

# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## BOARD MEETING December 8, 2022

### MINUTES

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#### **Call to Order**

The Kentucky Economic Development Finance Authority (KEDFA) convened in person and virtually at 10:00 a.m. on December 8, 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, Mike Cowles and Naashom Marx

**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, Joseph Gearon, Krista Harrod, James Johnson, Malcolm Jollie, Craig Kelly, Jacob Leigh, Andy Luttner, Brandon Mattingly, Gabrielle McGee, Conner McJunkin, Craig McKinney, Camryn McManis, Kristine McNeil, Amy Mills, Danielle Milbern, Jerod Metz, Jeff Noel, Kylee Palmer, Corky Peek, Debbie Phillips, Dawn Powers, Cate Prather, Monique Quarterman, Angelica Sanchez-Vega, Jenny Schenkenfelder, Foster Shroust, Kristina Slattery, Katie Smith, Christopher Snyder, Beth Sturm, Maurice Walker, Connor Wall, Matthew Wingate, Dan Wood, Tori Wood

**Others Present:** Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Billy Aldridge and Melissa Perry, Office of Financial Management; Gregg Harris, Whitehorse Freight; Cheryl Klever, Commerce Lexington; Jeff Deaton and Ken Srebniak, Envision AESC US; Tammy Costellow, Logan Economic Alliance for Development; Ingrid Gentry, The Bardstown Bourbon Company; Mark Green, The Lane Report Inc.; Casey Bolton, Commonwealth Economics; Jenni Hampton, Office of Employer & Apprenticeship Services Kentucky Career Center; Reid Pittard, McGuire Sponsel; Ron Burse and Sara Bowman, Louisville Forward; Greg Williams, Williams Legal Services; Soozie Eastman, 502Film; John Lenio, CBRE Inc.; Matt Zoellner, Scott, Murphy, Daniel; Tulsii Patel, The LaRue County Herald; Mark Maloney, The Fechheimer Brothers Company; Mark Sommer, Frost Brown Todd; Dan Kanabroski, Warren Tech; Chris Otts, WDRB; Craig Johnson, Jessica Chen, Pierre Jouet, Tim Neihsel, Pernod Ricard USA; Jim Phelps, Mayor of Hodgenville; Kathy O'Nan, Mayor of Mayfield; Heather Bruce, Jake McLaughlin, Osmundson Mfg. Co.; Brooklyn Leep, David Daughtery, Gary Crenshaw, Melissa Newcomb, Bobby Miles, Marion County Economic Development; Brad Thomas, Kentucky Touch Stone; Gabby Burno, Ford; Daniel Highbough, Jason Lemle, Jeff Hodges, David Carroll, Andy Games, Jamel Patton, Casey Dunn, Rachelle Creager, Chic Roberts, Audrey Grace Hacker, Chloe Skinner, Daniel Carney, Elizabeth Carter, Lee Crume, Kimberly Rossetti;

#### **Approval of Minutes**

Chairman Hale entertained a motion to approve the minutes from the October 27, 2022 regular KEDFA board meeting.

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

### **Approved/Undisbursed Report**

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

### **Financial Statements and Monitoring Reports**

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

### **KEDFA Loan Projects**

Chairman Hale called on Katie Smith to present the KEDFA Loan projects to the Authority.

#### **BlueOval SK, LLC Hardin County**

Katie Smith stated Ford Motor Company and SK Innovation have entered into a joint venture establishing BlueOval SK, LLC (BOSK). BOSK will build two electric battery manufacturing facilities on a 1,500-acre campus in the BlueOvalSK Battery Park in Hardin County. The twin facilities will generate 86 gigawatt hours and will supply Ford's North American assembly plants with batteries to power the next generation of Ford and Lincoln electric vehicles. BOSK requested a \$250,000,000 KEDFA loan to assist with capital expenditures associated with the project.

Katie Smith noted SB 5 of the 2021 Special Session of the General Assembly approved the funding appropriation for the KEDFA loan. The total proposed project investment is \$5,800,000,000, and the highest job target over the term of the agreement is 5,000 with an average hourly wage of \$30.04 including benefits. Each annual loan payment may be eligible for forgiveness based on the following:

- 1) If the project meets at least 90% of both the job and wage target, then the annual loan payment due may be forgiven.
- 2) If the project does not meet at least 90% of both the job and wage targets, then the amount of the annual loan payment that may be forgiven shall equal the lesser of the percentages achieved multiplied by the amount of the annual repayment.

Funds may be drawn on a reimbursement basis, and the last 10% of the loan proceeds may not be disbursed until investment of at least \$2 billion has been certified. KEDFA will be secured on the loan with a Collection Guaranty Agreement from Ford Motor Company in the amount of \$125 Million and a Collection Guaranty Agreement from SK Innovation Co., LTD and SK on CO., LTD in the amount of \$125 Million.

The board report noted the exceptions to the existing loan policies and guidelines as well as the other terms of the loan.

Staff recommended approval of the KEDFA loan in the amount of \$250,000,000.

