

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING October 28, 2021

MINUTES

Call to Order

KEDFA convened at 10:00 a.m. on October 28, 2021.

Notification of Press

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

Roll Call

Members Present: Jean R. Hale, Mike Cowles, J. Don Goodin, Chad Miller, Naashom Marx and Secretary Holly Johnson

Staff Present: Tim Back, Elizabeth Bishop, Sarah Butler, Martin David-Jacobs, Rachael Dever; Danielle Dunmire, Lisa Duvall, Michelle Elder, Ellen Felix, Craig Kelly, Annie Franklin, Danielle Goetz; David Hamilton, Krista Harrod, James Johnson, Andy Luttner, Brandon Mattingly, Kate McCane, Craig McKinney, Kylee Palmer, Corky Peek, Debbie Phillips, Dorsey Ridley; Charlie Rowland, Jenny Schenkenfelder; Foster ShROUT; Matt Simms, Kristina Slattery, Katie Smith; Christopher Snyder; Mike Takahashi; Jeff Taylor; Matthew Wingate and Dan Wood.

Others Present: Mike Herrington, Stites & Harbison; Michael Kalinyak, Hurt, Deckard & May; Matt Zoellner, Scott, Murphy & Daniel; Merritt Talbot, Michael Crouse, Bill Lambrite, Gregg Uecker, Doug Santschi and Jan Nash, Tyson Foods; Devon Stansbury, Northern Kentucky Tri-Ed; Ron Bunch, Bowling Green Chamber; Brad Lacy, RFC; Kim Menke, Toyota Motor North America; Larisa Sims, City of Newport; Naomi Sutton, Workforce Development Cabinet; James E. Parsons, Keating, Muething & Klekamp; Lee Pan, World Peace Hospitality; Angie Morrison Duncan, ARG1 Financial; Amanda Davenport, Eddyville Riverport; Chris Green, Dental Choice Holdings, LLC; Tim Gibbs, Ashland Alliance; Matthew Feltner, Office of Financial Management; Zeeshan Bhatti, McGuire Sponsel; Haley McCoy, KCTCS; Jeff Hodges, Gray Construction; Jacob Medley and Alex Mercer, Louisville Forward; Julie Wood, GE Appliances; Brandon Talbert and Dave Laszo, Austin Consulting; Alex Staffieri, Stoll Keenon Ogden; Casey Bolton, Commonwealth Economics; Chris Dickens, GeoSyntec; Austin Hufford, Christian Howard, Janet Patton and Jeremy Faulkner.

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the September 30, 2021 KEDFA board meeting and executive session.

Chad Miller moved to approve the minutes as presented; Don Goodin 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.

Tax Increment Financing (TIF) Projects (Final)

Chairman Hale called on Kylee Palmer to present the TIF project for final approval to the Authority.

City of Newport Finance and Administration Department World Peace Hospitality Mixed-Use Redevelopment Project Campbell County

Kylee Palmer

Ms. Palmer stated the World Peace Hospitality Mixed-Use Redevelopment Project plans to redevelop the site to help meet public parking demand, create better connections from the city's central business district to the riverfront, and energize area business development by including a parking garage, an extended stay hotel and a mixed-use building with retail, restaurant and office space. The Project expects to create positive impacts in communities through reinvestment that maximizes long-term value. The construction is expected to begin in 2021 with all phases of the project completed by 2025.

The applicant, City of Newport Finance and Administration Department, requested final approval of the World Peace Hospitality Mixed-Use Redevelopment TIF project. The total estimated cost of the project is \$45,595,751 of which approximately \$7,020,934 is estimated for eligible public infrastructure. The applicant is eligible to recover a negotiated tax incentive amount up to \$4,000,000 for public infrastructure through a 40% recovery on property, sales and withholding taxes. Only amounts deemed as eligible public infrastructure costs that occur within the State footprint are eligible for recovery through increments. No state taxes shall be eligible for recovery until the minimum capital investment of \$20,000,000 (not to exceed \$200,000,000) has been verified as being invested in the development area.

Total cumulative investment of \$45,595,751, excluding financing costs, must be achieved to be eligible for the maximum total incentive of \$4,000,000. The actual project completion percentage of the investment will be applied annually to the total incentive approved of \$4,000,000 to determine the maximum total incentive available/earned for the project during the term of the agreement. The Project will not be eligible to begin receiving the incentive until after Phase 2 of the Project is constructed to meet the "Mixed-Use" requirement in accordance with KRS 154.30-060. Eligible approved public infrastructure costs for the Project will be limited to the cost of the public parking garage.

