



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
GOVERNOR

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Jeff Noel
SECRETARY

MEMORANDUM

TO: KEDFA Members

FROM: Katie Smith, Commissioner 
Department for Financial Services

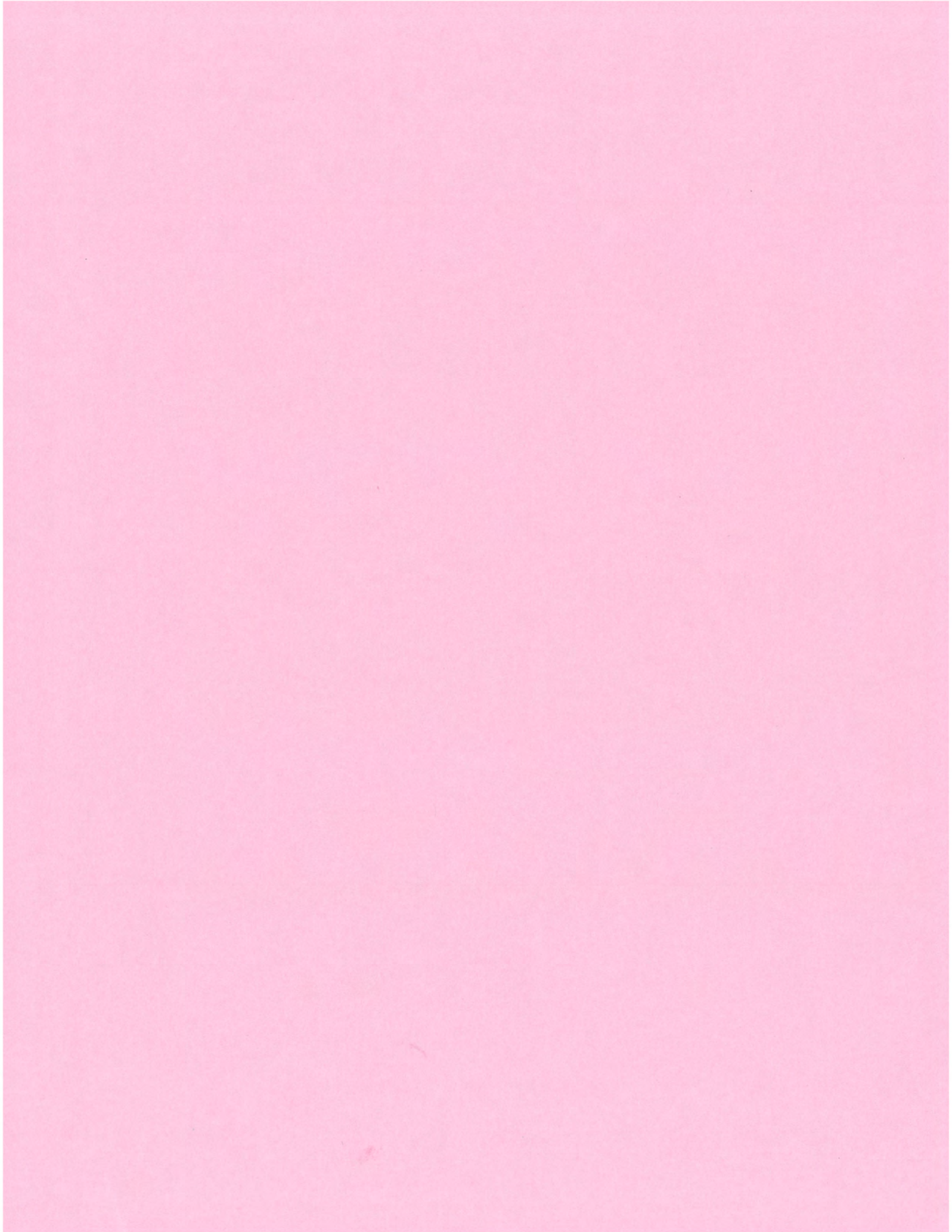
DATE: June 23, 2023

SUBJECT: KEDFA Board Meeting

The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **June 29, 2023** at 10:00 a.m. (ET) through both in person attendance and video conference. The primary location for the meeting where all members can be seen and heard and the public may attend in accordance with KRS 61.826 and 61.810 will be in the Board of Directors Conference Room at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. While participants, media and members of the public may attend the board meeting in person at the primary location, attendees are also encouraged to join the meeting virtually and can access the video teleconference at the following link:

<https://us02web.zoom.us/j/89134545195>

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



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

AGENDA

June 29, 2023

PRIMARY LOCATION:

Where all members can be seen and heard and the public may attend in accordance with KRS 61.826 & 61.840

Board of Directors Conference Room

Old Capitol Annex

300 West Broadway

Frankfort, Kentucky

ALSO AVAILABLE VIA ZOOM: <https://us02web.zoom.us/j/89134545195>

Call to Order

Notification of Press

Roll Call

Minutes

Minutes from May 25, 2023 KEDFA Board Meeting

Minutes from May 31, 2023 Special Meeting

Reports

Approved/Undisbursed Report

Krista Harrod

Financial Statements and Monitoring Reports

Krista Harrod

Auditor Communication

Katie Smith

KPDI-EDF Projects

Bourbon County- Nicholas County Joint Economic
Development Board

Nicholas

Colin Dodd/Michelle Elder

Cadiz-Trigg County Industrial Development Authority, Inc. Trigg

Corky Peek/Michelle Elder

Pennyrile Westpark Industrial Development Authority

Lyon

Corky Peek/Michelle Elder

Princeton-Caldwell County Industrial Development
Authority

Caldwell

Corky Peek/Michelle Elder

West Kentucky Regional Industrial Development
Authority, Inc.

Henderson

Ashlee Chilton/Brandon Combs

Springfield/Washington County Economic Development
Authority (117933)

Washington

Malcolm Jollie/Brandon Combs

Springfield/Washington County Economic Development
Authority (117928)

Washington

Malcolm Jollie/Brandon Combs

City of Russellville

Logan

Andy Luttner/Joseph Gearon

KBI Amendment

Chewy, Inc.	Jefferson	Rachael Dever
iHerb, LLC	Boone	Beth Sturm

TIF Amendment

Louisville Renaissance Zone	Jefferson	Rachael Dever
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EDF Amendment

Christian County Fiscal Court-City of Hopkinsville	Christian	Rachael Dever
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KEIA Projects (Extension)

Heaven Hill Distilleries, Inc.	Nelson	Craig Kelly
Log Still Distilling LLC (22558)	Nelson	
Log Still Distilling LLC (23219)	Nelson	
Nucor Tubular Products, Inc.	Gallatin	
Santa Rosa Systems LLC	Bullitt	

KEIA Projects

MGPI of Indiana, LLC	Grant	Ashlee Chilton/Brandon Combs
Woowon Technology Inc.	Hardin	Colin Dodd/Raven Aiken

KBI Projects (Preliminary) & KEIA Projects

Southern Coil Solutions, LLC	Warren	Ashlee Chilton/Brandon Combs
Old Bourbon County Distillery LLC dba Eastern Light Distilling	Rowan	Jerod Metz/Michelle Elder
Pennyroyal Barrel Co. LLC	Adair	Cate Prather/Michelle Elder

KBI Projects (Preliminary)

Bakery Express - MidWest, LLC	Boone	Colin Dodd/Raven Aiken
Aerospace Composite Solutions, Inc.	Butler	Colin Dodd/Raven Aiken
Lunae, LLC	Warren	Colin Dodd/Michelle Elder

KBI Projects (Extension)

Itsuwa KY, LLC	Nelson	Michelle Elder
Diversey, Inc.	Kenton	
Contemporary Amperex Technology Co., Limited	Barren	
International Farmaceutical Extracts LLC	Boyle	
Porter Road Butcher Meat Company LLC	Caldwell	

KBI Projects (Final)

Brandon Combs

INFAC North America Inc.	Taylor
Conner Logistics, Inc.	Pulaski
Green River Meats, LLC	Taylor
Modern Metals Inc.	Boyd
SWVA Kentucky, LLC	Boyd
WABCO USA LLC	Boone

KEI Projects

Tim Bates

Airspace Alabama LLC	Jefferson
In the Ring LLC	Bullitt, Jefferson
Prosper Media, Inc.	Harrison, Jessamine, Madison

Kentucky Small Business Tax Credit

Tim Back

Administrative Processing & Services, LLC	Fayette
Architectural Kitchens & Baths LLC	Fayette
Bluegrass Hearing Clinic, LLC	Bourbon
Bruce-Layne, LLC	Jefferson
Corvin's Furniture & Carpet, LLC	Nelson
Joker Business Solutions, LLC	Fayette
KY Hearing Clinic, LLC	Jefferson
Mindel, Scott & Associates, Inc.	Jefferson
Old School Mall, LLC	Fayette
Patterson and Company CPAs PLLC	Jefferson
Please & Thank You, LLC	Jefferson
Priceville Hardwoods, LLC	Hart
Radiant Inc.	Jefferson
Service Specialties, LLC	Clark
South Central Veterinary Services, LLC	Warren
Team Wolf, Inc	Jefferson
The Nest Day Spa, LLC	Greenup

Kentucky Angel Investment Tax Credits

Tim Back

Roy T. Toutant	Fayette
Herbert W. Perkins, III	Jefferson
Jacob W. Cassady	Jefferson
Thomas Benjamin Self	Fayette
Gregory W. Carlton	McCracken
John Spencer Houlihan, Jr.	Fayette
Jerry Joseph Arrasmith, II	Kenton

Other Business

Enhanced Counties FY 2023-2024

Michelle Elder

Legislative Update

Katie Smith

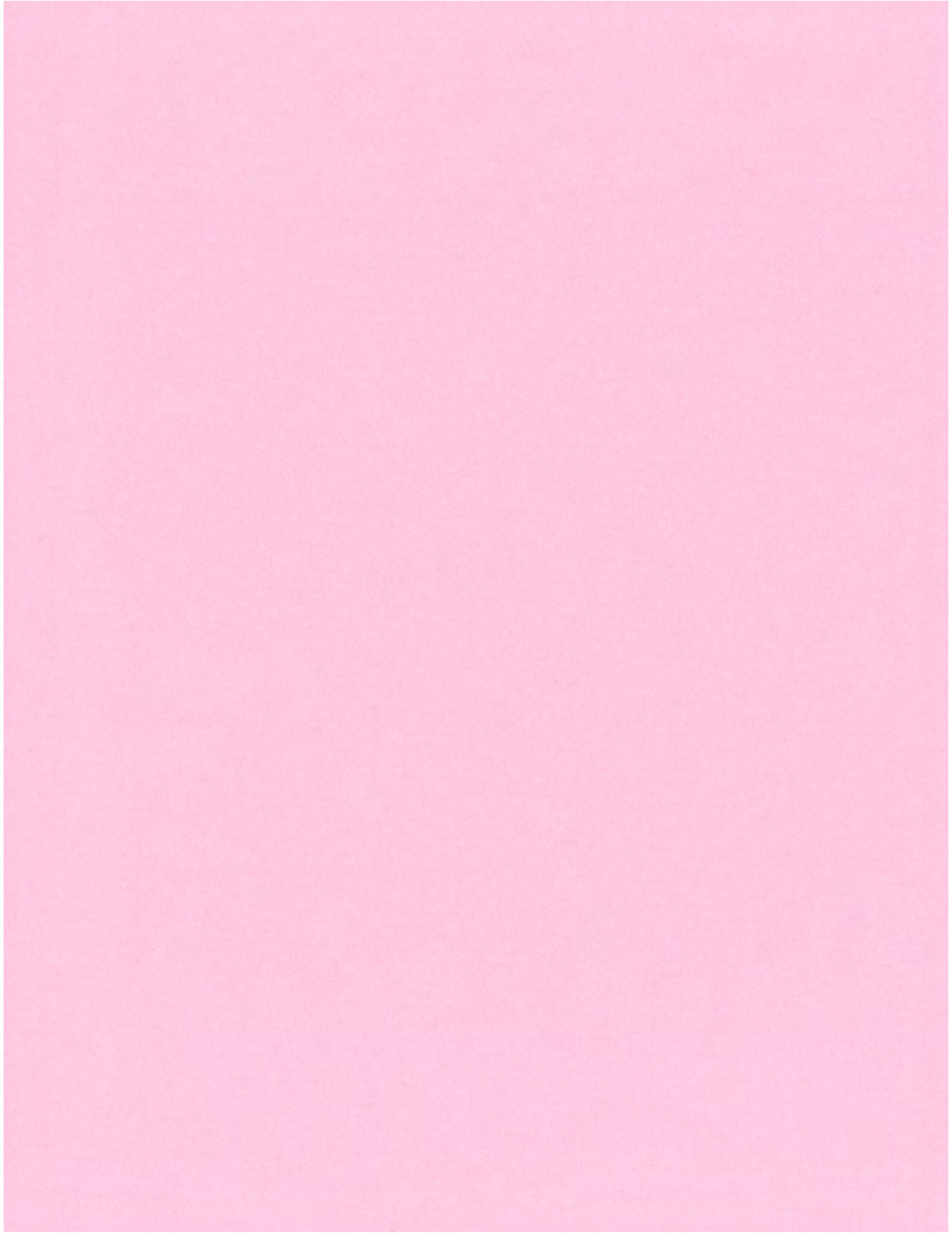
West Kentucky Risk Assistance Fund Guidelines

Kylee Palmer

Resolution of Recognition

Jean Hale

Adjournment



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING

May 25, 2023

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened in person and virtually at 10:00 a.m. on May 25, 2023, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

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

Roll Call

Jean R. Hale, J. Don Goodin, Secretary Holly Johnson, Chad Miller, and Mike Cowles

Staff Present: Raven Aiken, Tim Back, Tim Bates, Sarah Butler, Ashlee Chilton, Brandon Combs, Michael Crabtree, Stephanie Cullen, Rachael Dever, Colin Dodd, Danielle Dunmire, Michelle Elder, Ellen Felix, Joseph Gearon, Krista Harrod, Kate Hill, Malcolm Jollie, Matthew Jordan, Craig Kelly, Andy Luttner, Brandon Mattingly, Gabrielle McGee, Craig McKinney, Conner McJunkin, Camryn McManis, Jerod Metz, Danielle Milbern, Amy Mills, Sydney Montgomery, Nasim Moula, Kylee Palmer, Corky Peek, Cate Prather, Katie Smith, Christopher Snyder, Beth Sturm, Maurice Walker, Connor Wall, Matthew Wingate, Dan Wood, Tori Wood, and Ashiq Zaman

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Matt Zoellner, Scott, Murphy & Daniel; Melissa Perry and Kaitlin Craigmyle, Office of Financial Management; Dan Kanabroski, Warren Technology; Adam Ray, Brown and Kubican; Tammy Costellow, Logan Economic Alliance for Development; Matt O'Donnell, Sargent & Greenleaf, Inc.; Andy Ishmael, Kentucky Aluminum Processors, LLC; Josh Gooch, Harold Nally, Jamie-Joe Harris and Jennifer Maynard, Nutrition for Longevity, Inc.; Rob Jarosinski and Victoria McDevitt, Cellar Productions, LLC; Mattea Mitchell, Hickman County Industrial Development Authority; Maureen Carpenter, Barren County Economic Authority; Lori Brown, Monroe County Economic Development Center; Craig McAnelly, Jessamine County Joint Economic Development Authority; Soozie Eastman, 502Film; Kevin Atkins and Craig Bencz, Lexington Fayette Urban County Industrial Authority, Inc.; Katie Vandergrift, Commerce Lexington; Kenny Wilson, Hickman County Judge Executive, Mary Jackson, Niki Goldey, Rick Smith, Jeff Hodges, Devon Stansbury and Mark Green

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the April 27, 2023 regular KEDFA board meeting and executive session.

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

Approved/Undisbursed Report

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

Financial Statements and Monitoring Reports

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

Kentucky Product Development Initiative (KPDI-EDF)

Chairman Hale called on staff to present the KPDI-EDF projects to the Authority.

The Todd County Industrial Foundation, Inc. Todd County

**Ashlee Chilton
Brandon Combs**

Ashlee Chilton stated the Todd County Fiscal Court in partnership with The Todd County Industrial Foundation, Inc. is seeking to make infrastructure improvements to the Robertson Property, a vacant industrial development property, in Todd County. Todd County Fiscal Court and the City of Elkton will provide the match to the KPDI Funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Brandon Combs stated the Todd County Fiscal Court requested the use of \$297,568 in KPDI-EDF program funds for the benefit of The Todd County Industrial Foundation, Inc. The project investment is \$650,000 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Brandon Combs stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

Mike Cowles moved to approve the staff recommendation, as presented; Chad Miller seconded the motion. Motion passed; unanimous.

Wayne County Industrial Authority Wayne County

**Cate Prather
Brandon Combs**

Cate Prather stated the Wayne County Fiscal Court in partnership with the Wayne County Industrial Authority is seeking to extend water and sewer service at the Monticello Wayne County Business Park. The local match will be provided by TVA/RDAP funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Brandon Combs stated the Wayne County Fiscal Court requested the use of \$361,200 in KPDI-EDF program funds for the benefit of the Wayne County Industrial Authority. The project investment is \$722,400 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Brandon Combs stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

Chad Miller moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed; unanimous.

**LaRue County Industrial Foundation, Inc.
LaRue County**

**Cate Prather
Brandon Combs**

Cate Prather stated LaRue County Fiscal Court in partnership with LaRue County Industrial Foundation, Inc. is seeking to acquire a property, of approximately 69 acres, for industrial development. LaRue County Fiscal Court will provide the match via a bank loan. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Brandon Combs stated the LaRue County Fiscal Court requested the use of \$361,345 in KPDI-EDF program funds for the benefit of the LaRue County Industrial Foundation, Inc. The project investment is \$824,760 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Brandon Combs stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

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

**Jackson County/McKee Industrial Development Authority
Jackson County**

**Cate Prather
Brandon Combs**

Cate Prather stated the Jackson County Fiscal Court in partnership with Jackson County/McKee Industrial Development Authority is seeking to increase the marketability of property in the Jackson County Regional Industrial Park by making it Build-Ready Certified along with other upgrades of the site. The local match will be provided by CDBG and PRTC funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Brandon Combs stated the Jackson County Fiscal Court requested the use of \$95,000 in KPDI-EDF program funds for the benefit of the Jackson County/McKee Industrial Development Authority. The project investment is \$190,000 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Brandon Combs stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

Mike Cowles moved to approve the staff recommendation, as presented; Don Goodin seconded the motion. Motion passed; unanimous.

**Green Economic Team, Inc. of Greensburg, Green County
Green County**

**Cate Prather
Brandon Combs**

Cate Prather stated the Green County Fiscal Court in partnership with Green Economic Team, Inc. of Greensburg, Green County is seeking to construct a build ready pad along with additional infrastructure improvements at the Greensburg Industrial Park. The local match will be provided by the grantee. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Brandon Combs stated the Green County Fiscal Court requested the use of \$269,957 in KPDI-EDF program funds for the benefit of the Green Economic Team, Inc. of Greensburg, Green County. The project investment is \$591,600 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Brandon Combs stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

Mike Cowles moved to approve the staff recommendation, as presented; Don Goodin seconded the motion. Motion passed; unanimous.

**Barren County Economic Authority
Barren County**

**Andy Luttner
Joseph Gearon**

Andy Luttner stated the Barren County Fiscal Court in partnership with the Barren County Economic Authority is extending water, sewer, and natural gas infrastructure as well as grading 100 acres in the South Cooper Industrial Park. The Barren County Fiscal Court and the Barren County Economic Authority will provide the match to the KPDI funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Joseph Gearon stated the Barren County Fiscal Court requested the use of \$1,081,215 in KPDI-EDF program funds for the benefit of the Barren County Economic Authority. The project investment is \$6,533,223 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Joseph Gearon stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

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

**City of Versailles
Woodford County**

**Jerod Metz
Joseph Gearon**

Jerod Metz stated the City of Versailles in partnership with the Woodford County Fiscal Court is providing water and wastewater improvements to an industrial site to attract industry. The City of Versailles will provide the match to the KPDI funds. The project was identified by an

independent site selection consultant as having the potential for future investment/location of an economic development project.

Joseph Gearon stated the Woodford County Fiscal Court requested the use of \$653,104 in KPDI-EDF program funds for the benefit of the City of Versailles. The project investment is \$1,389,500 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Joseph Gearon stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

Mike Cowles moved to approve the staff recommendation, as presented; Chad Miller seconded the motion. Motion passed; unanimous.

**McCreary County Industrial Development Authority
McCreary County**

**Jerod Metz
Joseph Gearon**

Jerod Metz stated the McCreary County Fiscal Court in partnership with the McCreary County Industrial Development Authority is finishing construction on a speculative building. The McCreary County Fiscal Court will provide the match to the KPDI funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Joseph Gearon stated the McCreary County Fiscal Court requested the use of \$410,466 in KPDI-EDF program funds for the benefit of the McCreary County Industrial Development Authority. The project investment is \$2,000,000 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Joseph Gearon stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

Mike Cowles moved to approve the staff recommendation, as presented; Don Goodin seconded the motion. Motion passed; unanimous.

**Hickman County Industrial Development Authority
Hickman County**

**Corky Peek
Michelle Elder**

Corky Peek stated the Hickman County Fiscal Court in partnership with the Hickman County Industrial Development Authority is building an entryway into the Enterprise Park Clinton, in addition to water well and high-pressure pump work to attract new business to its community. Hickman County Industrial Development Authority will provide the match to the KPDI funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Michelle Elder stated the Hickman County Fiscal Court requested the use of \$76,564 in KPDI-EDF program funds for the benefit of the Hickman County Industrial Development Authority.

The project investment is \$153,128 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Michelle Elder stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

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

**Jessamine County Joint Economic Development Authority Inc.
Jessamine County**

**Colin Dodd
Michelle Elder**

Colin Dodd stated the Jessamine County Fiscal Court in partnership with the Jessamine County Joint Economic Development Authority, Inc. is completing improvements of the Jenette Industrial Park to attract new business to its community. The Jessamine County Joint Economic Development Authority, Inc. will provide the match to the KPDI funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Michelle Elder stated the Jessamine County Fiscal Court requested the use of \$1,287,955 in KPDI-EDF program funds for the benefit of the Jessamine County Joint Economic Development Authority Inc. The project investment is \$2,962,284 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the funds for this project. Michelle Elder stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

Mike Cowles moved to approve the staff recommendation, as presented; Don Goodin seconded the motion. Motion passed; unanimous.

**Lexington Fayette Urban County Industrial Authority Inc.
Fayette County**

**Colin Dodd
Michelle Elder**

Colin Dodd stated the Lexington-Fayette Urban County Government in partnership with the Lexington Fayette Urban County Industrial Authority, Inc. will complete improvements to the Legacy Business Park. The Lexington-Fayette Urban County Government will provide the match for the KPDI Funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Michelle Elder stated the Lexington-Fayette Urban County Government requested the use of \$2,000,000 in KPDI-EDF program funds for the benefit of the Lexington-Fayette Urban County Industrial Authority, Inc.. The project investment is \$6,035,420 and the proposed KPDI-EDF funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to

CED's use of the funds for this project. Michelle Elder stated the Secretary's concurrence had been received.

Staff recommended approval of the KPDI-EDF request.

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

Kentucky Business Investment (KBI) Project (Amendment)

Chairman Hale called on Beth Sturm to present the KBI project amendment to the Authority.

Rajant Corporation

Rowan County

Beth Sturm stated Rajant Corporation received Final Approval on May 30, 2019 for a KBI project to establish a leased manufacturing facility producing wireless network solutions for homeland security, first responders, and various other industries. The project activated May 30, 2021. Following activation, the company purchased a building and effective January 1, 2022, terminated its lease and relocated the project from the City of Morehead to the new site on Industry Road in Rowan County. The Rowan County Fiscal Court has agreed to increase the county's local wage assessment participation from .5% to 1.0% to compensate for the relocation of the project outside the taxing jurisdiction of the City of Morehead. Also, effective January 1, 2022, the company wishes to adopt the revised definition of "Full-time job" as approved by KEDFA Resolution 2021-0624.

Staff recommended approval of the KBI amendment request.

Mike Cowles moved to approve the staff recommendation, as presented; Chad Miller seconded the motion. Motion passed; unanimous.

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

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

Craig Kelly stated 11 companies requested additional time to complete the projects and asked that all 11 be presented as one motion.

Company	County	Extension
Flottweg Separation Technology, Inc.	Boone	3 Months
Atkore Plastic Pipe Corporation	Jefferson	12 Months
Bluegrass Distillers	Fayette	12 Months
BuildMyPlace, LLC	Jefferson	12 Months
Columbia Sportswear USA Corporation	Henderson	12 Months
Contemporary Ampere Technology Kentucky LLC	Barren	12 Months
Kimberly-Clark Corporation	Daviess	12 Months
MB Roland Distillery, Inc.	Christian	12 Months
New Riff Distilling, LLC	Campbell	12 Months
United Parcel Service Co.	Jefferson	12 Months
Rajant Corporation	Rowan	12 Months

Staff recommended approval of the KEIA extension requests.

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

KBI (Preliminary) and KEIA Project

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

Kentucky Aluminum Processors, LLC Logan County

**Corky Peek
Michelle Elder**

Corky Peek stated Kentucky Aluminum Processors, LLC is considering the construction of a facility in Logan County. This new facility will process the recovery of aluminum from dross and scrap material which will then be used to manufacture molten aluminum and sows on site.

Michelle Elder stated the project investment is \$36,585,000 of which \$22,900,000 qualifies as KBI eligible costs and \$15,960,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 75 with an average hourly wage of \$41.00 including benefits. The state wage assessment participation is 3.0% and the City of Russellville will participate at 0.73% and Logan County will participate at 0.27%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,000,000 and the KEIA approved recovery amount of \$250,000 for construction materials and building fixtures.

Chad Miller moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed; unanimous.

KBI Project (Preliminary)

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

Sargent & Greenleaf, Inc. Jessamine County

**Colin Dodd
Michelle Elder**

Colin Dodd stated Sargent & Greenleaf, Inc. builds high-security locks that have been trusted by governments, banks and businesses to meet all the security needs for years. The company is considering an expansion at the Jessamine County location to meet the customer demands.

Michelle Elder stated the project investment is \$1,250,000 of which \$450,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 19 with an average hourly wage of \$24.41 including benefits. The state wage assessment participation is 3.0% and the City of Nicholasville will participate at 0.6% and Jessamine County will participate at 0.4%.

The company will be required to maintain a base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000.

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

Nutrition for Longevity, inc. Boyle County

**Colin Dodd
Michelle Elder**

Colin Dodd stated Nutrition for Longevity, Inc. is considering moving the company's headquarter location from New Jersey to Danville. The company is also interested in expanding their current fresh Home Delivery and Medically Tailored Meal Preparation Manufacturing facilities to this location.

Michelle Elder stated the project investment is \$18,913,661 of which \$15,313,661 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 287 with an average hourly wage of \$25.22 including benefits. The state wage assessment participation is 4.5%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$4,000,000.

Don Goodin moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed; unanimous.

**Kelvin Corporation
Jefferson County**

**Cate Prather
Michelle Elder**

Cate Prather stated the Kelvin Corporation supplies new and used barrels to leading distilleries throughout the world. The company maintains the highest level of quality and service at every step of the coopering process. Kelvin is considering expanding the footprint of the current facility to allow more efficiency in the wood processing division in order to produce more premium barrels.

Michelle Elder stated the project investment is \$11,800,000 of which \$5,000,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 30 with an average hourly wage of \$21.19 including benefits. The state wage assessment participation is 3.0% and Louisville Metro will participate at 1.0%.

The company will be required to maintain a base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval. The project will include multiple locations within Louisville/Jefferson County. Only investment costs incurred at 1201 Outer Loop will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$360,000.

Chad Miller moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed; unanimous.

**Kroger Fulfillment Network LLC
Boone County**

**Ashlee Chilton
Brandon Combs**

Ashlee Chilton stated Kroger Fulfillment Network LLC is a wholly owned subsidiary of The Kroger Co. and is seeking a new location, possibly in Boone County, to expand Kroger's ecommerce reach in Kentucky. This Kroger delivery network facility would support the customer fulfillment center by extending delivery reach for customers to access affordable, healthy, and fresh foods.

Brandon Combs stated the project investment is \$554,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 98 with an average hourly wage of \$24.28 including benefits. The state wage assessment participation is 1.5% and Boone County will participate at 0.4%.

The company will be required to maintain a base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval at all

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

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$550,000.

Mike Cowles moved to approve the staff recommendation, as presented; Don Goodin seconded the motion. Motion passed; unanimous.

KBI Projects (Extension)

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

Michelle Elder stated 5 companies requested additional time to complete the projects and asked that all 5 be presented as one motion.

Company	County	Extension
Log Still Distilling, LLC	Nelson	12 Month
Pennington Stave and Cooperage Corp	Metcalfe	12 Month
Rajant Corporation	Rowan	12 Month
Richmond Auto Parts Technology, Inc.	Madison	12 Month
SSW Advanced Technologies	Jefferson	12 Month

Staff recommended approval of the KBI extension requests.

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

KBI Projects (Final)

Chairman Hale called on Brandon Combs to present the KBI final projects to the Authority.

Brandon Combs stated 4 companies requested KBI final approval, all of which have modifications since preliminary approval. Mr. Combs asked that all 4 be presented as one motion.

Modifications:

HHO Carbon Clean Systems LLC McCracken Manufacturing

Total investment and eligible costs have been updated based on the current projections. State wage assessment has been updated to reflect the current rate. All other aspects of the project remain the same.

Investors Life Heritage Life Insurance Company Franklin Service or Technology

The following affiliates have been added to the project; Investors Heritage Solutions, Inc. and Via Management Solutions LLC. All other aspects of the project remain the same.

Kentucky Fresh Harvest, LLC Lincoln Agribusiness

Total investment and eligible costs have been updated based on the current projections. The activity at the project site has changed from service & technology to agribusiness. State wage assessment has been updated to reflect the current rate. All other aspects of the project remain the same.

CMTA, Inc.**Jefferson****Service or Technology**

Total investment and eligible costs have been updated based on the current projections. All other aspects of the project remain the same.

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

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

Kentucky Entertainment Incentive (KEI) Projects (Final)

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

Against Sunrise LLC**Tim Bates****Land Lord**

Tim Bates stated that Against Sunrise LLC plans to produce a Feature-Length Film, Land Lord, in Bourbon and Jefferson Counties. Production is set to begin as early as May 29, 2023 and is anticipated to end by December 31, 2024. The Company anticipates \$188,240 in qualifying payroll expenditures and \$87,400 in qualifying non-payroll expenditures for a total of \$275,640. The company also anticipates employing 48 Kentucky resident crew members and 0 Non-Kentucky resident crew members for a total production crew of 48.

Staff recommended a total negotiated tax incentive amount of \$92,104.

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

Annie on Tour, LLC**Tim Bates****Annie**

Tim Bates stated that Annie on Tour, LLC plans to produce a National Touring Broadway Show, Annie, in McCracken County. Production is set to begin as early as September 5, 2023 and is anticipated to end by October 7, 2023. The Company anticipates \$477,557 in qualifying payroll expenditures and \$380,975 in qualifying non-payroll expenditures for a total of \$858,532. The company also anticipates employing 75 Kentucky resident crew members and 66 Non-Kentucky resident crew members for a total production crew of 141.

Staff recommended a total negotiated tax incentive amount of \$300,486.

Mike Cowles moved to approve the staff recommendation, as presented. Chad Miller seconded the motion. Motion passed; unanimous.

Cellar Productions LLC**Joseph Gearon****Greetings from the Cellar**

Joseph Gearon stated that Cellar Productions LLC plans to produce a Television Program, Greetings from the Cellar, in Boone, Campbell and Kenton Counties. Production is set to begin as early as June 1, 2023 and is anticipated to end by August 30, 2023. The Company anticipates \$125,000 in qualifying payroll expenditures and \$75,000 in qualifying non-payroll expenditures for a total of \$200,000. The company also anticipates employing 0 Kentucky resident crew members and 22 Non-Kentucky resident crew members for a total production crew of 22.

Staff recommended a total negotiated tax incentive amount of \$60,000.

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

**Pan Touring LLC
Peter Pan**

Joseph Gearon

Joseph Gearon stated that Pan Touring LLC plans to produce a National Touring Broadway Show, Peter Pan, in McCracken County. Production is set to begin as early as November 17, 2023 and is anticipated to end by December 3, 2023. The Company anticipates \$440,078 in qualifying payroll expenditures and \$276,040 in qualifying non-payroll expenditures for a total of \$716,118. The company also anticipates employing 79 Kentucky resident crew members and 82 Non-Kentucky resident crew members for a total production crew of 161.

Staff recommended a total negotiated tax incentive amount of \$250,641.

Mike Cowles moved to approve the staff recommendation, as presented. Chad Miller seconded the motion. Motion passed; unanimous.

Kentucky Small Business Tax Credit (KSBTC) Projects

Chairman Hale called on Tim Back to present the KSBTC projects to the Authority.

Tim Back stated there are 15 Kentucky small businesses, from 11 counties with qualifying tax credits of \$70,000. The 15 businesses created 20 jobs and invested \$200,826 in qualifying equipment and/or technology.

