



Kentucky Product Development Initiative



WEBINAR AGENDA



Brief SSG Introductions



Brief KPDI Overview & “Just the Facts”



Process & Timeline



Program Materials



Frequently Asked Questions



Contact Information & Questions



SSG Introduction

Today's Webinar from SSG

Applicant's Point of Contact



Labor & Target Industry Analysis

Chris Schwinden
Senior Vice President



Site Evaluations

Michaela Martin
Director



Site Evaluations

Dewey Evans
Senior Associate



Data Analysis

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Associate



2022 Statewide KPDI Program Overview

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.



Key Program Definitions

Economic Development Project	<p>Site and infrastructure improvements that could result in opportunity for any of the following:</p> <ul style="list-style-type: none">▪ 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	<ul style="list-style-type: none">▪ Publicly owned property, or▪ Either of the following only if the Eligible Use includes property acquisition or diligence studies:<ul style="list-style-type: none">▪ Property with legally binding LOI or option agreement to Eligible Grant Recipient▪ Property with a sale agreement to Eligible Grant Recipient <p>* Program requires a dollar-for-dollar match (<i>due diligence can be used as match for property acquisition</i>)</p>
Eligible Uses	<ul style="list-style-type: none">▪ 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 Funding Details



Total Maximum Funding

- \$100,000,000 total funds statewide
- Can be awarded over 2 rounds
- Each project is eligible to receive the lesser of (i) county maximum funding amount, or (ii) \$2,000,000.

Competitive Process

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

Funding for Round 1

Maximum funding available by county is based on county population relative to state population (*exception for Jefferson County reduced to 50%*). Please see 'Just the Facts' for maximum funding by county.

Funding for Round 2

If any funds remain after Round 1, a second round will be initiated, and remaining funds will be pooled and available through the same process and program requirements.



Program Process & Timeline

Overall KPDI Program Process



	Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	Jan '23
1. Distribute program materials & application			July 21st																						
2. Letter of intent to participate				LOI Deadline: August 5th																					
3. Applicant preparation of program submissions										Applicant Submission Deadline: September 16th															
4. Desktop evaluation & scoring																									
5. Site visit notice to applications																	Site Visit Notice: November 4th								
6. Site visits																		Site Visits: Week of November 14th							
7. In-depth program analysis																									
8. SSG to provide Cabinet with recommended projects																								Recommendations to Cabinet: December 23rd	
9. SSG to provide applicant feedback																									Feedback to Applicants in January



Program Materials

Application: Grant Application Materials

PROPERTY INFORMATION

Property Information:	Answer
Property Name:	
City:	
County:	
State:	
Zip:	

APPLICANT INFORMATION

Applicant Information:	Answer
Name:	
Title:	
Organization:	
Address:	
City:	
County:	
State:	
Zip:	
Office Number:	
Mobile Number:	
Email Address:	

PROPERTY AVAILABILITY

Tax Parcel: _____

(add more rows if necessary)

Question:

What is the preferred type of transaction?

Is the property in an existing industrial park?

Are there any covenants, conditions, or restrictions on the property?

Are there any leases (including agricultural) on the property?

Are there any known judgments on the property?

Identify any easements (including conservation easements) and way on the property and owner.

PROPERTY DEVELOPABILITY

Acres of the property:

Total Acres: _____

Available Acres (greenfield): _____

Developable Acres: _____

Contiguous, developable acres for a single use: _____

Letter Template:

Dear Mr. Tackett,

This letter is to express my intent to submit [Property Name] in [County] for the KAED Product Development Initiative Program. I understand that the purpose of the program is to improve property specifically for industrial development. Please find an aerial attached that has the boundary lines outlined of the property attached in Appendix A. The property is:

- [XX] acres
- Owned by [Ownership Entity]
- Located at [Address]
- [Decimal Latitude/Longitude Coordinates]

(Please feel free to include brief description or background on the property.)

In submitting this letter, I understand that participating in this program is voluntary, and grant funding is not guaranteed.