Staff recommended final approval of the negotiated tax incentive amount of up to \$4,000,000.

Naashom Marx moved to approve the staff recommendation as presented; Chad Miller seconded the motion. Motion passed; unanimous.

KJRA Projects (Supplemental)

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

Haier US Appliances Solutions, Inc. dba GE Appliances Jefferson County

**Andy Luttner
Michelle Elder**

Andy Luttner stated Haier US Appliances Solutions, Inc. dba GE requested approval to amend its Jobs Retention Agreement with its existing Louisville project location to include its first supplemental project. The company is planning the following supplemental investments that will impact all product production plants at Appliance Park: a) Clothes washer production

expansion; b) Kitchen cleaning business will add a new flexible assembly line to increase production of multiple models on the same equipment and increase volume; c) Refrigeration Business will introduce several new refrigerator-freezer models and ramp up production of refrigerators ; and d) Plastics injection Molding Center of Excellence will receive new equipment to support the product volume increase.

Michelle Elder stated the first supplemental project investment is \$450,000,000 of which \$337,500,000 qualifies as KJRA eligible costs. The highest job target over the term of the agreement is 8,400. The state wage assessment participation is 4% and Louisville/Jefferson County Metro Government will participate at 1%.

Total cumulative investment of \$727,000,000 should be achieved by December 31, 2023. If the investment is less than projected, the Total Negotiated Tax Incentive will be reduced to equal the sum of the \$40,000,000 (original incentive amount) plus 8.9% of the investment above \$277,000,000. The term of the Agreement matures on January 31, 2031. (previously January 1, 2030). 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 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 6,300 full-time, Kentucky resident employees in any year of the agreement term after January 1, 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 to \$80,000,000.

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

**Toyota Motor Manufacturing, Kentucky, Inc.
Scott County**

**Kristina Slattery
Michelle Elder**

Kristina Slattery stated Toyota Motor Manufacturing, Kentucky, Inc. known as TMMK, requested approval to amend its Jobs Retention Agreement with its existing Georgetown project location to include its second supplemental project. The proposed project is to build the most advanced vehicle production line with the flexibility to build Sedan, SUV and future Advanced Technology Vehicles. Investment and process changes include enhancements and modification to the production line layout with new and updated equipment for multiple platform vehicles, expand powertrain offerings with two new engine models and transition staffing and hiring process to a direct hire model for all production team members.

Michelle Elder stated the second supplemental project investment is \$460,840,000 of which \$345,630,000 qualifies as KJRA eligible costs. The highest job target over the term of the agreement is 8,250. The state wage assessment participation is 4% and the City of Georgetown and Scott County Fiscal Court will participate at a combined 1% (0.5% each).

Total cumulative investment of \$2,204,440,000 should be achieved by March 31, 2024. If the investment is less than \$2,204,440,000 the Total Negotiated Tax Incentive will be reduced to equal the sum of the \$190,000,000 (original and first supplemental incentive amount) plus 4.9% of the investment above \$1,743,600,000 (original and first supplemental projected investment). The term of the Agreement matures on March 31, 2031. 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 be subject to suspension of claiming incentives for the succeeding fiscal year upon failure to achieve a job target of 7,000 full-time, Kentucky resident employees in any year of the agreement term after March 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 to \$212,500,000.

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

Economic Development Fund (EDF) Projects

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

Logan Industrial Development Authority, Inc. Logan County

**Corky Peek
Debbie Phillips**

Corky Peek stated the Logan Industrial Development Authority, Inc. (LIDA) oversees the West Industrial Park's 95 acres of land. LIDA recently acquired 52 acres and is requesting funding for the site development work including clearing, grubbing and rough grading. The project was identified by an independent site selection consultant contracted by the Kentucky Association for Economic Development as having the potential for future investment/location of an economic development project.

Debbie Phillips stated Logan County Fiscal Court requested the use of \$335,361 in EDF program funds for the benefit of Logan Industrial Development Authority. The project investment is \$1,461,763 and the proposed EDF grant funds will be used to offset the costs associated with this project.

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

Staff recommended approval of the EDF grant request.

