7	42	\$22.00	\$30,000
8	42	\$22.00	\$30,000
9	42	\$22.00	\$30,000
10	42	\$22.00	\$30,000

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

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

**Special Conditions:**  
 Maintain Base Employment: 172  
 Maintain Statewide Employment: 138

**Modifications since preliminary approval?** No



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

**Date:** September 28, 2017  
**Preliminary Approval:** June 30, 2016  
**Approved Company:** Logan Corporation  
**City:** Salyersville  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** R. Lee

**County:** Magoffin  
**Final Resolution #:** KBI-F-17-21121  
**OFS Staff:** D. Phillips

**Project Description:** Logan Corporation manufactures a wide range of quality products for the mining, rail transport, industrial, construction and power generation markets. The project included the expansion of its current facility in Salyersville by constructing a new facility to expand its truck bed product line to meet customer demand.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$2,600,000	\$2,600,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$15.00	
1	30	\$15.00	\$130,000
2	50	\$15.00	\$130,000
3	70	\$15.00	\$130,000
4	70	\$15.00	\$130,000
5	70	\$15.00	\$130,000
6	70	\$15.00	\$130,000
7	70	\$15.00	\$130,000
8	70	\$15.00	\$130,000
9	70	\$15.00	\$130,000
10	70	\$15.00	\$130,000
11	70	\$15.00	\$130,000
12	70	\$15.00	\$130,000
13	70	\$15.00	\$130,000
14	70	\$15.00	\$130,000
15	70	\$15.00	\$180,000

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

**County Type:**  
Enhanced

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

**Special Conditions:**  
 Maintain Base Employment: 43

**Modifications since preliminary approval?** No



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

**Date:** September 28, 2012  
**Preliminary Approval:** June 28, 2012  
**Approved Company:** L'Oreal USA Products, Inc.  
**City:** Florence  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** J. Bevington

**County:** Kenton  
**Final Resolution #:** KBI-F-17-19157  
**OFS Staff:** D. Phillips

**Project Description:** L'Oreal USA Products, Inc. is one of the largest manufacturers of high-quality cosmetics, perfumes, hair care, and skin care products. Its brands include such well-known names as Lancôme, Maybelline, Garnier, Redken, Biotherm, L'Oreal Paris, Kiehl's, LaRoche-Posay, Mizani and Matrix. The project included the expansion of its existing facility by making building improvements and purchasing equipment.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$31,720,000	\$42,100,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	211	\$30.00	
1	211	\$30.00	\$500,000
2	211	\$30.00	\$500,000
3	211	\$30.00	\$500,000
4	211	\$30.00	\$500,000
5	211	\$30.00	\$500,000
6	211	\$30.00	\$500,000
7	211	\$30.00	\$500,000
8	211	\$30.00	\$500,000
9	211	\$30.00	\$500,000
10	211	\$30.00	\$500,000

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

**County Type:**  
Other

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

**Special Conditions:**  
 Maintain Base Employment: 167  
 Maintain Statewide Employment: 44

**Modifications since preliminary approval?** No



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

**Date:** September 28, 2017  
**Preliminary Approval:** October 29, 2015  
**Approved Company:** Senture, LLC  
**City:** London  
**Activity:** Service & Technology  
**Bus. Dev. Contact:** J. Ward

**County:** Laurel  
**Final Resolution #:** KBI-FL-17-20668  
**OFS Staff:** D. Phillips

**Project Description:** Senture, LLC is a premier domestic contact center solution to serve clients in private industry and state and federal government sectors. The project included an expansion at the London facility to promote new opportunities for growth.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$2,982,362	\$2,982,362

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	351	\$12.50	
1	351	\$12.50	\$150,000
2	351	\$12.50	\$150,000
3	351	\$12.50	\$150,000
4	351	\$12.50	\$150,000
5	351	\$12.50	\$150,000
6	351	\$12.50	\$150,000
7	351	\$12.50	\$150,000
8	351	\$12.50	\$150,000
9	351	\$12.50	\$150,000
10	351	\$12.50	\$150,000
11			
12			
13			
14			
15			

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

**County Type:**  
Enhanced

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

**Special Conditions:**  
 Maintain Base Employment: 413  
 Maintain Statewide Employment: 152

**Modifications since preliminary approval?** No



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

**Date:** September 28, 2017  
**Preliminary Approval:** December 10, 2015  
**Approved Company:** TransNav Technologies, Inc.  
**City:** Danville  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** M. Duffy