Sincerely,

Name: _____

Title: _____

Organization: _____

Address: _____

Phone: _____

Email address: _____

cc: Josh Bays, Partner – Site Selection Group

Participants will receive the following documents by July 21st:

- **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 August 5th 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.*

Letter of Intent: **August 5th Deadline**

Objective

- Identify properties with **forthcoming full applications**.
- **“Head start”** on workforce and desktop analyses.
- Identify properties that may **not** be eligible before investing time and effort in full application.

Tips & Notes

- Please simply edit the **yellow highlighted portions** for your project.
- Include a **snip/image of your property** – helps us identify the exact the site under consideration.
- **Send via email** to KPDI@KAEDOnline.org – no need to send hard copies!
- Please send **\$500 application fee** under separate cover to KAED – don’t send to SSG!

[please place letter on letterhead of the applicant]

[Month Day], 2022

Josh Bays
Partner
Site Selection Group, LLC
8235 Douglas Ave., Suite 500
Dallas, TX 75225
Via email to: KPDI@KAEDOnline.org

Dear Mr. Bays,

This letter is to express my intent to submit [Property Name] in [County] for the Kentucky Product Development Initiative Program. I understand that the purpose of the program is to improve properties specifically for corporate investment. Please find an aerial attached that has the boundary lines outlined of the property attached in Appendix A. The property is:

- [XX] acres
- Currently Owned by [Ownership Entity]
 - If not currently publicly owned, please indicate whether Letter of Intent or Sale Agreement is in place.
- Located at [Address] and [Decimal Latitude/Longitude Coordinates]
- Is property located in a state or local TIF?
- Category(ies) of Project: [Due Diligence Study, Property Acquisition, Infrastructure Extension or Improvement, Site Preparation Work, and/or Road Improvement]
- If the project is a “Regional Project”, please identify the counties submitting as co-applicants.

[Please also include a brief description or background on the property, a description of the proposed grant project, and the grant amount that will be requested. Please indicate whether the grant project can be completed in 1-2 months after the award decision has been made.]

In submitting this letter, I understand that participating in this program is voluntary, and grant funding is not guaranteed. Any costs incurred during the application process are at my own expense. I understand there is a \$500 application fee, which should be made payable to “KAED Foundation”, sent under separate cover to KAED at 101 Burch Court, Frankfort, KY 40601.

Sincerely,

Name:
Title:
Organization:
Address:
Phone:
Email address:


Full Application (Excel “RFI”): **September 16th Deadline**

Objective


- Gather **specific information** on the community and site of interest.
- Meant to replicate a **corporate** RFI.
- **Very similar** to previous years’ PDI applications.
 - **New questions/requests added in red text throughout.**
 - Eliminated some workforce/educational/completion information to streamline.

Overall Tips & Notes

- Please do your best to fill out **all information**. Even if an answer is “unknown”, please mark it as such. It’s much better than leaving an answer just blank!
- **Send via email** to KPDI@KAEDOnline.org with the supporting documents – do not PDF this Excel document!

A	B	C	D	E
BACKGROUND & DEVELOPMENT INFORMATION FORM				
<i>The new KPDI program will provide continued emphasis on Return on Investment (ROI) scoring so that communities can prioritize investments and budgets, and have benchmarks to competitive markets. Participation is voluntary and grant awards are not guaranteed. Other funding sources may exist and the scoring model represented by PDI should enhance communities' ability to access those sources of funding.</i>				
				
Property Information:		Answer		
Property Name:				
City:				
Incorporated/Unincorporated:				
County:				
State:				
Zip:				
Latitude, Longitude (in decimal form):				
Has this property been submitted previously for PDI?				
Applicant Information:		Answer		
Organization:				
Name/Project Manager:				
Title:				
Address:				
City:				
County:				
State:				
Zip:				
Office Number:				
Mobile Number:				
Email Address:				
Is this a multi-county "Regional" If so, please list participating				
Ownership and Background:		Answer		
Please provide a brief background on the property, including ownership.				
Is property publicly-owned? If yes, please list property owner/entity: If not, please indicate whether a binding Letter of Intent, Option Agreement or Purchase Agreement is currently in place and who the current owner is.				
Page 1				
Please provide a prioritized list of site development projects that the community would like to invest in at the property. Grant requests must be property-specific. (Please add more rows if necessary.) Please also note potential funding opportunities through this program are limited based on the total funds appropriated to the PDI program from the General Assembly and the proportion allocated via population to each county.				