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

Eddyville Riverport and Industrial Development Authority, Inc. Lyon County

**Corky Peek
Debbie Phillips**

Corky Peek stated the Eddyville Riverport and Industrial Development Authority is invested in the long-term development of the Eddyville Industrial Park to create a rail served industrial park. The grant funds will be utilized for building pad construction and utility extension plans. The project was identified by an independent site selection consultant contracted by the Kentucky Association for Economic Development as having the potential for future investment/location of an economic development project.

Debbie Phillips stated City of Eddyville requested the use of \$75,000 in EDF program funds for the benefit of Eddyville Riverport and Industrial Development Authority. The project

investment is \$179,895 and the proposed EDF grant funds will be used to offset the costs associated with this project.

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

Staff recommended approval of the EDF grant request.

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

Local Industrial Revenue Bond (IRB) Project

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

Nucor Tubular Products, Inc. Gallatin County

Debbie Phillips

Debbie Phillips stated in accordance with KRS 103.210, the Gallatin County Fiscal Court requested KEDFA review and approve a 100% reduction in the state ad valorem tax rate on the new tube mill facility which Nucor Tubular Products proposes to be financed through the issuance of industrial revenue bonds by the Gallatin County Fiscal Court. The principal amount of the IRB authorization is up to \$170,000,000 for a term of 30 years. A Payment in Lieu of Tax Agreement will be required with the school district.

Staff recommended approval.

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

Note: The KEDFA board did not make any type of determination as to the legality of the bonds to be issued by the Gallatin County Fiscal Court, but only approved the reduction on the ad valorem tax rate as provided by KRS 103.200 and KRS 132.020.

KBI Projects (Amendment)

Chairman Hale called on staff to present the KBI Amendment requests to the Authority.

DPL Financial Partners, LLC Jefferson County

Sarah Butler

Sarah Butler stated DPL Financial Partners, LLC provides consulting and product distribution services to insurance carriers and investment advisors. The company received final approval on March 26, 2020 for a project to expand its business in Louisville and activated the project on April 1, 2021. Following activation, the company notified KEDFA that its employees are subject to a co-employment relationship with Insperity PEO Services, L.P. and requested that the Tax Incentive Agreement be modified to recognize this relationship. Additionally, the revised definition of "Full-time job" as approved by KEDFA Resolution #2021-0624 is incorporated into this Amended and Restated Agreement.

Staff recommended approval.

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

**Holley Performance Products, Inc. #19938
Warren County**

Sarah Butler

Sarah Butler stated Holley Performance, Inc. is a manufacturer of a variety of high-performance products for the automotive industry. The company received final approval for its project on February 22, 2018 to expand operations at its owned facility at 1801 Russellville Road in Bowling Green. The project activated on April 30, 2018. As the company has continued to grow in Bowling Green, it has added facilities at 442 Century Street and 487 Century Street with plans to add more sites in the future. The amendment revises the definition of Economic Development Project to include all current company facilities in Bowling Green plus any future Authority approved company facilities that the company may open with the city. The revised definition of “Full-time job” as approved by KEDFA Resolution 2021-0624 is also incorporated into the Amended and Restated Agreement.

Staff recommended approval.

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

**Holley Performance Products, Inc. #22319
Warren County**

Sarah Butler

Sarah Butler stated Holley Performance, Inc. is a manufacturer of a variety of high-performance products for the automotive industry. The company received final approval for its project on April 30, 2020 to lease an additional facility at 442 Century Street in Bowling Green to meet increased customer demand. The project activated on January 1, 2021. The company has additional projects at 1801 Russellville Road and 487 Century Street and has requested that the Economic Development Project definition be revised to include all current company facilities in Bowling Green plus any future Authority approved facilities the company may open within the city. Additionally, the company had a facility in Simpson County that it closed on April 30, 2021, transferring 91 project employees to the Bowling Green sites, and in connection with this transfer, the Authority is ending the statewide maintenance requirement under the Original Agreement and increasing the base employment requirement by 91 employees. The revised definition of “Full-time job” as approved by KEDFA Resolution 2021-0624 is also incorporated into the Amended and Restated Agreement.

Staff recommended approval.

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

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

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

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

Company	County	Extension
Chapin International Inc.	Rockcastle	3 Months
Kentucky Building Systems, LLC	Daviess	9 Months
Bluegrass Distillers	Fayette	12 Months
Kentucky Industrial Hemp, LLC dba Ecofibre KY	Scott	12 Months
Nova Steel, Inc.	Warren	12 Months
Post Glover Lifelink, Inc.	Boone	12 Months
Swedish Match North America	Daviess	12 Months

Staff recommended approval of the KEIA extension requests.