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

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/Technology	Tax Credit Amount
BGS Kentucky, LLC	Fayette	1	1	\$17.31	\$5,697	\$3,500
Brian Bumm Designs LLC	Daviess	0	1	\$25.00	\$32,705	\$3,500
Carlisle Milling, LLC	Graves	5	1	\$17.50	\$16,200	\$3,500
Consultant Solutions, Incorporated	Fayette	38	2	\$23.30	\$27,995	\$7,000
Corvin's Furniture & Carpet, LLC	Nelson	22	1	\$34.75	\$16,981	\$3,500
Dyer and Pine Company, Inc.	Jefferson	3	1	\$33.52	\$5,421	\$3,500
EF Enterprises, Inc.	Calloway	9	1	\$19.00	\$5,836	\$3,500
Green River Accounting	Hart	4	4	\$20.65	\$23,161	\$14,000

and Tax Solutions LLC						
Gutter Boyz of Kentucky, LLC	Marshall	5	2	\$14.54	\$11,000	\$7,000
Harris Federal Law Firm L.L.C.	Fayette	3	1	\$30.00	\$7,591	\$3,500
Health Choice Enterprises, LLC	Jefferson	7	1	\$21.63	\$13,033	\$3,500
Luna's Coffee, Wine, and Butterfly Farm Limited Liability Company	Jessamine	0	1	\$21.50	\$5,122	\$3,500
Milk & Honey, LLC	Jefferson	0	1	\$12.00	\$15,399	\$3,500
The Joint - BBQ, Wings & More LLC	Lyon	1	1	\$18.99	\$8,310	\$3,500
Wilder Iron Works LLC	Campbell	5	1	\$19.00	\$6,375	\$3,500

Staff recommended approval of the tax credits.

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

Kentucky Angel Investment Act Projects

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

Tim Back stated there are 10 Kentucky Angel Investment Act projects representing 2 Kentucky businesses and 10 investors for a total projected investment of \$1,052,087 with eligible tax credits of \$263,021. The investor will have 80 calendar days in which to make the planned investment and submit proof of the investment before receiving the tax credit.

Tim Back requested the following proposed Kentucky Angel Investment tax credits be presented as one motion:

Qualified Investor	Qualified Small Business	County	Projected Investment	Potential Tax Credit
George Rodney Wolford	PowerTech Water, Inc.	Fayette	\$25,000	\$6,250
Daniel S. Diachun	PowerTech Water, Inc.	Fayette	\$100,000	\$25,000
Alan R. Hawse	PowerTech Water, Inc.	Fayette	\$100,000	\$25,000
Christopher H. Young	PowerTech Water, Inc.	Fayette	\$150,000	\$37,500
Jonathan F. Chait	PowerTech Water, Inc.	Fayette	\$50,000	\$12,500
Roy T. Toutant	PowerTech Water, Inc.	Fayette	\$50,000	\$12,500

Jason Alan Young	Wendal Inc	Kenton	\$200,012	\$50,003
Corey Paul Grace	Wendal Inc	Kenton	\$27,016	\$6,754
Craig D. Sumerel	Wendal Inc	Kenton	\$200,012	\$50,003
Tobias J. Moeves	Wendal Inc	Kenton	\$150,047	\$37,511

Staff recommended approval of the proposed Angel Investment tax credits.

Chad Miller moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed; unanimous.

Adjournment

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

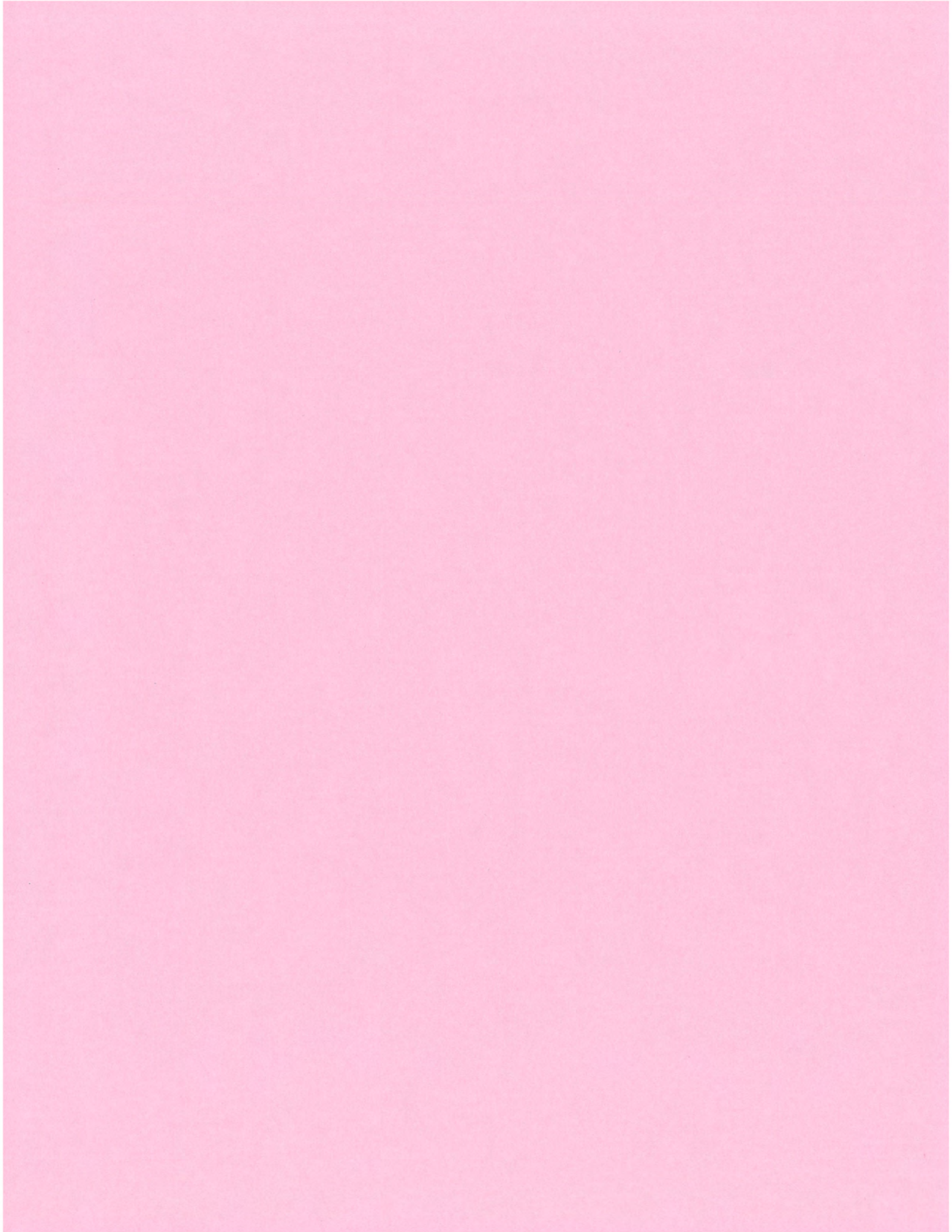
Chad Miller moved to adjourn the May KEDFA board meeting; Don Goodin seconded the motion. Motion passed; unanimous.

The meeting adjourned at 10:54 a.m.

**APPROVED
PRESIDING OFFICER:**



Jean R. Hale, Chairman



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

SPECIAL MEETING

May 31, 2023

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority convened in person and virtually at 10:05 am on May 31, 2023, at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway, Board of Directors Conference Room, 1st Floor, in Frankfort, Kentucky, for a special meeting to consider a Kentucky Jobs Retention Act Project in Scott County.

Notification of Press

Jean R. Hale, Chairman, received verification that the media had been notified of the KEDFA Special Board Meeting.

Roll Call

Jean R. Hale, J. Don Goodin, Secretary Holly Johnson, Tucker Ballinger, Mike Cowles and Naashom Marx

Staff Present: Raven Aiken, Sarah Butler, Brandon Combs, Rachael Dever, Michelle Elder, Ellen Felix, Andy Luttner, Brandon Mattingly, Gabrielle McGee, Craig McKinney, Kylee Palmer, Cate Prather, Katie Smith, and Beth Sturm

Others Present: Mike Herrington, Stites & Harbison; Chris Otts, WDRB; Niki Goldey, Commerce Lexington Economic Development; Caleb George, Kentucky Community and Technical College System; Kim Menke, Toyota Motor North America; Marcus Green, Matthew Glowicki, Roxann Fry, Scott Lusk and Bruce Wilcox

Kentucky Jobs Retention Act (KJRA) Project

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

Toyota Motor Manufacturing, Kentucky, Inc. Scott County

**Andy Luttner
Michelle Elder**

Andy Luttner stated Toyota Motor Manufacturing, Kentucky, Inc., known as TMMK, in Georgetown represents Toyota's first wholly owned manufacturing facility in the United States and the company's largest plant in the world. TMMK currently builds the Camry and Lexus ES traditional gas vehicles, Hybrid Camry, RAV4 and Lexus ES, and the facility also machines and assembles four-cylinder & V-6 engines. The plant includes 9.2 million square feet with a production capacity of 550,000 vehicles, 600,000 engines and assembles Hydrogen Fuel-cell Modules stacks for the emerging Class 8 Heavy Trucks. The proposed project is to capitalize on the previous TMMK Reborn, Toyota New Global Architecture to improve the vehicle production flexibility & capability of the type of powertrain and size of vehicle manufactured and introduce a new vehicle to the facility along with any necessary sub-assembly processes. Investment and process changes will be incurred to introduce the new vehicle and implement several facility-wide carbon reduction activities to meet Toyota's carbon reduction targets.

Michelle Elder stated the third supplemental project investment is \$591,485,000 of which \$443,613,750 qualifies as KJRA eligible costs. The highest job target over the term of the agreement is 8,950. The state wage assessment participation is 4.0% and The City of Georgetown and Scott County Fiscal Court will each participate at 0.5% for a combined 1.0%.

Total cumulative investment of \$2,795,925,000 to be achieved by March 31, 2026. If the investment is less than \$2,795,925,000, the Total Negotiated Tax Incentive Amount will be reduced to equal the sum of \$212,500,000 (original, first and second supplemental incentive amount) plus 4.6% of the investment above \$2,204,440,000 (original, first and second supplemental projected investment). The term of the Agreement matures on March 31, 2033. TMMK will be subject to automatic reduction of available incentives for the succeeding fiscal year upon failure to achieve ninety percent (90%) of the job target in any year of the agreement term. The maximum annual incentive for the fiscal year following the year in which TMMK achieves less than 90% of the job target shall be reduced pro rata to the percentage of job target achieved for the prior fiscal year. The company will also be subject to suspension of claiming incentives for the succeeding fiscal year upon failure to achieve a job target of 7,750 full-time, Kentucky resident employees in any year of the agreement term after March 31, 2023. The amount not claimed during the suspension may be used as a carryforward amount in future years once compliance is confirmed.

Staff recommended approval of an increase in the KJRA negotiated tax incentive amount to \$240,000,000.

Naashom Marx moved to approve staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed; unanimous.

Adjournment

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

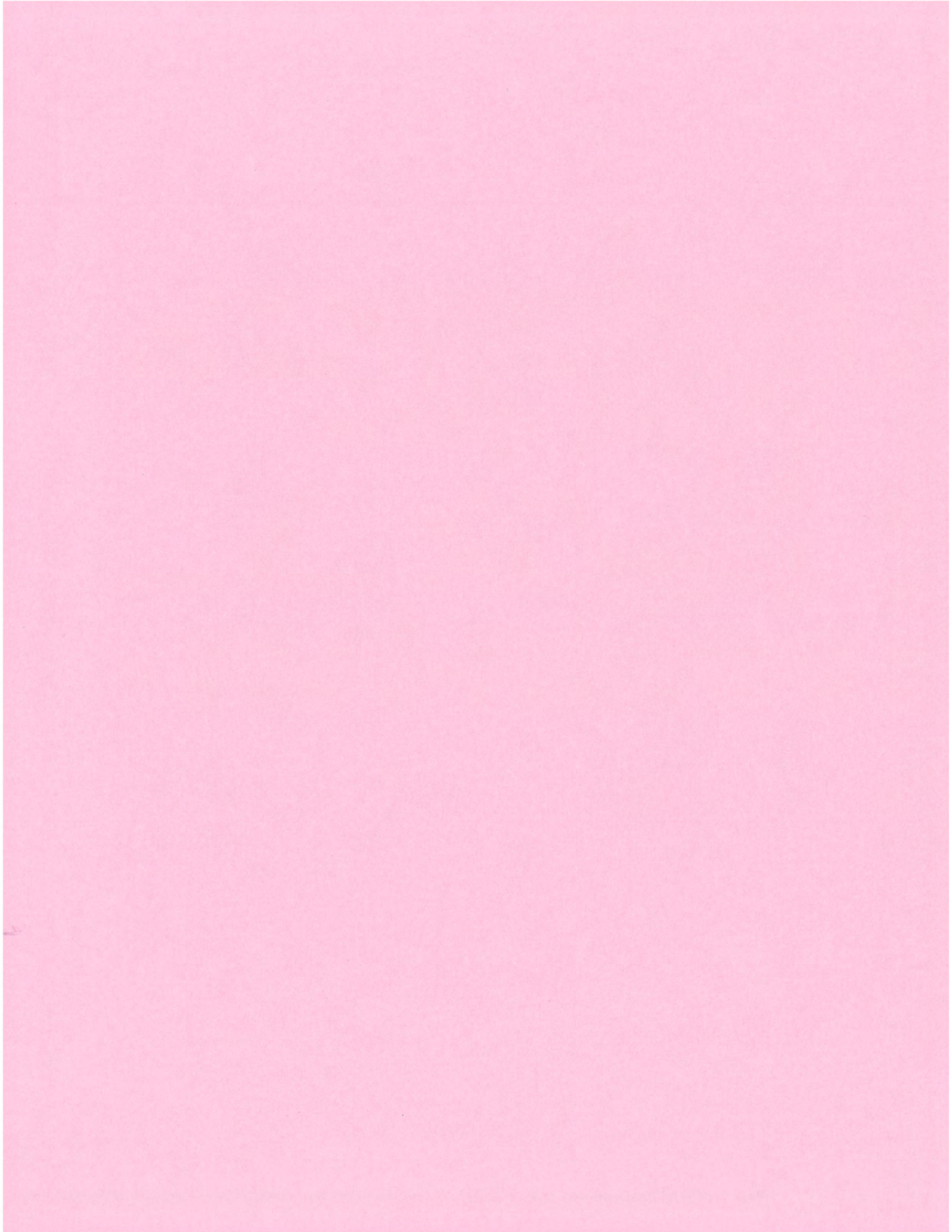
Secretary Holly Johnson moved to adjourn the KEDFA Special Board Meeting; Tucker Ballinger seconded the motion. Motion passed; unanimous.

The meeting adjourned at 10:12 a.m.

**APPROVED
PRESIDING OFFICER:**



Jean R. Hale, Chairman



KEDFA APPROVED AND NOT DISBURSED

5/31/2023

Approved and Undisbursed KEDFA Projects

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

None

KEDFA GRANTS

Knox County Fiscal Court	22283	Knox	Oct-15	Oct-24	\$310,050
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SMALL BUSINESS LOANS

None

TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)-FUND E					<u>\$310,050</u>
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RURAL HOSPITAL LOANS

Deaconess Union County Hospital, Inc.	117619	Union	Jan-23	Jan-24	\$1,000,000
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TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)-KRHLP FUND					<u>\$1,000,000</u>
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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 LOANS

BlueOval SK, LLC	117499	Hardin	Dec-22	Dec-26	\$250,000,000	(\$225,000,000)	\$25,000,000
Envision AESC Bowling Green, LLC	117498	Warren	Dec-22	Dec-29	\$116,800,000	(\$105,120,090)	\$11,679,910

KEDFA GRANTS

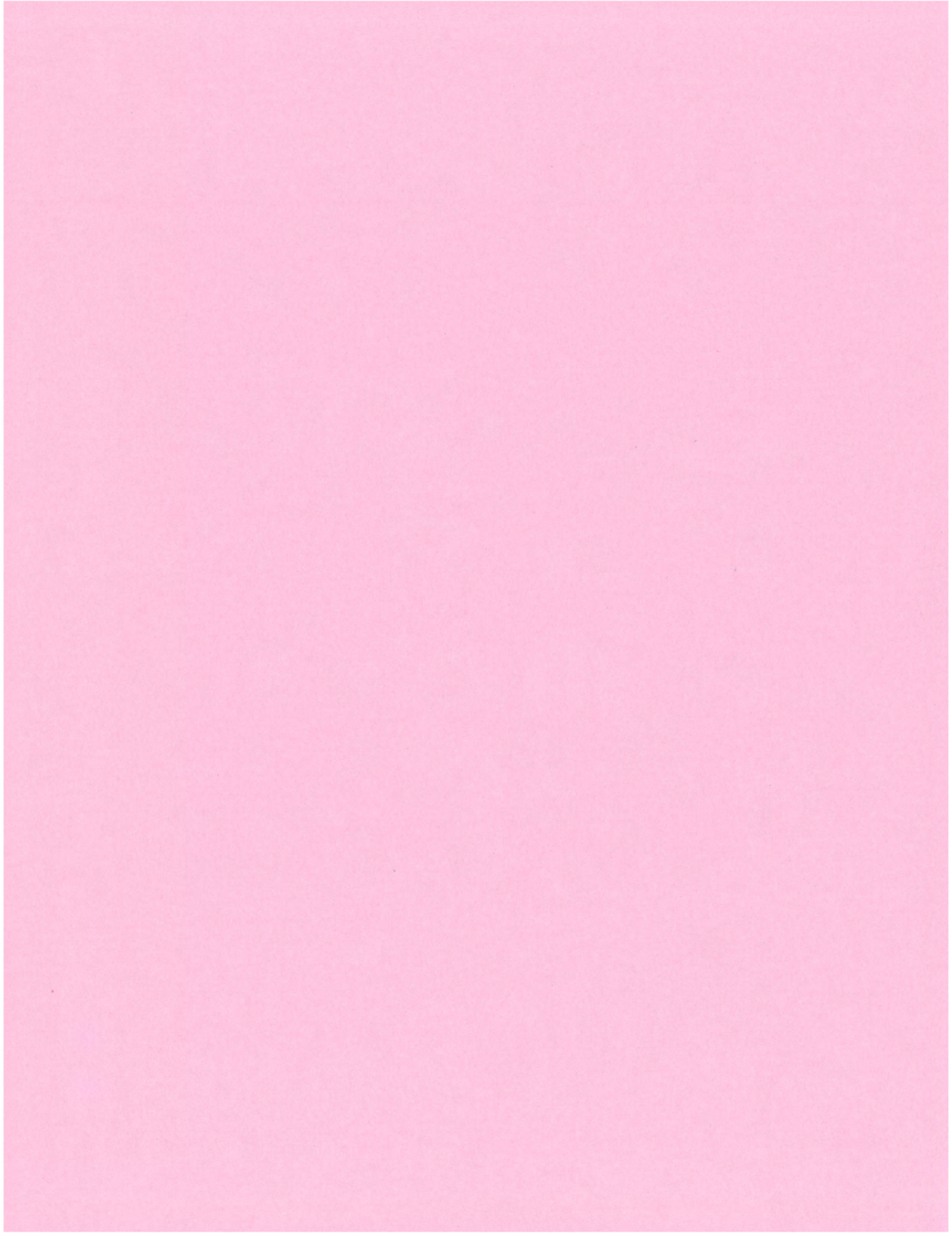
None

TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)-FUND E							<u>\$36,679,910</u>
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Ohio County Hospital Corporation	103043	Ohio	Aug-22	Aug-23	\$999,705	(\$108,974)	\$890,731
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TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)-KRHLP FUND							<u>\$890,731.00</u>
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TOTAL KEDFA APPROVED AND NOT DISBURSED-FUND E**\$36,989,960****TOTAL KEDFA APPROVED AND NOT DISBURSED-KRHLP FUND****\$1,890,731.00**



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH ENDING AND FISCAL YTD May 31, 2023

	FUND A	BOND FUND	Small Bus Loan Pool	KRHLP FUND	GENERAL FUND	OOE FUND	FY 2022-2023 YEAR TO DATE	FY 2021-2022 YEAR TO DATE
Operating Revenues - KEDFA								
Interest Income/Loans	8,359.05	257.28	0.00	2,619.86	0.00	0.00	115,459.45	114,705.73
Interest Income/ Investments	158,048.54	49,883.57	1,692.05	10,329.73	0.00	0.00	1,461,977.72	6,978.67
Late Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Application Fees	40,805.64	0.00	0.00	0.00	0.00	0.00	729,573.72	550,197.35
Miscellaneous Income	114,530.40	0.00	0.00	0.00	0.00	0.00	114,994.14	3.69
Total Operating Revenues - KEDFA	321,743.63	50,140.85	1,692.05	12,949.59	0.00	0.00	2,422,005.03	671,885.44
Operating Expenses - KEDFA								
Salaries	(19,629.96)				9,987.32		1,157,297.07	1,077,882.05
Employee benefits	(9,196.35)				10,107.16		1,151,834.13	1,145,582.44
Pension Liability Adjustment	0.00						0.00	0.00
OPEB Liability Adjustment	0.00						0.00	0.00
Other Personnel Costs	0.00						0.00	0.00
Contracted Personal Services	12,430.36						151,047.01	126,217.84
Maintenance and Repairs	0.00						0.00	0.00
Computer Services	0.00						14,820.00	0.00
Supplies	0.00						1,245.00	14,205.00
Miscellaneous Services	0.00						0.00	0.00
Travel	1,022.58						2,974.79	16.00
Dues	0.00						774.00	2,595.00
Commodities Expense	0.00						0.00	0.00
Bad Debt Expense	4,375,000.00						4,375,000.00	4,375,000.00
Grant Disbursement	0.00						0.00	0.00
Total Operating Expenses - KEDFA	4,359,626.63	0.00	0.00	0.00	20,094.48	0.00	6,854,992.00	6,742,083.93
Income (Loss) from Operations - KEDFA	(4,037,883.00)	50,140.85	1,692.05	12,949.59	(20,094.48)	0.00	(4,432,986.97)	(6,070,198.49)
Non-Operating Revenues (Expenses) - KEDFA								
Operating Transfer Out - General Fund	0.00						0.00	0.00
Operating Transfer Out - BSSC							0.00	0.00
Transfer Due from Bonds							(71,724.00)	0.00
Repayments Received from Projects							15,000,000.00	
Grants Disbursed							(100,000.00)	(100,000.00)
Operating Transfer In - General Fund					20,094.48		370,015,051.78	3,414,962.19
Operating Transfer In - Economic Dev	0.00						0.00	0.00
Unrealized Gains/(Losses) on Investment	0.00						0.00	0.00
Realized Gains/(Losses) on Investment	0.00						0.00	0.00
Total Non-Operating Revenues (Expenses) -	0.00	0.00	0.00	0.00	20,094.48	0.00	384,843,327.78	3,314,962.19
CHANGE IN NET POSITION - KEDFA	(4,037,883.00)	50,140.85	1,692.05	12,949.59	0.00	0.00	380,410,340.81	(2,755,236.30)
Operating Revenues (Expenses) - OOE								
Interest Income - Loans					0.00	0.00	0.00	0.00
Misc Income					0.00	0.00	0.00	0.00
Disbursements: Projects (Note 1)							0.00	0.00
Repayments received from Projects							0.00	0.00
Non-Operating Revenues (Expenses) - OOE								
Operating Transfer in - OOE							0.00	0.00
Transfer Due from Bonds							0.00	0.00
Operating Transfer Out - OOE					0.00	0.00	0.00	0.00
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00		0.00	0.00	0.00	0.00
CHANGE IN NET POSITION - COMBINED	(4,037,883.00)	50,140.85	1,692.05	12,949.59	0.00	0.00	380,410,340.81	(2,755,236.30)

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
5/31/2023

	<u>5/31/2022</u>	<u>5/31/2023</u>
Fund A Cash Balance	\$8,249,656.72	\$39,626,656.94
Less: Approved/Undisbursed		
Total Unobligated Balance	<u>\$8,249,656.72</u>	<u>\$39,626,656.94</u>
 2003 Bond Fund Cash Balance	 \$13,745,493.72	 \$12,316,851.84
Less: Approved/Undisbursed	(481,774.00)	(86,789,618.27)
Total Unobligated Balance	<u>\$13,263,719.72</u>	<u>(\$74,472,766.43)</u>
 Small Business Loan Fund Cash Balance	 \$412,990.98	 \$424,124.72
Less: Approved/Undisbursed		
Total Unobligated Balance	<u>\$412,990.98</u>	<u>\$424,124.72</u>
 Kentucky Rural Hospital Loan Fund Cash Balance	 \$2,344,138.90	 \$2,179,915.88
Less: Approved/Undisbursed	(2,237,654.00)	(1,890,730.75)
Total Unobligated Balance	<u>\$106,484.90</u>	<u>\$289,185.13</u>
 Bond Funds to be Provided for Loans	 \$0.00	
Less: Approved/Undisbursed	0.00	0.00
Total Unobligated Balance	<u>\$0.00</u>	<u>\$0.00</u>
 Budget: Cash to be Transferred to Other CED Programs	 <u>\$0.00</u>	 <u>\$86,479,568.27</u>
 CASH AVAILABLE	 <u><u>\$22,032,852.32</u></u>	 <u><u>\$52,346,768.63</u></u>
 OCI Fund Cash Balance		
High Tech Construction Pool	\$137,500.00	\$137,500.00
Less: Approved/Undisbursed	\$0.00	\$0.00
High Tech Investment Pool	\$2,529,130.64	\$2,529,130.64
Less: Approved/Undisbursed	\$0	\$0
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects		
Bond Funds Available for Projects		
Total Unobligated Balance	<u>\$2,670,675</u>	<u>\$2,670,675</u>
 TOTAL ALL FUNDS	 <u><u>\$24,703,526.84</u></u>	 <u><u>\$55,017,443.15</u></u>

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

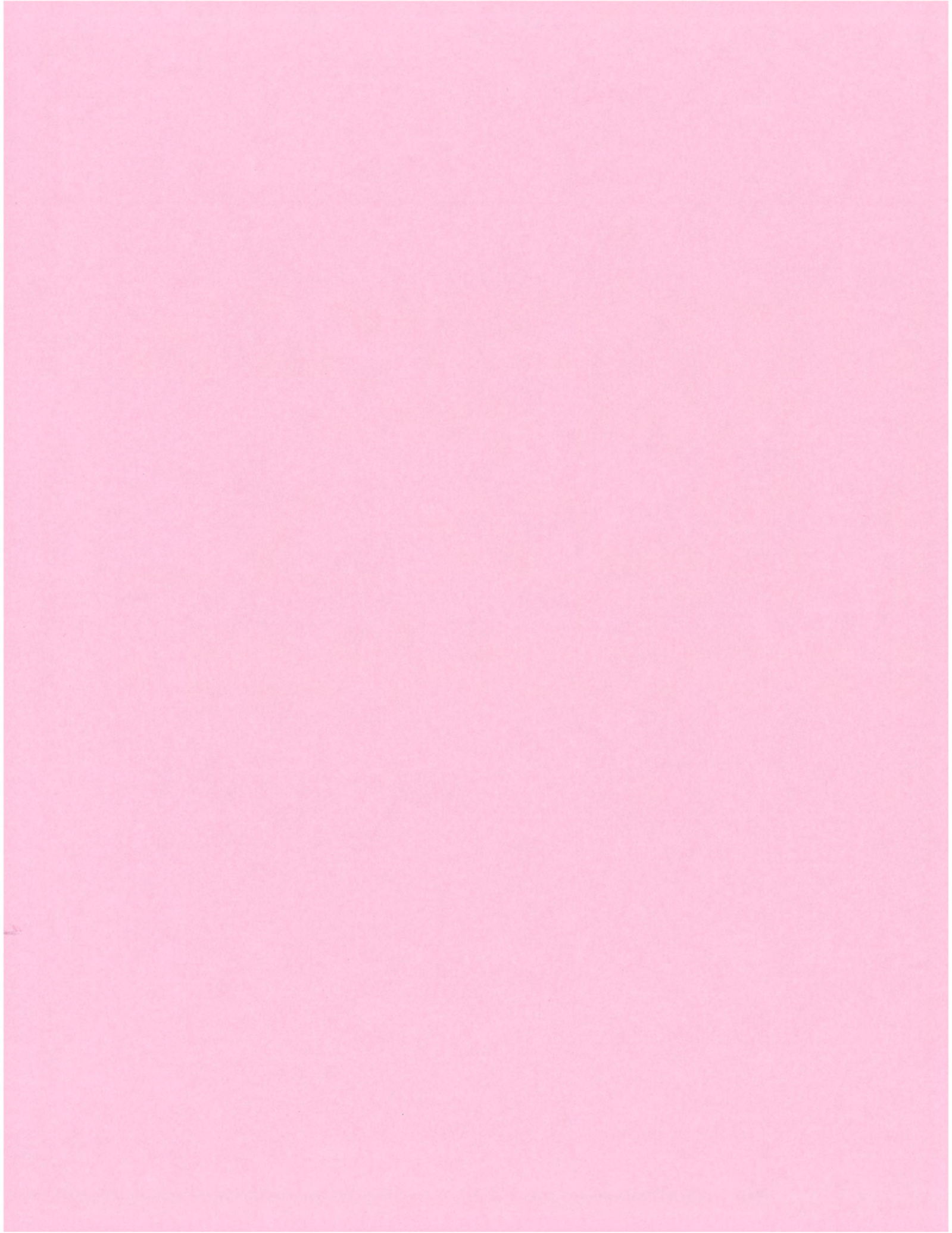
STATEMENT OF NET POSITION

5/31/2023

	FUND A	BOND FUND	Small Bus. Loan Pool	KRHLP FUND	GENERAL FUND	KEDFA 5/31/23	OOE 5/31/23	COMBINED 5/31/23
<u>ASSETS</u>								
Cash & Accounts Receivable								
Operating Account	492,242.61	0.00	0.00	0.00	0.00	492,242.61	0.00	492,242.61
Cash	24,626,656.94	12,316,851.84	424,124.72	2,179,915.88	0.00	39,547,549.38	0.00	39,547,549.38
Cash - Restricted	15,000,000.00	0.00	0.00	0.00	0.00	15,000,000.00	0.00	15,000,000.00
High Tech Construction Pool	0.00	0.00	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	0.00	0.00	2,529,130.64	2,529,130.64
High Tech LGEDF Pool	0.00	0.00	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	0.00	0.00
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intergovernment Receivable	86,789,618.27	0.00	0.00	0.00	0.00	86,789,618.27	0.00	86,789,618.27
Total Cash & Accounts Receivable	126,908,517.82	12,316,851.84	424,124.72	2,179,915.88	0.00	141,829,410.26	2,670,674.52	144,500,084.78
Accrued Interest Receivable								
Loans	33,042.52	(754.50)	0.00	10,037.69	0.00	42,325.71	0.00	42,325.71
Investments	158,048.54	49,883.57	1,692.05	10,329.73	0.00	219,953.89	0.00	219,953.89
Total Accrued Interest Receivable	191,091.06	49,129.07	1,692.05	20,367.42	0.00	262,279.60	0.00	262,279.60
Notes Receivable								
Loans Receivable	301,473,874.31	154,250.00	0.00	4,146,941.79	0.00	305,775,066.10	0.00	305,775,066.10
(Allowance for Doubtful Accounts)		0.00	0.00	0.00	0.00	(1,477,808.43)	0.00	(1,477,808.43)
Total Notes Receivable	301,473,874.31	154,250.00	0.00	4,146,941.79	0.00	304,297,257.67	0.00	304,297,257.67
TOTAL ASSETS	428,573,483.19	12,520,230.91	425,816.77	6,347,225.09	0.00	446,388,947.53	2,670,674.52	449,059,622.05
DEFERRED OUTFLOWS OF RESOURCES:								
<i>Deferred Outflows Pension</i>						791,000.00	0.00	791,000.00
<i>Deferred Outflows OPEB</i>						687,000.00	0.00	687,000.00
<u>LIABILITIES</u>								
Accrued Salaries & Compensated Absences						343,544.51	0.00	343,544.51
Accounts Payable							0.00	0.00
Intergovernment Payable								0.00
Grants Payable						0.00	0.00	0.00
Pension Liability						11,941,000.00	0.00	11,941,000.00
OPEB Liability						2,033,000.00	0.00	2,033,000.00
TOTAL LIABILITIES						14,317,544.51	0.00	14,317,544.51
DEFERRED INFLOWS OF RESOURCES								
<i>Deferred Inflows Pension</i>						595,000.00	0.00	595,000.00
<i>Deferred Inflows OPEB</i>						534,000.00	0.00	534,000.00
<u>NET POSITION</u>								
Beginning Balance						52,010,062.21	2,670,674.52	54,680,736.73
Current Year Undivided Profits						380,410,340.81	0.00	380,410,340.81
TOTAL NET POSITION						432,420,403.02	2,670,674.52	435,091,077.54

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 Enterprise Initiative Act (KEIA) Projects
Fiscal Year End 2023

KEDFA Meeting date	6/29/2023
Total Projects Approved Fiscal Year-to-Date	50
Number of Proposed Projects for Current Month	5

Construction Materials and Building Fixtures

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$16,525,000
Committed Amount	\$0
Balance Available for Current Month	\$3,475,000
Proposed Approval for Current Month	\$ 536,000
Balance Available for Remainder of Fiscal Year	<u><u>\$2,939,000</u></u>

Research & Development and Electronic Processing Equipment, Flight Simulation Equipment

Fiscal Year Cap	\$5,000,000
Approved Fiscal Year-to-Date	\$800,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$4,200,000
Proposed Approval for Current Month	<u>\$0</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$4,200,000</u></u>

KBI Summary

Updated June 12, 2023

Fiscal Year End Reporting

Year	Number of Projects	Jobs			Wages		
		Jobs Reported	Job Target	% Achieved	Average Wage Reported	Wage Target	% Achieved
2010	1	40	51	78%	\$11.42	\$11.00	104%
2011	5	269	257	105%	\$35.00	\$28.90	121%
2012	18	1,264	1,154	110%	\$25.30	\$23.23	109%
2013	58	5,908	5,395	110%	\$24.85	\$23.35	106%
2014	94	10,024	9,525	105%	\$24.85	\$22.98	108%
2015	143	14,617	13,193	111%	\$25.32	\$22.32	113%
2016	196	21,251	18,648	114%	\$25.05	\$21.79	115%
2017	245	26,094	22,070	118%	\$26.81	\$21.93	122%
2018	290	31,594	25,658	123%	\$26.24	\$21.77	121%
2019	331	35,397	29,323	121%	\$27.88	\$22.38	125%
2020	347	38,950	32,669	119%	\$29.44	\$22.99	128%
2021	355	37,619	33,728	112%	\$30.58	\$23.57	130%
2022	267	26,690	24,786	108%	\$30.08	\$23.55	128%
2023	27	2,943	2,455	120%	\$29.85	\$23.88	125%

Annual Maximums and Incentives Claimed

Year	Approved Annual Maximum	Earned Annual Maximum	Incentives Claimed*	Utilization Rate
2010-2012**	\$5,182,833	\$4,914,663	\$2,104,094	43%
2013	\$15,611,951	\$13,992,639	\$6,601,085	47%
2014	\$27,405,836	\$23,759,875	\$13,131,631	55%
2015	\$45,896,940	\$39,276,598	\$18,084,965	46%
2016	\$40,299,248	\$35,382,109	\$20,566,525	58%
2017	\$44,952,034	\$38,751,699	\$24,998,373	65%
2018	\$52,273,284	\$44,230,322	\$30,799,074	70%
2019	\$63,703,319	\$54,270,834	\$30,127,116	56%
2020	\$58,022,165	\$50,414,387	\$27,654,834	55%
2021	\$38,036,690	\$36,629,711	\$28,025,154	77%
2022	\$31,545,949	\$31,360,982	\$3,186,533	10%
2023	\$21,196,081	\$20,648,117	\$1,195,480	6%
Grand Total	\$444,126,329	\$393,631,935	\$204,370,769	

- Based on actual jobs and wages reported in 2021 by companies approved to claim incentives, the estimated payroll for new, full-time Kentucky resident jobs was over \$2.33 billion.