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

#### **Envision AESC Bowling Green, LLC Warren County**

Katie Smith stated Envision AESC is the world's leading battery technology company and an established EV battery manufacturer with a solid track record since 2010. Current operations include battery plants in Japan, UK, US (Smyrna, TN), France, Spain and China. Envision AESC Bowling Green, LLC, a subsidiary of Envision AESC Group Ltd., is considering the establishment of a new gigafactory to accommodate 40 GWh capacity to meet current and future customer demand. Envision AESC Bowling Green, LLC requested a \$116,800,000 KEDFA loan to assist with capital expenditures associated with the project.

Katie Smith noted SB 5 of the 2021 Special Session along with HB 1 of the 2022 Regular Session of the General Assembly approved the funding appropriation for the KEDFA loan. The total proposed project investment is \$2,000,000,000, and the highest job target over the term of the agreement is 2,000 with an average hourly wage of \$39.88 including benefits. Each annual loan payment may be eligible for forgiveness based on the following:

- 1) If the project meets at least 90% of both the job and wage target, then the annual loan payment due may be forgiven.
- 2) If the project does not meet at least 90% of both the job and wage targets, then the amount of the annual loan payment that may be forgiven shall equal the lesser of the percentages achieved multiplied by the amount of the annual repayment.

Funds may be drawn on a reimbursement basis, and the last 10% of the loan proceeds may not be disbursed until investment of at least \$2 billion has been certified. KEDFA will be secured on the loan with a Guaranty by Envision AESC Group LTD.

The board report noted the exceptions to the existing loan policies and guidelines as well as the other terms of the loan.

Staff recommended approval of the KEDFA loan in the amount of \$116,800,000.

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

### **Kentucky Business Investment (KBI) Project (Amendment)**

Chairman Hale called on Craig Kelly to present the KBI project amendment to the Authority.

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

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.

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

### **Kentucky Investment Fund Act (KIFA) Project (Amendment)**

Chairman Hale called on Joseph Gearon to present a KIFA amendment project to the Authority.

**Bluegrass Angel Venture Fund V, LLC  
Fayette County**

Joseph Gearon stated Bluegrass Angel Venture Fund V, LLC was formed to encourage and assist in the creation, development or expansion of small businesses located in Kentucky.

Christopher H. Young of Bluegrass Angel Venture Fund V, LLC previously made application on behalf of the fund and KEDFA approved Bluegrass Angel Venture Fund V, LLC as a participant in the KIFA program as well as approval of Christopher H. Young as Fund Manager under the KIFA program for up to \$1,000,000 of incentives based on a \$6,000,000 maximum committed cash contributions. To date, the fund manager has secured \$6,500,000 in committed cash contributions from 67 investors and expects an additional committed cash contributions of \$2,500,000 for a total capital raise of \$9,000,000. Bluegrass Angel Venture Fund V, LLC meets the minimum requirements of the KIFA program to be considered for approval by KEDFA tax credits under the program.

Staff recommended approval of Christopher H. Young as Fund Manager and a maximum of \$1,000,000 in additional KIFA tax credits be allocated to the fund for the additional capital contributions above the \$6,000,000.

Don Goodin moved to approve the staff recommendation, as presented; Naashom Marx 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 17 companies requested additional time to complete the projects and asked that all be presented as one motion.

<b>Company</b>	<b>County</b>	<b>Extension</b>
Kruger Packaging (USA )LLC	Hardin	4 Months
Heaven Hill Distilleries Inc (#23361)	Nelson	6 Months
Heaven Hill Distilleries Inc. (#23362)	Nelson	6 Months
Amazon Fulfillment Services, Inc.	Boone	12 Months
Bespoke Ventures and Investments, LLC	Grant	12 Months
Danimer Scientific Kentucky, Inc.	Clark	12 Months
East Kentucky Network, LLC	Floyd	12 Months
Kentuckiana Curb Company, Inc.	Shelby	12 Months
Kentucky Owl, LLC	Nelson	12 Months
Maker’s Mark Distillery, Inc.	Marion	12 Months
MGPI of Indiana LLC	Grant	12 Months
Michter’s Distillery LLC	Washington	12 Months
Nucor Corporation	Meade	12 Months
Rick and Still, LLC	Woodford	12 Months
Sazerac Distilleries, LLC	Nelson	12 Months
The Candleberry Company	Franklin	12 Months
WKY Development dba Oak Grove Race Track	Christian	12 Months

Staff recommended approval of the KEIA extension requests.

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

## **KEIA Projects**

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

### **McKesson Corporation Bullitt County**

**Billy Dickinson  
Debbie Phillips**

Billy Dickinson stated the McKesson Corporation is a diversified healthcare services leader dedicated to advancing health outcomes for patients everywhere. The company partners with biopharma companies, care providers, pharmacies, manufacturers, governments and others to deliver insights, products and services to make quality care more accessible and affordable. The proposed project includes an expansion of its current distribution center in Shepherdsville.

Debbie Phillips stated the project investment is \$64,500,000 of which \$35,700,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$750,000 for construction materials and building fixtures.