Jean Hale moved to approve the staff recommendation as presented; Chad Miller seconded the motion. Motion passed; unanimous.

KEIA Projects (Final)

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

Buffalo Trace Distillery, Inc. Franklin County

**Annie Franklin
Michelle Elder**

Annie Franklin stated Buffalo Trace Distillery, Inc. has been making bourbon whiskey for more than 200 years. The project would include the expansion of its barrel storage warehouses in order to keep up with increased demand.

Michelle Elder stated the project investment is \$17,500,000 of which \$6,700,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$100,000 for Construction Materials and Building Fixtures.

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

G. J. Burkart, Inc. dba Fry Fastening Systems Boone County

**Martin David-Jacobs
Kate McCane**

Martin David-Jacobs stated G.J. Burkart, Inc. dba Fry Fastening Systems was founded in 1986 as a small, one-man operation designed to serve the construction and industrial trades. The company operates three full-service distribution centers and is considering expanding to a new distribution facility in Boone County to accommodate growth.

Kate McCane stated the project investment is \$3,004,000 of which \$1,250,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$60,000 for Construction Materials and Building Fixtures.

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

KBI (Preliminary) and KEIA Projects

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

Tyson Processing Services, Inc. Warren County

**Annie Franklin
Michelle Elder**

Annie Franklin stated Tyson Foods, Inc. along with its subsidiaries is one of the world's largest food companies and a recognized leader in protein. Tyson Processing Services, Inc., a wholly owned subsidiary of Tyson Foods, Inc is considering constructing a new facility to expand its bacon business servicing retail and food service markets

Michelle Elder stated the project investment is \$355,186,923, all of which qualifies as KBI eligible costs and \$76,325,964 qualifies as KEIA eligible costs. The highest job target over

the term of the agreement is 451 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. 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 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 \$10,000,000 and the KEIA approved recovery amount of \$2,000,000 for construction and building materials and \$1,000,000 for research and development, electronic processing and flight simulation equipment.

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

**RFC LLC
Shelby County**

**M. David-Jacobs
Kate McCane**

Martin David-Jacobs stated RFC LLC, formerly Roll Forming Corporation, has been in business in Shelby County since 1947 as a metal products manufacturer. The company is considering expanding to accommodate growth in a variety of markets, but particularly the material handling market.

Kate McCane stated the project investment is \$34,600,000, of which \$13,600,000 qualifies as KBI eligible costs and \$6,000,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of \$22.50 including benefits. The state wage assessment participation is 2.25% and the Shelby County Fiscal Court will participate at 0.75%. The project will include multiple locations within Shelby County / Shelbyville. Only investment costs incurred at 1070 Brooks Industrial 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. 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 317 full-time employees subject to Kentucky income tax.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,290,000 and the KEIA approved recovery amount of \$300,000 for construction and building materials.

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

KBI Projects (Preliminary)

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

**INOAC Group North America, LLC
Washington County**

**Craig McKinney
Michelle Elder**

Craig McKinney stated INOAC Group North America, LLC started in 1990 as a Tier II automotive manufacturer. INOAC supplies Ford, Toyota, Honda and General Motors manufacturing plants in the United States. The company is considering expanding its facilities

in Springfield to help meet the needs of its customers.

Michelle Elder stated the project investment is \$13,714,035 of which \$2,930,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 49 with an average hourly wage of \$25.00 including benefits. The state wage assessment participation is 2.625% and City of Springfield will participate at 0.50% and Washington County will participate at 0.375%. The project will include multiple locations within Springfield / Washington County. Only investment costs incurred at 70 East Industry Drive 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 or 340 full-time employees subject to Kentucky income tax.

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

Secretary Holly Johnson moved to approve the staff recommendation as presented; Chad Miller seconded the motion. Motion passed; unanimous.

**ARGI Financial Group LLC
Jefferson County**

**Craig McKinney
Michelle Elder**

Craig McKinney stated ARGI Financial Group LLC provides comprehensive, integrated financial services for its clients. The company is considering expanding its Louisville location which will allow ARGI to continue its rapid growth in the Commonwealth.

