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A commonwealth of opportunity

Round 2: Kentucky Product Development Initiative

WEBINAR AGENDA

- KPDI Overview & "Just the Facts"
- Process & Timeline
- Evaluation Guidelines
- Requested Attachments
- Contact Information
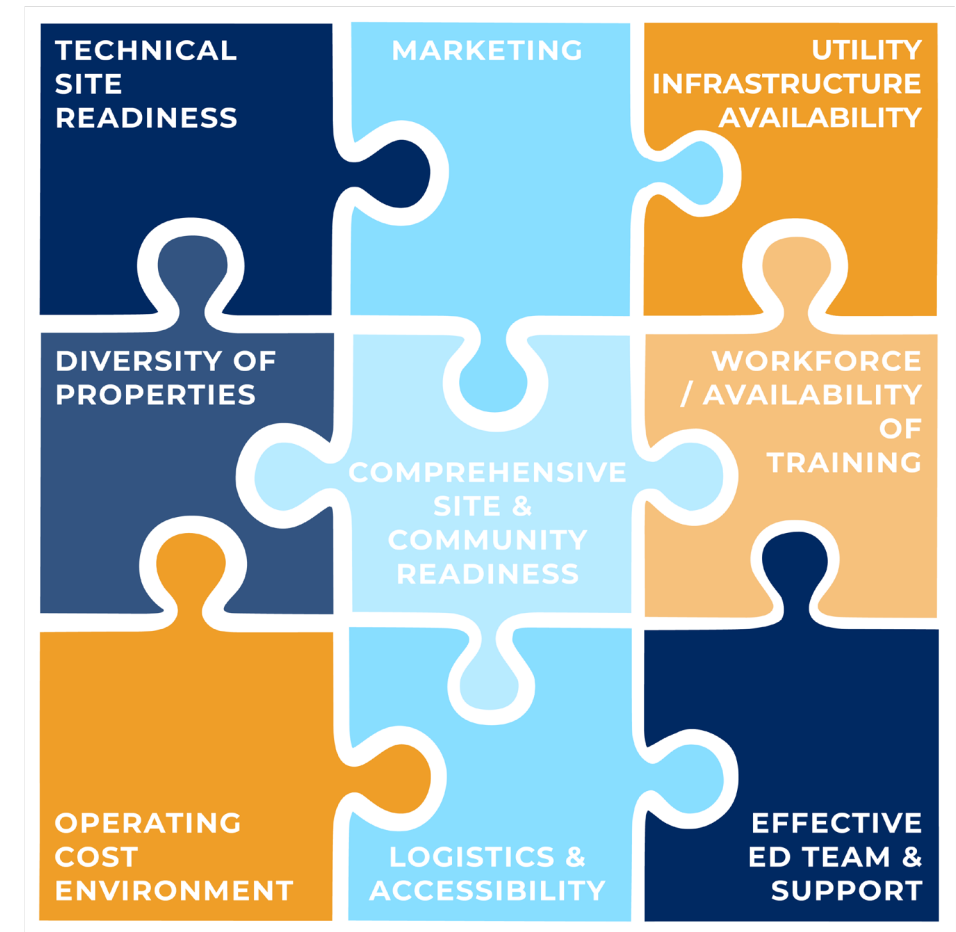
The Statewide Kentucky PDI Program

Why?

Stimulate transformational economic development projects that create quality jobs across the Commonwealth.

How?

Through KRS 154.21, appropriate an unprecedented amount of $100,000,000 for the enhanced Kentucky Product Development Initiative.

Program Core Project Values

- HOLISTIC APPROACH - Taking a holistic approach to economic development, incorporating labor, target industry, infrastructure, operating environment, etc. into consideration when making grant recommendations.

- RETURN ON INVESTMENT – Recommendations for PDI funds and local matches will be based on expected return on investment, measured in jobs and capital investment.