***Notes on incentives claimed:** Data is based on information provided by the Kentucky Department of Revenue.

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

Kentucky Entertainment Incentive (KEI) Projects
Calendar Year 2023

KEDFA Meeting date	6/29/2023
Total Projects Approved Calendar Year-to-Date	26
Number of Proposed Projects for Current Month	3
Calendar Year Cap	\$75,000,000
Approved Calendar Year-to-Date	\$15,987,325
Balance Available for Current Month	\$59,012,675
Proposed Approval for Current Month	<u>\$2,053,668</u>
Balance Available for Remainder of Calendar Year	<u><u>\$56,959,007</u></u>

Project Update Report

June 2023

PROJECT UPDATES – PRELIMINARY APPROVAL

The following update(s) have occurred to project(s) that received preliminary approval. Please note the project(s) were not eligible for incentives because final approval did not occur.

Program	Project	County	Preliminary Approval Date	Status Update
KBI	Zivo Inc. dba Zelios	Fayette	8/30/2018	Company withdrew from KBI, sent email.
KBI	Regal Beloit America Inc. dba Regal Beloit - Power Transmission Solutions	Kenton	5/28/2020	Project expired due to no response from the company.
KBI	CCI Industrial Services, LLC	Pulaski	5/30/2019	Project expired due to no response from the company.
KBI	Crown Verity USA Inc.	Warren	5/31/2018	Project expired due to no response from the company.
KBI	Braidy Atlas, LLC	Boyd	4/26/2017	Project expired due to no response from the company.
KBI	Core Scientific Inc.	Marshall	10/25/2018	Project expired due to no response from the company.
KBI	Senture, LLC	Laurel	4/25/2019	Project expired due to no response from the company.
KBI	Creative Packaging Company	Shelby	5/28/2023	Project expired due to no response from the company.
KBI	Rainbow Design Services, Inc.	Jefferson	4/25/2019	Project expired due to no response from the company.
KBI	NRE Hagerstown, Inc. dba NRE Paducah	McCracken	4/25/2019	Project expired due to no response from the company.
KBI	Maxey Industries, Inc.	Shelby	4/30/2020	Project expired due to no response from the company.
KBI	BuildMyPlace, LLC	Jefferson	5/28/2020	Project expired due to no response from the company.

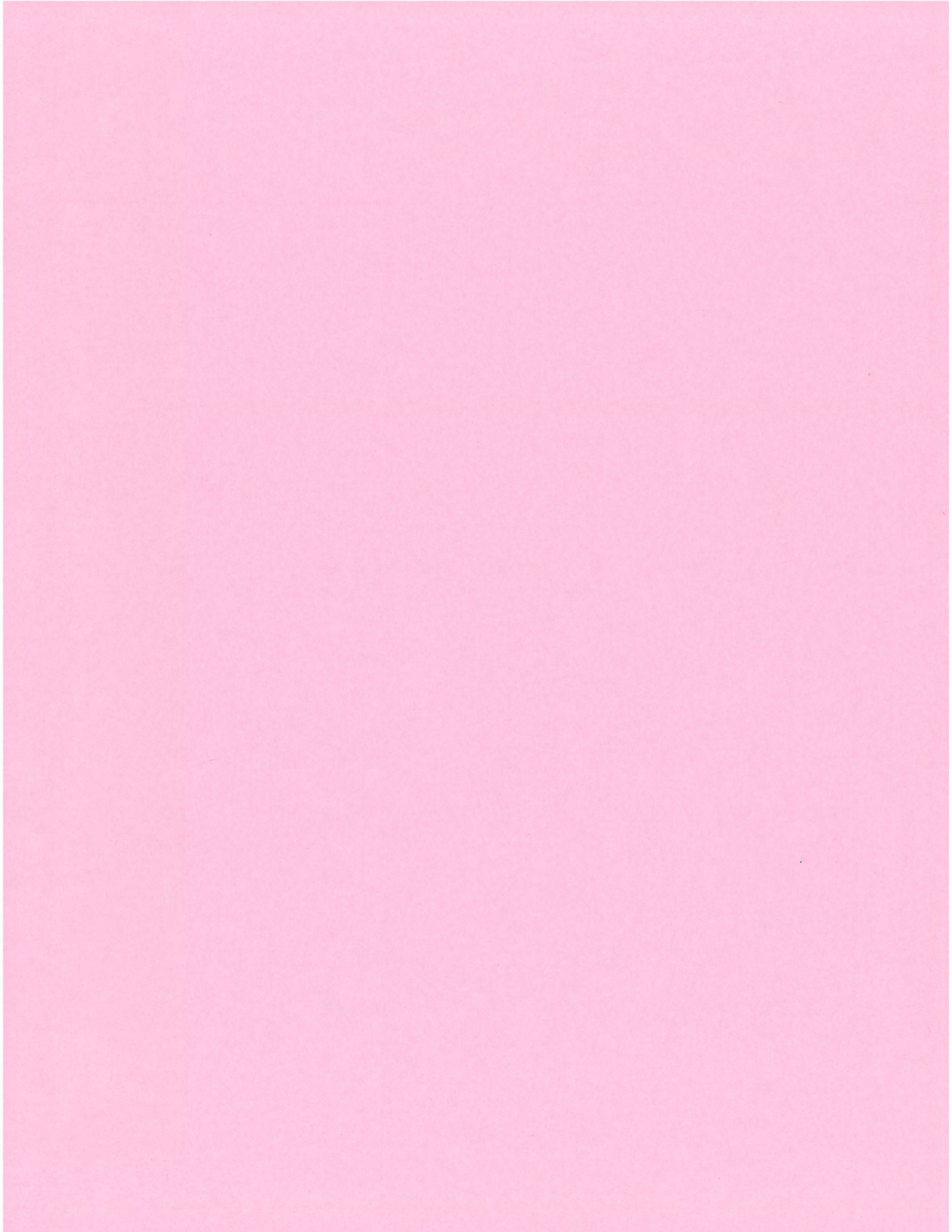
PROJECT UPDATES – FINAL APPROVAL

The following update(s) have occurred to project(s) that received final approval. Please note projects would not qualify for incentives if the project did not meet initial requirements, such as job creation, wages, investment or other, as required by the program.

Project Update Report

June 2023

Program	Project	County	Final Approval Date	Did the Project Qualify for Incentives?	Status Update
KBI	Rainbow Design Services, Inc.	Jefferson	10/31/2013	Yes	The company was sold on April 28, 2023.
KBI	Splash Analytics LLC	Jefferson	2/23/2017	Yes	The company was sold on May 12, 2023 to a company in Michigan.





May 22, 2023

To the Committee Members
Kentucky Economic Development Finance Authority

This letter is provided in connection with our engagement to audit the financial statements of the Kentucky Economic Development Finance Authority (Authority) as of and for the year ended June 30, 2023. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit, and the planned scope and timing of our audit, including the significant risks we have identified.

As stated in our engagement letter dated May 22, 2023, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and *Government Auditing Standards* of the Comptroller General of the United States of America, for the purpose of forming and expressing an opinion on the financial statements. Our audit does not relieve you or management of your respective responsibilities.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Authority's compliance with certain provisions of laws, regulations, and the provisions of contracts and grant agreements. However, the objective of our tests is not to provide an opinion on compliance with such provisions.

Our responsibility for the required supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the required supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America.

MCM CPAs & Advisors LLP

www.mcmcpa.com
888.587.1719

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Kentucky
Indiana
Ohio

To the Committee Members
Kentucky Economic Development Finance Authority
May 22, 2023

Page Two

Our audit will include obtaining an understanding of the Authority and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. However, we will communicate to you at the conclusion of our audit any material weaknesses or significant deficiencies that come to our attention. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views relating to qualitative aspects of the Authority's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Disagreements with management, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

Although we are currently in the planning stage of our audit, to-date, we have identified the following significant risks that will require special audit consideration:

- Management override of internal controls - The risk management and/or those charged with governance have the ability to manipulate or override internal controls in order to intentionally misstate the nature and/or timing of revenue or other transactions.
- Improper revenue recognition - The presumed risk of material misstatement due to fraud attributable to inappropriately recording revenue in one period that should be recorded in another period.
- Journal entries - The risk management records a fraudulent or unsupported journal entry.
- Restricted net position - The risk of improper expenditure of restricted resources.

We expect to begin our year-end fieldwork on July 10, 2023 and to issue our report no later than October 1, 2023.

Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

This information is intended solely for the use of the Committee Members and is not intended to be, and should not be, used by anyone other than this specified party.

Very truly yours,



MCM CPAs & Advisors LLP
Louisville, Kentucky

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF)
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPD) PROJECT REPORT**

Date: June 29, 2023
Grantee: Nicholas County Fiscal Court
Beneficiary: Bourbon County-Nicholas County Joint Economic Development Board
City: Carlisle **County:** Nicholas
Activity: Manufacturing
Bus. Dev. Contact: C. Dodd **DFS Staff:** M. Elder
Project Description: Nicholas County Fiscal Court on behalf of the Bourbon County-Nicholas County Joint Economic Development Board will acquire the Finrock property and begin engineering and site improvements. A KU/LG&E Grant and a Bank loan will be used to provide the match for the KPD Funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Anticipated Project Investment - Owned

	Total Investment
Land	\$671,460
Building/Improvements	\$604,372
Road Improvements	\$75,000
TOTAL	\$1,350,832

Anticipated Project Funding

	Amount	% of Total
Economic Development Fund Grant (State)	\$675,416	50.0%
Bank Loan	\$600,416	44.4%
KU/LG&E Grant	\$75,000	5.6%
TOTAL	\$1,350,832	100.0%

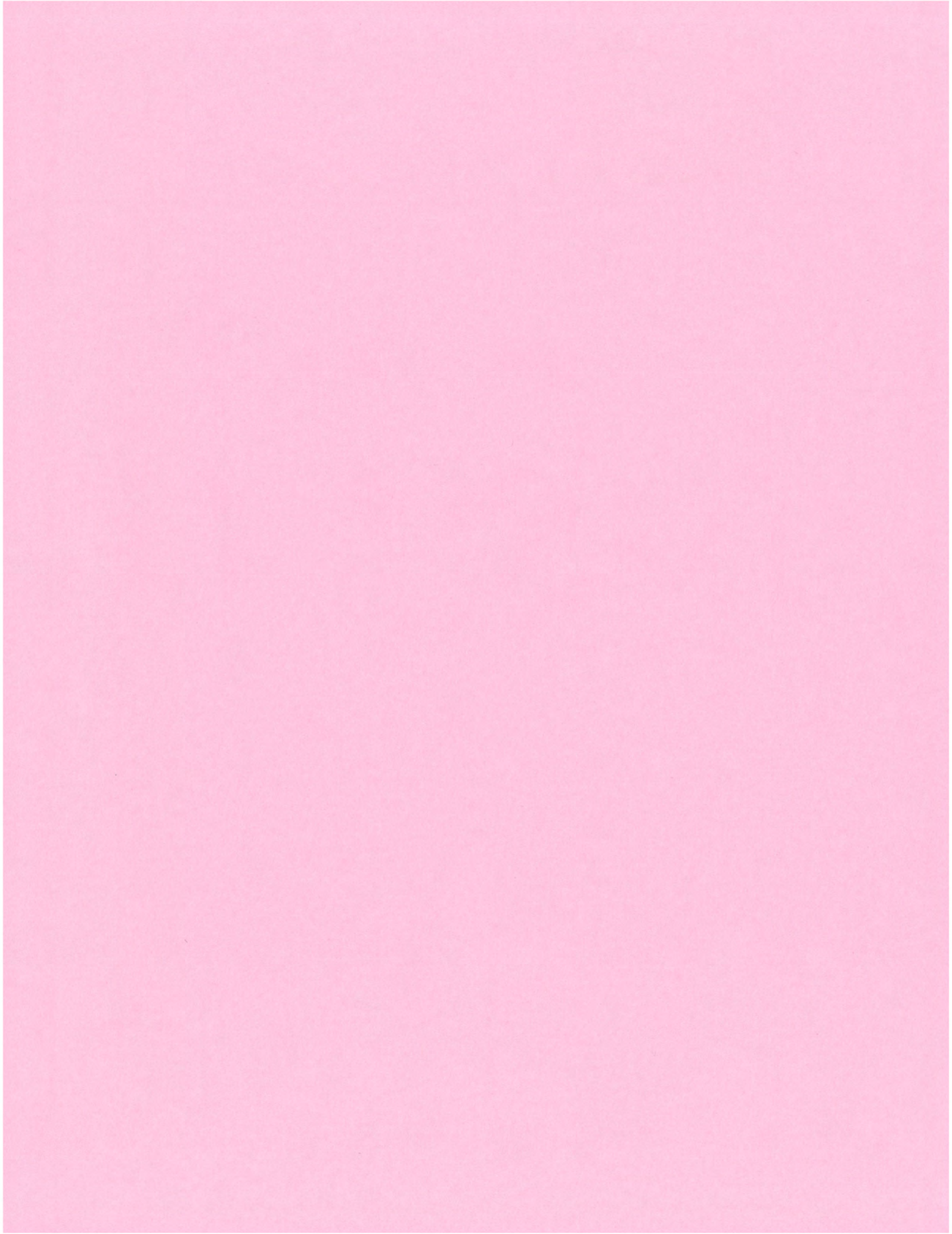
Other Terms: In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:

\$675,416

Recommendation:

Staff recommends approval of this KPD-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF)
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPDI) PROJECT REPORT**

Date: June 29, 2023
Grantee: Trigg County Fiscal Court
Beneficiary: Cadiz-Trigg County Industrial Development Authority, Inc.
City: Cadiz **County:** Trigg
Activity: Manufacturing
Bus. Dev. Contact: C. Peek **DFS Staff:** M. Elder
Project Description: Trigg County Fiscal Court on behalf of the Cadiz-Trigg County Industrial Development Authority, Inc. plans to construct a new wastewater pump station at the Interstate 24 Business Park. Delta Regional Authority will provide the match to the KPDI funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Anticipated Project Investment - Owned
Building/Improvements
TOTAL

Total Investment
\$450,000
\$450,000

Anticipated Project Funding
Economic Development Fund Grant (State)
Delta Regional Authority (DRA)
TOTAL

Amount	% of Total
\$225,000	50.0%
\$225,000	50.0%
\$450,000	100.0%

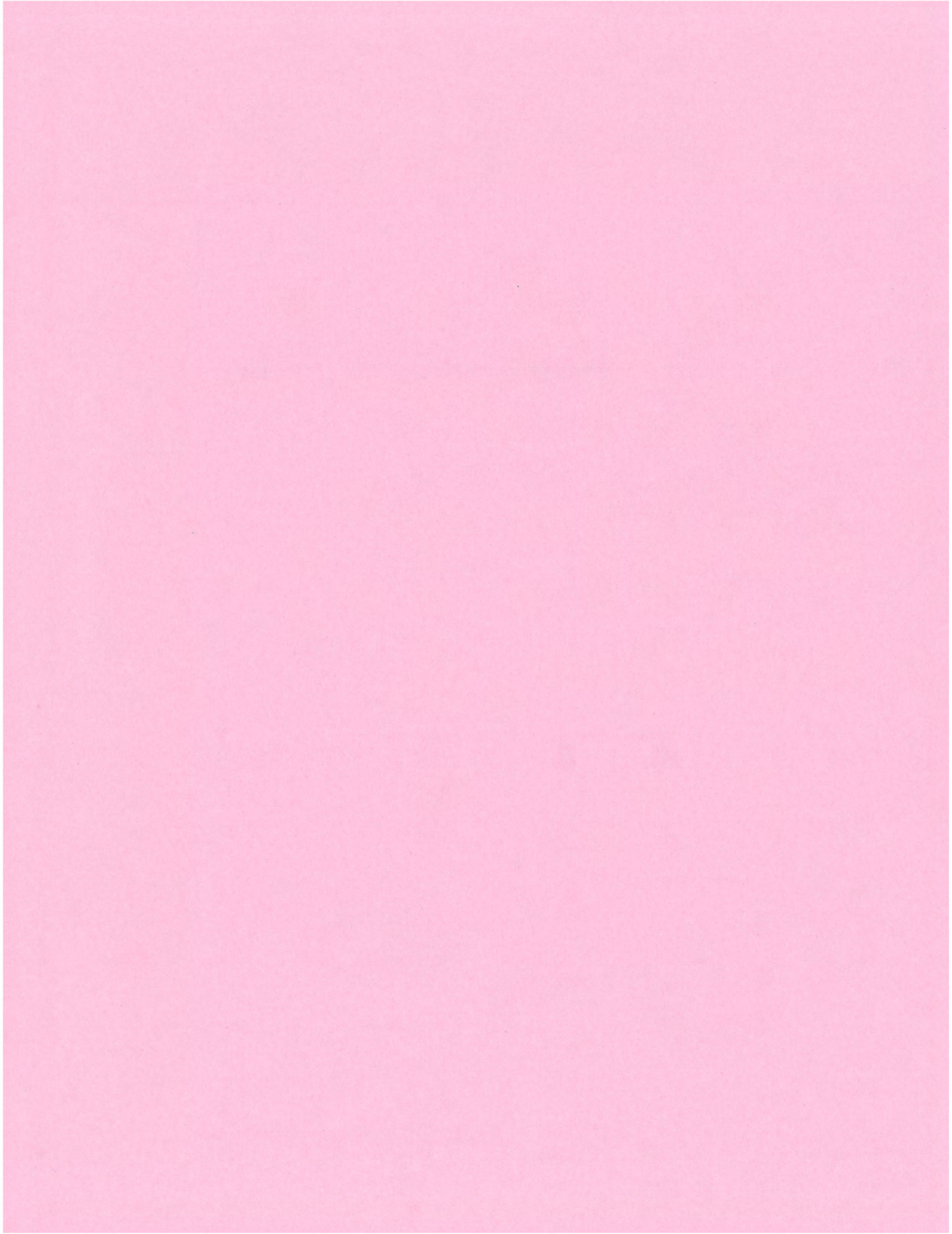
Other Terms: In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:

\$225,000

Recommendation:

Staff recommends approval of this KPDI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF)
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPDI) PROJECT REPORT**

Date: June 29, 2023
Grantee: Lyon County Fiscal Court
Beneficiary: Pennyriple Westpark Industrial Development Authority
City: Fredonia **County:** Lyon
Activity: Manufacturing
Bus. Dev. Contact: C. Peek **DFS Staff:** M. Elder
Project Description: Lyon County Fiscal Court on behalf of Crittenden, Caldwell, Lyon, Livingston, and Trigg Counties have submitted a regional project to conduct a floodplain analysis at the Pennyriple Westpark Industrial Park. County RDAAP Funds will be used to provide the match to the KPDI funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Anticipated Project Investment - Owned
Due Diligence Study
TOTAL

Total Investment
\$69,429
\$69,429

Anticipated Project Funding
Economic Development Fund Grant (State)
County RDAAP Funds
TOTAL

Amount	% of Total
\$34,715	50.0%
\$34,715	50.0%
\$69,430	100.0%

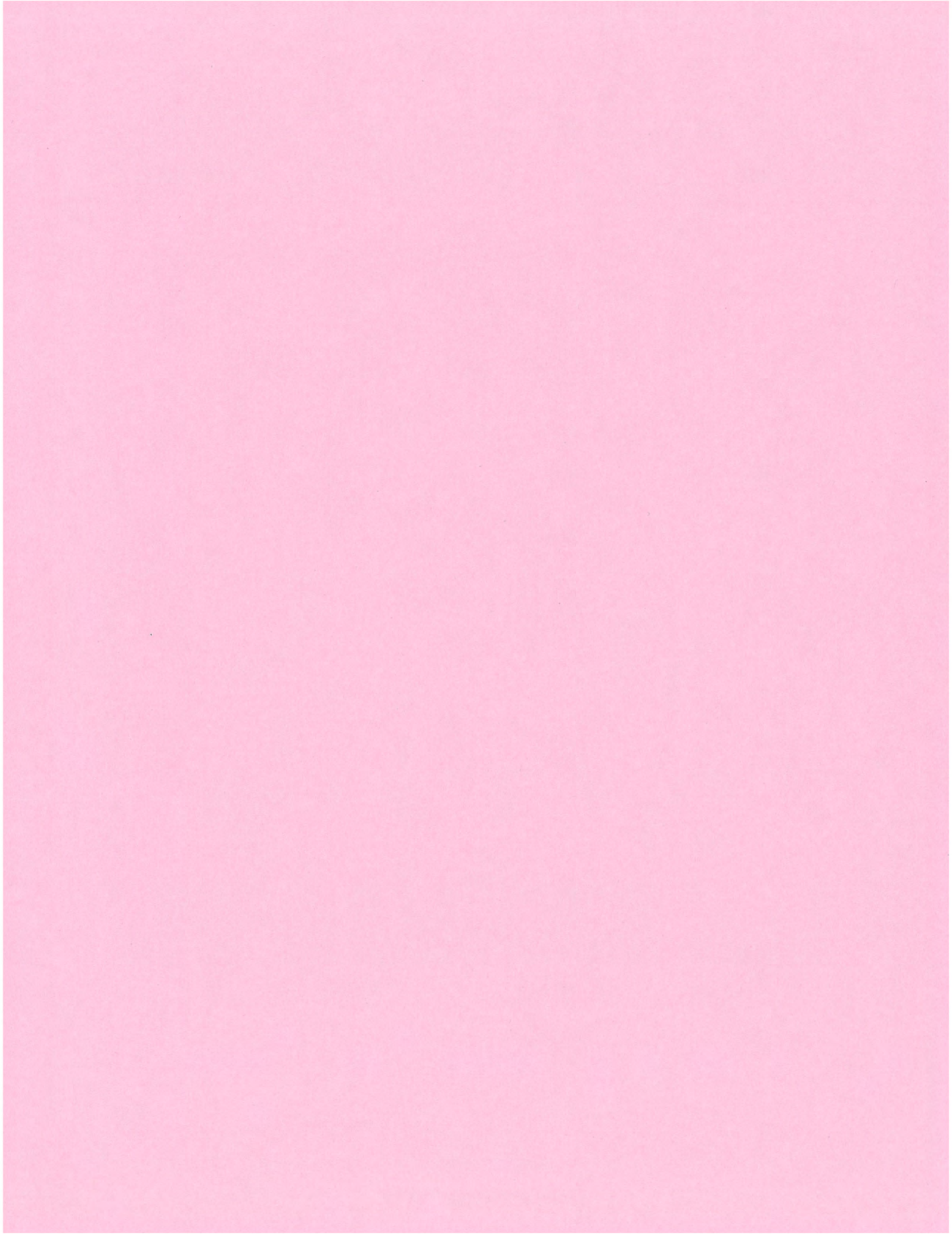
Other Terms: In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:

\$34,715

Recommendation:

Staff recommends approval of this KPDI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF)
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPDI) PROJECT REPORT**

Date: June 29, 2023
Grantee: City of Princeton
Beneficiary: Princeton-Caldwell County Industrial Development Authority
City: Princeton **County:** Caldwell
Activity: Manufacturing
Bus. Dev. Contact: C. Peek **DFS Staff:** M. Elder
Project Description: The City of Princeton on behalf of the Princeton-Caldwell County Industrial Development Authority is seeking to undertake a project to conduct an in-depth analysis of the karst topography located at the Princeton Industrial Park. PCCIDA General Funds will provide the match to the KPDI funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Anticipated Project Investment - Owned

Due Diligence Study

TOTAL

Total Investment
\$84,505
\$84,505

Anticipated Project Funding

Economic Development Fund Grant (State)

PCCIDA General Funds

TOTAL

Amount	% of Total
\$42,252	50.0%
\$42,253	50.0%
\$84,505	100.0%

Other Terms:

In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:

\$42,252

Recommendation:

Staff recommends approval of this KPDI-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF)
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPD) PROJECT REPORT**

Date: June 29, 2023
Grantee: Henderson County Fiscal Court
Beneficiary: West Kentucky Regional Industrial Development Authority, Inc.
City: Robards **County:** Henderson
Activity: Manufacturing
Bus. Dev. Contact: A. Chilton **DFS Staff:** B. Combs
Project Description: The Henderson County Fiscal Court on behalf of the West Kentucky Regional Industrial Development Authority, Inc. is seeking to complete a site grading plan with an approximate 1 million square foot building pad at the Sandy Lee Watkins site. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Anticipated Project Investment - Owned

Site Preparation

TOTAL

Total Investment
\$1,400,000
\$1,400,000

Anticipated Project Funding

Economic Development Fund Grant (State)

West Kentucky Regional IDA Funds

TOTAL

Amount	% of Total
\$700,000	50.0%
\$700,000	50.0%
\$1,400,000	100.0%

Other Terms:

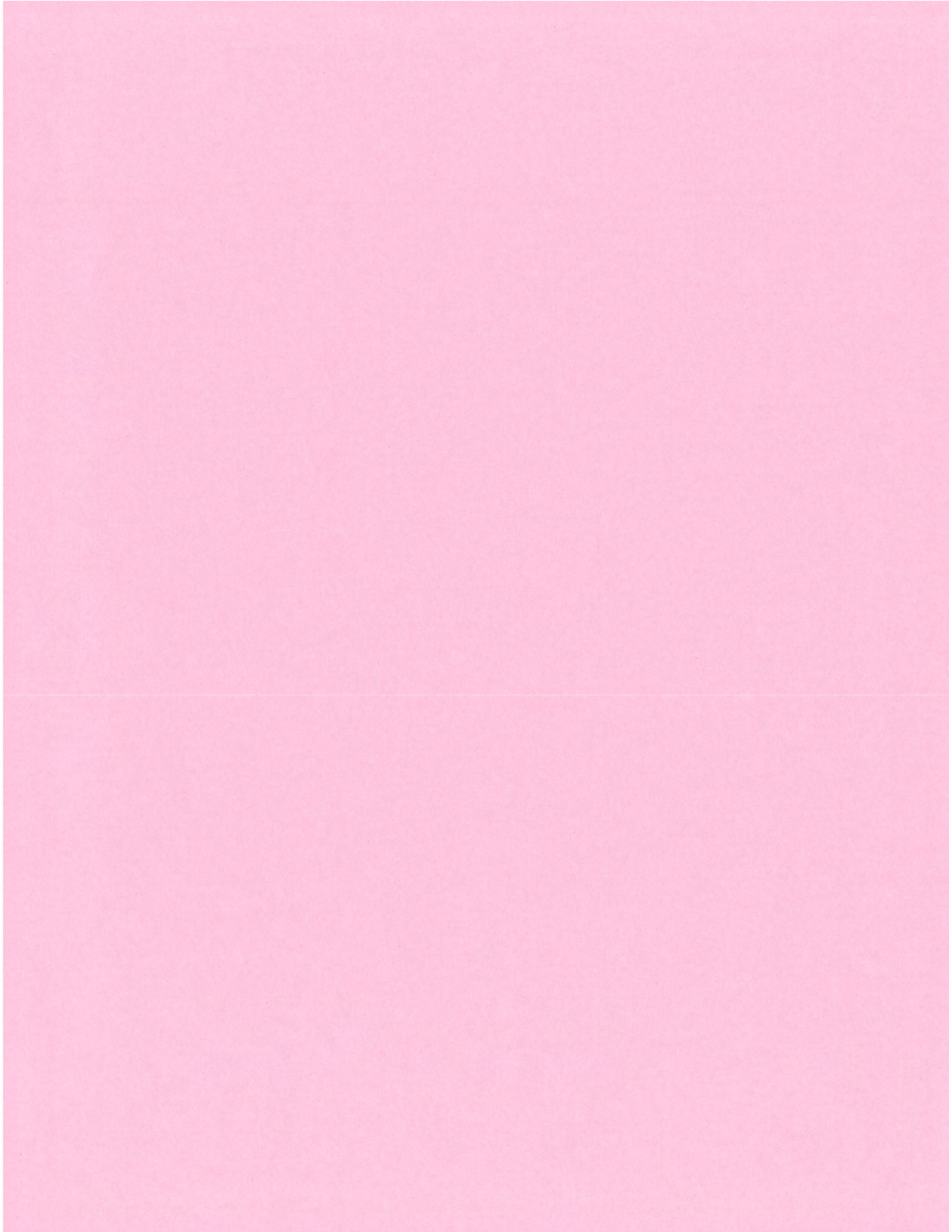
In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:

\$700,000

Recommendation:

Staff recommends approval of this KPD-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF)
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPD) PROJECT REPORT**

Date: June 29, 2023
Grantee: Washington County Fiscal Court
Beneficiary: Springfield/Washington County Economic Development Authority, Inc.
City: Springfield **County:** Washington
Activity: Manufacturing
Bus. Dev. Contact: M. Jollie **DFS Staff:** B. Combs
Project Description: The Washington County Fiscal Court on behalf of the Springfield/Washington County Economic Development Authority, Inc. is seeking to prepare and improve a new industrial site in Springfield into a shovel-ready site by adding a dedicated entrance and extending existing infrastructure. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Anticipated Project Investment - Owned

Infrastructure Extensions/Improvements
Site Preparation
Road Improvements
TOTAL

Total Investment
\$50,000
\$50,000
\$100,000
\$200,000

Anticipated Project Funding

Economic Development Fund Grant (State)
EDA Budget
TOTAL

Amount	% of Total
\$100,000	50.0%
\$100,000	50.0%
\$200,000	100.0%

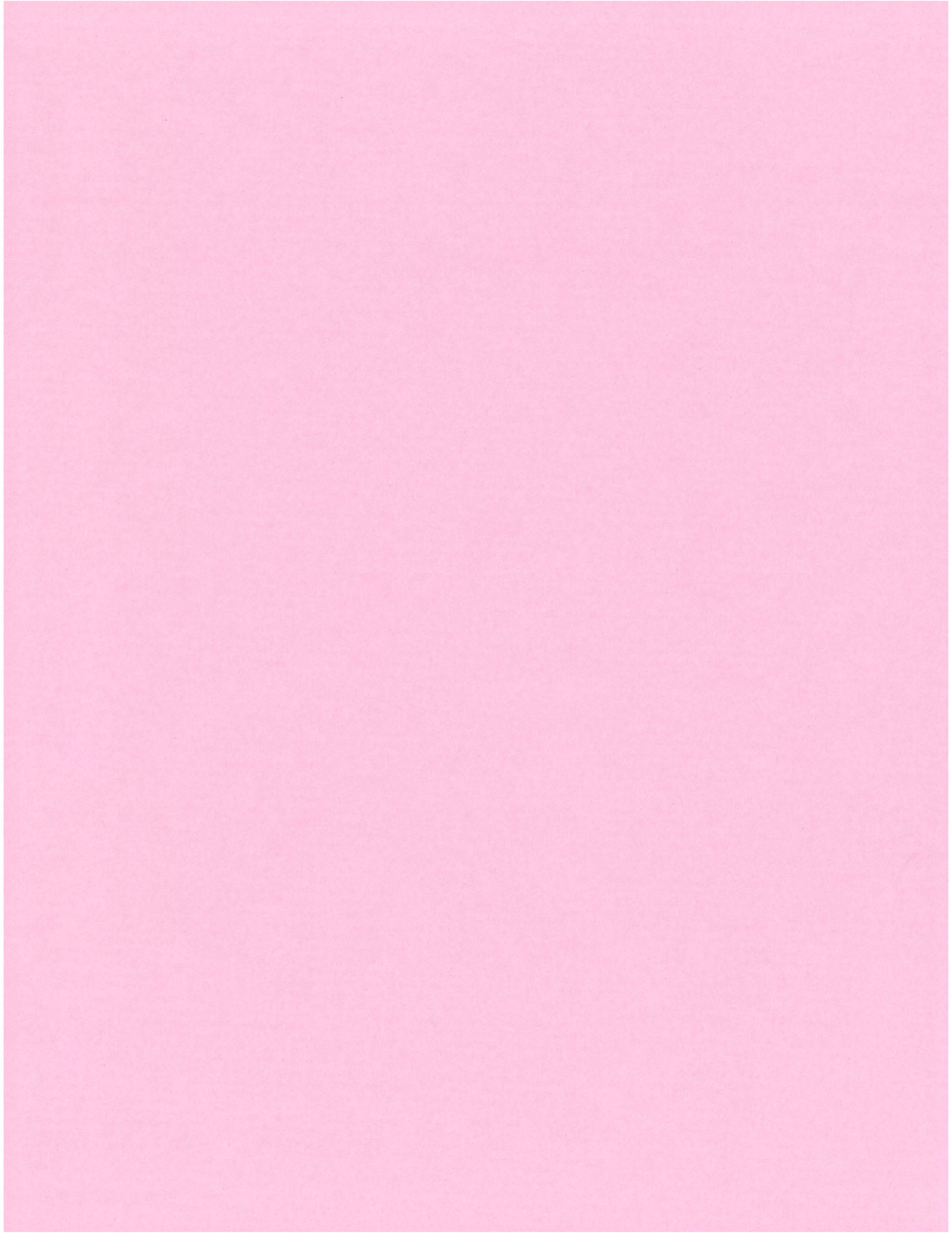
Other Terms: In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:

