

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING September 29, 2022

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened virtually and in person at 10:00 a.m. EDT on September 29, 2022 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, Tucker Ballinger, Chad Miller, Mike Cowles

Staff Present: Tim Back, Tim Bates, David Brock, Phyllis Bruning, Sarah Butler, Ashlee Chilton, Michael Crabtree, Stephanie Cullen, Rachael Dever, Billy Dickinson, Colin Dodd, Danielle Dunmire, Michelle Elder, Ellen Felix, Krista Harrod, James Johnson, Malcolm Jollie, Craig Kelly, Jacob Leigh, Keaton Lowe, Andy Luttner, Brandon Mattingly, Gabrielle McGee, Conner McJunkin, Danielle Milbern, Amy Mills, Jerod Metz, Jeff Noel, Kylee Palmer, Corky Peek, Debbie Phillips, Cate Prather, Monique Quarterman, Angelica Sanchez-Vega, Jenny Schenkenfelder, Foster Shroul, Katie Smith, Christopher Snyder, Beth Sturm, Danielle Tibbitts, Maurice Walker, Connor Wall, Matthew Wingate, Dan Wood, Tori Wood, Ashiq Zaman

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Billy Aldridge and Melissa Perry, Office Of Financial Management; Gary Cola and Ed Harris, Flash Steel Works; Tammy Costellow, Logan Economic Alliance for Development; Benjamin Worrell, McGuire Sponsel; Patrick Duffy, Sarah Allan and Tom West, City of Covington; Tim Gibbs, Ashland Alliance; Bob Grable, eBlu Solutions Inc.; Loren Wolff and Patrick Hughes, Verst Logistics; Will Whitley, Michelin North America Inc.; Matt Zoellner, Scott, Murphy & Daniel; Soozie Eastman, 502 Film; Brandan Mackellar, Kim Humphrey, Bill Adelman, John Henderson, River View Coal, LLC; Jake Medley, Louisville Forward; Todd Hamilton, MCM CPA and Advisors; Dhananjay Lokapur, Circusil, LLC; Jeff Coe, BM2 Freight Services, Inc.; Anne-Tyler Morgan, KWH Venture, LLC; Jeremy Worley, Northern KY-Tri-Ed; Aida Hoialmen, Jeff Hodges, Marcie Vogelpohl, Audrey Hacker, Tony Prim

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the August 25, 2022 regular KEDFA board meeting.

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.

Local Industrial Revenue Bond (IRB) Project

Chairman Hale called on Michelle Elder to present a Local IRB project to the Authority.

KWH Venture, LLC Hardin County

Malcolm Jollie Michelle Elder

Michelle Elder stated in accordance with KRS 103.210, the City of Elizabethtown requested KEDFA review and approve a one hundred percent (100%) reduction in the state ad valorem tax rate on the industrial building and equipment which KWH Venture, LLC proposes to be financed through the issuance of industrial revenue bonds by the City of Elizabethtown. The company proposed a distillery, office building and whiskey storage warehouse in Elizabethtown. The principal amount of the IRB authorization is up to \$390,345,000 for a term of 20 years. A Payment in Lieu of Tax Agreement will be required with the school district.

Staff recommended approval of the requested percentage reduction in the state ad valorem tax rate on the industrial building and equipment proposed to be financed through the issuance of the industrial revenue bonds.

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

The KEDFA board did not make any type of determination as to the legality of the bonds to be issued by the City of Elizabethtown but only approved the reduction on the ad valorem tax rate as provided by KRS 103.200 and KRS 132.020.