Background & Development / County Property Portfolio
(Blue Tabs)

- | COUNTY PROPERTY PORTFOLIO | |  SITE SELECTION GROUP
<small>strategic location solutions</small> | | |
|---|--|--|--|---|
| In order to take a holistic approach to product development, it is important to consider deal flow and project pipeline data, and the context in which a specific property operates. The below information will be helpful in allowing SSG to make informed decisions about complementing and diversifying the portfolio of properties in your community. This information will help capture where deficiencies existing within the county's portfolio of properties. | | | | |
| Project Pipeline | What percentage of your project pipeline falls in the below categories? | *Please feel free to use best educated guess if project pipeline data is not readily available. | | |
| Manufacturing | | | | |
| Distribution | | | | |
| Office/HQ/Call Center/Back Office | | | | |
| Data Center | | | | |
| Project Pipeline | 2021 | 2020 | 2019 | |
| Number of Projects worked | | | | |
| Number of Site Visits from Prospects/Consultants | | | | |
| Percentage of requests made for existing building versus greenfield site from prospects | | | | |
| Number of Project RFIs or real estate requests made in 2019, but no suitable property was available in your area/county? | | | | |
| Number of project commitments/wins | | | | |
| In 2019, when a prospect requested real estate options (for existing building or greenfield), what size building did they request? (Please tally number of requests made by prospects in each category.) | | | | |
| Building Size Requests | (Please enter how many project requests were made in each building size category.) | | | |
| 0-50,000 sq ft | 50,001-100,000 sq ft | 100,001-200,000 | 200,001-500,000 sq ft | 500,000+ sq ft |
| | | | | |
| List of Industrial Sites and Parks in the County | Public or Private Ownership Group? | If publicly controlled, what type of agreement? (Fixed, Exclusive Option, Public/Private Partnership Agreement, etc) | Total Acreage Available; and Developable Acreage | When you get prospect request for greenfield site, what percentage of the time do you submit each property? |
| | | | | Additional comments/concerns on property? |

Property Information & Property Accessibility

Property Information & Property Accessibility (Green Tabs)

- Very common requests for corporate RFIs – if you don't have these on file already, this is a **great opportunity to get this information organized!**
- Property Tax Rates – please provide the **effective property tax rates** (not millage, not assessment ratio)
 - So if a property had a FMV of \$1,000,000, and annual property taxes due were \$15,000, the effective property tax rate would = 1.50%
 - This is very important for corporate projects, when consultants and companies are comparing taxes across different states and jurisdictions, each that have different assessment ratios, millage rates, etc.

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PROPERTY INFORMATION

PROPERTY AVAILABILITY

Tax Parcel	Parcel Size	Owner(s)	Property Price (indicate if average price per acre or total for all acreage):
(add more rows if necessary)			

Question	Answer
What is the preferred type of real estate transaction?	
Is the property in an existing industrial park?	
Are there any covenants, conditions, or restrictions for the property?	
Are there any leases (hunting, timber, agriculture) on the property?	
Are there any known judgments or liens on the property?	
Identify any easements (including conservation easements) and rights-of-way on the property and owner for each:	

PROPERTY DEVELOPABILITY

Acreage of the property	Acres	Comments
Total Acres		
Available Acres (greenfield)		
Developable Acres		
Contiguous, developable acres (if a site for a single user)		
Largest contiguous, developable parcel (if a park for multiple users)		

Provide a chronology of each parcel's previous use including dates:

Timeframe	Use

CONDITIONS ON SITE

Question	Answer
Number of existing structures on the property:	
Describe each structure on the	

Utility Information

Utility Information (Purple Tabs)

- Critical to work closely with your utility partners to get the best, most up-to-date information
- Please provide estimated rates per unit (not a total cost!). This is very helpful in evaluation so all responses are in the same units.
 - Example: \$0.09/kWh, \$7.50/MCF, \$5.00/kgal, etc.
- Accurate capacity information is critical for understanding potential ROI and developability.
 - Example: An application for grading and padding a site that has limited water capacity would look different than an application that extends water infrastructure to address a deficiency.