\$100,000

Recommendation:

Staff recommends approval of this KPD-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF)
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPD) PROJECT REPORT**

Date: June 29, 2023
Grantee: Washington County Fiscal Court
Beneficiary: Springfield/Washington County Economic Development Authority, Inc.
City: Springfield **County:** Washington
Activity: Manufacturing
Bus. Dev. Contact: M. Jollie **DFS Staff:** B. Combs
Project Description: The Washington County Fiscal Court on behalf of the Springfield/Washington County Economic Development Authority, Inc. is seeking to improve and prepare a site in the industrialized-zoned Washington County Commerce Center. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Anticipated Project Investment - Owned

Site Preparation

TOTAL

Total Investment
\$200,000
\$200,000

Anticipated Project Funding

Economic Development Fund Grant (State)

EDA Budget

TOTAL

Amount	% of Total
\$100,000	50.0%
\$100,000	50.0%
\$200,000	100.0%

Other Terms:

In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:

\$100,000

Recommendation:

Staff recommends approval of this KPD-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF)
KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPD) PROJECT REPORT**

Date: June 29, 2023
Grantee: Logan County Fiscal Court
Beneficiary: City of Russellville
City: Russellville **County:** Logan
Activity: Manufacturing
Bus. Dev. Contact: A. Luttner **DFS Staff:** J. Gearon

Project Description: The Logan County Fiscal Court on behalf of the City of Russellville is providing an upgrade to a lift station to attract industry. The City of Russellville will provide the match to the KPD funds. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

**Anticipated Project Investment - Owned
Infrastructure Extensions/Improvements
TOTAL**

Total Investment
\$1,850,000
\$1,850,000

**Anticipated Project Funding
Economic Development Fund Grant (State)
Bank Loan
TOTAL**

Amount	% of Total
\$666,739	36.0%
\$1,183,261	64.0%
\$1,850,000	100.0%

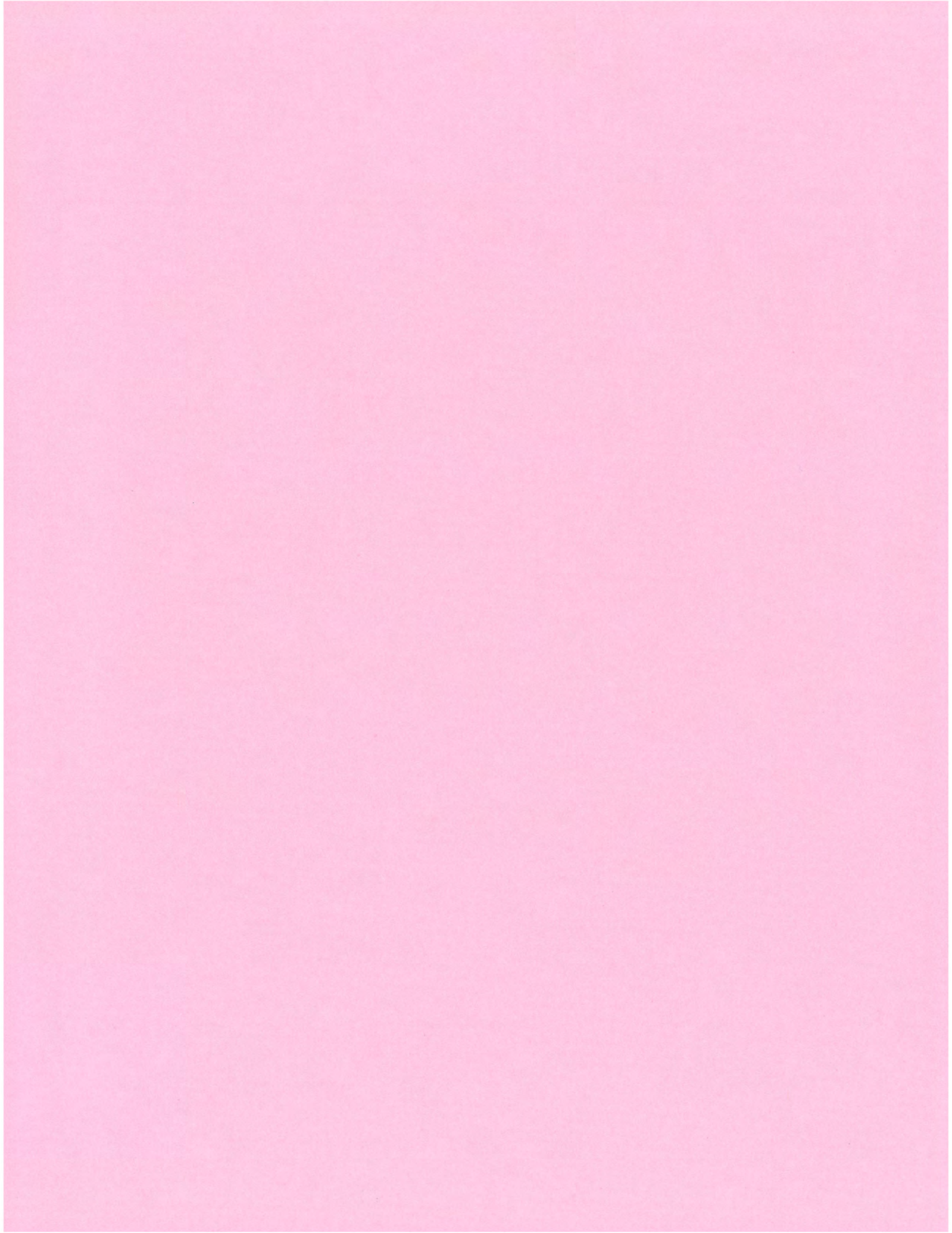
Other Terms: In accordance with the grant agreement, disbursement requests may be submitted no more than monthly requesting funds to be disbursed on a reimbursement basis. Supporting documentation of invoices, proof of payment, matching funds, etc. and a progress report will be required to be submitted with each request. Upon staff's review and approval of all documentation, funds will be disbursed to the local government entity to provide to the project applicant.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:

\$666,739

Recommendation:

Staff recommends approval of this KPD-EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the funds for this project.



MEMORANDUM

TO: KEDFA Board

FROM: Rachael Dever, Compliance Manager *rd*
Compliance Division

DATE: June 29, 2023

SUBJECT: KBI Amended and Restated Tax Incentive Agreement
Chewy, Inc (Jefferson County)
KBI Project #22224

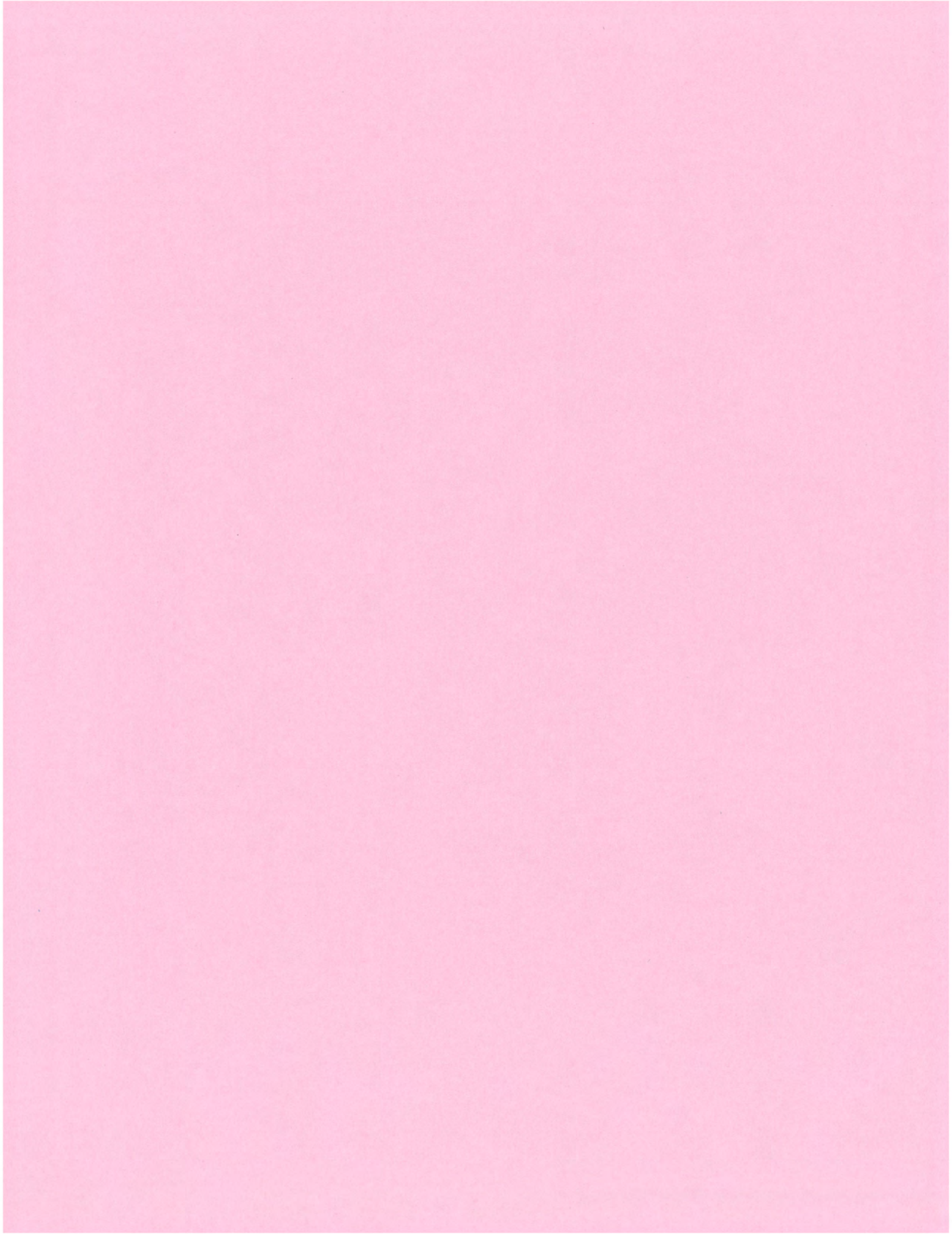
Chewy, Inc. received Final Approval on October 29, 2020 for a KBI project to provide e-commerce services for the pet industry in Louisville. The project activated on October 29, 2022.

As the company has continued to grow in Jefferson County, it has added a facility at 11403 Bluegrass Parkway, Suite 650 and 700 in Jeffersontown. This amendment revises the definition of Economic Development Project to create a campus and adds the Bluegrass Parkway site to the project campus.

Effective January 1, 2023, the company wishes to adopt the revised definition of "Full-time job" as approved by KEDFA Resolution 2021-0624.


These changes have been incorporated into the Amended and Restated Tax Incentive Agreement. All other aspects of the project remain the same.

Staff recommends approval.



MEMORANDUM

TO: KEDFA Board

FROM: Beth Sturm, Senior Compliance Manager 
Compliance Division

DATE: June 29, 2023

SUBJECT: KBI Amended Tax Incentive Agreement
iHerb, LLC (Boone County)
KBI project #19206

iHerb, Inc. received Final Approval on September 25, 2014 for a KBI project to establish a regional leased distribution center on Worldwide Boulevard in Hebron. The project activated two years later.


On August 1, 2018, the company converted from a California corporation to a Delaware limited liability company and became iHerb, LLC. In February, 2022, the company leased a larger building and began transferring employees to the new project site at 2497 Wright Boulevard in Hebron. The move was completed and the original location vacated as of November 18, 2022.

The company has requested an amendment to recognize the change from a corporation to a limited liability company, and the change of the economic development project site to Wright Boulevard, Hebron, Kentucky. All other aspects of the project remain the same.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board

FROM: Rachael Dever, Compliance Manager 

DATE: June 29, 2023

SUBJECT: Louisville Renaissance Zone Pilot Program TIF (Jefferson County)

The Louisville Renaissance Zone Corporation (LRZC) was granted approval for a TIF project under the TIF Pilot Program statutes as they existed on December 8, 2003, and the Commonwealth entered into a Grant Agreement with LRZC. Under the TIF Pilot Program, projects in cities of the first class are eligible upon Governor's approval to receive taxes paid by taxpayers located within the tax increment financing district. For the Renaissance Zone TIF, withholding, sales and property taxes are eligible for recovery over 20 years if they were generated within the 3,000-acre TIF district (Development Area) south of the Louisville Muhammad Ali International Airport, north of I-265 and bounded by I-65 to the east and CSX right-of-way to the west. The Grant Agreement, which includes Projects No. 1 and 2, expires December 31, 2023.

The projects identified in Project No. 1 have been completed and have resulted in increased property values, dramatically increased employment and capital investment, additional tax revenues and general revitalization.

Project No. 2 consists of 17 approved projects and the total estimated construction costs at time of approval was \$30,321,000, then amended in 2022 to \$48,828,845. Updates to the original estimated project costs and the requested amended estimated costs are provided in the chart below.

The LRZC has been extremely successful in developing the Renaissance South Business Park with over 6.7 million square feet of industrial development that has supported approximately 3,000 jobs. The KY-841 Interchange is not going to be completed using TIF funds, therefore costs have decreased from \$48,828,845 to \$40,244,325. Staff recommends approval to amend the Amended and Restated Grant Contract to incorporate the updated project costs associated with Project No. 2.

<u>Component Project Descriptions:</u>	<u>Original Estimated Costs</u>	<u>Amended Estimated Costs</u>	<u>- Status</u>
Air Commerce Rehabilitation	\$2,337,862	\$9,381,687	Dec 2023
Wetlands Phase III	\$1,213,754	\$1,213,754	Complete
Wetlands Phase IV	\$785,787	\$785,787	Complete
Outer Loop Turn Lane	\$991,911	\$991,911	Complete
Extend Utilities Lot 6	\$147,621	\$147,621	Complete
Final Storm Water Detention	\$28,687	\$28,687	Complete
Retail Lot Site Prep	\$3,633,100	\$3,752,941	Complete
Extend Aviation Way with Utilities	\$700,000	\$0	Will not be constructed
Renaissance Business Park Access Feasibility Study	\$30,123	\$30,123	Complete
Road Infrastructure to Support Additional Renaissance Business Park Access	\$25,000,000	\$2,257,185	Shovel ready but will not be completed with TIF funds
Extend Universal Way with Utilities	\$875,000	\$1,136,175	Dec 2023
Water Line Relocation	\$0	\$100,000	Dec 2023
South Park Road Improvement	\$5,150,000	\$8,725,000	Dec 2023
Sanitary Sewer Extension – South Park Rd	\$2,200,000	\$1,838,454	Complete
Minor Lane Partial Expansion to Three Lanes	\$3,210,000	\$7,580,000	March 2024
Land Acquisition	\$1,750,000	\$1,500,000	Dec 2023
Project Administration & Legal	\$775,000	\$775,000	Dec 2023
	\$48,828,845	\$40,244,325	

MEMORANDUM

TO: KEDFA Board

FROM: Rachael Dever, Compliance Manager *rld*

DATE: June 29, 2023

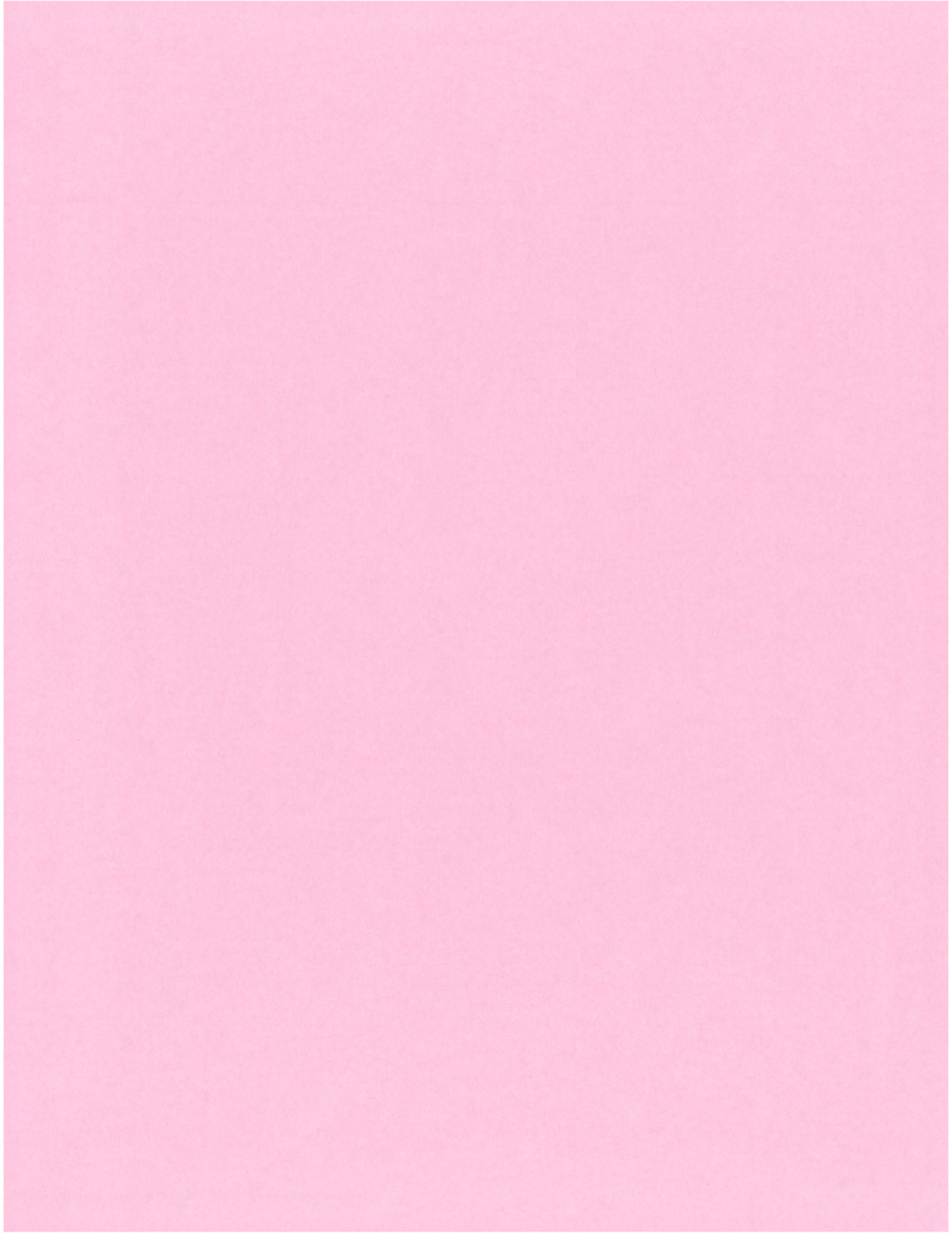
SUBJECT: Amended and Restated Grant Agreement
City of Hopkinsville/Christian County Fiscal Court
EDF Project #117613

The City of Hopkinsville, Kentucky along with County of Christian, Kentucky received Final Approval on January 26, 2023, for an EDF Grant for grading of the site and constructing an access road into the Commerce II Industrial Park located in Christian County.

This amendment is to correct the grantee in the agreement from City of Hopkinsville, Kentucky to County of Christian, Kentucky, and correct the beneficiary in the agreement from County of Christian, Kentucky to City of Hopkinsville, Kentucky. This amendment is also to add Rail Spur as an eligible cost for the project.

These changes have been incorporated into the Amended and Restated Grant Agreement. All other aspects of the project remain the same.

Staff recommends approval.



MEMORANDUM

TO: KEDFA Board Members

FROM: Craig Kelly, Senior Compliance Manager
Compliance Division

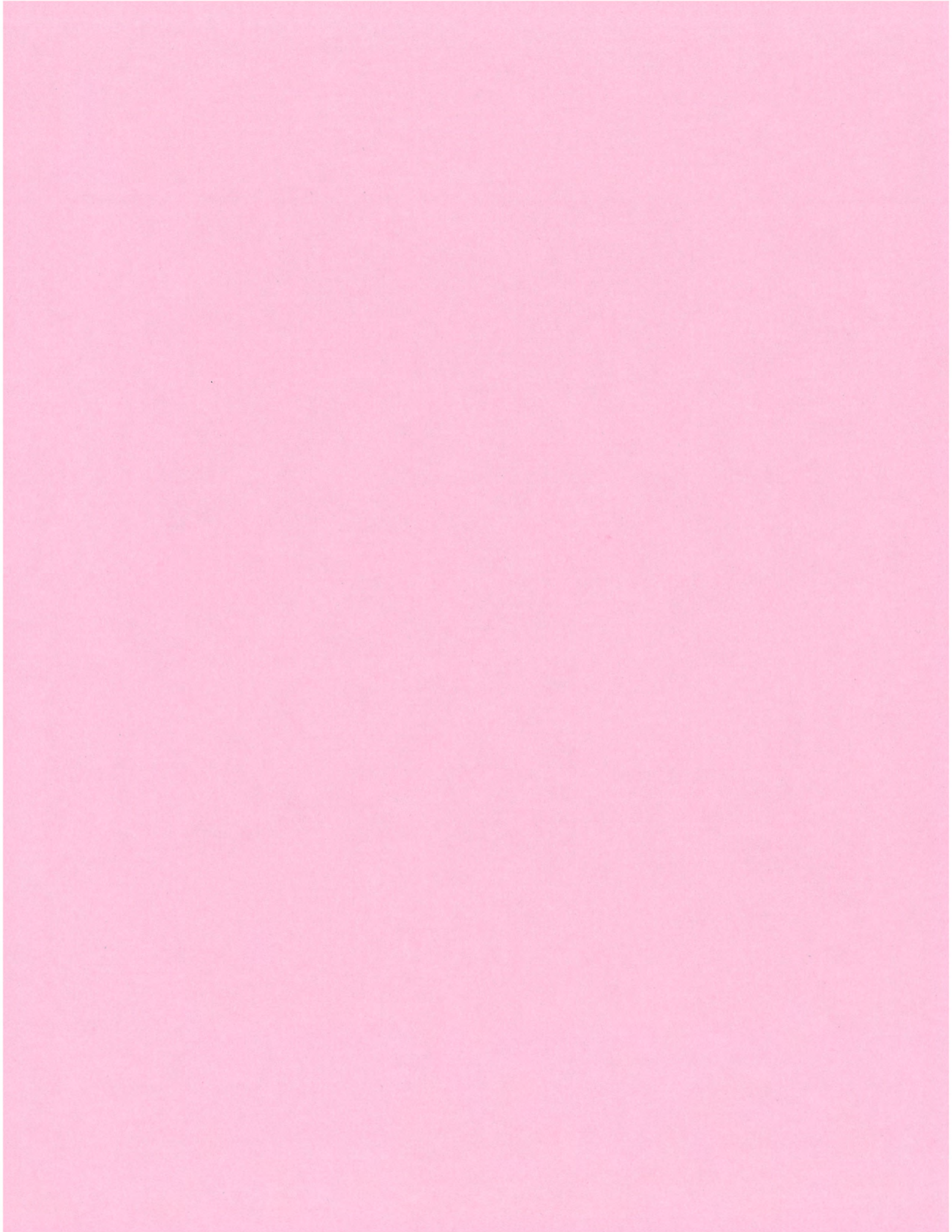
DATE: June 29, 2023

SUBJECT: KEIA Extensions

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

Company	County	Extension
Heaven Hill Distilleries, Inc.	Nelson	12 Months
Log Still Distilling LLC (22558)	Nelson	12 Months
Log Still Distilling LLC (23219)	Nelson	12 Months
Nucor Tubular Products, Inc.	Gallatin	12 Months
Santa Rosa Systems LLC	Bullitt	12 Months

Staff recommends approval.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: June 29, 2023
Approved Company: MGPI of Indiana, LLC
City: Williamstown
Activity: Manufacturing
Bus. Dev. Contact: A. Chilton

County: Grant
Resolution #: KEIA-23-117911
DFS Staff: B. Combs

Project Description: MGPI of Indiana, LLC operates warehousing in Williamstown for distilled goods manufactured by the company. The proposed project for the company involves the construction of two additional warehouses to age whiskey.

Facility Details: Expanding existing operations

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$0
\$10,000,000	\$20,000,000
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$10,000,000	\$20,000,000

Ownership (20% or more):

MGP Ingredients, Inc. Atchison, Kansas

Other State Participation:

None

Unemployment Rate:

County: 3.1%

Kentucky: 3.2%

Existing Presence in Kentucky:

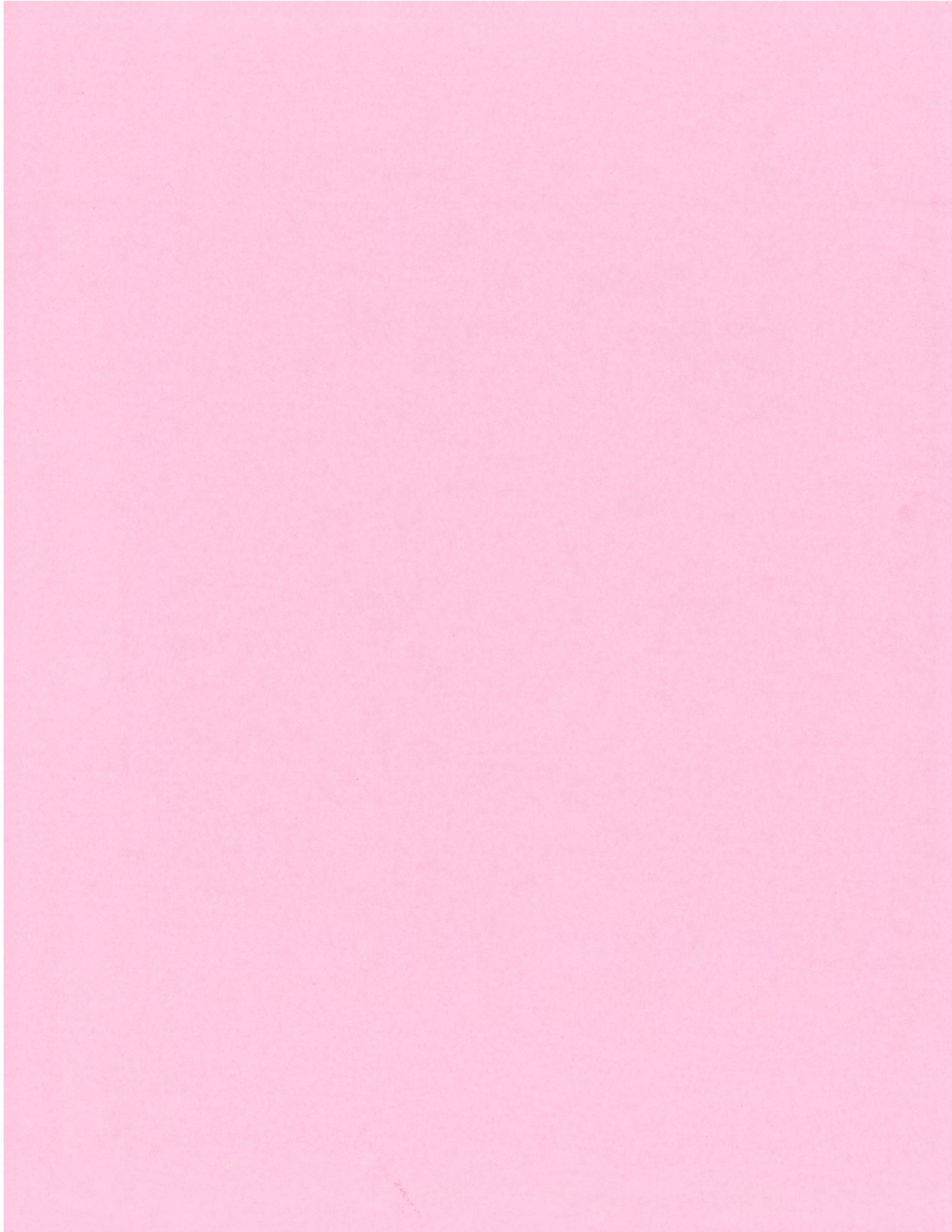
Grant County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$100,000



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: June 29, 2023
Approved Company: Woowon Technology Inc
City: Radcliff
Activity: Manufacturing

County: Hardin
Resolution #: KEIA-23-117927

Bus. Dev. Contact: C. Dodd **DFS Staff:** R. Aiken

Project Description: Woowon Technology Inc supplies materials aiding in the construction of electric vehicles. The company is considering locating in Hardin County to create stacking and notching machines for the manufacturing process for two large electric vehicle providers.