- RELATIVE IMPACT – ROI metrics are relatively adjusted to ensure the entirety of Kentucky is fairly represented.

TECHNICAL SITE READINESS

MARKETING

UTILITY INFRASTRUCTURE AVAILABILITY

DIVERSITY OF PROPERTIES

COMPREHENSIVE SITE & COMMUNITY READINESS

WORKFORCE / AVAILABILITY OF TRAINING

OPERATING COST ENVIRONMENT

LOGISTICS & ACCESSIBILITY

EFFECTIVE ED TEAM & SUPPORT

Program Funding Details

Total Maximum Funding

- $100,000,000 total funds statewide

- Can be awarded over 2 rounds

- Round 2: Each project is eligible to receive up to $2 million per county.

Competitive Process

The KPDI program is a competitive process. Meeting evaluation criteria or being the sole applicant in a county does not guarantee funding.

Round 1

89 Letters of Intent Submitted

72 SSG RFI Questionnaires Submitted

54 Applications in Due Diligence, Totaling $34 million

Funding for Round 2

Funds remaining from Round 1, will be pooled and available through the same process and program requirements.

Key Program Definitions

Economic Development Project	Site and infrastructure improvements that could result in opportunity for any of the following: ▪ Manufacturing ▪ Agribusiness ▪ Headquarters Operations ▪ Nonretail Service or Technology Activities ▪ Coal Severing & Processing ▪ Hospital Operations ▪ Alternative Fuel, Gasification, Energy-Efficient Alternative Fuels, or Renewable Energy Production ▪ Carbon Dioxide Transmission Pipeline
Eligible Grant Recipient	Local government or economic development authority

Eligible Project	▪ Publicly owned property, or
	▪ Either of the following only if the Eligible Use includes property acquisition or diligence studies:
	   ▪ Property with legally binding LOI or option agreement to Eligible Grant Recipient
	   ▪ Property with a sale agreement to Eligible Grant Recipient
	* Program requires a dollar-for-dollar match (*due diligence can be used as match for property acquisition*)

Eligible Uses	▪ Due Diligence Studies ▪ Property Acquisition ▪ Infrastructure Extensions and Improvements ▪ Site Preparation Work ▪ Building Construction or Renovation ▪ Road Improvements

- Complete list of Key Program Definitions can be found in the "*Just the Facts: KPDI*" recently published by the Cabinet at **https://ced.ky.gov/kpdi**

Basic Program Mechanics

Evaluation Criteria

- **Property Availability**
  - Publicly-controlled

- **Property Development Ability**
  - Developable & free of impediments

- **Zoning Availability**
  - Zoned to intended use within 90 days

- **Transportation Accessibility**
  - Served adequately for intended use

- **Utility Adequacy**
  - Electric, natural gas, water, wastewater, telecom

Scoring Criteria

- **Return on Investment Focused**
  - Likelihood of project success
  - Economic impact
  - Job creation

- **Key Workforce Characteristics**
  - Objective workforce data
  - On-site workforce due diligence