**County:** Boyle  
**Final Resolution #:** KBI-F-17-20725  
**OFS Staff:** D. Phillips

**Project Description:** TransNav Technologies, Inc. provides multi-level support services including design and build, prototypes, tooling, injection molding, laser die cutting and many other services. The project included the expansion of its current facility in Danville to meet customer demand.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$7,063,500	\$7,063,500

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$16.00	
1	10	\$16.00	\$40,000
2	14	\$16.00	\$40,000
3	18	\$16.00	\$40,000
4	22	\$16.00	\$40,000
5	26	\$16.00	\$40,000
6	30	\$16.00	\$40,000
7	30	\$16.00	\$40,000
8	30	\$16.00	\$40,000
9	30	\$16.00	\$40,000
10	30	\$16.00	\$40,000
11	30	\$16.00	\$40,000
12	30	\$16.00	\$40,000
13	30	\$16.00	\$40,000
14	30	\$16.00	\$40,000
15	30	\$16.00	\$40,000

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

**County Type:**  
Enhanced

**Statutory Minimum Wage Requirements:**

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

**Special Conditions:**  
 Maintain Base Employment: 37

**Modifications since preliminary approval?** No



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

**Date:** September 28, 2017  
**Preliminary Approval:** September 27, 2012  
**Approved Company:** Berry Plastics IK, LLC  
**City:** Madisonville  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** C. Peek

**County:** Hopkins  
**Final Resolution #:** KBI-F-17-19288  
**OFS Staff:** L. Cunningham

**Project Description:** Berry Plastics IK, LLC is a leading manufacturer of plastic packaging products with a broad range of innovative, high quality packaging solutions. The project included installation of new production lines for the company's new technology.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$29,400,000	\$96,000,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	420	\$22.88	
1	420	\$22.88	\$1,000,000
2	420	\$22.88	\$1,000,000
3	420	\$22.88	\$1,000,000
4	420	\$22.88	\$1,000,000
5	420	\$22.88	\$1,000,000
6	420	\$22.88	\$1,000,000
7	420	\$22.88	\$1,000,000
8	420	\$22.88	\$1,000,000
9	420	\$22.88	\$1,000,000
10	420	\$22.88	\$1,000,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$10,000,000**

**County Type:**  
Other

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

**Special Conditions:**

Maintain Statewide Employment: 810

**Modifications since preliminary approval?**

Since preliminary approval, the company name has changed from Berry Plastics Corporation to Berry Plastics IK, LLC. All other aspects of the project remain the same.



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

**Date:** September 28, 2017  
**Preliminary Approval:** February 28, 2013  
**Approved Company:** ecoATM, LLC  
**City:** Louisville  
**Activity:** Service & Technology  
**Bus. Dev. Contact:** C. Peek

**County:** Jefferson  
**Final Resolution #:** KBI-FL-17-19418  
**OFS Staff:** D. Phillips

**Project Description:** ecoATM, LLC offers an online consumer electronics trade-in site, accepting laptops, iPads, iPhones, etc. for trade-in. The project included the expansion of its distribution facility in Louisville.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$4,050,000	\$22,300,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	125	\$18.00	
1	125	\$18.00	\$300,000
2	230	\$18.00	\$300,000
3	283	\$18.00	\$300,000
4	329	\$18.00	\$300,000
5	378	\$18.00	\$300,000
6	438	\$18.00	\$300,000
7	438	\$18.00	\$300,000
8	438	\$18.00	\$300,000
9	438	\$18.00	\$300,000
10	438	\$18.00	\$300,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$3,000,000**

**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 is requesting the approved company be changed from Gazelle, Inc. to ecoATM, LLC. All other aspects of the project remain the same.