Facility Details: Locating in a new facility

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$0
\$600,000	\$1,525,000
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$1,700,000
\$0	\$200,000
\$600,000	\$3,425,000

Ownership (20% or more):
No ownership over 20%

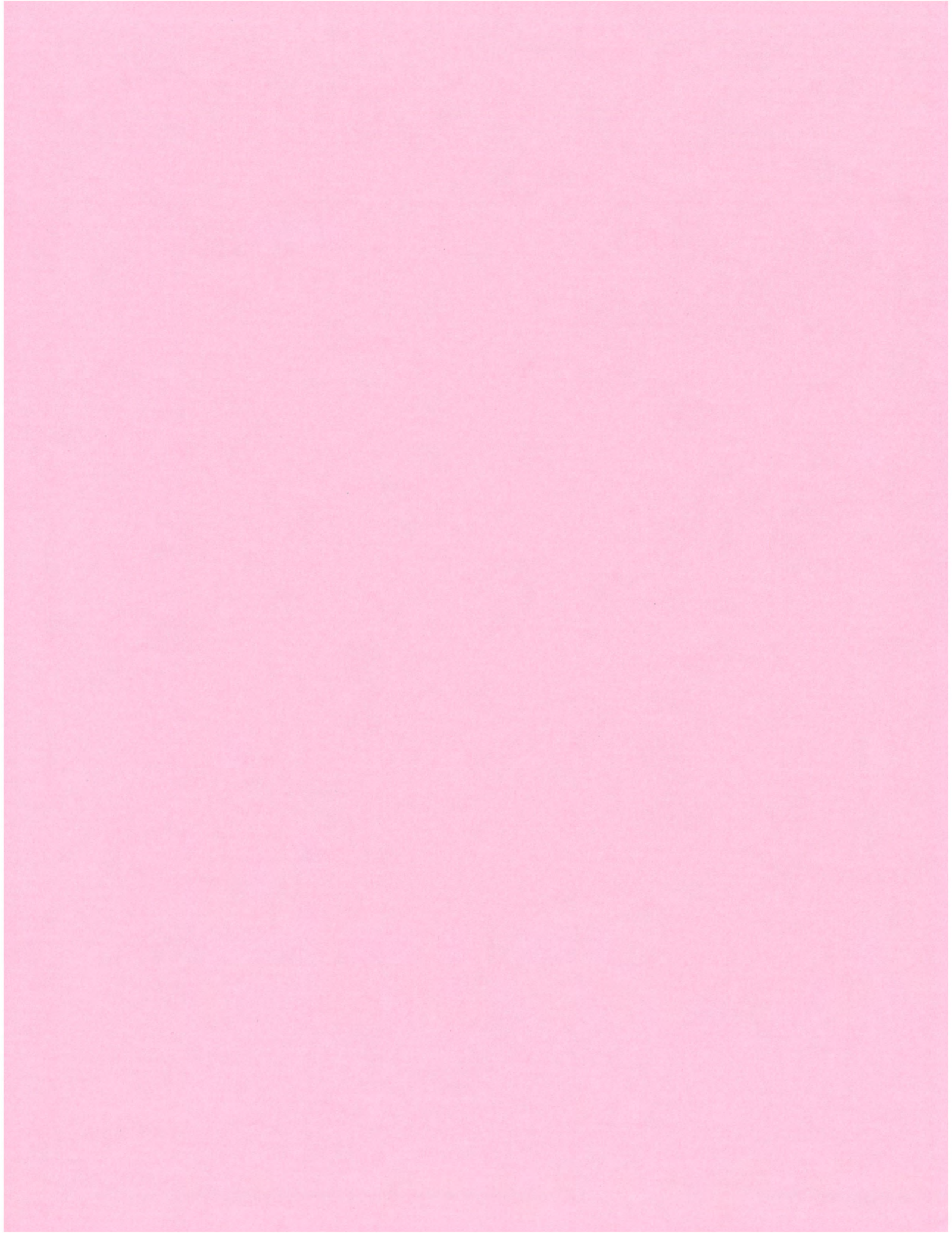
Other State Participation: None

Unemployment Rate:
County: 3.3% Kentucky: 3.2%

Existing Presence in Kentucky: None

Approved Recovery Amount:
Construction Materials and Building Fixtures: \$36,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT: **\$36,000**



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: June 29, 2023
Approved Company: Southern Coil Solutions, LLC
City: Bowling Green **County:** Warren
Activity: Non-Retail Service or Technology **Prelim Resolution #:** KBI-I-23-117922
Bus. Dev. Contact: A. Chilton **DFS Staff:** B. Combs

Project Description: Southern Coil Solutions, LLC is a leading automated storage warehousing facility specializing in the handling of aluminum and steel coils. The potential Bowling Green facility would be strategically located in a prime industrial area, span more than 100,000 square feet, and be equipped with advanced automation systems and specialized machinery tailored for coil storage and handling.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land

Building/Improvements

Equipment

TOTAL

Eligible Costs	Total Investment
\$689,250	\$689,250
\$17,000,000	\$17,000,000
\$200,000	\$9,500,000
\$17,889,250	\$27,189,250

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$30.87	
1	10	\$30.87	\$21,000
2	15	\$30.87	\$32,000
3	20	\$30.87	\$43,000
4	25	\$30.87	\$54,000
5	30	\$30.87	\$65,000
6	30	\$30.87	\$65,000
7	30	\$30.87	\$65,000
8	30	\$30.87	\$70,000
9	30	\$30.87	\$85,000
10	30	\$30.87	\$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$600,000

Incentive Type:
Other

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

Ownership (20% or more):

David Chandler Bowling Green, KY

Requested Wage Assessment / Local Participation:

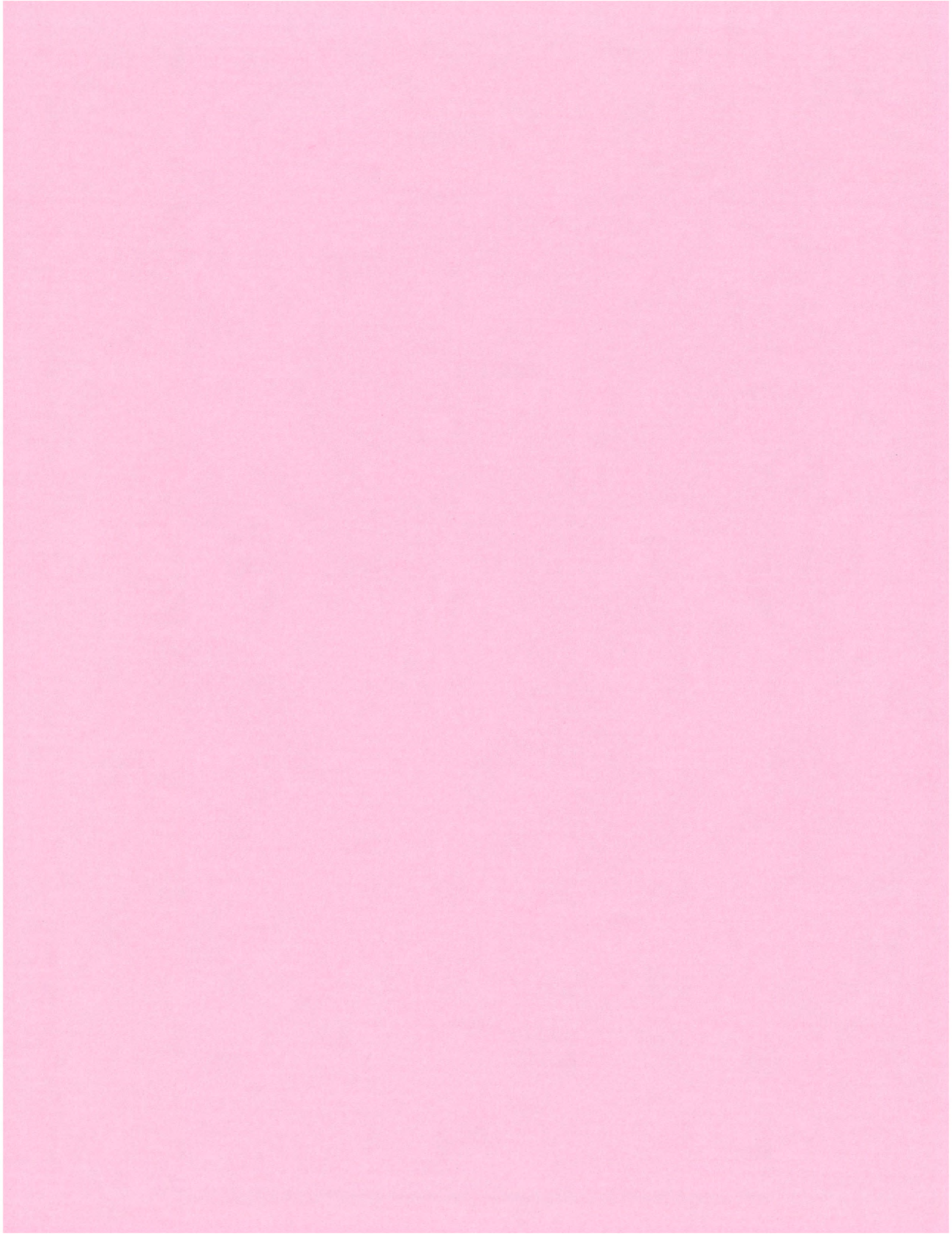
State: 2.7%

Local: 1% City of Bowling Green

Unemployment Rate:

County: 3.1%

Kentucky: 3.2%



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: June 29, 2023
Approved Company: Southern Coil Solutions, LLC
City: Bowling Green **County:** Warren
Activity: Non-Retail Service or Technology **Resolution #:** KEIA-23-117912
Bus. Dev. Contact: A. Chilton **DFS Staff:** B. Combs
Project Description: Southern Coil Solutions, LLC is a leading automated storage warehousing facility specializing in the handling of aluminum and steel coils. The potential Bowling Green facility would be strategically located in a prime industrial area, span more than 100,000 square feet, and be equipped with advanced automation systems and specialized machinery tailored for coil storage and handling.

Facility Details: Locating in a new facility

Anticipated Project Investment

Land

Building Construction

Other Equipment

TOTAL

Eligible Costs	Total Investment
\$0	\$689,250
\$8,500,000	\$17,000,000
\$0	\$9,500,000
\$8,500,000	\$27,189,250

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$150,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$150,000

See KBI file (KBI-I-23-117922) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: June 29, 2023
Approved Company: Old Bourbon County Distillery LLC dba Eastern Light Distilling
City: Morehead **County:** Rowan
Activity: Manufacturing **Prelim Resolution #:** KBI-I-23-117855
Bus. Dev. Contact: J. Metz **DFS Staff:** M. Elder

Project Description: Old Bourbon County Distillery LLC dba Eastern Light Distilling is introducing an innovative new concept that will grow the state's signature bourbon industry in Eastern Kentucky while supporting craft bourbon makers as a custom contract distiller. The locally owned venture is led by Kentucky bourbon industry veterans, including an internationally recognized master distiller and a senior industry executive.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land

Building/Improvements

Equipment

Other Start-up Costs

TOTAL

Eligible Costs	Total Investment
\$6,360,000	\$6,360,000
\$114,560,000	\$114,560,000
\$22,240,000	\$22,240,000
\$550,000	\$550,000
\$143,710,000	\$143,710,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	50	\$33.17	
1	50	\$33.17	\$126,000
2	50	\$33.17	\$126,000
3	50	\$33.17	\$126,000
4	50	\$33.17	\$126,000
5	50	\$33.17	\$126,000
6	50	\$33.17	\$126,000
7	50	\$33.17	\$126,000
8	50	\$33.17	\$126,000
9	50	\$33.17	\$126,000
10	50	\$33.17	\$126,000
11	50	\$33.17	\$128,000
12	50	\$33.17	\$128,000
13	50	\$33.17	\$128,000
14	50	\$33.17	\$128,000
15	50	\$33.17	\$128,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,900,000

Incentive Type:
Enhanced

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

Ownership (20% or more):

Caleb Kilburn Louisville, KY
Cordell Lawrence Louisville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 4.5%

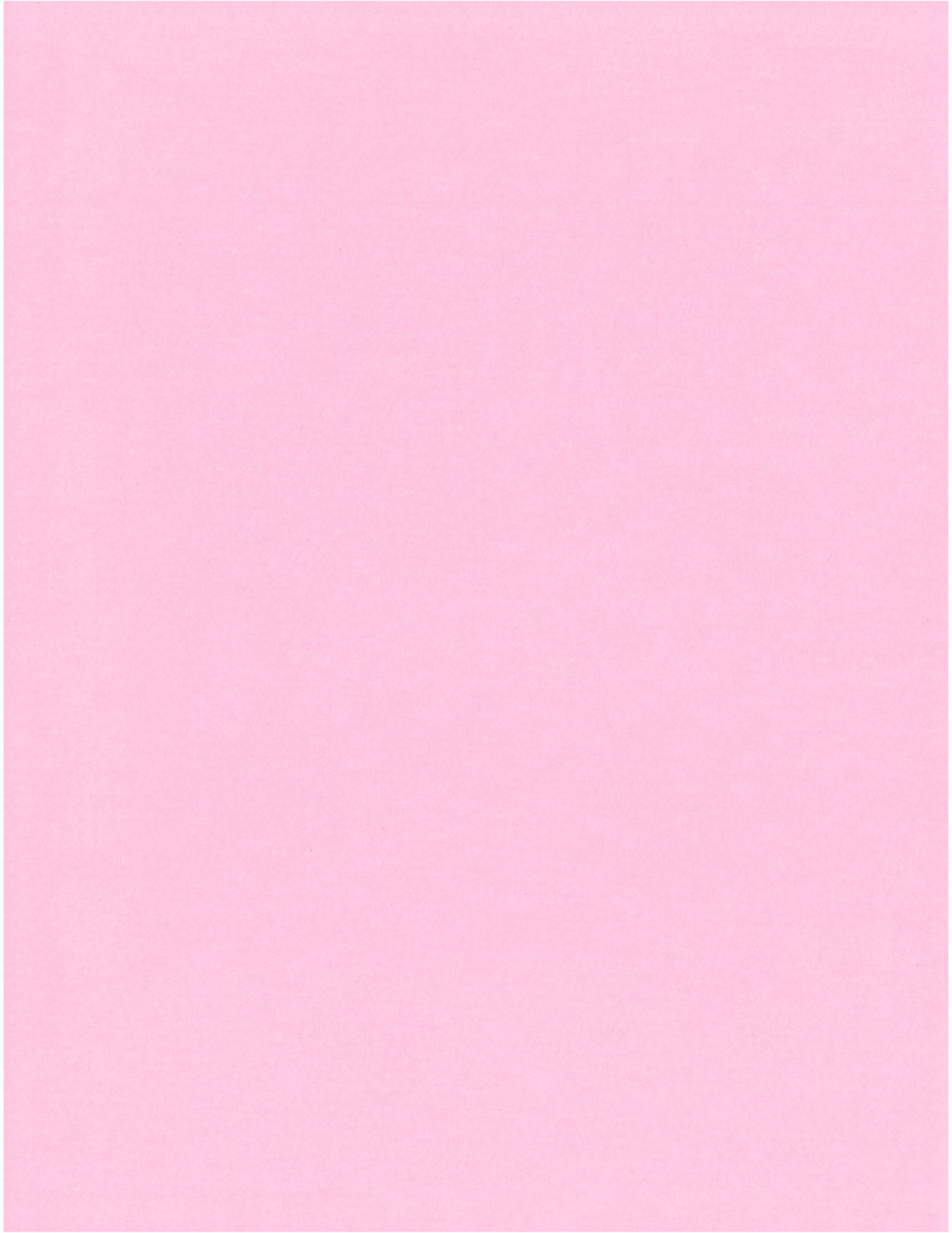
Unemployment Rate:

County: 3.9%

Kentucky: 3.2%

Existing Presence in Kentucky: None

Special Conditions: None



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: June 29, 2023
Approved Company: Old Bourbon County Distillery LLC dba Eastern Light Distilling
City: Morehead **County:** Rowan
Activity: Manufacturing **Resolution #:** KEIA-23-117856
Bus. Dev. Contact: J. Metz **DFS Staff:** M. Elder
Project Description: Old Bourbon County Distillery LLC dba Eastern Light Distilling is introducing an innovative new concept that will grow the state's signature bourbon industry in Eastern Kentucky while supporting craft bourbon makers as a custom contract distiller. The locally owned venture is led by Kentucky bourbon industry veterans, including an internationally recognized master distiller and a senior industry executive.

Facility Details: Locating in a new facility

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$6,360,000
\$68,736,000	\$114,560,000
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$22,240,000
\$0	\$550,000
\$68,736,000	\$143,710,000

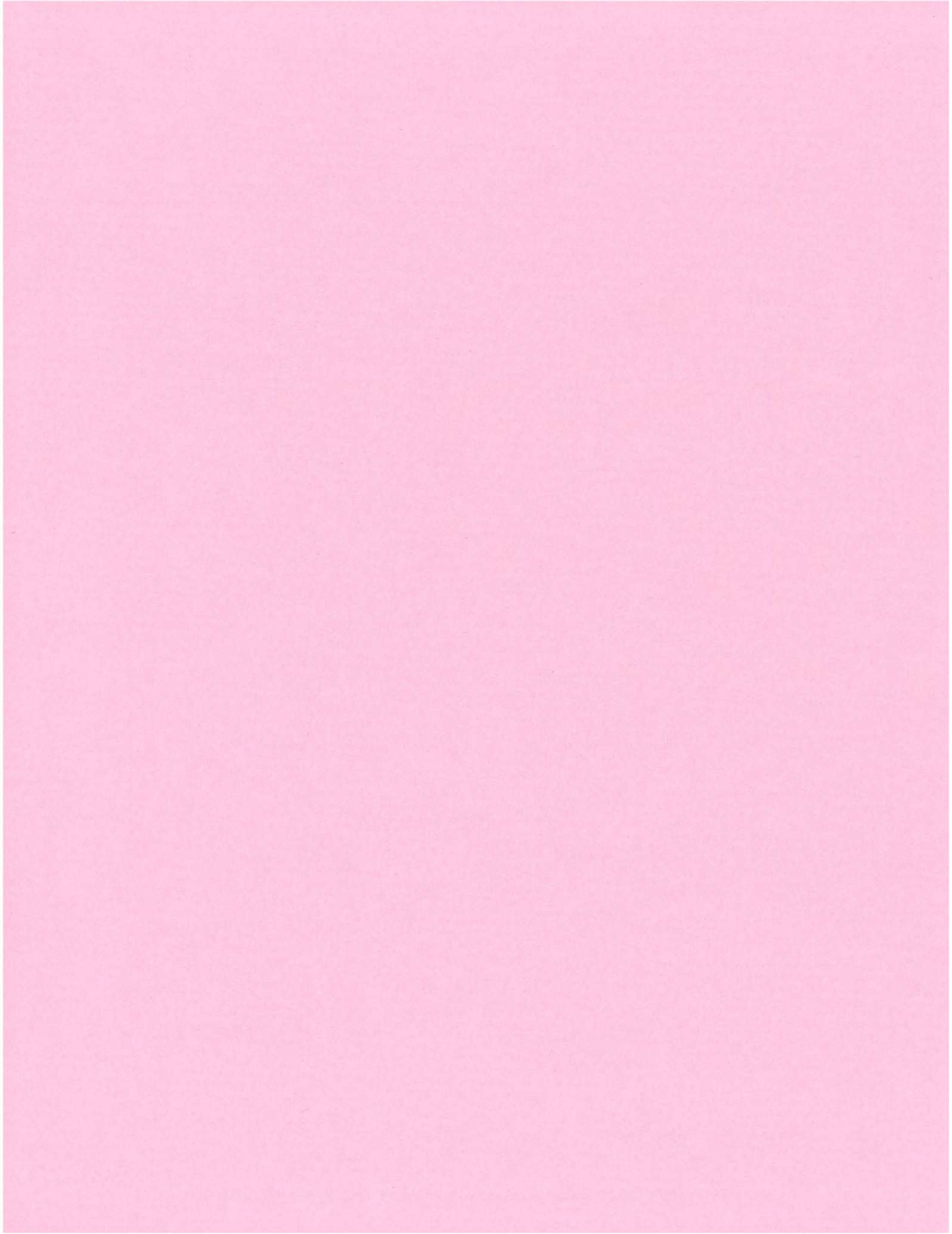
Approved Recovery Amount:

Construction Materials and Building Fixtures: \$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$100,000

See KBI file (KBI-I-23-117855) for Ownership, Other State Participation and Unemployment Rate.



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

Date: June 29, 2023
Approved Company: Pennyroyal Barrel Co. LLC
City: Columbia **County:** Adair
Activity: Manufacturing **Prelim Resolution #:** KBI-I-23-117945
Bus. Dev. Contact: C. Prather **DFS Staff:** M. Elder

Project Description: Pennyroyal Barrel Co. LLC (PBC) is considering operating a brand new company and new concept in Adair County. This will be the first bourbon related project in Adair County. PBC will provide barrel storage, distribution and receiving, and bottling operations.

Facility Details:**Anticipated Project Investment - Owned**

Land
Building/Improvements
Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$20,000	\$20,000
\$7,500,000	\$7,500,000
\$500,000	\$500,000
\$500,000	\$500,000
\$8,520,000	\$8,520,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$20.40	
1	10	\$20.40	\$15,000
2	10	\$20.40	\$15,000
3	10	\$20.40	\$15,000
4	10	\$20.40	\$15,000
5	10	\$20.40	\$15,000
6	10	\$20.40	\$15,000
7	10	\$20.40	\$15,000
8	10	\$20.40	\$15,000
9	10	\$20.40	\$15,000
10	10	\$20.40	\$15,000
11	10	\$20.40	\$15,000
12	10	\$20.40	\$15,000
13	10	\$20.40	\$15,000
14	10	\$20.40	\$15,000
15	10	\$20.40	\$15,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**\$225,000**

Incentive Type:
Enhanced

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

Ownership (20% or more):

Daniel Griffith College Grove, TN
Ross Hutchison Nashville, TN

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 4.5%

Unemployment Rate:
County: 4.1% Kentucky: 3.2%

Existing Presence in Kentucky: None

Special Conditions: None

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: June 29, 2023

Approved Company: Pennyroyal Barrel Co. LLC

City: Columbia

Activity: Manufacturing

Bus. Dev. Contact: C. Prather

County: Adair

Resolution #: KEIA-23-117946

DFS Staff: M. Elder

Project Description: Pennyroyal Barrel Co. LLC (PBC) is considering operating a brand new company and new concept in Adair County. This will be the first bourbon related project in Adair County. PBC will provide barrel storage, distribution and receiving, and bottling operations.

Facility Details: Locating in a new facility

Anticipated Project Investment

Land

Building Construction

Electronic Processing Equipment

Research & Development Equipment

Flight Simulation Equipment

Other Equipment

Other Start-up Costs

TOTAL

Eligible Costs	Total Investment
\$0	\$20,000
\$5,000,000	\$7,500,000
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$500,000
\$0	\$500,000
\$5,000,000	\$8,520,000

Approved Recovery Amount:

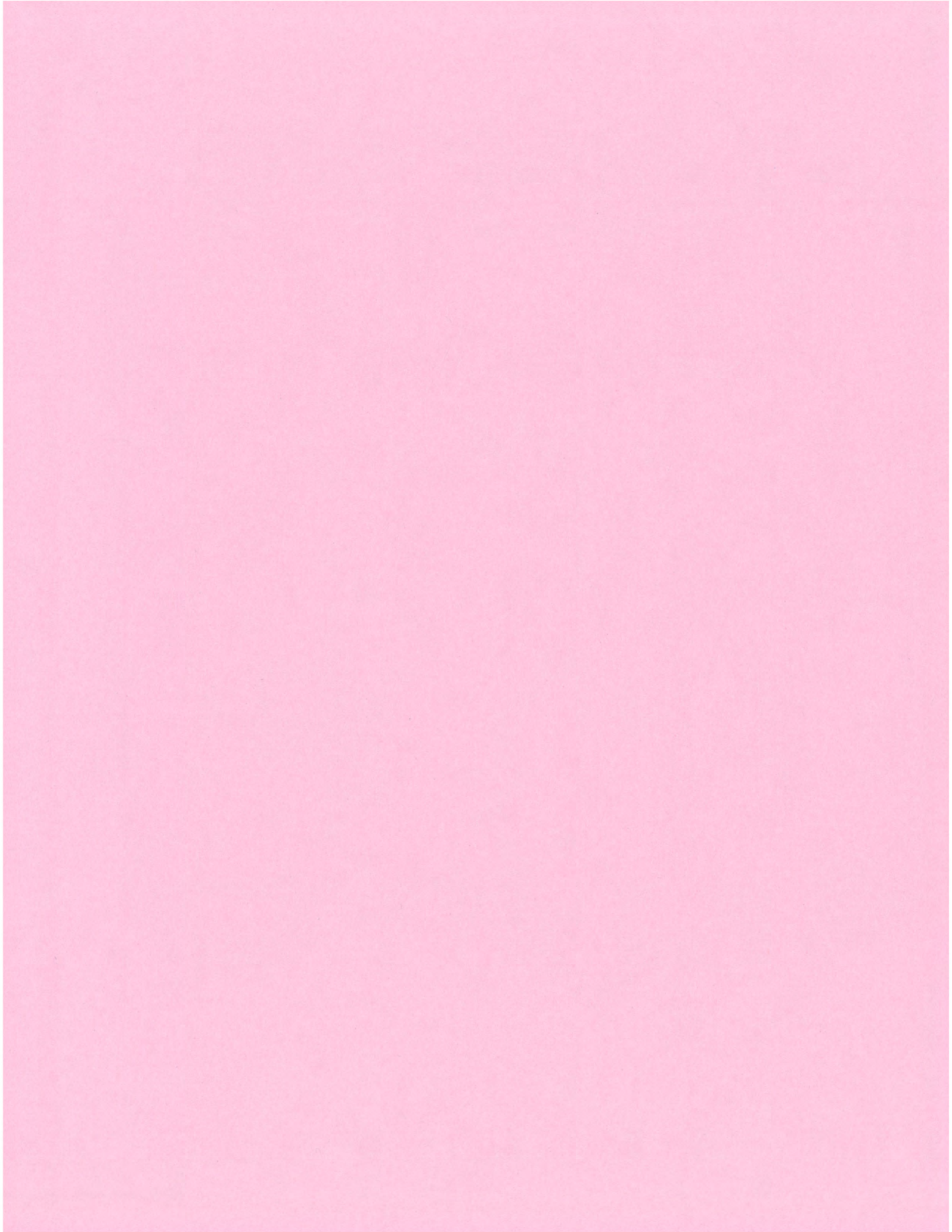
Construction Materials and Building Fixtures:

\$150,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$150,000

See KBI file (KBI-I-23-117945) for Ownership, Other State Participation and Unemployment Rate.



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: June 29, 2023
Approved Company: Bakery Express - MidWest, LLC
City: Walton **County:** Boone
Activity: Manufacturing **Prelim Resolution #:** KBI-I-23-117880
Bus. Dev. Contact: C. Dodd **DFS Staff:** R. Aiken

Project Description: Bakery Express - MidWest, LLC is a commercial bakery manufacturing facility that supplies customers with fresh baked goods. The company hopes to open a new facility to serve a long-time customer and develop the market in Kentucky and the surrounding areas.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$2,000,000	\$2,000,000
\$3,500,000	\$3,500,000
\$1,260,000	\$4,000,000
\$500,000	\$500,000
\$7,260,000	\$10,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	63	\$22.20	
1	83	\$22.20	\$100,000
2	99	\$22.20	\$100,000
3	116	\$22.20	\$100,000
4	131	\$22.20	\$100,000
5	136	\$22.20	\$100,000
6	152	\$22.20	\$100,000
7	159	\$22.20	\$100,000
8	167	\$22.20	\$100,000
9	172	\$22.20	\$100,000
10	177	\$22.20	\$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,000,000

Incentive Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

Charles L. Burman Bonita Springs, FL

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

State: 1.2%

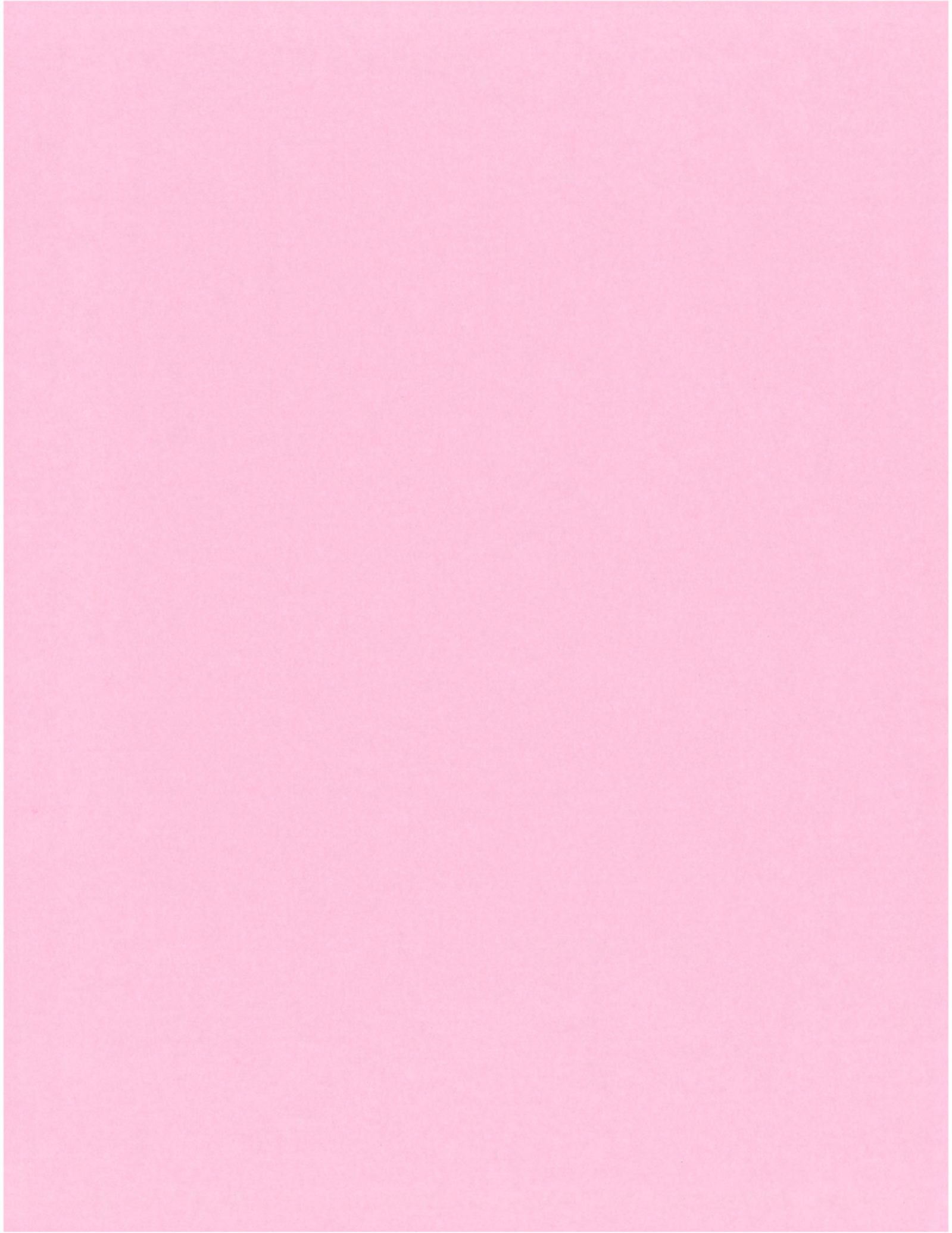
Local: 0.4% Boone County

Unemployment Rate:

County: 2.8%

Kentucky: 3.2%

Existing Presence in Kentucky: None**Special Conditions:** None



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

Date: June 29, 2023
Approved Company: Aerospace Composites Solutions, Inc.
City: Morgantown **County:** Butler
Activity: Manufacturing **Prelim Resolution #:** KBI-IL-23-117954
Bus. Dev. Contact: C. Dodd **DFS Staff:** R. Aiken

Project Description: Aerospace Composites Solutions, Inc. is a comprehensive composite design and manufacturing facility focused on expanding aircraft performance and capability. The company is considering a location within Morgantown to meet increased consumer demands.

Facility Details: Locating in a new facility

Anticipated Project Investment - Leased

Rent
Building/Improvements
Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$7,800,000	\$15,600,000
\$0	\$0
\$1,000,000	\$1,000,000
\$200,000	\$200,000
\$9,000,000	\$16,800,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$30.00	
1	18	\$30.00	\$80,000
2	28	\$30.00	\$90,000
3	40	\$30.00	\$110,000
4	50	\$30.00	\$120,000
5	60	\$30.00	\$130,000
6	70	\$30.00	\$140,000
7	70	\$30.00	\$140,000
8	70	\$30.00	\$140,000
9	72	\$30.00	\$150,000
10	72	\$30.00	\$150,000
11	72	\$30.00	\$150,000
12	72	\$30.00	\$150,000
13	72	\$30.00	\$150,000
14	72	\$30.00	\$150,000
15	72	\$30.00	\$150,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,000,000

Incentive Type:
Enhanced

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

Ownership (20% or more):

Matt Shieman Moraga, California
Dale Griffin Naples, Florida

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 4.5%

Unemployment Rate:

County: 3.2%

Kentucky: 3.2%

Existing Presence in Kentucky: Butler County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval. The company reported 43 full-time employees subject to Kentucky income tax as of the application date.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**KBI REPORT - PRELIMINARY APPROVAL****Date:** June 29, 2023**Approved Company:** Lunae, LLC**City:** Bowling Green**Activity:** Headquarters
Operations**County:** Warren**Prelim Resolution #:** KBI-IL-23-117944**Bus. Dev. Contact:** C. Dodd**DFS Staff:** M. Elder

Project Description: Lunae, LLC, initially existed as the behind-the-scenes management company for Oria, was a thriving telehealth practice offering mental health services in places that cannot normally be reached. The company is now considering the establishment of its corporate headquarters in Warren County.

Facility Details: Locating in a new facility**Anticipated Project Investment - Leased**

Rent

Building/Improvements

Equipment

Other Start-up Costs

TOTAL

Eligible Costs	Total Investment
\$50,000	\$100,000
\$0	\$0
\$156,000	\$156,000
\$10,000	\$10,000
\$216,000	\$266,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$28.00	
1	14	\$28.00	\$20,000
2	19	\$28.00	\$20,000
3	22	\$28.00	\$20,000
4	27	\$28.00	\$20,000
5	28	\$28.00	\$20,000
6	29	\$28.00	\$20,000
7	30	\$28.00	\$20,000
8	31	\$28.00	\$20,000
9	32	\$28.00	\$20,000
10	33	\$28.00	\$20,000

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

Incentive Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

Amanda Havard Dallas, TX

Requested Wage Assessment / Local Participation:

State: 2.7%

Local: 1.0% City of Bowling Green

Unemployment Rate:

County: 3.1%

Kentucky: 3.2%

Existing Presence in Kentucky: None**Special Conditions:** None

MEMORANDUM

TO: KEDFA Board Members

FROM: Michelle Elder 
Incentive Administration Division

DATE: June 29, 2023

SUBJECT: KBI Extensions

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

Company	County	Extension
Itsuwa KY, LLC	Nelson	3 Month
Diversey, Inc.	Kenton	6 Month
Contemporary Amperex Technology Co., Limited	Barren	12 Month
International Farmaceutical Extracts LLC	Boyle	12 Month
Porter Road Butcher Meat Company LLC	Caldwell	12 Month

Staff recommends approval.

The first part of the paper discusses the importance of the research and the objectives of the study. It then presents a literature review of the existing research on the topic. The next section describes the methodology used in the study, including the data sources and the statistical techniques employed. The results of the study are then presented, followed by a discussion of the findings and their implications. Finally, the paper concludes with a summary of the main points and suggestions for future research.

The research was conducted using a quantitative approach, with data collected from a large sample of participants. The results show a significant positive correlation between the variables studied, indicating that the hypothesis was supported. The findings have important implications for the field, suggesting that the relationship between the variables is robust and generalizable.

In conclusion, the study provides valuable insights into the relationship between the variables and highlights the need for further research in this area. The results suggest that the relationship is not only statistically significant but also practically important, with potential applications in various contexts.