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

### **The Bardstown Bourbon Company, LLC Nelson County**

**Foster Shroul  
Michelle Elder**

Foster Shroul stated The Bardstown Bourbon Company, LLC (BBC), founded in 2014, is one of America's largest new distilleries. BBC started commercial production in September 2016 and is producing whiskey, bourbon and rye for its own brands and for its Collaborative Distilling Program partners. The company is considering an expansion which will include increasing its capacity by building additional barrel warehouses.

Michelle Elder stated the project investment is \$22,105,282 of which \$14,456,902 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$150,000 for construction materials and building fixtures.

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

## **KBI (Preliminary) and KEIA Project**

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

### **Hyster-Yale Group, Inc. Madison County**

**Jerod Metz  
Debbie Phillips**

Jerod Metz stated Hyster-Yale Group, Inc. is a global leading manufacturer of lift trucks and a solutions management company with specialties in materials handling, storage management, telematics and processing consulting. The company is considering an expansion of its current facility by adding additional lines and products to meet growing demands.

Debbie Phillips stated the project investment is \$33,727,000 of which \$18,964,000 qualifies as KBI eligible costs and \$2,387,500 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 198 with an average hourly wage of \$43.05 including benefits. The state wage assessment participation is 3.0% and the City of Berea will participate at 1.0%.

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 622 full-time employees subject to Kentucky income tax.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,900,000 and the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

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

### **KBI Projects (Preliminary)**

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

#### **Osmundson Mfg. Co. Graves County**

**Ashlee Chilton  
Michelle Elder**

Ashlee Chilton stated Osmundson Mfg. Co., a fifth generation, family-owned manufacturer, believes that Kentucky is a perfect location for its new manufacturing facility. The company is considering purchasing land and building for its new location in Graves County to produce round blades for both the agriculture and construction industries.

Michelle Elder stated the project investment is \$12,500,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 80 with an average hourly wage of \$36.07 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,500,000.

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

#### **The Fechheimer Brothers Company LaRue County**

**Foster Shroul  
Michelle Elder**

Foster Shroul stated The Fechheimer Brothers Company is a leading manufacturer of uniform apparel. The company has experienced revenue growth over the last few years and has outgrown its manufacturing capacity. Fechheimer is considering space adjacent to its location for a new distribution center to help meet needs.

Michelle Elder stated the project investment is \$11,500,000 of which \$5,200,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 63 with an average hourly wage of \$22.44 including benefits. The state wage assessment participation is 3.0% and the City of Hodgenville 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 Hodgenville/LaRue County. Only investment costs incurred at 235 Shepherdsville Road 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 \$800,000.

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

**Green River Distilling Company LLC  
Hancock County**

**Corky Peek  
Michelle Elder**

Corky Peek stated Green River Distillery is one of the oldest distilleries in the state of Kentucky. Along with the distillery, Green River Distilling Company LLC has opened a bottling facility to bottle its own brand. The company is considering purchasing land to construct an additional facility and barrel warehouses in order to improve and remain competitive in the industry.

Michelle Elder stated the project investment is \$62,475,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 25 with an average hourly wage of \$28.00 including benefits. The state wage assessment participation is 5.0%.

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 \$600,000.

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

**XPO Logistics Freight, Inc.  
Jefferson County**

**Malcolm Jollie  
Michelle Elder**

Malcolm Jollie stated XPO Logistics Freight, Inc. is a leading provider of freight transportation and regional, inter-regional, and transcontinental less-than-truckload services. XPO's proprietary technology optimizes routing and generates business intelligence that allows its customers to efficiently manage its shipments. The company is considering expanding its facility to help meet the needs of its customers.

Michelle Elder stated the project investment is \$14,020,000 of which \$11,010,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 48 with an average hourly wage of \$35.14 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. 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 \$650,000.

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

**Pernod Ricard USA, LLC  
Marion County**

**Colin Dodd  
Debbie Phillips**

Colin Dodd stated Pernod Ricard USA, LLC, wholly owned subsidiary of Pernod Ricard, is the second largest spirits company globally with category leading brands such as Jameson's Irish Whiskey, Absolut Vodka, Glenlivet and Chivas Brothers. The company is considering constructing a new distillery in Lebanon to meet growing demands.

Debbie Phillips stated the project investment is \$181,000,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 55 with an average hourly wage of \$82.35 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,600,000.

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

**Lexair, Inc.  
Fayette County**

**Billy Dickinson  
Debbie Phillips**

Billy Dickinson stated Lexair, Inc. manufactures machine tool products, commercial hydraulic and pneumatic control valves and made a series of CO2 evacuation compressors and stainless valves for the US Navy. The proposed project would include the expansion of its existing facility in Lexington by adding a new product line to meet growing demands.

Debbie Phillips stated the project investment is \$8,575,000 of which \$7,355,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 14 with an average hourly wage of \$41.97 including benefits. The state wage assessment participation is 3.0% and Lexington-Fayette Urban County 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 \$300,000.