	A	B	C
1	ELECTRIC QUESTIONNAIRE		
2	The electric questionnaire below should be completed by the electric provider to ensure up-to-date and accurate information.		
3	Once completed, please compile the form back into RFI Questionnaire form before submission.		
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Existing Employers

Existing Employer Information (Orange Tab)

- We’ve **streamlined** the requested workforce information this year – we’re simply asking for key information on employers and activity.
- This should be **readily available** and a commonly-asked question on corporate RFIs – if you don’t have this available, this is a great opportunity to organize this data for KPDI and future requests!

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Requested Attachments (Program Materials PDF)

Requested Attachments (Listed in PDF/Program Materials)

- Again, **commonly-requested information for corporate projects**. If you don't have these on hand, a really good opportunity to develop these materials!
- Please keep **consistent naming format** – it helps SSG stay organized!
- One of the most common pieces of feedback we provide communities is **improving and making mapping consistent**. We know not all maps can be the same orientation, scale, etc., but the “best” corporate and program RFI’s ensure that mapping is consistent so it’s easy to see how, for example, **utilities overlay with transportation or wetlands**.

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 – PDI Application”, 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. **Grant Application** – (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).



Frequently Asked Questions

Frequently Asked Questions (1 of 2)

- *Is \$200 million available for the KPDI program?*
 - **No – HB 1 of the 2022 Regular Session appropriated \$100 million for the KPDI program. Additionally, another \$100 million was appropriated for a separate & distinct program. The separate program may provide funding for a “mega-development project of at least \$10,000,000.” Thus, a mega economic development project is required to be identified with interest by a company to locate or expand in Kentucky and infrastructure costs exceed \$10,000,000 at the potential location.**
- *Are PDI applicants from previous years eligible to apply?*
 - **Yes! We encourage participation from previous applicants, especially those who may not have been recommended but have improved their applications.**
 - **We also encourage communities that have been previously recommended to submit for new projects.**
- *Can a county be a part of multiple applications?*
 - **Yes – for example, a county can submit its own application but also be part of a regional application.**
- *Are TVA Funds, Coal Severance Grant Funds, or other grant funds held by the local government eligible to calculate the local match?*
 - **Yes, as long as the local government can demonstrate that the matching funds are (1) funds that may be used at the discretion of the applicant; (2) funds that are available; and (3) funds that are permitted for such use.**
 - **Other sources of local matching funds could include other local governments and utilities, for example.**

Frequently Asked Questions (2 of 2)

- *Are projects bound to Davis-Bacon wages?*
 - **No, not for the KPDI program. Other sources of funds for the proposed project may have this requirement.**
- *What is required if a local government or economic development entity does not currently own the land?*
 - **A legally binding letter of intent, option for the sale, or sale agreement.**
- *Will an applicant be limited in how much KPDI funding can contribute to property acquisition?*
 - **Funding for the first round may be limited to the lesser of the following: 1) Available matching funds on a dollar-for-dollar basis; 2) \$2,000,000 per Eligible Project per county; and 3) Program maximum funding available by county as outlined in the fact sheet**
- *Is a Port Authority an eligible grant recipient?*
 - **Yes – public entities and economic development authorities qualify as eligible recipients.**
- *Does eligible infrastructure include utilities, lighting or fiber?*
 - **Yes – these are Eligible Uses.**
- *Can funds be used for a spec building?*
 - **Yes – this is an Eligible Use.**
- *Can grant awards be amended if the project costs significantly increase from the application deadline to the point of construction?*
 - **No**



Program Contact Information

Key KPDI Contacts



Applicant's Point of Contact



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Questions & Answers

Website for More Information:
<https://ced.ky.gov/kpdi>