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

Date: June 29, 2023
Preliminary Approval: January 26, 2023
Approved Company: INFAC North America Inc.
City: Campbellsville
Activity: Manufacturing
Bus. Dev. Contact: C. Peek
County: Taylor
Final Resolution #: KBI-FD-23-117616
DFS Staff: M. Elder
Project Description: INFAC North America Inc opened its first U. S. operation in 2008. The company has outgrown this location multiple times. INFAC expanded the Taylor County location to help meet customer's demand.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$58,607,317	\$58,607,317

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$18.46	
1	20	\$18.46	\$20,000
2	186	\$18.46	\$200,000
3	210	\$18.46	\$200,000
4	210	\$18.46	\$215,000
5	210	\$18.46	\$215,000
6	210	\$18.46	\$215,000
7	210	\$18.46	\$215,000
8	210	\$18.46	\$215,000
9	210	\$18.46	\$215,000
10	210	\$18.46	\$215,000
11	210	\$18.46	\$215,000
12	210	\$18.46	\$215,000
13	210	\$18.46	\$215,000
14	210	\$18.46	\$215,000
15	210	\$18.46	\$215,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$3,000,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 123

Modifications since preliminary approval? No

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

Date: June 29, 2023
Preliminary Approval: April 29, 2021
Approved Company: Conner Logistics, Inc.
City: Somerset
Activity: Service or Technology
Bus. Dev. Contact: J. Metz

County: Pulaski
Final Resolution #: KBI-FL-23-23425
DFS Staff: M. Elder

Project Description: Conner Logistics, Inc., founded in 2002 in Fresno, California, is a family owned and operated transportation and logistics corporation. The company relocated its corporate headquarters to Kentucky and established a warehouse/distribution center.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$789,010	\$1,322,939

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$44.50	
1	10	\$44.50	\$20,000
2	10	\$44.50	\$20,000
3	10	\$44.50	\$20,000
4	10	\$44.50	\$20,000
5	10	\$44.50	\$25,000
6	15	\$44.50	\$25,000
7	15	\$44.50	\$30,000
8	15	\$44.50	\$30,000
9	15	\$44.50	\$30,000
10	15	\$44.50	\$30,000
11	20	\$44.50	\$30,000
12	20	\$44.50	\$30,000
13	20	\$44.50	\$30,000
14	20	\$44.50	\$30,000
15	20	\$44.50	\$30,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$400,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 2

Modifications since preliminary approval? Yes

Total investment and eligible costs have been updated based on the current projections. State wage assessment has been updated to reflect the current rate. All other aspects of the project remain the same.

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

Date: June 29, 2023
Preliminary Approval: May 26, 2022
Approved Company: Green River Meats, LLC
City: Campbellsville
Activity: Manufacturing
Bus. Dev. Contact: A. Chilton

County: Taylor
Final Resolution #: KBI-FD-23-23879
DFS Staff: M. Elder

Project Description: Green River Meats, LLC (GRM) is a USDA custom meat processing business, with plans to be open in 2023. GRM built a processing plant to serve the needs of local livestock producers.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$2,315,800	\$2,315,800

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	\$19,000
2	16	\$21.00	\$31,000
3	20	\$21.00	\$32,000
4	20	\$21.00	\$39,000
5	20	\$21.00	\$39,000
6	20	\$21.00	\$39,000
7	20	\$21.00	\$39,000
8	20	\$21.00	\$39,000
9	20	\$21.00	\$39,000
10	20	\$21.00	\$39,000
11	22	\$21.00	\$39,000
12	22	\$21.00	\$39,000
13	25	\$21.00	\$39,000
14	25	\$21.00	\$39,000
15	25	\$21.00	\$39,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$550,000

County Type:
Enhanced

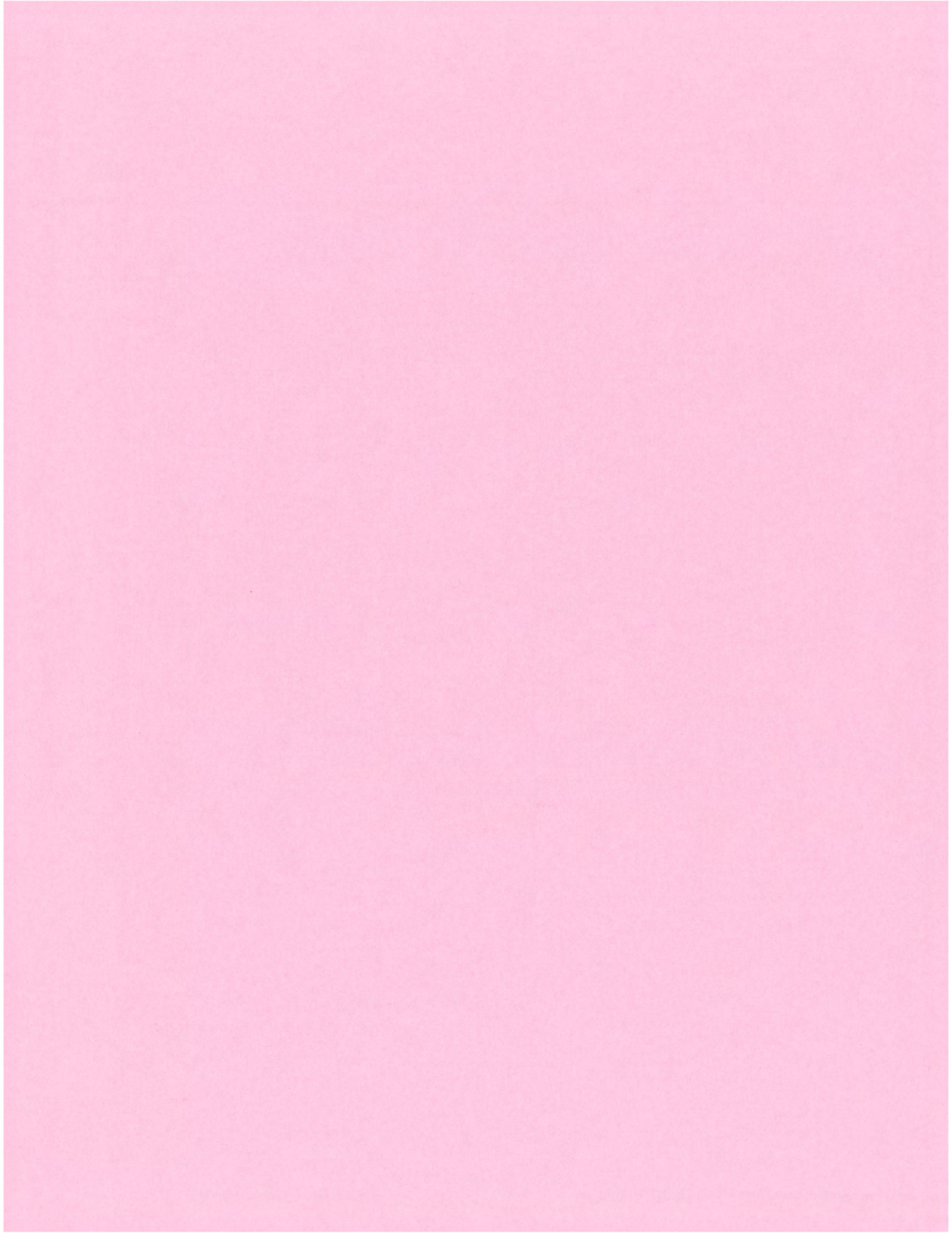
Statutory Minimum Wage Requirements:

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

Special Conditions: None

Modifications since preliminary approval? Yes

State wage assessment has been updated to reflect the current rate. All other aspects of the project remain the same.



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

Date: June 29, 2023
Preliminary Approval: March 25, 2021
Approved Company: Modern Metals Inc.
City: Ashland
Activity: Manufacturing
Bus. Dev. Contact: A. Chilton

County: Boyd
Final Resolution #: KBI-F-23-23393
DFS Staff: M. Elder

Project Description: Modern Metals Inc. (MM) was formed at the end of 2019 to perform metal fabrication services primarily for mechanical and electrical construction in the rock quarry, limestone and coal industries. Due to the impact of Covid in 2020, MM only performed a limited amount of work utilizing leased labor. Customer demand picked up, and the company purchased a substantial piece of equipment needed to help meet expected increased customer demand.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$5,050,000	\$5,050,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	28	\$25.00	
1	28	\$25.00	\$50,000
2	36	\$25.00	\$50,000
3	36	\$25.00	\$50,000
4	36	\$25.00	\$50,000
5	36	\$25.00	\$50,000
6	36	\$25.00	\$50,000
7	36	\$25.00	\$50,000
8	36	\$25.00	\$50,000
9	36	\$25.00	\$50,000
10	36	\$25.00	\$50,000
11	36	\$25.00	\$50,000
12	36	\$25.00	\$50,000
13	36	\$25.00	\$50,000
14	36	\$25.00	\$50,000
15	36	\$25.00	\$50,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$750,000

County Type:
Other

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

Special Conditions: None

Modifications since preliminary approval? Yes

Total investment and eligible costs have been updated based on the current projections. Jobs increased from 24 to 36. Total negotiated tax incentive amount increased from \$500,000 to \$750,000. State wage assessment has been updated to reflect the current rate. All other aspects of the project remain the same.

The first part of the paper discusses the importance of the research and the objectives of the study. It then presents a literature review of the existing research on the topic. The second part of the paper describes the methodology used in the study, including the data collection and analysis techniques. The third part of the paper presents the results of the study, and the fourth part discusses the conclusions and implications of the findings.

The study found that there is a significant positive relationship between the variables studied. The results suggest that the factors investigated have a strong influence on the outcome. The findings have important implications for the field and provide a basis for further research.

In conclusion, the study highlights the need for further investigation into the relationship between the variables. The results provide valuable insights into the topic and contribute to the existing body of knowledge.

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

Date: June 29, 2023
Preliminary Approval: June 28, 2018
Approved Company: SWVA Kentucky, LLC
City: Ashland
Activity: Manufacturing
Bus. Dev. Contact: A. Luttner

County: Boyd
Final Resolution #: KBI-F-23-22043
DFS Staff: M.Elder

Project Description: SWVA Kentucky, LLC is a merchant bar rolling mill that will utilize incoming produced or purchased billets as its raw material which is rolled into a merchant or SBQ flat product. The company located a new manufacturing facility in Ashland.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$11,792,295	\$11,792,295

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	50	\$35.00	
1	50	\$35.00	\$140,000
2	55	\$35.00	\$160,000
3	60	\$35.00	\$200,000
4	60	\$35.00	\$200,000
5	60	\$35.00	\$200,000
6	60	\$35.00	\$200,000
7	60	\$35.00	\$200,000
8	60	\$35.00	\$200,000
9			
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TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,500,000

County Type:
Other

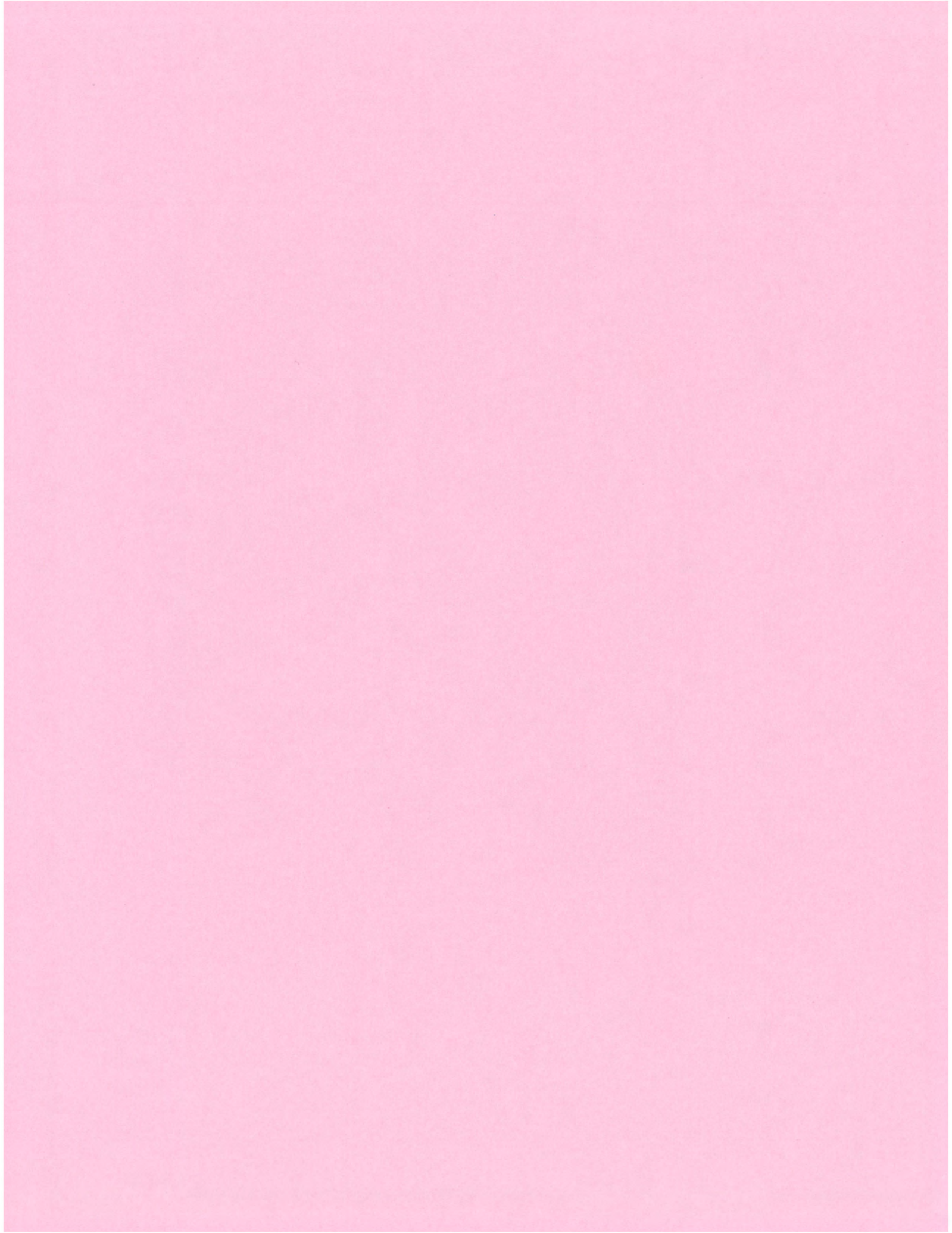
Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions: None

Modifications since preliminary approval? Yes

Total investment and eligible costs have been updated based on the current projections. State wage assessment has been updated to reflect the current rate. All other aspects of the project remain the same.



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

Date: June 29, 2023
Preliminary Approval: December 12, 2019
Approved Company: WABCO USA LLC
City: Hebron
Activity: Service or Technology
Bus. Dev. Contact: J. Metz

County: Boone
Final Resolution #: KBI-FL-23-22855
DFS Staff: B.Combs

Project Description: WABCO USA LLC is a subsidiary of WABCO North America which has various business units serving commercial vehicle manufacturers, fleet operators, and the Aftermarket. The company expanded operations in Boone County.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$2,610,345	\$4,154,392

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$39.00	
1	41	\$39.00	\$110,000
2	82	\$39.00	\$110,000
3	123	\$39.00	\$110,000
4	123	\$39.00	\$110,000
5	123	\$39.00	\$110,000
6	123	\$39.00	\$110,000
7	123	\$39.00	\$110,000
8	123	\$39.00	\$110,000
9	123	\$39.00	\$110,000
10	123	\$39.00	\$110,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,100,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 61

Modifications since preliminary approval? Yes

Total investment and eligible costs have been updated based on the current projections. State wage assessment has been updated to reflect the current rate. All other aspects of the project remain the same.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEI REPORT**

Date: June 29, 2023
Approved Company: Airspace Alabama, LLC
Project Name: Airspace

**Counties Where Filming
or Production Will Occur:** Jefferson

Activity: Feature-length Film

DFS Staff: Tim Bates

Project Description: Airspace Alabama LLC is a single purpose entity created for the production of "Airspace."

When an ex-airforce pilot agrees to fly two passengers across Mexico to the American border within twenty four hours, he puts his life and his cargo plane in great danger from forces who will do anything to stop him.

Production is set to begin as early as June 30, 2023 and is anticipated to end by December 31, 2024.

Anticipated Qualifying Project Expenditures:

	Enhanced Incentive County Expenditures	Other County Expenditures	Total Expenditures
KY Resident, Above-the-line Production Crew		\$742,432	\$742,432
Non-KY Resident, Above-the-line Production Crew		\$3,445,708	\$3,445,708
KY Resident, Below-the-line Production Crew		\$609,374	\$609,374
Non-KY Resident, Below-the-line Production Crew		\$406,897	\$406,897
Total Qualifying Payroll Expenditures	\$0	\$5,204,411	\$5,204,411
Total Qualifying Non-payroll Expenditures		\$1,237,000	\$1,237,000
TOTAL	\$0	\$6,441,411	\$6,441,411

Minimum Required Qualifying Project Expenditures:

\$250,000

Anticipated Production Crew:

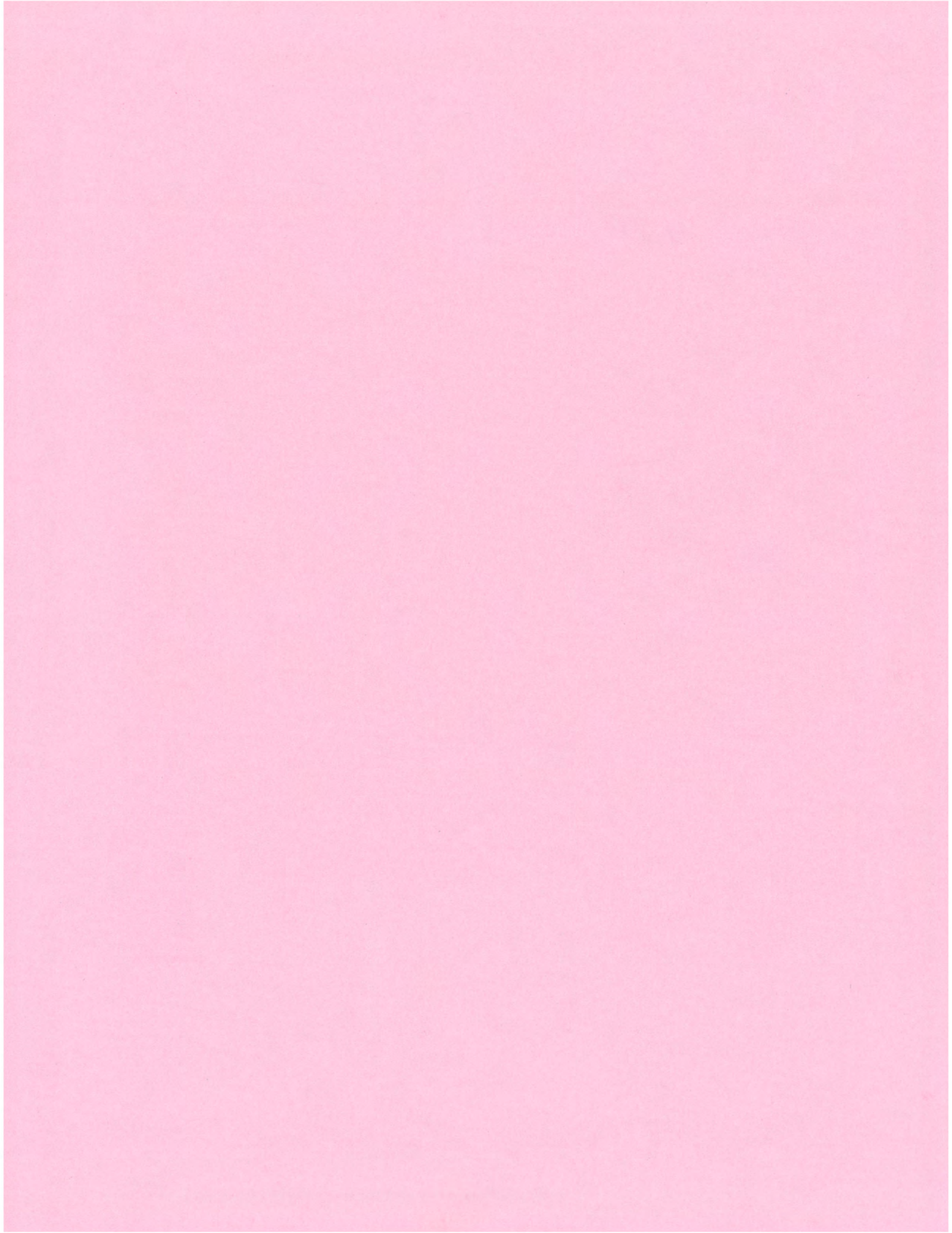
	Kentucky Resident Crew Members	Non-Kentucky Resident Crew Members	Total Production Crew Members
Above-the-line Production Crew	25	8	33
Below-the-line Production Crew	250	7	257
Total Production Crew Members	275	15	290

Ownership (20% or more):

Cassian Elwes

100%

Other State Participation:Date
NoneProgramStatusAmount**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:****\$2,000,014**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEI REPORT**

Date: June 29, 2023
Approved Company: In The Ring LLC
Project Name: In The Ring
**Counties Where Filming
or Production Will Occur:** Bullitt, Jefferson

Activity: Documentary

DFS Staff: Tim Bates

Project Description: In The Ring LLC is a single purpose entity created for the production of "In The Ring."

In The Ring is a documentary about the pioneers of women's wrestling. The documentary will follow the careers of women past and present with old film footage, wrestling matches, vintage photos, and interviews with wrestlers.

Production is set to begin as early as July 1, 2023 and is anticipated to end by August 1, 2023.

Anticipated Qualifying Project Expenditures:

	Enhanced Incentive County Expenditures	Other County Expenditures	Total Expenditures
KY Resident, Above-the-line Production Crew		\$64,000	\$64,000
Non-KY Resident, Above-the-line Production Crew			\$0
KY Resident, Below-the-line Production Crew		\$43,000	\$43,000
Non-KY Resident, Below-the-line Production Crew			\$0
Total Qualifying Payroll Expenditures	\$0	\$107,000	\$107,000
Total Qualifying Non-payroll Expenditures		\$19,900	\$19,900
TOTAL	\$0	\$126,900	\$126,900

Minimum Required Qualifying Project Expenditures:

\$10,000

Anticipated Production Crew:

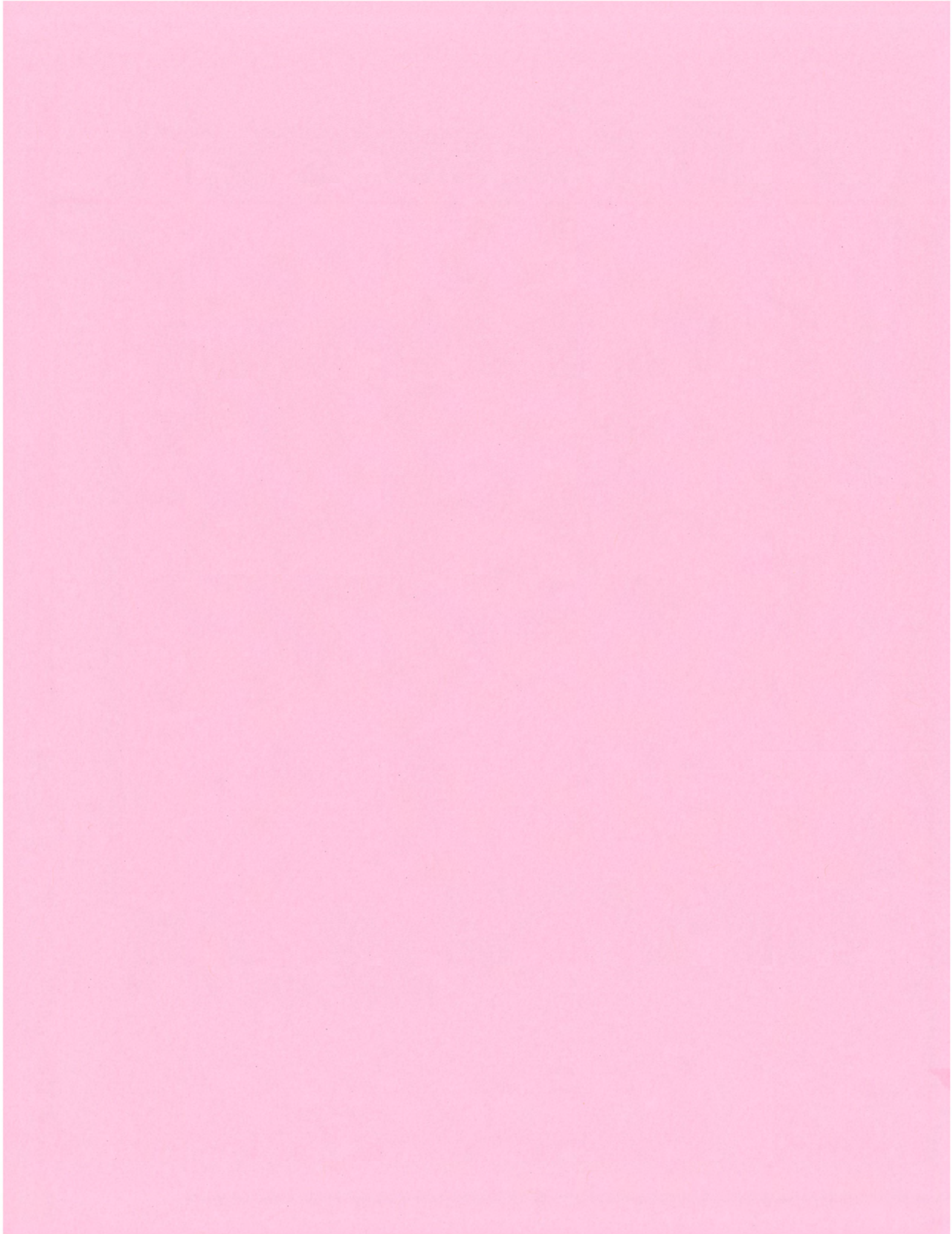
	Kentucky Resident Crew Members	Non-Kentucky Resident Crew Members	Total Production Crew Members
Above-the-line Production Crew	1	0	1
Below-the-line Production Crew	7	0	7
Total Production Crew Members	8	0	8

Ownership (20% or more):

Brad David LaFave

100%

Other State Participation:Date
NoneProgramStatusAmount**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:****\$43,420**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEI REPORT**

Date: June 29, 2023
Approved Company: Prosper Media Group, Inc.
Project Name: Downstream: Bluegrass Tour 2023

Counties Where Filming or Production Will Occur: Harrison, Jessamine, Madison

Activity: Documentary **DFS Staff:** Tim Back

Project Description: Based in Lexington, KY, the Prosper Media Group (PMG) incorporates a full service multi-media video & television production facility that is dedicated to providing video production services of the highest quality and standard to both local and national clients.

This Emmy award-winning series explores the secrets and histories of Kentucky's intricate waterways in a recreational context with sidebars to the state's distilleries, breweries and wineries. This is an educational travel series with a unique Point-Of-View approach, featuring somewhat un-scripted, reality based adventures.

Production is set to begin as early as July 1, 2023 and is anticipated to end by March 1, 2024.

Anticipated Qualifying Project Expenditures:

	Enhanced Incentive County Expenditures	Other County Expenditures	Total Expenditures
KY Resident, Above-the-line Production Crew	\$1,600	\$22,625	\$24,225
Non-KY Resident, Above-the-line Production Crew	\$450	\$4,425	\$4,875
KY Resident, Below-the-line Production Crew			\$0
Non-KY Resident, Below-the-line Production Crew			\$0
Total Qualifying Payroll Expenditures	\$2,050	\$27,050	\$29,100
Total Qualifying Non-payroll Expenditures		\$900	\$900
TOTAL	\$2,050	\$27,950	\$30,000

Minimum Required Qualifying Project Expenditures: \$10,000

Anticipated Production Crew:

	Kentucky Resident Crew Members	Non-Kentucky Resident Crew Members	Total Production Crew Members
Above-the-line Production Crew	4	1	5
Below-the-line Production Crew	3		3
Total Production Crew Members	7	1	8

Ownership (20% or more):

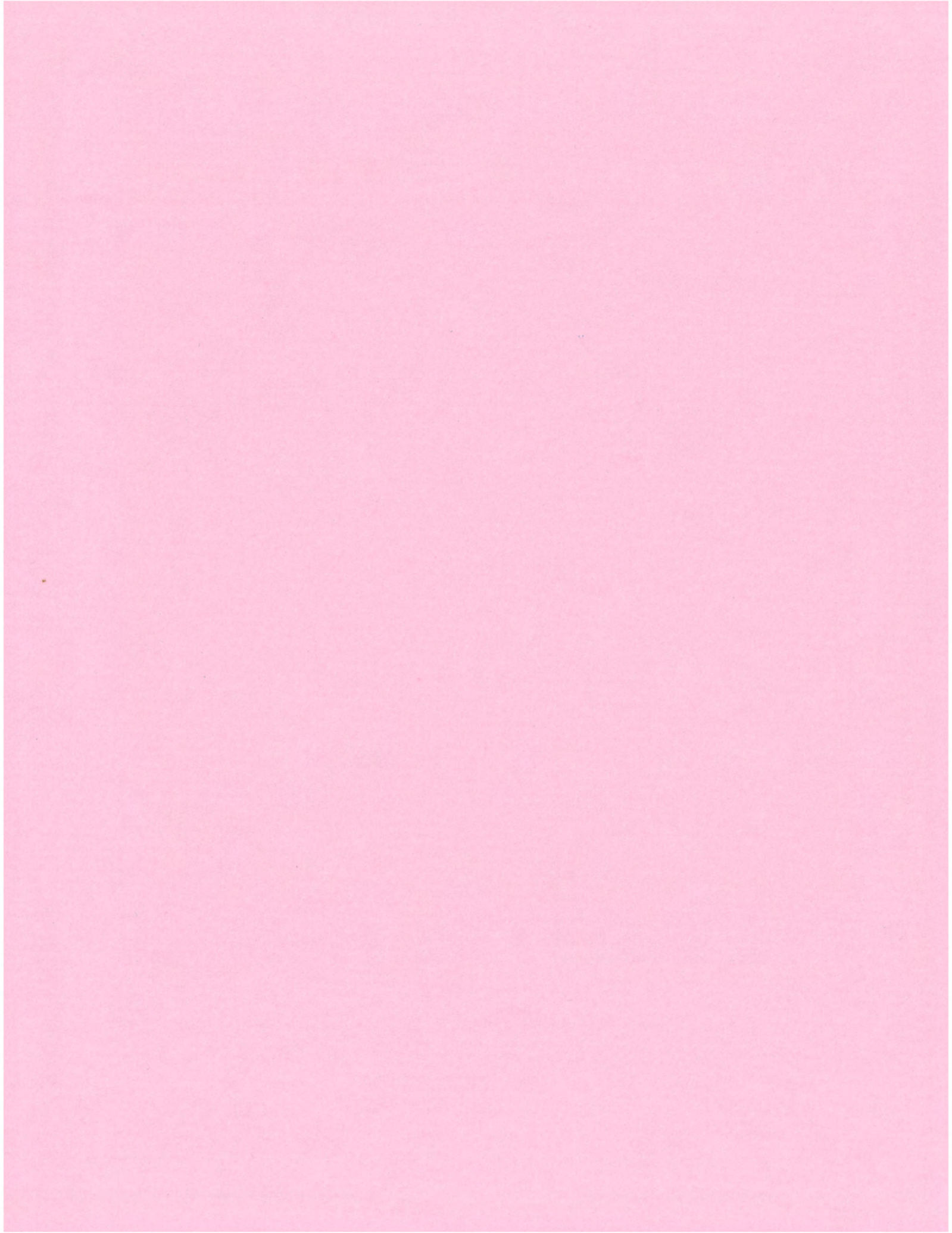
Kyle M. Lake

100%

Other State Participation:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
March 31, 2022	KEI	Final Approval	\$7,793
July 28, 2022	KEI	Final Approval	\$10,207

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**\$10,234**



Kentucky Small Business Tax Credit (KSBTC) Projects Report

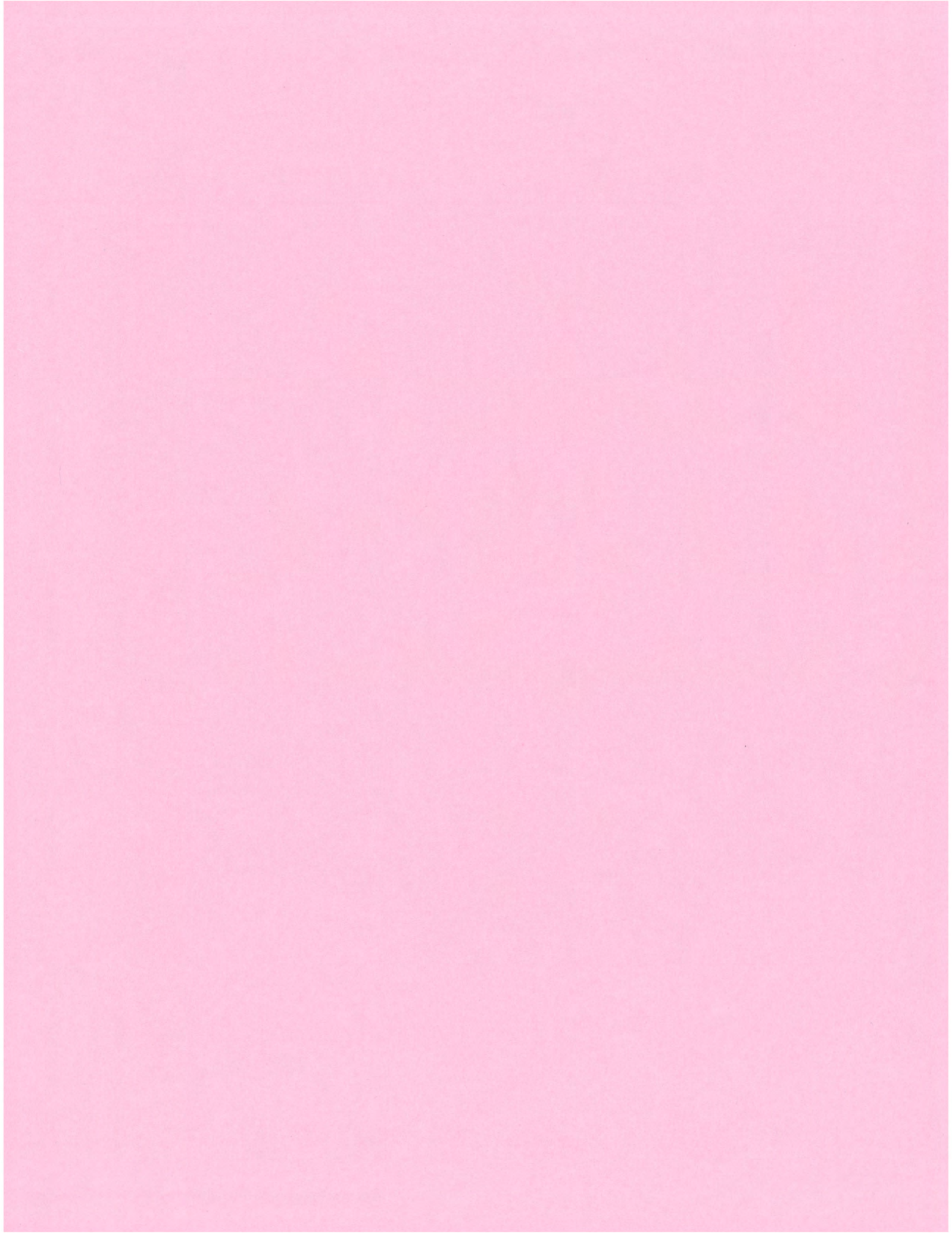
June 2023

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/Technology	Tax Credit Amount
Administrative Processing & Services, LLC	Fayette	23	5	\$23.21	\$18,048	\$17,500
Architectural Kitchens & Baths LLC	Fayette	3	1	\$26.44	\$6,348	\$3,500
Bluegrass Hearing Clinic, LLC	Bourbon	18	2	\$13.95	\$7,750	\$7,000
Bruce-Layne, LLC	Jefferson	8	1	\$19.00	\$16,130	\$3,500
Corvin's Furniture & Carpet, LLC	Nelson	23	2	\$19.47	\$19,554	\$7,000
Joker Business Solutions, LLC	Fayette	2	1	\$23.00	\$5,080	\$3,500
KY Hearing Clinic, LLC	Jefferson	2	1	\$41.00	\$8,432	\$3,500
Mindel, Scott & Associates, Inc.	Jefferson	27	3	\$27.08	\$21,707	\$10,500
Old School Mall, LLC	Fayette	0	1	\$22.46	\$26,655	\$3,500
Patterson and Company CPAs PLLC	Jefferson	17	2	\$25.93	\$8,801	\$7,000
Please & Thank You, LLC	Jefferson	13	2	\$20.96	\$39,249	\$7,000
Priceville Hardwoods, LLC	Hart	2	5	\$29.15	\$135,000	\$17,500
Radiant Inc.	Jefferson	6	2	\$19.00	\$8,532	\$7,000
Service Specialties, LLC	Clark	14	5	\$27.60	\$171,107	\$17,500
South Central Veterinary Services, LLC	Warren	11	1	\$40.86	\$18,400	\$3,500
Team Wolf, Inc	Jefferson	7	1	\$28.44	\$5,990	\$3,500

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/ Technology	Tax Credit Amount
The Nest Day Spa, LLC	Greenup	0	6	\$26.94	\$25,100	\$21,000
17	8		41	Total	\$541,883	\$143,500

Note: The tax credit amount will be equal to the lesser of \$3,500 per eligible position or the total eligible qualifying equipment/technology amount, with a maximum tax credit of \$25,000 per applicant for each calendar year. Per KRS 154.60-020, the total sum of tax credits awarded for Kentucky Small Business Tax Credit (KSBTC) and Kentucky Selling Farmer Tax Credit (KSFTC) projects in each state fiscal year shall be capped at \$3,000,000.