Kentucky Business Investment (KBI) Projects (Amendment)

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

Healthcare Asset Network, INC. d.b.a. HANDLE Jefferson County

Beth Sturm

Beth Sturm stated Healthcare Asset Network, INC. d.b.a. HANDLE is a rapidly growing company that develops, sells, and implements technology in support of the healthcare equipment supply chain. The company occupies multiple sites in Louisville and was approved for a KBI project in September 2021 to expand its headquarters operations and warehousing capabilities into a site at 1841 Taylor Avenue. After Final Approval, the company recognized the need for a larger expansion space and leased a new facility at 13620 Northeast Park Drive. The company has requested that the new site at Northeast Park Drive be designated as the main project site, and the facility at Taylor Avenue be maintained as a campus site in the project. The above changes have been incorporated into the Amended and Restated Tax Incentive Agreement. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

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

**Wieland Rolled Products North America, LLC
Jefferson County**

Beth Sturm

Beth Sturm stated GBC Metals, LLC (GBC), along with its affiliate Global Brass and Copper, Inc., received Final Approval for a headquarters project in Louisville on March 28, 2013 and activated the project on July 15, 2014. Effective July 16, 2019, as a result of a merger, GBC's parent company became a subsidiary of Wieland Holdings, Inc. Following the merger, GBC Metals, LLC changed its name to Wieland Rolled Products North America, LLC (the Company), and the affiliate name became Wieland North America, Inc. On February 1, 2021, the Company leased new space and relocated the project to 4803 Olympia Park Plaza. Wieland North America, Inc. leased adjacent space at the same address on the same date. The company is requesting approval of the following changes: the assignment of the project to Wieland Rolled Products North America, LLC as the approved company, the designation of Wieland North America, Inc. as the approved affiliate, and the recognition of the new lease at 4803 Olympia Park Plaza as the economic development project site. In addition, the company wishes to adopt the revised definition of "Full-time job" as approved by KEDFA Resolution 2021-0624. The above changes have been incorporated into the Amended and Restated Tax Incentive Agreement. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

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

**Prysmian Cables and Systems USA, LLC
Anderson County**

Craig Kelly

Craig Kelly stated the company received final approval for KBI project #20477 on September 28, 2017. Pursuant to the terms of a merger agreement entered into among the parties on December 3, 2017, Prysmian Cables and Systems USA, LLC ("Prysmian") acquired all of the outstanding shares of General Cable Industries, Inc. ("GCI"). Effective January 1, 2022, GCI merged with and into Prysmian with Prysmian being the surviving entity. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

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

**Owl's Head Alloys, Inc.
Warren County**

Craig Kelly

Craig Kelly stated the company received final approval for KBI project #21980 on January 28, 2021. The Company is requesting an amendment effective January 1, 2022, with the following changes to the Economic Development Project (collectively, the "Modifications"): increase investment from \$4,315,703 to \$11,315,703; an increase in Job Creation from 17 to 57; a change in the term of the project from 5 years to 10 years; an increase in Approved Costs from \$150,000 to \$500,000 and the company wishes to adopt the revised definition of "Full Time Job" as approved by KEDFA Resolution 2021-0624. The project has not yet activated and will not be permitted to activate until such time as the amendment is in place and the amendment is finalized. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

Mike Cowles moved to approve the staff recommendation, as presented; Tucker Ballinger 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.

<u>Company</u>	<u>County</u>	<u>Extension</u>
Neat Distributing, LLC	Russell	6 Months
Perfetti van Melle USA Inc.	Boone	6 Months
Log Still Distilling LLC	Nelson	9 Months
Bilstein Cold Rolled Steel LP	Warren	12 Months
Bluegrass Roller Service	Shelby	12 Months
Continental Refining Co LLC	Pulaski	12 Months
Fresh Bourbon Inc. dba Edwards Spirit Company	Fayette	12 Months
Martinrea Hopkinsville, LLC	Christian	12 Months
Rut N Strut Distillery LLC	Shelby	12 Months
The Sherwin-Williams Company	Madison	12 Months
Wholesale Hardwood Interiors	Taylor	12 Months

Staff recommended approval of the KEIA extension requests.

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

KEIA Projects

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

Michelin North America, Inc.

Jefferson County

Malcolm Jollie stated Michelin North America, Inc. is considering a project at its facility in Louisville to reduce the environmental footprint. The company is considering replacement of the existing coal-fired powerhouse with an energy efficient natural gas-fired broiler house which will include a reverse osmosis water treatment system, natural gas boilers, condensing economizers and state of the art controls. The improvements will allow continued viability at the facility.

Malcolm Jollie

Michelle Elder

Michelle Elder stated the project investment is \$48,300,000 of which \$6,300,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$350,000 for construction materials and building fixtures.