- **Relative Positive Impact**
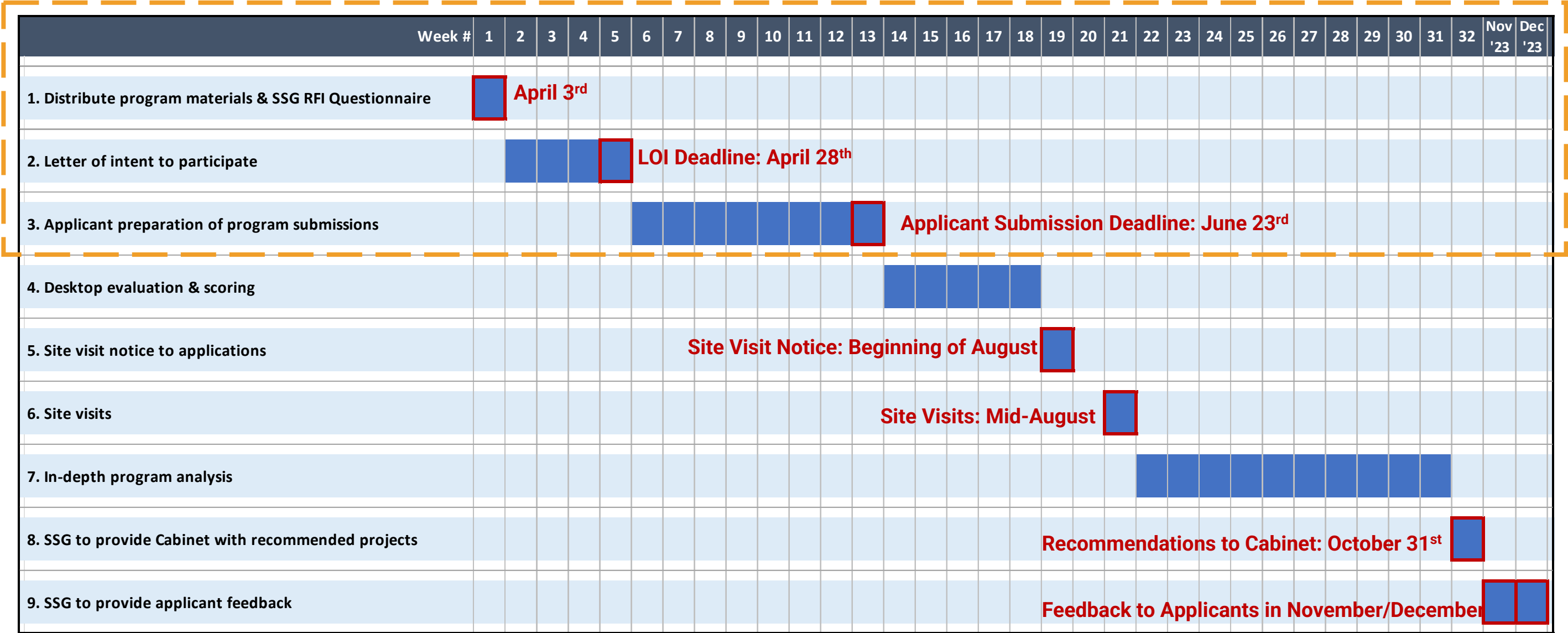 - Adjusted based on community size, characteristics, and history

Program Process & Timeline

SITE SELECTION GROUP™

Overall KPDI Program Process

LOI & SSG RFI Questionnaire

Desktop Review of Applicants

Site Visits

Detailed Evaluation

Project Recommendations

Applicant Feedback

KPDI Timeline to Project Recommendations

Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	Nov '23	Dec '23
1. Distribute program materials & SSG RFI Questionnaire	■																																	
2. Letter of intent to participate		■	■	■	■																													
3. Applicant preparation of program submissions						■	■	■	■	■	■	■	■																					
4. Desktop evaluation & scoring														■	■	■	■	■																
5. Site visit notice to applications																			■															
6. Site visits																					■													
7. In-depth program analysis																						■	■	■	■	■	■	■	■	■	■			
8. SSG to provide Cabinet with recommended projects																																■		
9. SSG to provide applicant feedback																																	■	■

April 3rd (row 1)

LOI Deadline: April 28th (row 2)

Applicant Submission Deadline: June 23rd (row 3)

Site Visit Notice: Beginning of August (row 5)

Site Visits: Mid-August (row 6)

Recommendations to Cabinet: October 31st (row 8)

Feedback to Applicants in November/December (row 9)

Program Materials: LOI & SSG RFI Questionnaire

Participants will receive the following documents by April 3rd:

- **Program Literature** – detailing program process and instructions for submission and requested attachments (maps, visuals, due diligence reports completed, zoning description, etc.)