Fiscal Year Credit Limit	\$3,000,000
FYTD KSBTC Approvals	\$1,358,400
FYTD KSFTC Approvals	\$70,000
Current KSBTC Request	\$143,500
Current KSFTC Request	\$0
Remaining FY Credits	\$1,428,100



Kentucky Angel Investment Tax Credit Projects Report

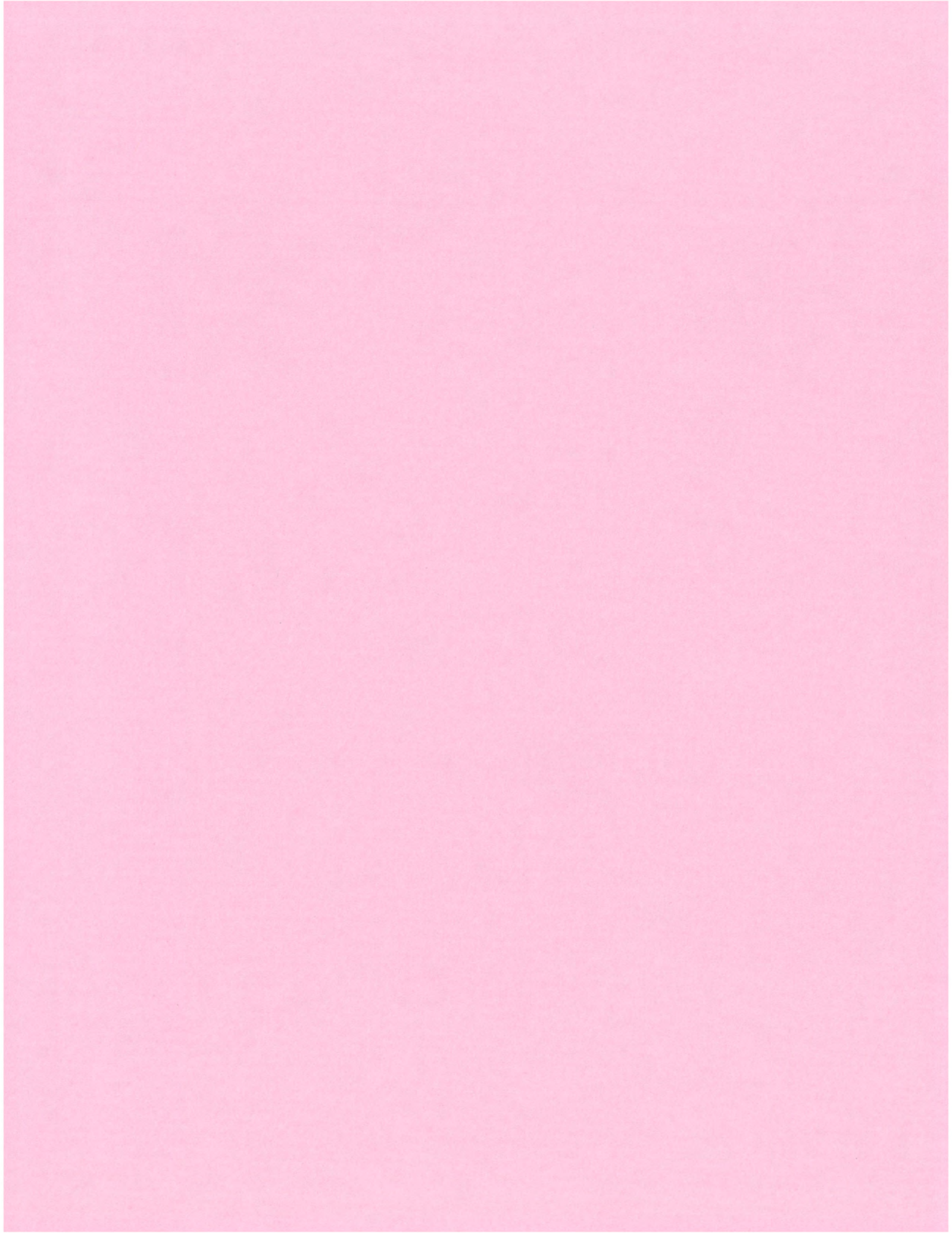
June 2023

Qualified Investor	Qualified Small Business	County	Projected Investment	Potential Tax Credit
Roy T. Toutant	CleanSpace Corporation	Fayette	\$20,000	\$5,000
Herbert W. Perkins, III	Goodmaps Inc.	Jefferson	\$50,000	\$12,500
Jacob W. Cassady	Guide Book Outdoors, Inc.	Jefferson	\$25,000	\$6,250
Thomas Benjamin Self	Gun Media Holdings, Inc.	Fayette	\$70,000	\$17,500
Gregory W. Carlton	Personal Medicine Plus LLC	McCracken	\$100,000	\$40,000
John Spencer Houlihan, Jr.	PowerTech Water, Inc.	Fayette	\$50,000	\$12,500
Jerry Joseph Arrasmith, II	Wendal Inc	Kenton	\$30,000	\$7,500
7 Projects	7	4	\$345,000	\$101,250
7 Investors				

Note: For each calendar year, the total amount of tax credits available for the Kentucky Angel Investment Act program shall not exceed \$3,000,000.


The total amount of tax credits approved for an individual Qualified Investor in a calendar year shall not exceed \$200,000 in aggregate.

Projected Credits - To Date	(\$957,074)
Reclaimed Credits	\$13,747
Net Obligated Credits	(\$943,327)
Credit Limit	\$3,000,000
Net Obligated Credits	(\$943,327)
Remaining Credits	\$2,056,673



MEMORANDUM

TO: KEDFA Board Members

FROM: Michelle Elder 
Incentive Administration Division

DATE: June 29, 2023

SUBJECT: KEDFA Incentive Programs
FY 2023-2024 Enhanced Incentive Counties

Kentucky counties are designated "enhanced incentive" eligible by meeting at least one of the three following criteria: (1) counties with an average annual unemployment rate exceeding the state average annual unemployment rate in the five preceding calendar years; (2) counties with an unemployment rate greater than 200 percent of the statewide unemployment rate for the preceding year; or (3) counties identified as one of the sixty most distressed counties based on a three part test (three-year unemployment, education attainment and road quality).

As a part of House Bill 303 approved during the 2023 regular session, if a county is not certified according to one of the three aforementioned criteria, any county declared as a disaster relief area by any state or federal agency on or after December 1, 2021 may be designated as enhanced for two years from the date of certification.

Any project located in an enhanced incentive county that has been decertified shall have until July 1st of the third year following the decertification to obtain final approval. Once a company enters into a tax incentive agreement, the company maintains its enhanced benefits for the term of the agreement regardless of any change in the county's status.

Boyle County is beginning the first year of decertification and projects must complete final approval by June 30, 2026.

Butler, Carlisle, Laurel and Garrard Counties are beginning the second year of decertification and projects must complete final approval by June 30, 2025.

McLean and Union Counties are beginning the third year of decertification and projects must complete final approval by June 30, 2024.

Bullitt, Caldwell, Graves, Hart, Hickman, Logan, Lyon, Marshall, Shelby, Spencer, Taylor, Todd, and Warren Counties meet the criteria as a disaster relief area for certification and are designated as enhanced counties as of July 1, 2023 for two years.

Barren and LaRue Counties meet the criteria for certification and are designated as enhanced counties as of July 1, 2023.

Staff recommends adoption of the resolution certifying the KEDFA Incentive Programs - FY 2023-2024 Enhanced Incentive Counties.

Kentucky Cabinet for Economic Development
Enhanced Incentive Counties (2023-2024)

1	Adair	24	Estill	47	Leslie	70	Ohio
2	Ballard	25	Fleming	48	Letcher	71	Owen
3	Barren	26	Floyd	49	Lewis	72	Owsley
4	Bath	27	Fulton	50	Lincoln	73	Pendleton
5	Bell	28	Garrard**	51	Livingston	74	Perry
6	Boyd	29	Graves (DR)	52	Logan (DR)	75	Pike
7	Boyle*	30	Grayson	53	Lyon (DR)	76	Powell
8	Bracken	31	Green	59	McCracken	77	Pulaski
9	Breathitt	32	Greenup	60	McCreary	78	Robertson
10	Breckinridge	33	Hancock	61	McLean***	79	Rockcastle
11	Bullitt (DR)	34	Harlan	54	Magoffin	80	Rowan
12	Butler**	35	Harrison	55	Marion	81	Russell
13	Caldwell (DR)	36	Hart (DR)	56	Marshall (DR)	82	Shelby (DR)
14	Carlisle**	37	Hickman (DR)	57	Martin	83	Spencer (DR)
15	Carter	38	Hopkins	58	Mason	84	Taylor (DR)
16	Casey	39	Jackson	62	Meade	85	Todd (DR)
17	Christian	40	Johnson	63	Menifee	86	Trigg
18	Clay	41	Knott	64	Metcalfe	87	Trimble
19	Clinton	42	Knox	65	Monroe	88	Union***
20	Crittenden	43	LaRue	66	Montgomery	89	Warren (DR)
21	Cumberland	44	Laurel**	67	Morgan	90	Wayne
22	Edmonson	45	Lawrence	68	Muhlenberg	91	Whitley
23	Elliott	46	Lee	69	Nicholas	92	Wolfe

Enhanced Incentive Counties

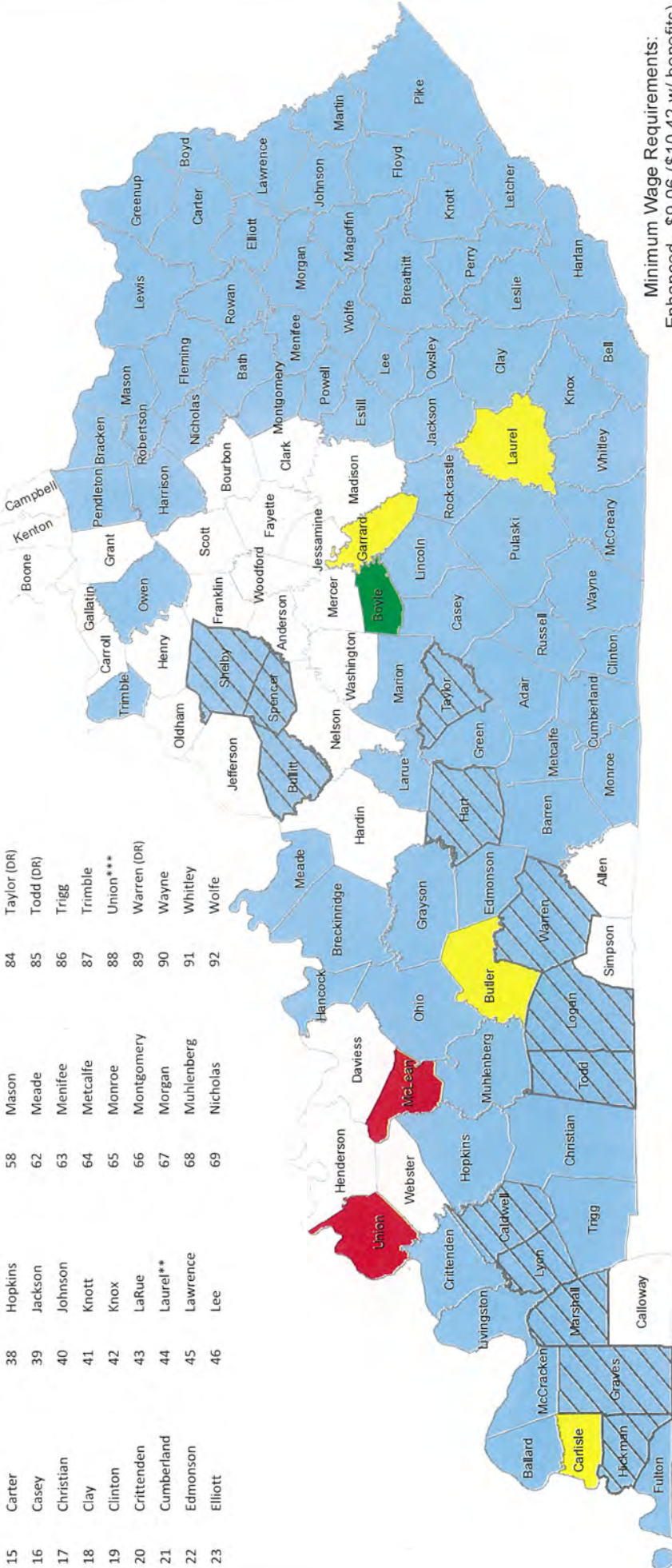
Certified as of July 1, 2023

Certified as of July 1, 2023 (DR) Disaster Relief Area

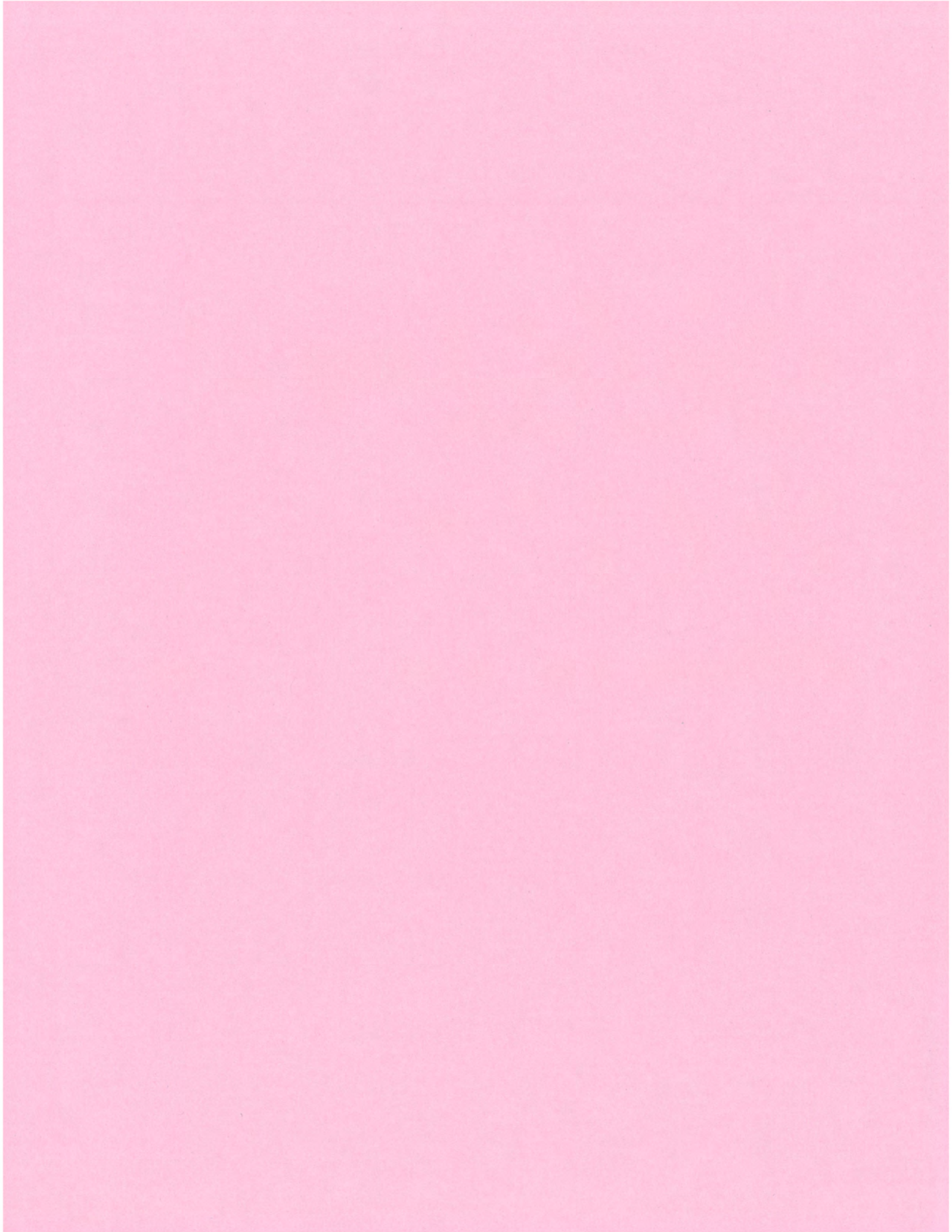
*Decertified as of June 30, 2023
(Projects must be finalized by June 30, 2026)

**Decertified as of June 30, 2022
(Projects must be finalized by June 30, 2025)

***Decertified as of June 30, 2021
(Projects must be finalized by June 30, 2024)



Minimum Wage Requirements:
Enhanced - \$9.06 (\$10.42 w/ benefits)
Other - \$10.88 (\$12.51 w/ benefits)



MEMORANDUM

To: KEDFA Board Members

From: Katie Smith, Commissioner

Date: June 29, 2023

Subject: 2023 Regular Session of the General Assembly Legislative changes incorporated into the Incentive Program Fact Sheets

During the 2023 Regular Session of the General Assembly, various legislation was authorized and signed into law by the Governor updating the incentive programs administered by the Cabinet for Economic Development. The following table summarizes the changes incorporated into the updated fact sheets that will be effective June 29, 2023:

Kentucky Business Investment (KBI) Program (House Bill 303) <ul style="list-style-type: none">• Adds hydrogen transmission as eligible company• Expands definition of enhanced incentive county classification to include a county that has been declared a disaster relief area by any state or federal agency on or after December 1, 2021.• Aligns wage assessment with reduction in individual income taxes
Kentucky Enterprise Initiative Act (KEIA) (House Bill 303) <ul style="list-style-type: none">• Adds hydrogen transmission as eligible company• Adds definition of "tourism attraction" to be the same as KTDA (KRS 148.851)
Kentucky Entertainment Incentive (KEI) Program (House Bill 303) <ul style="list-style-type: none">• Adds definition of "continuous film production" and "loan-out entity"• Changes definition of "employee" to include employees of independent contractors or employees of a loan-out entity engaged by an approved company• Revises to allow applicant to begin production in Kentucky within six months of approval by KEDFA• Beginning calendar year 2024, \$25 million of the allocated KEI funds will be available for the Continuous Film Production
Kentucky Jobs Retention Act (KJRA) (House Bill 303) <ul style="list-style-type: none">• Aligns wage assessment with reduction in individual income taxes
Kentucky Reinvestment Act (KRA) (House Bill 303) <ul style="list-style-type: none">• Adds hydrogen transmission as eligible company
Western Kentucky Risk Assistance Fund (WKRAF) (House Bill 303) <ul style="list-style-type: none">• Allows for possible assignment of application to other qualified lenders• Allows for companies to apply for other programs administered by the Cabinet• Cleanup to include guaranteed funding for the total amount of projects approved based on the \$25 million appropriation – maximum principal balance outstanding of \$100 million and may be reduced proportionately for loss payments disbursed

- Provides a 1% administrative fee (may be applied to the loss payment and deducted from approved incentive amount)

Kentucky Product Development Initiative (KPDI) (House Bill 313)

- Revises language to apply 2022 RS Budget language for calculation of grant amounts; includes building and construction as eligible use
- Aligns definition of eligible project with current guidelines to include property acquisition and due diligence studies if there is a legally binding LOI, sale agreement, or option agreement with a public entity



Just the Facts:

Kentucky Business Investment Program

July 2023

This fact sheet provides an overview of the Kentucky Business Investment (KBI) Program. For a full discussion of the program requirements, please see KRS 154.32. As with all Cabinet administered tax incentive programs, any inducements offered to an eligible company under the KBI program are negotiated by Cabinet for Economic Development officials and subject to approval by the Kentucky Economic Development Finance Authority (KEDFA).

Enhanced Incentives

Businesses meeting the minimum eligibility criteria may be eligible for incentives through the KBI Program. Projects located in enhanced incentive counties, as well as projects with total investment greater than \$200 million, regardless of county location, may request KBI enhanced incentives. Refer to the last page of this document for more information on the enhanced county determination process and a list of enhanced incentive counties.

	Incentives	Enhanced Incentives
Eligible Company	<p>Any business entity engaged in one or more of the following activities:</p> <ul style="list-style-type: none">• Manufacturing• Agribusiness• Headquarters operations• Nonretail service or technology activities must be:<ul style="list-style-type: none">○ Designed to serve a multistate, national or international market○ Provided to a customer base that includes more than 50% non-residents <p>Non-retail service or technology activities may include, but are not limited to: call centers, centralized administrative or processing centers, telephone or internet sales order or processing centers, distribution or fulfillment centers, data processing centers, research and development facilities and other similar activities</p> <ul style="list-style-type: none">• Coal severing and processing (activities resulting in the company being subject to the tax imposed by KRS Chapter 143)• Hospital operations (a facility licensed by the Cabinet for Health and Family Services under KRS 216B for the operation of a hospital and the basic services provided by a hospital)• Alternative fuel, gasification, energy-efficient alternative fuels, or renewable energy production• Carbon dioxide or hydrogen transmission pipeline	

	Incentives	Enhanced Incentives
Ineligible Business Activities	Eligible company does not include companies where the primary activity to be conducted within the Commonwealth is forestry, fishing, the provision of utilities, construction, wholesale trade, retail trade, real estate, rental and leasing, educational services, accommodation and food services, or public administration services.	
Employment Minimum Requirement	Create a minimum of 10 new, full-time jobs subject to Kentucky individual income tax and maintain an annual average of at least 10 new, full-time jobs subject to Kentucky individual income tax during the term of the incentive agreement. Remote jobs may qualify if the position is held by a Kentucky resident, the job was created as a result of the economic development project, and the payroll of the job is expensed to the project.	
Investment Minimum Requirement	Incur eligible costs of at least \$100,000.	
Wage Minimum Requirement	At least 90 percent of the new, full-time employees subject to Kentucky individual income tax must receive hourly wages of at least \$10.88 (150 percent of the federal minimum wage).	At least 90 percent of the new, full-time employees subject to Kentucky individual income tax must receive hourly wages of at least \$9.06 (125 percent of the federal minimum wage).
Employee Benefit Minimum Requirement	At least 90 percent of the new, full-time employees subject to Kentucky individual income tax must receive total hourly compensation (hourly wages plus employee benefits) of at least \$12.51.	At least 90 percent of the new, full-time employees subject to Kentucky individual income tax must receive total hourly compensation (hourly wages plus employee benefits) of at least \$10.42.
<p><i>The term "employee benefit" is defined as payments by a company for its full-time employees for health insurance, life insurance, dental insurance, vision insurance, defined benefits, 401(k), or similar plans. Any company participating in this program is required to provide new, full-time employees subject to Kentucky individual income tax with employee benefits equal to 15 percent of the required minimum hourly wage. If employee benefits are less than 15 percent of the required minimum hourly wage, a company may utilize a combination of wages and employee benefits equivalent to 115 percent of the required minimum hourly wage. At least one company paid benefit is required.</i></p>		
Term of Agreement	Up to 10 Years	Up to 15 Years
Incentive Recovery Method	Tax credits up to 100 percent of corporate income or limited liability entity tax liability arising from the project.	Tax credits up to 100 percent of corporate income or limited liability entity tax liability arising from the project.
<p>** The employee receives credits for the fees against state income taxes and local occupational taxes, so there is no impact on the employee</p>	<p>Wage assessment** incentives up to 60% of Kentucky individual income tax rate and local participation of up to 20% of Kentucky individual income tax rate. If local participation is less than required, then state participation is 3 times local participation. If the local community does not have a local occupational fee, then another form of participation may be required. Local jurisdictions imposing a local occupational fee may request to waive the local occupational fee requirement if the local jurisdiction offers alternative inducements of similar value satisfactory to KEDFA.</p>	<p>Wage assessment** incentives up to one hundred percent (100%) of the individual income tax rate imposed by KRS 141.020. Although not required for an economic development project located in an enhanced incentive county, a local jurisdiction may agree to forgo all or a portion of its local occupational license fee as a local wage assessment.</p>

	Incentives	Enhanced Incentives
Incentive Recovery Parameters	If each of the minimum requirements is not met as of the activation date, the agreement is considered cancelled and the approved company will not be eligible for any of the incentives. If the minimum requirements are met as of the activation date but are not met at the annual review date(s), the incentives may be suspended or, with the appropriate approval from KEDFA, terminated. If minimum requirements are met, the tax incentives remain in place until the authorized recovery amount (approved cost) is realized or for the term of the tax incentive agreement, whichever occurs first. Unused credits that have been authorized for the project may be carried forward for the term of the tax incentive agreement; however, unused credits expire at agreement maturity.	

	New Projects	Existing Projects
Certification Requirement	For new projects locating to the Commonwealth, the company will be required to certify that the project could reasonably and efficiently locate outside of the Commonwealth and, without the incentives offered, the project would likely locate outside of the Commonwealth.	For existing location projects considering expansions in the Commonwealth, the company will be required to certify that the tax incentives are necessary for the project to occur.

	Owned Projects	Leased Projects
Eligible Costs	Eligible costs will only include costs incurred after the date of preliminary approval. For a project to be considered an "owned" project, the approved company or an affiliate either owns the project in fee simple or possesses the project pursuant to a capital lease. Eligible costs for owned projects include 100 percent of the land, building, site development and start-up costs.	Eligible costs will only include costs incurred after the date of preliminary approval. For a project to be considered a "leased" project, the approved company occupies the site of the project pursuant to an operating lease agreement with an unrelated entity that reflects an arms' length transaction. Eligible costs for leased projects include 100 percent of the start-up costs, building/ leasehold improvements and 50 percent of the estimated annual rent payments for each year of the tax incentive agreement. Existing location leased projects considering expansions shall be eligible for incentives only to the extent of the expansion square footage.
Start-Up Costs	Start-up costs include the costs incurred to furnish and equip a facility, such as computers, furnishings, office equipment, manufacturing equipment, fixtures, relocation of out-of-state equipment and nonrecurring costs of fixed telecommunication equipment.	
Equipment Costs Limitation	For projects not eligible for enhanced incentives, the cost of equipment eligible for recovery as an eligible cost is limited to \$20,000 for each new, full-time job subject to Kentucky individual income tax and created as of the activation date.	

Targets and Potential Adjustments of Approved Cost for Eligible Projects

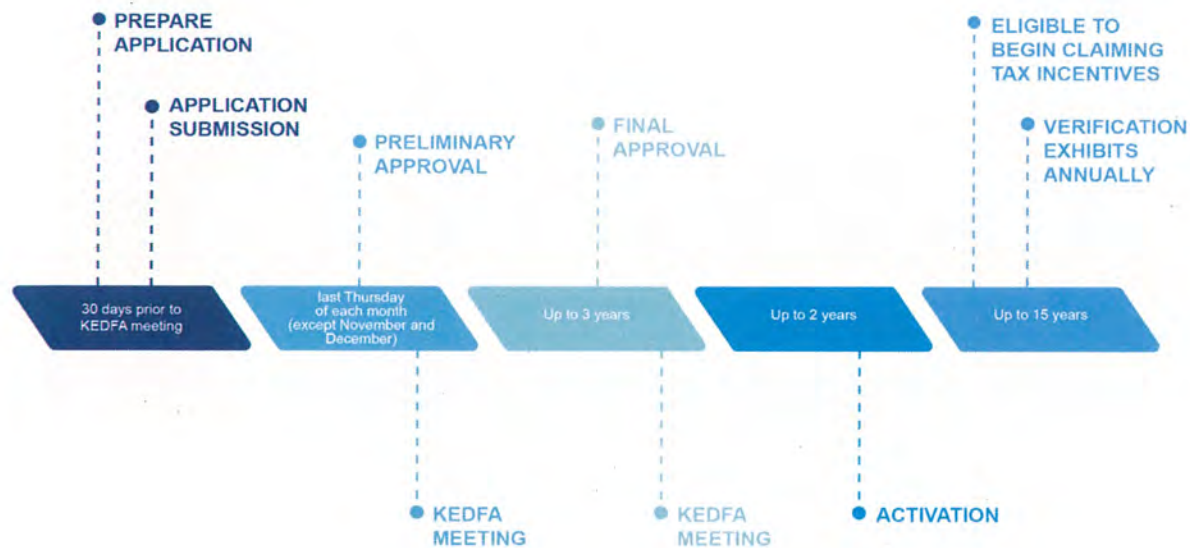
The tax incentive agreement will include the total maximum approved costs that may be recovered over the term of the agreement in addition to the annual maximum approved costs for each year of the agreement. Job and wage (including employee benefits) targets higher than the minimum requirements will be negotiated and included in the agreement. These targets will be measured against actual amounts as of the activation date and averaged annually for the company's fiscal year throughout the term of the tax incentive agreement.

- Projects that achieve actual job and wage results equal to or greater than 90 percent of the targets will be eligible to claim 100 percent of the annual maximum approved cost for the following year.
- Projects that achieve actual job and wage results less than 90 percent of the targets will incur a reduction of the annual maximum approved cost for the following year equal to the same proportion by which the project fell below its targets. If both targets are missed, the greater percentage reduction will be required.
- If the eligible costs incurred as of the activation date are less than the maximum approved costs, the maximum approved costs will be reduced to the confirmed amount of eligible costs and the annual maximum approved costs will be modified accordingly.