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

**EnerVenue, Inc.  
Shelby County**

**Andy Luttner  
Debbie Phillips**

Andy Luttner stated EnerVenue, Inc. builds simple, safe and cost-efficient energy storage solutions. The proposed project would include the construction of a battery manufacture facility in Shelbyville. This facility will also include storage and testing.

Debbie Phillips stated the project investment is \$264,000,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 450 with an average hourly wage of \$31.70 including benefits. The state wage assessment participation is 5.0%.

KRS 154.32-020 states the following: For any economic development project with an eligible investment of more than \$200 million, the authority may authorize approval to the economic development project based upon terms and incentives applicable to economic development projects locating in an enhanced incentive county. The project will be required to incur eligible costs of at least \$200 million prior to receiving final approval.



Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$10,380,000.

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

**Kentucky Bourbon Distillers, LTD  
Washington County**

**Malcolm Jollie  
Michelle Elder**

Malcolm Jollie stated Kentucky Bourbon Distillers, LTD is considering constructing a new distillery in Washington County to help meet the needs of production demand for the Willett collection brands. The company also plans to construct barrel storage warehouses as well as a water storage facility for fire prevention.

Michelle Elder stated the project investment is \$92,890,000 of which \$62,200,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 35 with an average hourly wage of \$34.96 including benefits. The state wage assessment participation is 2.63%, Washington County Fiscal Court will participate at .375% and the City of Springfield will participate at .50%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$800,000.

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

**Lakeshore Learning Materials, LLC  
Woodford County**

**Billy Dickinson  
Michelle Elder**

Billy Dickinson stated Lakeshore Learning Materials is the leading U.S. developer of educational materials and classroom furniture & supplies. Over the last decade, Lakeshore's business has grown at a remarkable rate and its site in Midway is already nearing capacity. The company is considering adding an additional 360,000 square foot distribution location to meet customer demand.

Michelle Elder stated the project investment is \$27,326,700 of which \$23,900,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 40 with an average hourly wage of \$21.60 including benefits. The state wage assessment participation is 3.0% the City of Midway will participate at .50%, and Woodford County will participate at .50%.

The project will include multiple locations within Midway/Woodford County. Only investment costs incurred at address to be determined within Woodford County 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. 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 362 full-time employees subject to Kentucky income tax.

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

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

**River City Entertainment Group, LLC  
Jefferson County**

**Malcolm Jollie  
Michelle Elder**

Malcolm Jollie stated River City Entertainment Group, LLC is considering a location in Louisville to house multiple sound stages to be used by music, film, and digital production companies for the creation of filmed, digital and audio content. The company hopes to bring production company users and its employees and crews to this facility with related substantial commercial expenditures to the area.

Michelle Elder stated the project investment is \$65,000,010, of which \$65,000,005 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of \$58.00 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 \$700,000.

Don Goodin 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 11 companies requested additional time to complete the projects and asked that all be presented as one motion.

<b>Company</b>	<b>County</b>	<b>Extension</b>
Core Scientific Inc. Retroactive to October 31, 2022	Marshall	3 Month
Diageo Americas Supply, Inc.	Marion	6 Month
ISCO Industries, Inc.	Jefferson	6 Month
Protective Life Insurance Corporation	Kenton	6 Month
WABCO USA LLC	Boone	6 Month
Ahlstrom-Munksjo Filtration LLC	Hopkins	12 Month
American Freedom Distillery, LLC	Pulaski	12 Months
Boxvana LLC	Martin	12 Months
Fresh Bourbon Inc. dba Edwards Spirit Company	Fayette	12 Months
Precision, Inc.	Mason	12 Months
Southern Star Central Gas Pipeline, Inc.	Daviess	12 Months

Staff recommended approval of the KBI extension requests.

Naashom Marx moved to approve the staff recommendation, as presented; Mike Cowles 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 7 companies requested KBI final approval, all of which have modifications since preliminary approval. Ms. Phillips asked that all be presented as one motion.

**Modifications:**

<b>AmerisourceBergen Drug Corporation</b>	<b>Jefferson</b>	<b>Service or Technology</b>
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Total investment and eligible costs have been updated based on the current projections. All other aspects remain the same.

**Dajcor Aluminum Inc. Perry Manufacturing**  
Total investment costs have been updated based on the current projections. The project changed from leased to owned. All other aspects of the project remain the same.

**MAB Fabrication, Inc. Boone Manufacturing**  
Superior Structures, Inc. has been added as an affiliate to the project. Total investment costs have been updated based on the current projections. All other aspects remain the same.

**Distilled Spirits Epicenter, LLC Jefferson Manufacturing**  
Total investment and eligible cost have been updated based on the current projections. The project location has changed from 827 South 8<sup>th</sup> Street to 809 South 8<sup>th</sup> Street and ADP TotalSource, Inc. has been added as a PEO. All other aspects of the project remain the same.

**KnippeRx Inc. Jefferson Service or Technology**  
The company is requesting a name change from J Knipper and Company, Inc. to KnippeRx Inc. and request to add J. Knipper and Company, Inc. as an approved affiliate. Total investment and eligible costs have been updated based on current projections. All other aspects remain the same.