- **Request for Information** – Excel spreadsheet requesting property information and grant funding requests
  - Property/Community Information
  - Grant Request

- **Letter of Intent Template** – to be submitted by community by April 28th indicating participation in the program

*If selected to move forward with site visits, an Acknowledgement Letter will be required from the applicant, which guarantees (from the appropriate granting authority) the availability of 50/50 local matching funds.

Submission Instructions

Letter of Intent (by April 28th)

- First, please send an email copy of the Letter of Intent (see template in Word) to indicate a forthcoming full application. Please send no later than 5:00 pm CDT on April 28th to KPDI@KAEDOnline.org.

- Please use the subject line as follows: "PDI LOI – County Name – Property Name". The LOI is very important in helping SSG begin preliminary analysis so we can keep the program on schedule!

- Please send the send the $500 application fee payable to "KAED Foundation" sent under separate cover to KAED at 101 Burch Court, Frankfort, KY 40601.

SSG RFI Questionnaire

- Please fill out the 2023 Request for Information – Kentucky PDI (Excel file) and provide all of the Requested Attachments, listed in this document beginning on Page 17.
  - The Excel File includes the following tabs:
    - **Blue Tab** – Background & Development Information
    - **Teal Tab** – County Project Pipeline Information
    - **Green Tabs** – Property Information and Accessibility
    - **Purple Tabs** – Utility Infrastructure Information (to be completed by utility providers)
    - **Yellow Tab** – Key Existing Employer Information

- SSG is requesting an electronic copy only of the 2023 Request for Information and Requested Attachments. These can be uploaded to Dropbox (or similar FTP site) and SSG will download the files – no need to send hard copies!

- Please submit all items in the order requested in separate files, with the standardize file names as shown on page 17.

- Please submit any relevant past work completed on the property or community (e.g. due diligence reports, target industry analyses, workforce analyses, etc.). SSG will incorporate existing work and consider the property in the broader context of the ED organization's goals and strategies.

- Please send the link to the electronic submission no later than 5:00 pm CDT on June 23rd to KPDI@KAEDOnline.org Please use the subject line as follows: "PDI Application – County Name – Property Name". Thank you!

Basic Evaluation Guidelines

The Kentucky Product Development Initiative will evaluate properties at varying levels of development, from raw land to developed assets. A property does not need to meet all of the following Basic Evaluation Guidelines to participate in the program, but those below will be strongly considered as SSG evaluates the property. SSG believes these guidelines are consistent with most corporate site selection projects and are good fundamentals to work towards when developing property for corporate investment.

Property Availability

1. The property should be available for sale or lease (with a documented price and terms) to prospective users. Alternatively, the property may have a letter of intent or sale agreement for the sale to an eligible grant recipient (e.g. a local government or economic development authority).

Property Developability

2. The developable acreage (or building size) for each property must be clearly defined. "Developable" acres are those that have no impediments to development, or mitigation for any known impediments can be accomplished in less than 90 days. If the applicant is unable to define the developable size of the property, an engineering partner may provide this number during/after the site visit.

3. The property's developable acreage (or building) should:

   ▪ Be located outside of the 100- and 500-year flood zone.

   ▪ Be free of recognized environmental conditions.

   ▪ Be free of wetlands or be able to be mitigated within 90 days.

   ▪ Be free of state and federal threatened and endangered species or be able to be mitigated within 90 days.

   ▪ Be free of areas of archaeological or historical significance or be able to be mitigated within 90 days.

   ▪ Have soils compatible with development.

Basic Evaluation Guidelines

(Continued)

Zoning

4. The property should be zoned appropriately or be able to be rezoned within 90 days (if applicable). The surrounding properties should also be compatible with the intended use.

Transportation

5. The property should be directly served or be able to be served by a road(s) that is compatible with the intended use. (Example – industrial sites should have standards for tractor-trailer access (80,000 pounds / 20,000 pounds per axle)).