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

KBI (Preliminary) and KEIA Projects

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

River View Coal, LLC

Henderson County

Corky Peek

Michelle Elder

Corky Peek stated River View Coal, LLC started in 2009 as an underground coal mine in Union County. The company is now the largest underground room-and-pillar mine of its kind in North America. Due to the demand for coal, the company is considering expanding its operations into its neighboring county of Henderson.

Michelle Elder stated the project investment is \$35,000,000 of which \$32,100,000 qualifies as KBI eligible costs and \$5,950,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 260 with an average hourly wage of \$49.00 including benefits. The state wage assessment participation is 3.0% and Henderson County will participate at .50% as well as \$1,000,000 cash.

The company will be required to maintain 90% of the total statewide full-time employees subject to Kentucky income tax at all company 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 \$3,400,000 and the KEIA approved recovery amount of \$300,000 for construction materials and building fixtures

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

**Automotive Service Products, Inc.
Boone County**

**Foster ShROUT
Michelle Elder**

Foster ShROUT stated Automotive Service Products, Inc. (ASP) is a wholesale supplier and trade print manufacturer that was founded in 1986. ASP is considering expanding into a new facility in Boone County that will allow the company to continue its rapid growth in the Commonwealth.

Michelle Elder stated the project investment is \$8,000,000 of which \$7,200,000 qualifies as KBI eligible costs and \$3,700,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 25 with an average hourly wage of \$28.61 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.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$250,000 and the KEIA approved recovery amount of \$40,000 for construction materials and building fixtures.

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

**Emerald Energy & Exploration Land Company
Magoffin County**

**Foster ShROUT
Michelle Elder**

Foster ShROUT stated Emerald Energy & Exploration Land Company, established in 2007, as a Right of Way acquisition company and has become one of the most recognized acquisition companies. The company is considering relocating into Magoffin County in order to meet new business development need and growth opportunities.

Michelle Elder stated the project investment is \$1,400,000, all of which qualifies as KBI eligible costs and \$650,000 qualifies as KEIA eligible costs. The highest job target over the term of

the agreement is 25 with an average hourly wage of \$20.00 including benefits. The state wage assessment participation is 5.0%.

The company will be required to maintain a base employment equal to the number of full-time 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 \$300,000 and the KEIA approved recovery amount of \$15,000 for construction materials and building fixtures.

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

**Verst Group Logistics, Inc.
Grant County**

**Jerod Metz
Debbie Phillips**

Jerod Metz stated Verst Group Logistics, Inc. is a third-party logistics provider of omnichannel fulfillment, shrink sleeve labeling, dedicated transportation, and shipping brokerage with warehouses nationwide. The company is considering the construction of a new warehouse facility in Dry Ridge.

Debbie Phillips stated the project investment is \$45,400,000, all of which qualifies as KBI eligible costs and \$30,150,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 100 with an average hourly wage of \$31.00 including benefits. The state wage assessment participation is 3.0% and the City of Dry Ridge and Grant County will participate at .50%, each at a combined 1.0%.

The company will be required to maintain 90% of the total statewide full-time employees subject to Kentucky income tax at all company 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 \$1,700,000 and the KEIA approved recovery amount of \$300,000 for construction materials and building fixtures.

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

**U.S. Smokeless Tobacco Company LLC
Grant County**

**Billy Dickinson
Debbie Phillips**

Billy Dickinson stated U.S. Smokeless Tobacco Company LLC is a leading producer and marketer of smokeless tobacco including premium brands, Copenhagen, Skoal and Red Seal. The company is considering an expansion of its existing facility in Hopkinsville to consolidate/relocate operations outside of the Commonwealth.

Debbie Phillips stated the project investment is \$46,645,681, all of which qualifies as KBI eligible costs and \$14,066,714 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 17 with an average hourly wage of \$56.00 including benefits. The state wage assessment participation is 5.0%.

The Company will be required to maintain a base employment equal to the greater of the number of full-time employees subject to Kentucky income tax as of the date of preliminary approval or 108 full-time employees subject to Kentucky income tax. The project will include multiple locations within Hopkinsville/Christian County. Only investment costs incurred at 1600

Main Street 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 \$500,000 and the KEIA approved recovery amount of \$75,000 for construction materials and building fixtures.