**Taica Cubic Printing Kentucky, LLC Clark Manufacturing**  
Total investment and eligible costs have been updated based on current projections. All other aspects of the project remain the same.

**Whitehorse Freight, LLC Kenton Service or Technology**  
Total investment and eligible costs have been updated based on 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; Naashom Marx seconded the motion. Motion passed, unanimous.

### **Kentucky Entertainment Incentive (KEI) Projects (Final)**

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

**A Very Bavarian Christmas LLC Tim Bates**  
**A Very Bavarian Christmas**

Tim Bates stated that A Very Bavarian Christmas LLC plans to produce a Feature-Length Film, A Very Bavarian Christmas in Fayette and Woodford Counties. Production is set to begin as early as January 16, 2023 and is anticipated to end by February 28, 2023. The Company anticipates \$392,032 in qualifying payroll expenditures and \$149,181 in qualifying non-payroll expenditures for a total of \$541,213. The company also anticipates employing 26 Kentucky resident crew members and 2 Non-Kentucky resident crew members for a total production crew of 28.

Staff recommended a total negotiated tax incentive amount of \$177,919.

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

**Echos LLC**

**Tim Bates**

**Echos**

Tim Bates stated that Echos LLC plans to produce a Feature-Length Film, Echos, in Jefferson, Oldham and Trimble counties. Production is set to begin as early as January 3, 2023 and is anticipated to end by August 30, 2023. The Company anticipates \$1,656,271 in qualifying payroll expenditures and \$1,681,250 in qualifying non-payroll expenditures for a total of \$3,337,527. The company also anticipates employing 66 Kentucky resident crew members and 34 Non-Kentucky resident crew members for a total production crew of 100.

Staff recommended a total negotiated tax incentive amount of \$1,162,525.

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

**HD3 LLC**

**Tim Bates**

**Haunted Discoveries- Season 3**

Tim Bates stated that HD3 LLC plans to produce a Television Program, Haunted Discoveries, in Campbell, Fayette, Jefferson, Madison, Mercer, Oldham and Trimble Counties. Production is set to begin as early as January 3, 2023 and is anticipated to end by August 30, 2023. The Company anticipates \$2,691,436 in qualifying payroll expenditures and \$3,493,500 in qualifying non-payroll expenditures for a total of \$6,184,936. 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 \$2,157,323.

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

**HDFS LLC**

**Tim Bates**

**Haunted Discoveries-Family Spirits**

Tim Bates stated that HDFS LLC plans to produce a Television Program, Haunted Discoveries-Family Spirits, in Jefferson, Oldham and Trimble Counties. Production is set to begin as early as December 8, 2022 and is anticipated to end by August 30, 2023. The Company anticipates \$4,468,044 in qualifying payroll expenditures and \$7,047,375 in qualifying non-payroll expenditures for a total of \$11,515,419. The company also anticipates employing 20 Kentucky resident crew members and 140 Non-Kentucky resident crew members for a total production crew of 160.

Staff recommended a total negotiated tax incentive amount of \$3,967,914.

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

**Pinball LLC**  
**Pinball**

**Joseph Gearon**

Joseph Gearon stated that Pinball LLC plans to produce a Documentary, Pinball, in Jefferson County. Production is set to begin as early as December 10, 2022 and is anticipated to end by November 1, 2024. The Company anticipates \$193,500 in qualifying payroll expenditures and \$64,438 in qualifying non-payroll expenditures for a total of \$257,938. The company also anticipates employing 4 Kentucky resident crew members and 0 Non-Kentucky resident crew members for a total production crew of 4.

Staff recommended a total negotiated tax incentive amount of \$87,056.

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

**Technology Trippin Movie, LLC**  
**Technology Tripping**

**Joseph Gearon**

Joseph Gearon stated that Technology Trippin Movie, LLC plans to produce a Feature-Length Film, Technology Tripping, in Fayette, Harrison, Jefferson, Kenton, Owen, Pendleton and Trimble Counties. Production is set to begin as early as December 8, 2022 and is anticipated to end by October 15, 2023. The Company anticipates \$1,334,436 in qualifying payroll expenditures and \$1,026,130 in qualifying non-payroll expenditures for a total of \$2,360,566. The company also anticipates employing 363 Kentucky resident crew members and 11 Non-Kentucky resident crew members for a total production crew of 374.

Staff recommended a total negotiated tax incentive amount of \$784,111.

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

**Thrilling Thrillers LLC**  
**One Strange Night**

**Joseph Gearon**

Joseph Gearon stated that Thrilling Thrillers LLC plans to produce a Feature-Length Film, One Strange Night, in Oldham and Trimble Counties. Production is set to begin as early as December 8, 2022 and is anticipated to end by August 30, 2023. The Company anticipates \$1,611,308 in qualifying payroll expenditures and \$1,644,325 in qualifying non-payroll expenditures for a total of \$ 3,255,633. The company also anticipates employing 67 Kentucky resident crew members and 36 Non-Kentucky resident crew members for a total production crew of 103.