Michelle Elder stated the project investment is \$2,709,482 of which \$1,865,732 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 245 with an average hourly wage of \$46.80 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 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. Only investment costs incurred by the approved company will be considered towards calculating eligible costs. Only the approved company may participate in the corporate income tax credit incentive (no affiliate is eligible). The jobs creation / maintenance and wage requirements will be satisfied collectively by the approved company and the affiliates.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,800,000.

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

**Dental Choice Holdings LLC
Jefferson County**

**Matt Simms
Kate McCane**

Matt Simms stated Dental Choice Holdings LLC (DCH) is part of the Delta Dental of Kentucky, Inc. a dental insurance company in Kentucky for close to six decades. DCH acquired several patents used in sports mouthguards. The company is considering increasing its distribution space to accommodate current and future growth.

Kate McCane stated the project investment is \$2,177,570 of which \$1,126,285 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 20 with an average hourly wage of \$41.00 including benefits. The state wage assessment participation is 3.0% and Louisville/Jefferson County 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 \$300,000.

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

**Nemak USA Inc.
Barren County**

**Corky Peek
Michelle Elder**

Corky Peek stated Nemak USA Inc. is a leading provider of innovative light weighting solutions for the global automotive industry, specializing in the development and manufacturing of aluminum components for powertrain and body structure applications. Nemak employs more than 22,000 people at 38 facilities worldwide. The company is considering adding additional equipment and building upgrades to support a potential EV client.

Michelle Elder stated the project investment is \$27,000,000 of which \$3,000,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 170 with an average hourly wage of \$35.00 including benefits. The state wage assessment participation is 3.0% and the City of Glasgow 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 Glasgow / Barren County. Only investment costs incurred at 20 Prestwick Drive 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 \$2,500,000.

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

**Richwood Industries, Inc.
Boyd County**

**Andy Luttner
Debbie Phillips**

Andy Luttner stated Richwood Industries, Inc. is a West Virginia based company that designs and manufactures premium conveyer accessories used in bulk material handling. The company is considering a new facility in Ashland to allow for the significant growth in the company to meet growing demands.

Debbie Phillips stated the project investment is \$5,000,000, 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 \$24.00, 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 \$2,000,000.

Chad Miller moved to approve the staff recommendation as presented; Secretary Holly Johnson seconded the motion. Motion passed; unanimous.

KBI Projects (Extension)

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

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

<u>Company</u>	<u>County</u>	<u>Extension</u>
Core Scientific, Inc.	Marshall	12 Months
Highland Diversified Services, Inc.	Laurel	12 Months
Kentucky Microfoodery, LLC	Rockcastle	12 Months
Leggett & Platt, Incorporated	Clark	12 Months
Pond River Enterprises, LLC	Muhlenberg	12 Months
Pounds of Plastic, Inc.	Owen	12 Months
Whiterock Pigments, Inc.	Hancock	12 Months

Staff recommended approval of the KBI extension requests.

Jean Hale moved to approve the staff recommendation as presented; Secretary Holly Johnson seconded the motion. Motion passed; unanimous.

KBI Projects (Final)

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

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

Modifications:

MHS Equipment, LLC

Bullitt

Manufacturing

The Company's name has changed from Santa Rosa Systems, LLC to MHS Equipment, LLC. The total investment and eligible costs have been updated based on the current projections.. All other aspects of the project remain the same.

S. Rays, Inc.

Shelby

Service or Technology

The project will now include a second location, 40 Kingsbrook Parkway, as their campus location. All other aspects of the project remain the same.

Prairie Farms Dairy, Inc.

Pulaski

Manufacturing

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

Gentis Solutions, LLC

Kenton

Headquarters

The 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; Chad Miller seconded the motion. Motion passed, unanimous.

Kentucky Rural Hospital Loan Program (KRHLP)

Chairman Hale called on staff to present the Kentucky Rural Hospital Loan Program project to the Authority.

**Pineville Community Health Center, Inc.
Bell County**

**Kristina Slattery
Kylee Palmer**

Kristina Slattery stated Pineville Community Health Center, Inc. (PCHC), located in Pineville, Kentucky, provides Pineville, Bell County, surrounding communities and visitors with inpatient and outpatient medical care. PCHC provides emergency, hospital, and clinics to offer personalized, quality care and are staffed by a group of medical professionals endowed with the experience and skills to address patient needs while providing care and respect.