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

**Date:** September 28, 2017  
**Preliminary Approval:** June 25, 2015  
**Approved Company:** General Cable Industries, Inc.  
**City:** Lawrenceburg  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** A. Bobbitt

**County:** Anderson  
**Final Resolution #:** KBI-F-17-20477  
**OFS Staff:** M. Elder

**Project Description:** General Cable has been in operation in Lawrenceburg since 1974. Historically, the facility has produced high-end data communication and telephone exchange cable but the demand for these products has significantly decreased. The company relocated assets and product lines from other facilities to meet the growing demand for their specialty electronics cables and fiber optics business lines.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$5,555,000	\$19,230,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	85	\$21.00	
1	100	\$21.00	\$200,000
2	100	\$21.00	\$200,000
3	100	\$21.00	\$200,000
4	100	\$21.00	\$200,000
5	100	\$21.00	\$200,000
6	100	\$21.00	\$200,000
7	100	\$21.00	\$200,000
8	100	\$21.00	\$200,000
9	100	\$21.00	\$200,000
10	100	\$21.00	\$200,000

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

**County Type:**  
Other

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

**Special Conditions:**

Maintain Base Employment: 226  
 Maintain Statewide Employment: 182

**Modifications since preliminary approval?**

The investment increased from \$2,530,000 to \$19,230,000. The eligible costs increased from \$1,155,000 to \$5,555,000. Jobs increased from 54 to 100. The total negotiated tax incentive amount increased from \$700,000 to \$2,000,000. All other aspects of the project remain the same.



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

**Date:** September 28, 2017  
**Preliminary Approval:** October 30, 2014  
**Approved Company:** QSR Automations, Inc.  
**City:** Louisville  
**Activity:** Service & Technology  
**Bus. Dev. Contact:** L. Ransdell

**County:** Jefferson  
**Final Resolution #:** KBI-F-17-20182  
**OFS Staff:** M. Elder

**Project Description:** QSR Automations, Inc. is a developer of hardware and software solutions for table and kitchen management. The company's hospitality technology systems are installed in over 70,000 sites on six continents. Due to company growth, QSR Automations, Inc. has constructed a corporate campus operation which expanded and consolidated its Jefferson County locations.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$11,739,600	\$11,739,600

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	32	\$37.00	
1	32	\$37.00	\$125,000
2	32	\$37.00	\$125,000
3	32	\$37.00	\$125,000
4	53	\$37.00	\$125,000
5	53	\$37.00	\$125,000
6	53	\$37.00	\$125,000
7	68	\$37.00	\$125,000
8	68	\$37.00	\$125,000
9	90	\$37.00	\$125,000
10	90	\$37.00	\$125,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$1,250,000**

**County Type:**  
Other

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

**Special Conditions:**  
 Maintain Base Employment: 55

**Modifications since preliminary approval?** Yes

The project will now include multiple locations within Louisville/Jefferson County. All other aspects of the project remain the same.



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

**Date:** September 28, 2017  
**Approved Company:** Meritor, Inc.  
**City:** Franklin **County:** Simpson  
**Prelim Resolution #:** KRA-I-17-21791  
**Bus. Dev. Contact:** K. Slattery **OFS Staff:** D. Phillips

**Project Description:** Meritor, Inc., headquartered in Troy, Michigan, is a leading global supplier of drivetrain, mobility, braking and aftermarket solutions for commercial vehicle and industrial markets.

The Franklin facility is operating at capacity, the building is over 40 years old and is in need of refurbishment, including flooring and roofing. The equipment is operational but there is a need to upgrade the existing equipment as well as to purchase new equipment to maintain performance, efficiency and continued growth.

The company indicates this project would not be economically feasible without the incentives and the growth of the company could be compromised. If approved, the timeline for this project would begin in December 2017.

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

36
\$20.63

**Negotiated job retention percentage:**  
 (Required to be at least 85% of employment as of preliminary approval)

<b>85%</b>
------------

**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
\$3,850,000	\$7,700,000
\$0	\$0
<b>\$3,850,000</b>	<b>\$7,700,000</b>

**Maximum Amount of Eligible Costs:** **\$3,850,000**

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

**Financing:**

Source	Amount
Bank Loan	\$7,700,000
TOTAL	\$7,700,000

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

Publicly traded

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

**Unemployment Rate**

County: 5.6%

Kentucky: 5.9%

**Special Conditions:** None



## Kentucky Small Business Tax Credit Projects September 2017

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment	Tax Credit Amount
Bluegrass Concrete & Associates, Inc.	Barren	17	4	\$21.75	\$39,000	\$14,000
Hensley & Throneberry, PLLC	Warren	4	2	\$15.23	\$7,828	\$7,000
J. Allen Builders, Inc.	Warren	1	1	\$22.50	\$22,867	\$3,500
<b>3</b>	<b>2</b>		<b>7</b>	<b>Total</b>	<b>\$69,695</b>	<b>\$24,500</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	\$245,800
<b>Remaining Credits</b>	<b>\$2,754,200</b>