Staff recommended a total negotiated tax incentive amount of \$1,116,982.

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

**Togetherness LLC**  
**Togetherness**

**Joseph Gearon**

Joseph Gearon stated that Togetherness plans to produce a Television Program, Togetherness, in Jefferson, Oldham and Trimble Counties. Production is set to begin as early as December 15, 2022 and is anticipated to end by August 30, 2023. The Company anticipates \$3,792,187 in qualifying payroll expenditures and \$4,160,200 in qualifying non-

payroll expenditures for a total of \$7,952,382. The company also anticipates employing 73 Kentucky resident crew members and 56 Non-Kentucky resident crew members for a total production crew of 129.

Staff recommended a total negotiated tax incentive amount of \$2,678,254.

Don Goodin moved to approve the staff recommendation, as presented. Naashom Marx 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 61 Kentucky small businesses, from 23 counties with qualifying tax credits of \$580,100. The 61 businesses created 172 jobs and invested \$1,372,967 in qualifying equipment and/or technology.

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

<b>Small Business</b>	<b>County</b>	<b>Beginning Employment</b>	<b>Eligible Positions</b>	<b>Average Hourly Wage</b>	<b>Qualifying Equipment/Technology</b>	<b>Tax Credit Amount</b>
606 Holdings, LLC	Perry	0	6	\$17.77	\$84,673	\$21,000
76 Home Services LLC	Jefferson	0	4	\$19.88	\$53,500	\$14,000
BMT Maintenance LLC	Scott	0	3	\$28.92	\$32,740	\$10,500
Busy Bee Occupational Therapy, PLLC	Madison	10	4	\$23.04	\$13,371	\$13,300
C2 Strategic Communications LLC	Jefferson	12	6	\$33.30	\$21,375	\$21,000
Carpet Specialists, Inc.	Jefferson	24	4	\$19.58	\$39,477	\$14,000
Children's Vision and Learning Center, P.S.C.	Woodford	5	1	\$31.25	\$5,700	\$3,500
Collier Electrical Service, Inc.	Marshall	32	4	\$26.16	\$20,544	\$14,000
Commonwealth Eye Clinic, Inc.	Fayette	11	5	\$27.22	\$17,630	\$17,500
Core4 Therapy Group, LLC	Fayette	0	3	\$52.67	\$10,580	\$10,500

Designer Eyewear, Inc.	Jefferson	1	1	\$27.47	\$6,632	\$3,500
Devan Medical, LLC	Fayette	0	1	\$224.89	\$12,844	\$3,500
Division Three, LLC	Shelby	1	2	\$23.00	\$26,410	\$7,000
Dixie Yard Works, LLC	Hardin	16	4	\$19.13	\$60,942	\$14,000
Ebelhar Whitehead, PLLC	Daviess	5	2	\$27.43	\$13,964	\$7,000
Eddy Creek Marina Resort, LLC	Lyon	6	1	\$20.00	\$17,024	\$3,500
Edge Academy of Beauty Incorporated	Clay	0	2	\$25.00	\$8,771	\$7,000
Engineered Building Systems, Inc.	Campbell	13	2	\$31.50	\$11,999	\$7,000
Evan M. Zeh DMD MS, PLC	Shelby	0	2	\$18.50	\$8,000	\$7,000
First Saturday Real Estate LLC	Jefferson	4	1	\$30.28	\$5,493	\$3,500
Fleur de Lis Communications, LLC	Jefferson	0	2	\$31.49	\$7,173	\$7,000
Foundations Family & Implant Dentistry, PLLC	Jefferson	5	3	\$20.67	\$13,954	\$10,500
Green River Accounting and Tax Solutions LLC	Hart	3	1	\$25.00	\$5,458	\$3,500
Heartland Veterinary Hospital of Elizabethtown P.S.C.	Hardin	7	4	\$15.39	\$11,614	\$11,600
Hester Equestrian, LLC	Fayette	1	1	\$23.26	\$32,200	\$3,500
Highlandbrook Nursery, LLC	Todd	5	1	\$15.00	\$7,450	\$3,500

Hurd Aviation LLC	Scott	7	4	\$38.90	\$14,070	\$14,000
Inside Out Design, LLC	Franklin	7	1	\$18.00	\$64,000	\$3,500
JB Therapy Services, PLLC	Daviess	5	5	\$14.60	\$17,946	\$17,500
Joe W. Taylor, CPAs, Inc.	Warren	4	1	\$30.00	\$5,632	\$3,500
Kentucky Lumber LLC	Todd	5	2	\$21.63	\$5,072	\$5,000
Kentucky Machinery Company, LLC	Madison	9	1	\$33.00	\$192,927	\$3,500
Kismet Marketing, L.L.C.	Fayette	3	1	\$32.00	\$5,697	\$3,500
Legacy Real Estate Group, Inc.	Warren	8	2	\$21.51	\$7,584	\$7,000
Lovo Systems, Inc.	Fayette	19	2	\$27.00	\$31,831	\$7,000
Marrillia Interests, LLC	Fayette	25	4	\$33.99	\$25,328	\$14,000
Mizuguchi Plastic Surgery, PLLC	Jefferson	6	2	\$19.90	\$10,000	\$7,000
Motus Freight, LLC	Campbell	22	5	\$22.83	\$17,560	\$17,500
Nunn Psychiatric Care, PLLC	LaRue	2	3	\$40.97	\$8,239	\$8,200
Old Gate, LLC	Fayette	17	8	\$15.34	\$31,790	\$25,000
PayHOA, LLC	Fayette	4	2	\$27.64	\$8,795	\$7,000
Quantum Ink Company	Jefferson	32	3	\$21.39	\$11,400	\$10,500
Quest Counseling, LLC	Pulaski	21	5	\$24.19	\$14,790	\$14,700



