

# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## SPECIAL MEETING September 27, 2022

### MINUTES

#### Call to Order

The Kentucky Economic Development Finance Authority convened in person and virtually at 9:03 am on September 27, 2022, at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway, Board of Directors Conference Room, 1<sup>st</sup> Floor, in Frankfort, Kentucky, for a special meeting to consider a Kentucky Jobs Retention Act Project in Jefferson 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

**Staff Present:** Sarah Butler, James Johnson, Andy Luttner, Brandon Mattingly, Gabrielle McGee, Danielle Milbern, Jeff Noel, Debbie Phillips, Angelica Sanchez-Vega, Katie Smith, Dan Wood

**Others Present:** Brandon Combs

#### Kentucky Jobs Retention Act (KJRA) Project (Preliminary)

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

##### **Ford Motor Company Jefferson County**

Andy Luttner stated Ford Motor Company is requesting approval to amend its Jobs Retention Agreement with its existing Kentucky Truck Plant and Louisville Assembly Plant project locations to include a sixth supplemental project. The additional investment involves equipment and facility upgrades as well as modernization actions to support improved efficiency standards and increase competitiveness. The majority of the investment is designated for product upgrades at the Kentucky Truck Plant, including the all-new Super Duty Truck. The investment includes a) a number of new technology and safety features; b) upgrades in the body shop, paint shop and final assembly areas; and c) achieving targeted improved fuel efficiency.

##### **Andy Luttner Debbie Phillips**

Debbie Phillips stated the sixth supplemental project investment is \$700,000,000 of which \$525,000,000 qualifies as KJRA eligible costs. The highest job target over the term of the agreement is 12,500 with an average hourly wage of \$29.00 including benefits. The state wage assessment participation is 4.0% and Louisville-Jefferson County Metro Government will participate at 1%.

Total cumulative investment of \$3,650,000,000 in the Kentucky Truck Plant and Louisville Assembly Plant is to be achieved by December 31, 2025. If the investment is less than projected, the Total Negotiated Tax Incentive Amount will be reduced to equal 11.8% of the total cumulative investment. Investment of \$700,000,000 in the Kentucky Truck Plant related to the

sixth supplemental project is required to be achieved by December 31, 2025. If the investment is less than projected, the Total Negotiated Tax Incentive Amount will be reduced proportionately. Since the fifth supplemental project investment was achieved by December 31, 2021, expenditures for the sixth supplemental project may begin on January 1, 2022. The term of the Agreement matures on January 31, 2027 (previously January 31, 2025). The company will be subject to automatic reduction of available incentives for the succeeding fiscal year upon failure to achieve ninety percent (90%) of the job target in any year of the agreement term. The maximum annual incentive for the fiscal year following the year in which the company achieves less than 90% of the job target shall be reduced to the percentage of job target achieved for the prior fiscal year. The company may receive the amount of incentives in subsequent years if the company achieves 90% of the job target in future years. The company will also be subject to suspension of claiming incentives for the succeeding fiscal year upon failure to achieve a job retention requirement of 11,000 full-time employees in any year of the agreement term after December 31, 2022. 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 of \$430,000,000.

Tucker Ballinger 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.

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

The meeting adjourned at 9:07 a.m.

**APPROVED  
PRESIDING OFFICER:**



Jean R. Hale, Chairman