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

**Circusil LLC
Jefferson County**

**Foster Shrout
Michelle Elder**

Foster Shrout stated Circusil LLC is considering building its first integrated silicone re-processing facility in North America. The company hopes to locate close to other silicone manufacturing units and silicone oil units for ease of transport.

Michelle Elder stated the project investment is \$13,500,000, of which \$9,300,000 qualifies as KBI eligible costs and \$3,400,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 40 with an average hourly wage of \$41.00 including benefits. The state wage assessment participation is 3.0% and Louisville Metro Government will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,250,000 and the KEIA approved recovery amount of \$50,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

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

**eBlu Solutions Inc.
Jefferson County**

**Malcolm Jollie
Michelle Elder**

Malcolm Jollie stated eBlu Solutions Inc., founded in 2012, helps specialty medical practices get its patients authorized and approved medications. The company has created a portal for managing data helping to mitigate risk, improve staff efficiency and reduce the burden of training new staff members. eBlu is considering expanding in Louisville in order to meet its customers' demands.

Michelle Elder stated the project investment is \$683,920 of which \$616,960 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 82 with an average hourly wage of \$36.00 including benefits. The state wage assessment participation is 3.0% and Louisville Metro Government 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.

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

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

**Elevate Windows and Doors, LLC
Christian County**

**Corky Peek
Michelle Elder**

Corky Peek stated Elevate Windows and Doors, LLC is the leading manufacturer of contemporary, energy efficient window and doors for residential applications. The company has had phenomenal growth and is considering expanding its manufacturing and distribution footprint into the southern states.

Michelle Elder stated the project investment is \$16,065,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 203 with an average hourly wage of \$22.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,250,000.

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

**BM2 Freight Services, Inc.
Kenton County**

**Foster Shroul
Michelle Elder**

Foster Shroul stated BM2 Freight Services, Inc. is a family-owned and operated third party logistics company. The company provides strategic transportation solutions to customers throughout North America. The company is currently out of space and is considering expanding to help meet customer demand.

Michelle Elder stated the project investment is \$2,295,000 of which \$1,272,500 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 56 with an average hourly wage of \$28.61 including benefits. The state wage assessment participation is 3.0% and the City of Covington 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.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$600,000.

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

**Flash Steel Works, Inc.
Bell County**

**Malcolm Jollie
Michelle Elder**

Malcolm Jollie stated Flash Steelworks, Inc. was founded in 2006 and developed a global IP suite of patents surrounding the highly disruptive Flash Process to rapidly, energy efficiently heat treat steel. Flash's novel technology leads to mass reduction, performance improvement and simultaneous cost savings. The company is considering locating a Flash Armor line in Middlesboro to help meet the growth curve in employment, revenue, and expansion.

Michelle Elder stated the project investment is \$12,100,000 of which \$10,300,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 250 with an average hourly wage of \$39.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$3,000,000.

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

**Trader Joe's East Inc.
Simpson County**

**Ashlee Chilton
Michelle Elder**

Ashlee Chilton stated Trader Joe's East Inc. is a leading retailer distributor and supplier of food and beverage products. The company has grown nationally through acquisitions and consumer brand recognition. Trader Joe's East Inc. is considering establishing a new state-of-the-art distribution, warehousing, and cold storage center to service its growing grocery demands.

Michelle Elder stated the project investment is \$259,375,000 of which \$211,195,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 91 with an average hourly wage of \$31.17 including benefits. The state wage assessment participation is 3.0% and Simpson County Fiscal Court will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$500,000.

Tucker Ballinger moved to approve the staff recommendation, as presented; Mike Cowles 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 9 companies requested additional time to complete the projects and asked that all 9 be presented as one motion.