Quilted Joy, LLC	Jefferson	3	3	\$15.77	\$8,520	\$8,500
Rad Accessories, LLC	Marshall	5	4	\$22.27	\$25,343	\$14,000
Rainmaker Corporation	Daviess	12	2	\$20.06	\$6,425	\$6,400
Runswitch, LLC	Jefferson	14	4	\$20.46	\$15,313	\$14,000
Schipper Enterprises, LLC	Jefferson	31	8	\$17.00	\$32,275	\$25,000
Seay Motors, LLC	Graves	13	3	\$20.71	\$14,990	\$10,500
Shelia Wilson Alexander CPA	Calloway	3	1	\$13.00	\$8,955	\$3,500
Sisk Automotive, LLC	Christian	0	7	\$38.08	\$66,550	\$24,500
Southern Kentucky Industrial Equipment LLC	Pulaski	5	1	\$17.00	\$26,351	\$3,500
Think Tank Marketing, LLC	Jefferson	1	1	\$22.00	\$5,498	\$3,500
Total Tech Solutions LLC	Calloway	9	3	\$25.82	\$18,995	\$10,500
Uptown Restaurant, LLC	Jefferson	0	5	\$19.99	\$14,438	\$14,400
Vivid Imaginations Child Care Center, LLC	Jefferson	4	1	\$13.00	\$5,600	\$3,500
W. M. Holland, Inc.	Daviess	5	1	\$17.20	\$5,439	\$3,500
Wake Cumberland Watersports LLC	Pulaski	3	3	\$14.01	\$12,446	\$10,500
Wiley Electrical Contractor, LLC	Lincoln	2	2	\$15.06	\$18,080	\$7,000

Woodford Family Chiropractic, LLC	Woodford	0	1	\$14.00	\$60,559	\$3,500
Wyatt Plumbing Inc.	Fayette	1	1	\$16.00	\$5,011	\$3,500

Staff recommended approval of the tax credits.

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

### Kentucky Selling Farmer Tax Credit (KSFTC) Projects

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

Tim Back stated there are 2 Kentucky selling farmers who have sold qualifying agricultural assets totaling \$2,450,000 to eligible beginning farmers. The 2 Kentucky selling farmers qualify to receive a total of \$45,000 in tax credits.

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

<b>Selling Farmer</b>	<b>County</b>	<b>Qualifying Agricultural Assets</b>	<b>Tax Credit Amount</b>
Gerald Louis Mattingly	Meade	\$400,000	\$20,000
Koch & Associates, LLC	Shelby	\$2,050,000	\$25,000

Staff recommended approval of the tax credits.

Don Goodin moved to approve the staff recommendation, as presented; Naashom Marx 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 18 Kentucky Angel Investment Act projects representing 7 Kentucky businesses and 18 investors for a total projected investment of \$2,795,000 with eligible tax credits of \$648,750. The investor will have 80 calendar days or December 31, whichever comes first, 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:

<b>Qualified Investor</b>	<b>Qualified Small Business</b>	<b>County</b>	<b>Projected Investment</b>	<b>Potential Tax Credit</b>
David George Knox	Bexion Pharmaceuticals, Inc.	Kenton	\$50,000	\$12,500
Melinda J. Herrera	borderless LLC	Jefferson	\$40,000	\$10,000
Colin N. Mackin	Cornbread CBD, PBC	Jefferson	\$112,500	\$28,125

Noah L. Mackin	Cornbread CBD, PBC	Jefferson	\$112,500	\$28,125
Theresa N. Lenhardt	Cornbread CBD, PBC	Jefferson	\$112,500	\$28,125
Joseph L. Mackin III	Cornbread CBD, PBC	Jefferson	\$112,500	\$28,125
Gary D. Russell	Equilottery LLC	Jefferson	\$200,000	\$50,000
Herbert W. Perkins III	Equilottery LLC	Jefferson	\$100,000	\$25,000
Miguel O. Montano	Equilottery LLC	Jefferson	\$150,000	\$37,500
Robert S. Saunders	Equilottery LLC	Jefferson	\$50,000	\$12,500
Cedric G. Francois	Liberate Medical (DE), Inc.	Oldham	\$25,000	\$6,250
George E. Meng	Pyrochem Catalyst Company	Jefferson	\$25,000	\$6,250
Ben M. Streepey	Pyrochem Catalyst Company	Jefferson	\$15,000	\$3,750
Larry A. Jakobi	Pyrochem Catalyst Company	Jefferson	\$50,000	\$12,500
Joseph E. Noonan	Pyrochem Catalyst Company	Jefferson	\$25,000	\$6,250
David L. Goodnight	Pyrochem Catalyst Company	Jefferson	\$15,000	\$3,750
Gregory Lee Schroeder	Wendal Inc	Kenton	\$600,000	\$150,000
Mark Charles Tuffin	Wendal Inc	Kenton	\$1,000,000	\$200,000