Kentucky Business Investment (KBI) Process	
Pre-Application 45 days prior to KEDFA meeting	The Kentucky Cabinet for Economic Development recommends the company submit a draft application to Business Development project management staff. Business Development project management staff negotiate recommended incentives and requirements.
Application Submission 30 days prior to KEDFA meeting	Application, required attachments, and application fee submitted to Business Development project management staff.
KEDFA Meeting/ Preliminary Approval Last Thursday of month, except November and December	Preliminary approval obligates Kentucky to the incentive amount and to grant final approval provided the applicant complies with the provisions of the Memorandum of Agreement (MOA). The MOA outlining Kentucky's financial commitment will be executed by both parties after approval occurs. The approved company <u>may begin its investment</u> after approval occurs. <i>KEDFA is a public meeting. Company name, number of jobs, payroll and investment will be disclosed at the meeting. All other information is confidential and not subject to open records.</i>
KEDFA Meeting/ Final Approval Up to 3 years after preliminary approval	Prior to the KEDFA meeting, the Tax Incentive Agreement is negotiated and executed by the company, a local resolution is provided (if applicable), and administrative fees are required to be paid. A fully executed agreement is provided to the company after KEDFA approval occurs.
Activation Within 2 years after final approval	The Activation Date is the first day the company <u>may be eligible to claim incentives</u> and also the first day of the term of the agreement. The company must meet the minimum job, wage and investment requirements by the Activation Date.

Kentucky Business Investment (KBI) Process	
Eligible to Begin Claiming Tax Incentives Company has up to the negotiated term of the Tax Incentive Agreement to recapture approved costs	After Activation, the company may claim tax incentives via wage assessments and corporate income tax credits not to exceed approved costs and based on compliance with the Tax Incentive Agreement.
Verification Exhibits End of each fiscal year	Company submits annual exhibits within 30 days of fiscal year end to confirm compliance with the Tax Incentive Agreement.

Kentucky Business Investment (KBI) Timeline



Fees

A non-refundable application fee of \$1,000 is payable upon submission of the KBI application. Prior to final approval, the company will be required to pay an administrative fee equal to one-fourth of one percent (0.25%) of the final KBI amount authorized in the Tax Incentive Agreement up to a maximum of \$50,000. In addition, the company will pay all legal fees, including expenses of counsel to KEDFA, necessary for the preparation of the Tax Incentive Agreement.

Enhanced Incentive Counties

Kentucky counties are designated “enhanced incentive” eligible by meeting at least one of the following three criteria: (1) counties with an average annual unemployment rate exceeding the state average annual unemployment rate in the five preceding calendar years; (2) counties with an unemployment rate greater than 200 percent of the statewide unemployment rate for the preceding year; and (3) counties identified as one of the sixty most distressed counties based on a three part test (three-year unemployment, education attainment and road quality). Once a company enters into a tax incentive agreement, the company maintains its enhanced benefits for the term of the agreement regardless of any change in the county’s status. Any project located in an enhanced incentive county that has been decertified shall have until July 1 of the third year following decertification to obtain final approval. If an “industrial park”, as outlined in the criteria in KRS 154.32, is located in two or more counties, one of which is an enhanced incentive county, projects undertaken in the industrial park may be approved for enhanced incentives.

2023/2024 Enhanced Incentive Counties

Adair	Crittenden	Jackson	Mason	Pulaski
Ballard	Cumberland	Johnson	McCracken	Robertson
Barren	Edmonson	Knott	McCreary	Rockcastle
Bath	Elliott	Knox	McLean	Rowan
Bell	Estill	LaRue	Meade	Russell
Boyd	Fleming	Laurel	Menifee	Shelby*
Boyle	Floyd	Lawrence	Metcalfe	Spencer*
Bracken	Fulton	Lee	Monroe	Taylor*
Breathitt	Garrard	Leslie	Montgomery	Todd*
Breckinridge	Graves*	Letcher	Morgan	Trigg
Bullitt*	Grayson	Lewis	Muhlenberg	Trimble
Butler	Green	Lincoln	Nicholas	Union
Caldwell*	Greenup	Livingston	Ohio	Warren*
Carlisle	Hancock	Logan*	Owen	Wayne
Carter	Harlan	Lyon*	Owsley	Whitley
Casey	Harrison	Magoffin	Pendleton	Wolfe
Christian	Hart*	Marion	Perry	
Clay	Hickman*	Marshall*	Pike	
Clinton	Hopkins	Martin	Powell	

*As a part of House Bill 303 approved during the 2023 regular session, if a county is not certified according to one of the three aforementioned criteria, a county declared as a disaster relief area by any state or federal agency on or after December 1, 2021 may be designated as enhanced for two years from the date of certification. Counties marked with an asterisk have been added.

June 30, 2023 Decertified Enhanced Incentive Counties – Must have final approval by June 30, 2026	Boyle
June 30, 2022 Decertified Enhanced Incentive Counties – Must have final approval by June 30, 2025	Butler, Carlisle, Garrard, Laurel
June 30, 2021 Decertified Enhanced Incentive Counties – Must have final approval by June 30, 2024	McLean and Union

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 To learn more, contact:
 Sarah Butler
Sarah.Butler@ky.gov
 Phone: (502) 564-7670



Just the Facts:

Kentucky Enterprise Initiative Act (KEIA)

July 2023

This fact sheet provides an overview of the Kentucky Enterprise Initiative Act (KEIA) program. For a full discussion of the program requirements, please see KRS 154.31. As with all state administered tax incentive programs, any inducements offered to an eligible company under the KEIA program are negotiated by Cabinet for Economic Development officials and subject to approval by the Kentucky Economic Development Finance Authority (KEDFA).

Eligible Companies

Any business entity primarily engaged in manufacturing, nonretail service or technology activities, agribusiness, headquarters operations, coal severing and processing, hospital operations, alternative fuel, gasification, energy-efficient alternative fuels or renewable energy production, carbon dioxide or hydrogen transmission pipelines, or in operating or developing a tourism attraction in Kentucky. Eligible company does not include companies where the primary activity to be conducted within the Commonwealth is forestry, fishing, the provision of utilities, construction, wholesale trade, retail trade, real estate, rental and leasing, educational services, food services, or public administration services.

Minimum Requirements for Eligible Projects

To qualify for the incentives available under the KEIA program, an eligible company must make a minimum investment of \$500,000 in an economic development project as that term is defined in KRS 154.31. Eligible investment costs include expenditures for building and construction materials, research and development equipment, and acquisition of real property that is owned, used or occupied by the approved company. Flight simulation equipment or electronic processing equipment, as defined as, the use of technology having electronic, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities, now in existence or later developed to perform a service or technology activity, is also an eligible cost. Labor costs are excluded from eligible investment costs.

Eligible Expenses and Incentives

A KEIA approved company is eligible to receive a refund of sales and use tax paid for the following items purchased during the term of the project and not to exceed the approved recovery amount authorized in the memorandum of agreement:

- Building and construction materials
- Research and development equipment
- Electronic processing equipment (minimum \$50,000 investment)
- Flight simulation equipment

Sales and use tax paid on expenditures made prior to KEDFA approval as an “approved company” will not be eligible for the refund.



Upon approval by KEDFA, the approved entity enters into an agreement with KEDFA. The term of the agreement is negotiated with Cabinet staff prior to KEDFA approval and may be extended by approval of KEDFA for good cause shown. However, the term shall not be extended beyond seven (7) years from the date of approval.

The maximum sales and use tax refund incentive available for commitment by KEDFA in each fiscal year for all projects is limited to \$20,000,000 for building and construction materials and \$5,000,000 for equipment used for research and development, electronic processing or flight simulation.

The Process

- The company makes application to KEDFA with the assistance of a Project Manager from Business Development. The application will require a timeline for completion of the project.
- The total amount of incentives to be recommended for approval of a project is negotiated with the Cabinet.
- The project is presented to KEDFA for approval at which time an Agreement is approved by KEDFA that authorizes the incentives for the company and sets forth the maximum approved recovery amount and the terms and conditions.
- The company completes its project and submits the required documentation throughout the term of its project in compliance with the Agreement.
 - » KEDFA requires documentation in connection with the project's KEIA eligible investment costs as outlined in Exhibit A to the Agreement.
 - » The Department of Revenue requires documentation in connection with the project and communicates directly with the approved company.
 - » Projects with a term of three (3) years from approval or less shall submit their application for refund to the Department of Revenue within 60 days of project completion.
 - » Projects with a term greater than three (3) years from approval shall submit annual information returns and any supporting documentation to the Department of Revenue within 60 days following the end of the calendar year beginning in the third year of the project term. The application for refund should be submitted to the Department of Revenue within 60 days of the earlier of completion of the project or the expiration of the project term as provided in the Agreement.
- The Department of Revenue will issue a refund check not to exceed the amount authorized to the approved company following verification of the sales and use tax paid.

Fees

There is a non-refundable application fee of \$500 payable upon submission of the KEIA application. The application fee will be waived if a project applies for KEIA and another tax incentive program.

To learn more, contact:
Sarah Butler
Sarah.Butler@ky.gov
Phone: (502) 564-7670



Just the Facts:

Kentucky Reinvestment Act (KRA)

July 2023

This fact sheet provides an overview of the Kentucky Reinvestment Act (KRA) program. For a full discussion of the program requirements, please see KRS 154.34. As with all state administered tax incentive programs, any inducements offered to an eligible company under the KRA program are negotiated by Cabinet for Economic Development officials and subject to approval by the Kentucky Economic Development Finance Authority (KEDFA).

Eligible Companies

To be eligible for the KRA program, Kentucky companies must employ, or intend to employ, a minimum of 25 full-time employees as a result of the reinvestment project. Remote jobs may qualify if the full-time position is held by a Kentucky resident, the job was created as a result of the economic development project, and the payroll of the job is expensed to the project.

The company must be engaged in, or intending to engage in, one or more of the following activities at a location operating within the Commonwealth on a permanent basis for a reasonable period of time preceding the request for assistance, including facilities where operations have been temporarily suspended if all other program criteria are met:

- Manufacturing
- Agribusiness
- Headquarter operations (regardless of the underlying business activity)
- Nonretail service or technology
- Coal severing and processing (activities resulting in the company being subject to the tax imposed by KRS Chapter 143)
- Hospital operations (a facility licensed by the Cabinet for Health and Family Services under KRS 216B for the operation of a hospital and the basic services provided by a hospital)
- Alternative fuel, gasification, energy efficient alternative fuel, or renewable energy production
- Carbon dioxide [or hydrogen](#) transmission pipeline operations

Eligible company does not include any company for which the primary activity to be conducted in Kentucky is: forestry, fishing, the provision of utilities, construction, wholesale trade, retail trade, real estate, rental and leasing, educational services, accommodation and food services, or public administration services.

Minimum Requirements for Eligible Projects

Requirements to qualify for the incentives:

- Incur eligible equipment and related costs of at least \$1,000,000 in eligible equipment and related costs for leased projects or at least \$2,500,000 in eligible equipment and related costs for all other reinvestment projects.
 - » Leased project means an economic development project site occupied by an approved company pursuant to a lease agreement with an unrelated entity, but not including a capital lease.
 - » Owned project (all other reinvestment projects other than leased projects) means an economic development project owned in fee simple by the approved company or an affiliate, or possessed by the approved company or an affiliate pursuant to a capital lease.

- » Eligible equipment and related costs must be related to a qualifying Reinvestment Project which includes the acquisition, construction and installation of new equipment and the construction, rehabilitation and installation of improvements to facilities necessary to house the new equipment.
- » Eligible equipment means manufacturing machinery, equipment, computers, furnishing, fixtures, and other assets installed by the approved company as part of the reinvestment project and approved by KEDFA.
- » Eligible equipment and related costs does not include costs related to the replacement or repair of existing machinery or equipment resulting from normal wear and usage. Rent costs are also not considered an eligible expense.
- Agree to maintain a full-time employment base of at least 85 percent of employment at the facility as of the date of preliminary approval.
- Has not been awarded incentives under the Kentucky Industrial Revitalization Act (KIRA) within the previous five years.
- Applicant must certify that the project would not be economically feasible without the incentives.

Approved Costs

Approved costs include eligible equipment and related costs that are approved by KEDFA for recovery and which are incurred after the date of preliminary approval through the date of final approval. Approved companies meeting KIRA expenditure and employment requirements shall be eligible to recover up to 50 percent of eligible equipment and related costs.

The minimum requirements of incurring eligible equipment and related cost expenditures of at least \$1,000,000 for leased projects and \$2,500,000 for all other projects and maintaining 85 percent of the full-time employment level at the facility must be achieved in order to proceed with final approval.

Incentive

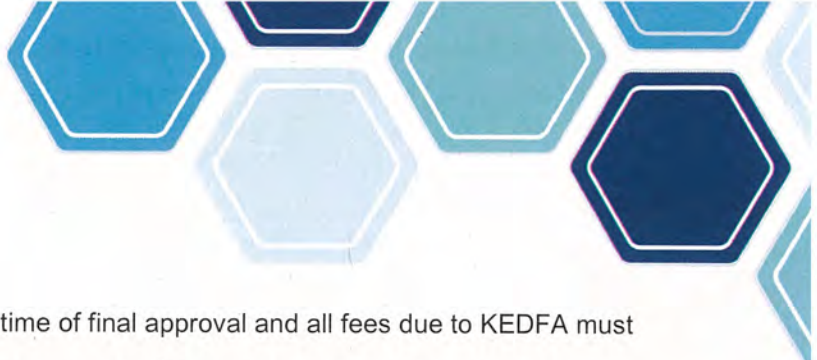
A tax incentive is available for up to 10 years from the date of final approval via:

- Tax credits up to 100 percent of corporate income or limited liability entity tax liability generated by or arising from the project.

The tax incentive remains in place until the authorized incentive amount is realized (up to 20 percent of the incentive per year) or for the term of the reinvestment agreement (up to 10 years), whichever occurs first. Unused credits that have been authorized for the project may be carried forward for the term of the reinvestment agreement, however, unused credits expire at the maturity of the agreement.

The Process

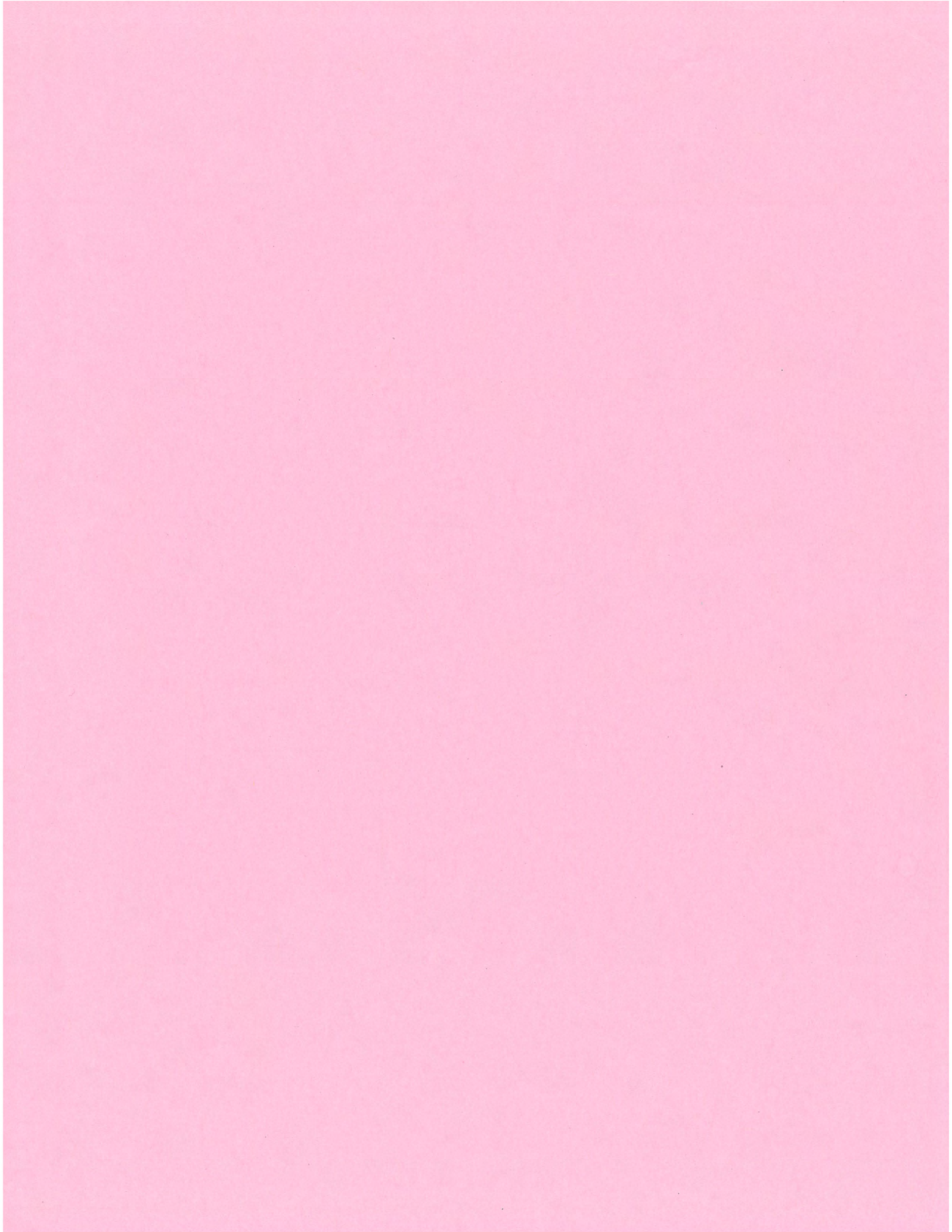
- The company makes application to the Kentucky Economic Development Finance Authority (KEDFA).
- The job creation or preservation percentage and approved cost are negotiated with the Cabinet and presented to KEDFA for approval.
- If KEDFA designates the applicant as a preliminarily approved company, it authorizes its project and enters into a memorandum of agreement with the company that sets forth the maximum incentives available and the various requirements.
- The company completes its project and provides KEDFA with documentation in connection with the project's eligible costs.
- A Reinvestment Agreement is approved by KEDFA that authorizes the incentives for the company and sets forth the terms and conditions.

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- The agreement must be fully negotiated at the time of final approval and all fees due to KEDFA must be paid.
 - An independent consultant may be employed, at the applicant's cost, to verify eligible costs of the project.
 - The company must complete the reinvestment project and receive final approval within three years of preliminary approval.
 - The company submits exhibits annually throughout the term of its Reinvestment Agreement to confirm compliance with its terms.


Fees

A non-refundable application fee of \$1,000 is payable upon submission of the KRA application. Prior to final approval, the company will be required to pay an administrative fee equal to one-fourth of one percent (0.25 percent) of the final KRA amount authorized in the Reinvestment Agreement up to a maximum of \$50,000. In addition, the company will pay all legal fees, including expenses of counsel to KEDFA, necessary for the preparation of the Reinvestment Agreement.

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To learn more, contact:
Sarah Butler
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Phone: (502) 564-7670
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MEMORANDUM

TO: KEDFA Board Members
FROM: Kylee Palmer 
Incentive Administration Division
DATE: June 29, 2023
SUBJECT: Western Kentucky Risk Assistance Fund (WKRAF)

The West Kentucky Risk Assistance Fund (WKRAF) was established to provide support and relief efforts imperative to the Commonwealth of Kentucky to recover from the considerable damage caused by the December 2021 storms and tornadoes in Western Kentucky.

During the 2023 Regular Session of the General Assembly, House Bill 303 was signed into law by the Governor updating the WKRAF program. Cabinet staff has incorporated the changes in the WKRAF Guidelines that were approved on June 30, 2022.

Staff recommends approval of the updated Western Kentucky Risk Assistance Fund Guidelines.

Attachment



Guidelines:

Western Kentucky Risk Assistance Fund (WKRAF)

June-July 2022-2023

The Western Kentucky Risk Assistance Fund (the “WKRAF” or “Program”) has been established to provide support and relief efforts imperative to the Commonwealth of Kentucky to recover from the considerable damage caused by the December 2021 storms and tornadoes in Western Kentucky. The Program provides an enrolled Qualified Lender (as defined herein) the following inducement (the “Inducement”): the lesser of twenty-five percent (25%) or up to one million dollars (\$1,000,000) of the loss incurred by a Qualified Lender on the unpaid principal balance of a Commercial Loan (as defined herein) made by a Qualified Lender to an Eligible Company (as defined herein). Twenty-five million dollars (\$25,000,000) is appropriated to the Program and will be used to provide Inducements to Qualified Lenders on the first two hundred million dollars (\$200,000,000) of Commercial Loans enrolled in the Program, provided that a Qualified Lender shall be eligible to enroll no more than ten million dollars (\$10,000,000) in Commercial Loans in the Program.

Inducements are awarded by the Cabinet for Economic Development (the “Cabinet”) in the order that applications are received. Accordingly, there is no guarantee that a Qualified Lender will receive an Inducement on a loss suffered in the event Program funds are exhausted. All Commercial Loans enrolled by a Qualified Lender must be originated prior to December 31, 2027, and may be eligible for an Inducement if said loss is suffered by the enrolled Qualified Lender within five (5) years of the Commercial Loan origination date.

Qualified Lenders

“Qualified Lender” means a cooperative lender or a FDIC insured depository institution as defined in 12 U.S.C. sec. 1813(c) in good standing with the Kentucky Department of Financial Institutions and which has a physical presence in Kentucky. A cooperative lender is a not-for-profit consortium of Qualified Lenders. Privately insured financial institutions are not considered Qualified Lenders.

Qualified Lenders may provide applications to an Eligible Company and then decide, regardless of further processing or underwriting results, to not provide final approval so long as the decision is not prohibited by state or federal law. If the Qualified Lender decides not to proceed, the Qualified Lender shall provide the application to a cooperative lender for further review and assignment to one or more other Qualified Lenders. A Qualified Lender that is unable to fund the entire amount requested in an application shall submit all or any portion of the requested amount to a cooperative lender for further review and distribution of the unfunded portion to one or more Qualified Lenders.



Eligible Companies

"Eligible Companies" include any corporation, limited liability company, partnership, limited partnership, sole proprietorship, business trust or any other entity, its successors or assigns, that experienced direct or indirect loss from the December 2021 storms and tornadoes that occurred in the west Kentucky region and have or had an existing or proposed business located in or planning to locate in the counties which were declared disaster relief areas by any state or federal agency.

An Eligible Company will be required to certify to the Qualified Lender the following:

- Such Eligible Company has applied for or will apply for all other available assistance that is not a Commercial Loan, including disaster relief assistance and insurance proceeds.
- Such Eligible Company shall notify its Qualified Lender immediately upon application for other available assistance that is not a Commercial Loan.
- Such Eligible Company shall provide an update on the status of such other available assistance when requested by its Qualified Lender.
- Such Eligible Company shall notify Qualified Lender when other available assistance has been approved and received.

Program Limitations

Program funds total twenty-five million dollars (\$25,000,000) for loan loss support of the first two hundred million dollars (\$200,000,000) of Commercial Loans enrolled in the Program and are thus limited to the applications from Qualified Lenders in the order in which the applications are received and approved. The maximum principal balance outstanding is \$100 million and may be reduced proportionately for loss payments disbursed. –A Qualified Lender shall be eligible to enroll no more than ten million dollars (\$10,000,000) in Commercial Loans in the Program.

Program Requirements – Commercial Loans

Commercial Loans

"Commercial Loans" are agreements between an Eligible Company and one or more Qualified Lenders for Approved Costs (as defined herein). Commercial Loans under the Program must meet the following requirements:

- the commercial loan must be used by an Eligible Company.
- the commercial loan must originate prior to December 31, 2027.
- the commercial loan proceeds must be used for investments in Kentucky counties which were declared disaster relief areas by any state or federal agency.

Lines of credit may be eligible for the Program so long as all funds have been drawn/disbursed at the time of application. Construction loan proceeds may be considered fully funded if funds are disbursed to escrow before applying for Inducements, and the funds must be disbursed from escrow within three years.

All Commercial Loan proceeds must be spent by the Eligible Company on Approved Costs within three (3) years of final approval of the Commercial Loan by the Qualified Lender, unless an extension is required by the Qualified Lender or necessitated by circumstances beyond the control of the Eligible Company or the Qualified Lender.



Approved Costs

“Approved Costs” may include, as approved by the Qualified Lender, the following:

- Obligations incurred for labor and materials in connection with the acquisition, construction, equipping, rehabilitation, and installation of an Eligible Company;
- Cost of contract bonds and any insurance that may be required or necessary during the course of acquisition, construction, equipping, rehabilitation, and installation of an Eligible Company which is not paid by a vendor, supplier, deliveryman, contractor, or otherwise provided;
- All costs of architectural and engineering services, including estimates, plans and specifications, preliminary investigations, and supervision of construction, rehabilitation, and installation, including the performance of all the duties required by or consequent upon the acquisition, construction, equipping, rehabilitation, and installation of an Eligible Company;
- All costs required to be paid under the terms of any contract for the acquisition, construction, equipping, rehabilitation, or installation of an Eligible Company;
- All costs required for the installation of utilities, including water, sewer, sewer treatment, gas, electricity, communications, railroads, and any off-site construction of the facilities to be paid by an Eligible Company;
- All costs required for the operating of an Eligible Company, including inventory, furniture, equipment, labor, and other incidental costs for startup or enhancement of an Eligible Company, if the location has been completed;
- Ongoing and future operating expenses incurred by an Eligible Company; and
- Any other necessary and reasonable costs incurred by an Eligible Company.

The following costs/uses are not considered eligible Approved Costs and may not be funded with the Commercial Loan proceeds:

- Repayment of delinquent federal, state, or local income taxes unless the Eligible Company has a payment plan in place with the relevant taxing authority;
- Repayment of taxes held in trust or escrow (e.g. payroll or sales taxes);
- Pyramid schemes;
- Speculative activities;
- Illegal products or activities or legal products used for illegal purposes;
- Purchase of securities;
- Gambling;
- Evangelizing, proselytizing, or lobbying.

Procedure for Approval

Qualified Lenders may submit a Commercial Loan for consideration under the Program after (i) final approval of the Commercial Loan has occurred by the Qualified Lender, and (ii) funding of the Commercial Loan to the Eligible Company by the Qualified Lender has been completed.

Claim for Commercial Loan

The Program shall be used to pay a Qualified Lender on the unpaid principal balance of a Commercial Loan to an Eligible Company in an amount up to the lesser of the following:

- Twenty-five percent (25%) of the loss suffered on the unpaid principal balance on a Commercial Loan; or
- One million dollars (\$1,000,000).



A loss may be determined by the Qualified Lender by either of the following methods:

- Amount of loan loss reserve the Qualified Lender establishes based on the current expected credit losses methodology for estimating allowances for credit losses, as reflected in an official, filed call report (RI-B Schedule) which reflects the changes in the allowance for credit loss relating to the Commercial Loan originated; or
- Amount of the estimated loss as documented by an updated appraisal of the underlying collateral, or a change in economic value of the Commercial Loan based on expected cash flows.

Claims for Inducement (also referred to as a loss payment) must be submitted within five (5) years from the Commercial Loan origination date. Required documentation must be submitted with the claim for the loss and the loss payment calculation on a form provided. The claim will be approved or denied within thirty (30) days from the submission date of the claim. Within sixty (60) days of the claim submission, the loss payment will be issued or a written explanation for denial will be provided to the Qualified Lender.

Inducements shall be paid by the Cabinet to the Qualified Lender on claims as long as moneys are available in the Program and the claim meets Program eligibility requirements.

Collection Rights and Recovery by Qualified Lender Subsequent to Claim

After payment of a claim under the Program, if the Qualified Lender recovers any amount for which payment of the claim was made, the Qualified Lender shall promptly return to the Cabinet the amount that is more than seventy-five percent (75%) of the previously considered uncollectable balance for deposit into the Program. However, no more than one million dollars (\$1,000,000) shall be recovered from the Qualified Lender.

Reporting Requirements

The Qualified Lender will be required to submit to the Cabinet a quarterly report which reflects the status of all Commercial Loans enrolled in the Program for which a Claim was submitted and Inducement paid.

Beginning July 10, 2024, and by the tenth (10th) day following the end of each calendar quarter, Cabinet staff will submit a report to the Senate Standing Committee on Appropriations and Revenue and the House Standing Committee on Appropriations and Revenue or the Interim Joint Committee on Appropriations and Revenue detailing the following information for each Commercial Loan receiving a loss payment:

- Name of each Qualified Lender receiving a loss payment;
- Amount of the loss payment received by the Qualified Lender;
- Description of the Commercial Loan terms; and
- Explanation regarding why the loss payment was needed.

The required report for the legislature will end when no further Claims for Inducement may be submitted.

Fees and Costs

The Qualified Lender shall pay a one-time Qualified Lender application fee of \$1,000 to certify the lender regardless of the number of loans to be enrolled. The application fee shall be paid to KEDFA prior to certification of the Qualified Lender and approval of the Qualified Lender for participation in the Program. The Qualified Lender shall be responsible for legal costs, including legal costs of the Kentucky Economic Development Finance Authority (KEDFA) related to the preparation, execution, delivery of the documents under the Program and enforcement thereof. If a Claim for Inducement is submitted, an administrative fee equal to one percent (1%) of the eligible Inducement shall be required. This fee may be netted against the loss claim of a commercial loan.



Application and Approval Process

Qualified Lender Certification and Master Agreement

- Lender will complete and submit a Qualified Lender application with required attachments to Cabinet staff.
 - An application fee of \$1,000 is required at the time of submission and may be paid online.
- Cabinet staff will review applications for eligibility, completeness and accuracy.
- KEDFA will authorize Cabinet staff to certify lenders meeting the required qualifications as Qualified Lenders.
- Cabinet staff will notify an applicant lender if it meets the eligibility requirements to be certified as a Qualified Lender and confirm whether the applicant lender wishes to proceed with a master agreement under the Program.
 - The applicant Lender will be responsible for legal costs, including legal costs of KEDFA, for preparation of the master agreement.
- Once finalized and signed, Cabinet staff will provide to the applicant lender the master agreement for the Program certifying the applicant lender as a Qualified Lender.
- A listing of Qualified Lenders will be maintained on the Cabinet's website.

Enrolling Loans and Claim Processing

- Prior to enrolling any loans in the Program, the Qualified Lender must close and fully disburse the Commercial Loan to the Eligible Company.
 - Note: The Cabinet and KEDFA do not participate in the Qualified Lender's loan approval decision with respect to any Commercial Loan. All lending decisions are left to the lender and should be based upon their underwriting and loan policy guidelines.
- After the Commercial Loan has been approved and fully disbursed by the Qualified Lender, the Qualified Lender completes and submits a loan enrollment application with required attachments to Cabinet staff.
- Cabinet staff will review applications for eligibility, completeness and accuracy.
- KEDFA authorizes Cabinet staff to approve loan enrollment based on the requirements of the Program.
- Upon approval of loan enrollment, Cabinet staff will notify the Qualified Lender and update the attachment to the master agreement for the Program which identifies enrolled Commercial Loans.
- If the Qualified Lender incurs a loss on an Enrolled Loan, it may submit a Claim for Inducement based on the instructions and documents outlined in the Master Agreement.
 - An administrative fee equal to one percent (1%) of the eligible Inducement is required with the submission of the Claim for Inducement.
- Upon approval of the Claim for Inducement, Cabinet staff will disburse funds to the Qualified Lender as long as moneys are available in the Program.
 - The Qualified Lender will be required to submit the quarterly reports in accordance with the Reporting Requirements.
- In the event the Qualified Lender receives a recovery, refer to the Collection Rights and Recovery by Qualified Lender Subsequent to Claim section.

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To learn more, contact:
Kylee Palmer



**RESOLUTION
OF THE
KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
TO RECOGNIZE THE SERVICE OF
MARVIN EUGENE STRONG**

WHEREAS the Commonwealth of Kentucky lost a strong, knowledgeable, and forward-thinking leader who was the former Secretary of the Cabinet for Economic Development on June 11, 2023, with the passing of MARVIN EUGENE STRONG; and

WHEREAS MARVIN EUGENE STRONG, affectionately known as "Gene" served the people of the Commonwealth as a highly professional, dedicated employee of the Kentucky Cabinet for Economic Development under 3 Governors during his 15+ years of leadership; and

WHEREAS the members and staff of the Kentucky Economic Development Finance Authority desire to recognize and acknowledge the professional contributions and accomplishments of MARVIN EUGENE STRONG during his tenure with the Cabinet for Economic Development; and

WHEREAS the Kentucky Economic Development Finance Authority also desires to recognize MARVIN EUGENE STRONG's conscientious dedication to improving and promoting the health and general welfare of the people of the Commonwealth of Kentucky through economic development; and

WHEREAS MARVIN EUGENE STRONG's sense of humor, kindness, energy, and graciousness enriched those fortunate enough to have known and worked with him; and

WHEREAS the Kentucky Economic Development Finance Authority desires to honor the memory of MARVIN EUGENE STRONG by adopting this Resolution as a commendation of his outstanding leadership and work to properly remember his service to our Commonwealth.

NOW, THEREFORE, the Kentucky Economic Development Finance Authority **HEREBY RESOLVES** as follows:

MARVIN EUGENE STRONG was invaluable to the Kentucky Economic Development Finance Authority, the Cabinet for Economic Development, and the People of the Commonwealth of Kentucky because of his contribution to the initiation, promotion, and implementation of economic development projects that will forever benefit our state. The Kentucky Economic Development Finance Authority Board appreciates MARVIN EUGENE STRONG's dedication to the Commonwealth of Kentucky and his contributions toward the economic development success throughout Kentucky. We hereby celebrate his legacy of impactful leadership always carried out with a smile and sense of humor that touched so many.

INTRODUCED, SECONDED, READ, and ADOPTED at a duly convened meeting of the Kentucky Economic Development Finance Authority, held on the 29th day of June 2023, signed by the Chair as evidence of her approval, duly enrolled and declared to be in full force and effect.

JEAN HALE, CHAIR
Kentucky Economic Development Finance Authority