Company	County	Extension
Distilled Spirits Epicenter, LLC	Jefferson	3 Month
Ag Science Solutions, Inc.	Simpson	12 Month
Froedge Machine and Supply Co., Inc.	Barren	12 Month
IJW Whiskey Company, LLC	Jefferson	12 Month
Strigiformes, LLC	Nelson	12Month
Taeyang America Corp.	Simpson	12 Month
The Hollaender Manufacturing Company	Pulaski	12 Month
United Parcel Service Co.	Jefferson	12 Month
UPS Supply Chain Solutions	Jefferson	12 Month

Staff recommended approval of the KBI extension requests.

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

KBI Projects (Final)

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

Debbie Phillips stated 2 companies requested KBI final approval, both of which have modifications since preliminary approval. Ms. Phillips asked that both be presented as one motion.

Modifications:

Fruehauf, Inc.

Warren

Manufacturing

Total investment and eligible costs have been updated based on the current projections. The project changed from a leased project to an owned project. All other aspects of the project remain the same.

Highlands Diversified Services, Inc.

Laurel

Manufacturing

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.

Love Finds A Way LLC

Kylee Palmer

Love Finds A Way

Kylee Palmer stated that Love Finds A Way LLC plans to produce a feature-length film, Love Finds A Way in Jefferson, Oldham, and Pulaski Counties. Production is set to begin as early as October 25, 2022 and is anticipated to end by December 30, 2022. The Company anticipates \$1,555,015 in qualifying payroll expenditures and \$1,532,554 in qualifying non-payroll expenditures for a total of \$3,087,569. The company also anticipates employing 61 Kentucky resident crew members and 40 Non-Kentucky resident crew members for a total production crew of 101.

Staff recommended a total negotiated tax incentive amount of \$1,063,726.

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

HD2 LLC

Tim Bates

Haunted Discoveries-Season 2

Tim Bates stated that HD2 LLC plans to produce a television program, Haunted Discoveries-Season 2, in Boyd, Boyle, Bracken, Clay, Harrison, Jefferson, Oldham, and Pulaski Counties. Production is set to begin as early as October 15, 2022 and is anticipated to end by December 30, 2022. The Company anticipates \$3,060,874 in qualifying payroll expenditures and \$3,672,250 in qualifying non-payroll expenditures for a total of \$6,733,124. The company also anticipates employing 79 Kentucky resident crew members and 12 Non-Kentucky resident crew members for a total production crew of 91.

Staff recommended a total negotiated tax incentive amount of \$2,335,265.

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

**World of Wonder Production Processing, Inc.
Glitterball Documentary**

Tim Bates

Tim Bates stated that World of Wonder Production Processing, Inc. plans to produce a documentary, Glitterball Documentary, in Jefferson County. Production is set to begin as early as October 1, 2022 and is anticipated to end by April 1, 2023. The Company anticipates \$1,015,112 in qualifying payroll expenditures and \$127,750 in qualifying non-payroll expenditures for a total of \$1,142,862. The company also anticipates employing 11 Kentucky resident crew members and 14 Non-Kentucky resident crew members for a total production crew of 25.

Staff recommended a total negotiated tax incentive amount of \$350,859.

Mike Cowles moved to approve the staff recommendation, as presented. Don Goodin 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 8 Kentucky small businesses, from 5 counties with qualifying tax credits of \$53,400. The 8 businesses created 16 jobs and invested \$158,920 in qualifying equipment and/or technology.

Mr. Back requested the following tax credits be presented as one motion:
Staff recommended approval of the tax credits.

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/Technology	Tax Credit Amount
BEH Physical Therapy, LLC	Madison	0	1	\$30.29	\$5,489	\$3,500
Best Pets Animal Clinic, LLC	Scott	1	1	\$44.93	\$43,350	\$3,500
Chism Machine and Gage, Inc.	Pulaski	2	5	\$40.35	\$25,000	\$17,500
Corvin's Furniture & Carpet, LLC	Nelson	21	1	\$36.05	\$52,126	\$3,500
H.P.G. Inc	Jefferson	1	1	\$22.59	\$6,345	\$3,500
Jeffries Heating & Air, LLC	Pulaski	6	4	\$22.50	\$11,495	\$11,400
Meyerowitz & King, PLLC	Jefferson	3	1	\$43.27	\$5,085	\$3,500
Phoenix Preferred Care Incorporated	Pulaski	13	2	\$19.23	\$10,030	\$7,000