6. To market the property as rail-served, the property should be served or be able to be served within 12 months by rail, which is to be confirmed by the rail provider.

Requested Attachments (Program Materials PDF)

Utility Adequacy

7. Electric: The property should be served or be able to be served by electric infrastructure. The site or park will be evaluated to confirm if the infrastructure can meet the electric requirements listed to the right.

8. Natural Gas: The property should be served or be able to be served by natural gas infrastructure. The site or park will be evaluated to confirm if the infrastructure can meet the natural gas requirements listed to the right.

9. Water: The site or park should be served or be able to be served by water infrastructure and a public water system meeting the following minimum excess capacity requirements listed to the right.

10. Wastewater: The site or park should be served or be able to be served by wastewater infrastructure and a public (not septic) wastewater treatment plant meeting the following minimum excess capacity requirements listed to the right.

11. Telecomm: The site or park should be served or be able to be served by fiber telecommunications infrastructure and meet the requirements listed to the right.

Utility Guidelines

	Small	Medium	Large	Industrial Park
Electric	1.5 MW	3 MW	5-10 MW	5-15+ MW
Natural Gas	8,000 mcf per month	15,000 mcf per month	25,000 mcf per month	15,000mcf – 32,000 mcf+ per month
Water	100,000 gpd	250,000 gpd	500,000 gpd	300,000 gpd- 800,000 gpd+
Wastewater	75,000 gpd	200,000 gpd	400,000 gpd	200,000 gpd - 600,000 gpd+
Telecomm	Fiber	Fiber	Fiber	Fiber

The above utility guidelines are recommended capacities to provide different levels of service based on the size of the project: small, medium, large, and industrial park. As projects consider your property, they will undoubtedly have varying needs for utility requirements. The above levels are reasonable assumptions based on SSG's experience for corporate projects and can be used as a gauge for utility adequacy at each property.

Please see attached PDI Application Excel file with tabs for Electric, Natural Gas, Water, Wastewater, and Telecomm Questionnaires. Each utility provider should complete these questionnaires to indicate what capacity is available at the property (or could be provided with improvements) based on the above recommendations. If utility providers need to make assumptions (e.g. meter size, wastewater effluent characteristics, etc.) to provide estimates, please have them do so in the questionnaires.

Requested Attachments

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Requested Attachments (1 of 5)

To assist SSG in efficiently reviewing all the critical materials, please submit below items, as available, in the order listed in this below. Please submit electronic attachments as separate files, clearly labeling each file with the Attachment number and title listed below. For example, the first attachment should be named "1 – SSG RFI Questionnaire", and the second attachment "2 – Grant Fund Request Supporting Documentation".

All maps should show a scale, a directional arrow, clear boundaries of the site (boundaries should clearly show only the property being proposed for grant request), and a date. All letters should be on the appropriate letterhead and include a date and a signature.

SSG understands that some of the below items/information may not be currently available. Please provide the below suggested attachments, as available.

Requested Attachments

1. RFI Questionnaire– (please complete and submit this excel file that includes several tabs as one collated Excel file – please do not PDF.)

2. Grant Fund Request Supporting Documentation – Please provide an engineer's estimated cost and schedule for project being requested for grant funds. Where available, please provide supporting bid documentation/design, etc.

3. General location map

4. Aerial photograph - with property boundaries clearly identified as well as KML/KMZ file outlining the property boundaries.

5. USGS quadrangle map - with property boundaries identified.

6. General transportation map - including roads, rail, ports, and commercial service airports within a 45-mile radius of the property.

7. Map of adjoining and nearby businesses - with businesses identified (if applicable).

8. Topographic map - with property boundaries identified (if available).

Requested Attachments (2 of 5)

SSG understands that some of the below items/information may not be currently available. Please provide the below suggested attachments, as available.