Staff recommended approval of the proposed Angel Investment tax credits.

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

### **KEDFA Funding and KEDFA Grant Project**

Chairman Hale called on Katie Smith to present the KEDFA Funding and KEDFA Grant requests to the Authority.

#### **KEDFA Funding**

Katie Smith stated the Cabinet was previously approved by the United States Department of Treasury to receive the Commonwealth's allocation of State Small Business Credit Initiative funds for implementation of the KSBCI Program in the amount of \$15,558,050. On August 25, 2011, the Kentucky Economic Development Finance Authority approved guidelines for the Kentucky Small Business Credit Initiative. Additionally, in April 2017, the Authority granted approval to transfer \$5,000,000 in KEDFA Loan Pool Funds to further assist with KSBCI projects.

The KSBCI programs have been successful in assisting small businesses since creation in 2011. Since inception of the program, over \$13.8 million in funds have been repaid to the

KSBCI Program. Staff is requesting approval to utilize \$2,400,000 of these unrestricted KSBCI replenished payments to assist projects under the KEDFA Grant program.

**KEDFA Grant  
Tri-County Economic Development Corporation  
Boone County**

Katie Smith stated the lack of a nonstop commercial air service to a key international market from the Cincinnati/Northern Kentucky International Airport (CVG) has been an impediment to expansions by existing companies and the recruitment of new companies to the Commonwealth.

Tri-County Economic Development Corporation (Tri-ED) has requested funding from the Commonwealth, in partnership with REDI Cincinnati and other Partners, to support a new nonstop commercial air service from CVG to London Heathrow Airport (LHR). The funding will be used to provide a minimum revenue guarantee for three years, beginning on or around June 2023 and ending on or around June 2026. The board noted terms and reporting requirements for Tri-ED to comply with related to the MRG.

The Secretary of the Cabinet for Economic Development and staff recommended approval of a resolution authorizing \$2,400,000 of Repaid KSBCI Program funds for projects approved under the KEDFA Grant Program and transferring the funds to the appropriate accounts.

In addition, staff recommended approval of the KEDFA Grant to the Tri-County Economic Development Corporation in the amount of \$2,400,000.

After discussion, Don Goodin moved to approve the resolution authorizing the transfer of repaid funds from the KSBCI program to the KEDFA Grant program and approval of the KEDFA Grant request, as presented; Mike Cowles seconded the motion. Naashom Marx abstained Motion passed.

**Other Business**

**Western Kentucky Risk Assistance Fund (WKRAF)**

Chairman Hale called on Sarah Butler to present the WKRAF Guideline Exception.

**WKRAF Guideline Exception**

Sarah Butler stated due to the 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, application fees for any eligible qualifying lender and any eligible cooperative of lenders shall be waived until December 31, 2023. Staff recommends this exception to the June 30, 2022 approved guidelines for the Western Kentucky Risk Assistance Fund (WKRAF) program.

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

**Election of Officers**

Sarah Butler stated in accordance with KRS 154.20-010 and Article VII of the Fifth Amended and Restated Bylaws of the Kentucky Economic Development Finance Authority, the Authority shall elect biennially from its membership a Chairman, Vice Chairman, Secretary-Treasurer and any Assistant Secretaries and Assistant Treasurers deemed necessary. Elections are to take place in even numbered years.

The following members expressed willingness to serve in the designated officer positions, subject to nomination and election: Jean R. Hale, Chairman; J. Don Goodin, Vice Chairman; Tucker Ballinger, Secretary-Treasurer; and Chad Miller, Assistant Secretary-Treasurer.

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

### **Resolution of Recognition**

Chair Hale read the Resolution of Recognition for Debbie Phillips.

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

### **2023 KEDFA Board Meeting Dates**

Sarah Butler stated the 2023 KEDFA board meeting dates were included in the board material. The dates are:

January 26  
February 23  
March 30  
April 27  
May 25  
June 29  
July 27  
August 31  
September 28  
October 26  
November/December Joint Meeting - TBD

The Authority accepted the dates as presented.

### **Adjournment**

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

Naashom Marx moved to adjourn the December KEDFA board meeting; Don Goodin seconded the motion. Motion passed; unanimous.

The meeting adjourned at 11:33 a.m.

**APPROVED  
PRESIDING OFFICER:**



Jean R. Hale, Chairman