Chad Miller moved to approve the staff recommendation, as presented; Don Goodin 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 3 Kentucky Angel Investment Act projects representing 3 Kentucky businesses and 3 investors for a total projected investment of \$535,032 with eligible tax credits of \$133,758. 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
Christopher H. Young	Gun Media Holdings, Inc.	Fayette	\$500,000	\$125,000
Roy T. Toutant	Liberate Medical (DE), Inc.	Oldham	\$25,000	\$6,250
Michael B. Fritz	Wendal Inc	Kenton	\$10,032	\$2,508

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.

Other Business

Audit Report and Auditor's Communication

Katie Smith introduced Todd Hamilton with MCM CPAs & Advisors, LP and invited him to present the audited financial statements. Mr. Hamilton reported the audit disclosed no instances of noncompliance and no findings which are required to be reported in accordance with Government Auditing Standards with regard to KEDFA's financial statements for fiscal year ending June 30, 2022.

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

KEDFA Resolutions

Chairman Hale called on Katie Smith to present the KEDFA Resolutions.

KEDFA Resolution 2022-01

On August 29, 2002, the Authority, Borrower and Foundation entered into a Loan Agreement for the purpose of acquiring 47 tracts of contiguous real property generally located in Glendale, Hardin County, Kentucky for the potential location of a future economic development project. According to Section 4.1 of the Loan Agreement, "the Borrower shall not transfer the Project Site or any portion thereof to any transferee other than the Foundation without (i) the prior written consent of the Authority and the Cabinet and (ii) prior legislative approval of the Kentucky General Assembly." The Restricted Covenants filed on the property also included similar language.

The future economic development project has been identified. In September 2021, the Governor, Ford Motor Company, and SK Innovation announced the single largest economic development project in the history of the Commonwealth anticipating a \$5.8 billion investment and the creation of 5,000 jobs. The BlueOvalSK Battery Park will consist of two electric battery plants located on the 1,551-acre economic development site in Glendale, Hardin County. During the 2021 Special Session of the General Assembly, Senate Bill 5 included the following language authorizing the transfer of the property:

The Restrictive Covenants associated with property purchased in 2002 consisting of 47 tracts of contiguous real property in Hardin County acquired to be used solely in connection with economic development projects require the General Assembly, the Kentucky Economic Development Finance Authority, and the Kentucky Cabinet for Economic Development to

authorize the use of property for major manufacturing, processing, and assembling facilities and provide written consent if the property is conveyed to any party other than the Elizabethtown-Hardin County Industrial Foundation. For eligible projects meeting these qualifications, the General Assembly authorizes the Authority to approve the use of the property and provides consent to transfer the property to another entity.

Governor Beshear provided a letter with consent on behalf of the Cabinet for Economic Development and the Commonwealth of Kentucky to approve the transfer and use of the property from the Borrower to BlueOval SK, LLC, the entity that will have fee title to the property for use in the BlueOvalSK Battery Park. The resolution approves the same transfer and use of the property to satisfy the requirements of Senate Bill 5 and terminate the restrictive covenants.

Staff recommends adoption of the resolution.

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

KEDFA Resolution 2022-02

KEDFA Resolution No. 2022-02 (the "Resolution") recognizes the excellent work of Commonwealth Seed Capital, LLC ("CSC") in recuperating a \$15,000,000 investment that failed to materialize. Furthermore, the Resolution authorizes the Kentucky Economic Development Partnership to request from CSC transfer of said funds to the Kentucky Economic Development Finance Authority ("KEDFA"), the entity originally appropriated the funds. KEDFA shall administer said funds in a manner consistent with the funding appropriation until otherwise directed by the Kentucky General Assembly.

Staff recommends adoption of the resolution.

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

Other Business

Katie Smith introduced new project managers, Cate Prather and Colin Dodd. Additionally, Ms. Smith reported the December meeting is scheduled for December 8, 2022.

Adjournment

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

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

The meeting adjourned 11:30 a.m.

**APPROVED
PRESIDING OFFICER:**



Jean R. Hale, Chairman