Property Availability

9. Property availability - Documentation that ensures that the property is available and owned by a public entity. This can be a real estate listing, letter from the owner, etc. Alternatively, please submit the appropriate Letter of Intent or Purchase Agreement.

10. Owner letter with price - Letter from the owner or controlling entity stating a price and conditions of a sale or lease. (This letter can be combined with documentation in Attachment 8, if applicable.)

11. Copy of the present deed(s) - indicating the current ownership of the property.

12. County tax parcel map - with tax parcel identification numbers depicting the location and property boundaries.

Site Developability

13. FEMA flood map(s) - with panel number indicated and property boundaries identified.

14. National Wetlands Inventory (NWI) map - with property boundaries identified.

15. IPaC Report - A Species Report from U.S. Fish and Wildlife's Information, Planning, and Conservation System (IPaC) using the Initial Project Scoping feature.

16. County soil survey - with property boundaries identified.

Requested Attachments (3 of 5)

SSG understands that some of the below items/information may not be currently available. Please provide the below suggested attachments, as available.

Zoning

17. Zoning map - Map illustrating the current zoning for the property and surrounding area with property boundaries identified. If there is no zoning in the jurisdiction, attach a comprehensive or long-range plan and/or map.

18. Zoning description - If there is zoning in the jurisdiction, provide the property's current zoning description and outlines the acceptable uses. If the zoning for the area surrounding the property is different than the zoning for the property itself, a description of allowable uses under current zoning classifications for surrounding property should also be submitted.

19. Amended zoning description (if necessary) - If property is currently not zoned appropriately for industrial use, provide the zoning description(s) and acceptable uses of what the property would be rezoned to for industrial use.

Transportation

20. Transportation map - Map indicating the route from the property to the closest controlled-access highway or interstate.

21. Rail infrastructure map - Map of existing rail infrastructure with property boundaries identified (if applicable).

22. Rail provider letter - Letter from the rail provider indicating its feasibility and willingness to provide rail service to the property (if property is marketed as rail-served). If available, also provide an estimated cost and schedule for extending rail to the property (if applicable).

SSG understands that some of the below items/information may not be currently available. Please provide the below suggested attachments, as available.

Utilities

23. Infrastructure map(s) - Infrastructure map(s) with property boundaries identified indicating the following:

- The location and voltage of the nearest electric infrastructure serving the property.

- The location and size of the nearest natural gas distribution line(s) serving the property.

- The location and size of the nearest water line(s) serving the property.

- The location and size of the nearest wastewater line(s) serving the property.

- The location of the nearest telecommunication infrastructure serving the property.

Requested Attachments (5 of 5)

SSG understands that some of the below items/information may not be currently available. Please provide the below suggested attachments, as available.

Optional Documentation

24. Industrial park covenants, conditions, and restrictions – if applicable.

   - Due Diligence Summary – Provide a copy of all the due diligence that has been completed on the property. This includes but is not limited to:

   - Phase I ESA

   - Wetlands Delineation

   - Threatened and Endangered Species Survey

   - Archaeological and Historical Investigation

   - Geotechnical Assessment

25. Additional Documentation - Provide a copy of any documentation that has been completed and would be helpful in the evaluation on the property. This includes, but is not limited to:

   - Property Marketing Materials

   - Master Conceptual Plan

   - Boundary Survey

   - Title Search

Program Contact
Information

SITE SELECTION GROUP

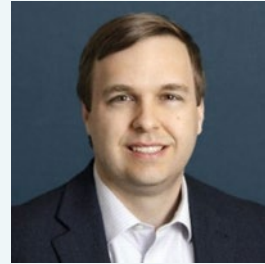# Key KPDI Contacts

Applicant's Point of Contact

Site Selection Group
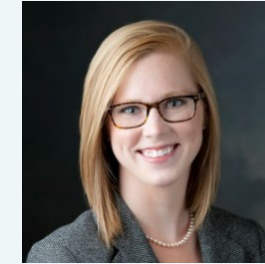
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