Kylee Palmer stated the PCHC requested a working capital loan from the KRHLP in the amount of \$1,000,000 to assist with operational expenses. The terms of the loan include an interest rate of 1% and the retention of 87 full-time jobs at the facility over the five year term of the loan. Collateral will be a third mortgage. Monthly principal and interest payments via ACH will begin December 1, 2021. All project costs must be incurred and all supporting documentation, including invoices and proof of payment, must be submitted no later than December 31, 2021. The up-front disbursement method is an exception to the KRHLP guidelines which require loan disbursement after project costs are incurred and verification of documentation.

Staff recommended approval with the exception to disburse the loan up front based on the historical operating costs to fund the November operational expenses and to the terms set for the in the report.

Don Goodin 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 staff to present the KSBTC projects to the Authority.

Tim Back stated there are six Kentucky small businesses from six counties with qualifying tax credits of \$77,000. The six businesses created 22 jobs and invested \$126,918 in qualifying equipment and/or technology.

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

<u>Qualified Small Business</u>	<u>County</u>	<u>Beg. Emp.</u>	<u>Elig. Pos.</u>	<u>Qualifying Average Hourly Wage</u>	<u>Equipment or Technology</u>	<u>Tax Credit</u>
Bio-Medical Equipment Service Company	Jefferson	24	5	\$ 22.32	\$ 18,315	\$ 17,500
Corvin's Furniture & Carpet, LLC	Nelson	20	1	\$ 14.68	\$ 15,200	\$ 3,500
Lakestone Enterprises, Inc.	Spencer	11	7	\$ 14.29	\$ 28,635	\$ 24,500
Lexington Podiatry, PSC	Fayette	30	2	\$ 15.94	\$ 24,990	\$ 7,000
Puja Mohan, Inc.	Warren	0	5	\$ 13.00	\$ 29,778	\$ 17,500
SubsKY Inc.	Woodford	3	2	\$ 12.77	\$ 10,000	\$ 7,000

Staff recommended approval of the tax credits.

Mike Cowles 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 staff to present the Kentucky Angel Investment Act projects to the Authority.

Tim Back stated there are seven Kentucky Angel Investment Act projects representing three Kentucky businesses and seven investors for a total projected investment of \$400,000 with eligible tax credits of \$100,000. 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 Small Business Qualified Investor(s)	County	Projected Investment	Tax Credit
<u>CPA Innovations, LLC</u>	Jefferson		
Martin N. McClelland		\$ 100,000	\$ 25,000
John Ross Greenburg		\$ 75,000	\$ 18,750
William Keith Hornung		\$ 50,000	\$ 12,500
<u>RedLeaf Biologics, Inc</u>	Fayette		
Margaret Kristin Stuedle		\$ 50,000	\$ 12,500
Joseph A. Stuedle		\$ 50,000	\$ 12,500
Julia Rebekah Hinson Gray		\$ 50,000	\$ 12,500
<u>Synaptek LLC</u>	Fayette		
Roy T. Toutant		\$ 25,000	\$ 6,250

Staff recommended approval of the proposed Angel Investment tax credits.

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

Other Business

3rd Quarter 2021 – Kentucky Small Business Credit Initiative (KSBCI) Funding Report

Chairman Hale called on Kylee Palmer to review the KSBCI Quarterly Funding Report for the period ending September 30, 2021. After review, the Authority accepted the report as presented.

Quarterly Amendment Resolution

Chairman Hale called on Charlie Rowland to review the Quarterly Amendment Report ending September 30, 2021.

Charlie Rowland stated the Bylaws of the Board of Directors of KEDFA grant authority to the Commissioner of the Department of Financial Services to effectuate minor changes or modifications to existing agreements with approved companies that do not substantively modify contract terms.

Charlie Rowland noted the following amendments have been executed.

KBI

DecoArt, LLC

Letter Amendment to KBI Agreement – Company Entity Conversion

Staff recommended the Authority accept the amendment report and adopt the resolution to ratify the amendment

Chad Miller moved to accept the staff recommendation as presented; Secretary Holly Johnson seconded the motion. Motion passed; unanimous.

Adjournment

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

Jean Hale moved to adjourn the October 28, 2021 KEDFA board meeting; Chad Miller seconded the motion. Motion passed; unanimous.

The meeting adjourned at 11:02 a.m.

**APPROVED
PRESIDING OFFICER:**



J. Don Goodin, Vice Chairman