



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Jeff Noel
Secretary

MEMORANDUM

TO: KEDFA Board Members

FROM: Jean R. Hale, Chairman
Kentucky Economic Development Finance Authority

DATE: September 23, 2022

SUBJECT: **KEDFA Special Board Meeting**

A handwritten signature in black ink, appearing to read "Jean R. Hale".

A special meeting of the Kentucky Economic Development Finance Authority is called for **9:00 a.m. (EDT) on Tuesday, September 27, 2022** through both in person attendance and video conference. The primary location for the meeting where all members can be seen and heard and the public may attend in accordance with KRS 61.826 and 61.810 will be in the Board of Directors Conference Room at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. While participants, media and members of the public may attend the board meeting in person at the primary location, attendees are also encouraged to join the meeting virtually and can access the video teleconference at the following link:

<https://us02web.zoom.us/j/89221332092>

The purpose of the meeting is to consider a Kentucky Jobs Retention Act (KJRA) project in Jefferson County.

Attachment

Table 1. Mean values of the dependent variables for the three groups of subjects. Values are given as mean (SD) for the whole sample

Variable	Control	Low	High
Age (years)	22.1 (1.1)	22.1 (1.1)	22.1 (1.1)
Height (cm)	175.1 (5.8)	175.1 (5.8)	175.1 (5.8)
Weight (kg)	70.1 (10.2)	70.1 (10.2)	70.1 (10.2)
Pre-Test (s)	10.1 (0.5)	10.1 (0.5)	10.1 (0.5)
Post-Test (s)	10.1 (0.5)	10.1 (0.5)	10.1 (0.5)
Pre-Test (s)	10.1 (0.5)	10.1 (0.5)	10.1 (0.5)
Post-Test (s)	10.1 (0.5)	10.1 (0.5)	10.1 (0.5)
Pre-Test (s)	10.1 (0.5)	10.1 (0.5)	10.1 (0.5)
Post-Test (s)	10.1 (0.5)	10.1 (0.5)	10.1 (0.5)

Control = control group; Low = low intensity group; High = high intensity group.

Pre-Test = pre-test; Post-Test = post-test.

SD = standard deviation.

Values are given as mean (SD).

Control = control group; Low = low intensity group; High = high intensity group.

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Pre-Test = pre-test; Post-Test = post-test.

SD = standard deviation.

Values are given as mean (SD).

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
AGENDA
SPECIAL BOARD MEETING**

September 27, 2022

PRIMARY LOCATION:

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

**Board of Directors Conference Room
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky**

ALSO AVAILABLE VIA ZOOM: <https://us02web.zoom.us/j/89904008056>

Call to Order

Notification of Press

Roll Call

KJRA Project – Jefferson County

Adjournment

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KJRA REPORT - APPROVAL OF SUPPLEMENTAL PROJECT**

Date: September 27, 2022
Preliminary Approval: June 28, 2007
Final Approval: November 20, 2007
Approved Company: Ford Motor Company
City: Louisville
Activity: Manufacturing
Bus. Dev. Contact: A. Luttner

Activation Date: December 9, 2010
County: Jefferson
Supplemental Res #: KJRA-F-16-16741-S6
OFS Staff: D. Phillips

Project Description:

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

6th Supplemental Project Costs

Building (new construction/acquisition/additions)
 Equipment (including installation costs)
Total 6th Supplemental Project Costs

Eligible Costs	Total Investment
\$0	\$0
\$525,000,000	\$700,000,000
\$525,000,000	\$700,000,000

Original, 1st, 2nd, 3rd, 4th and 5th Supplemental Project Costs

\$2,950,000,000

TOTAL KJRA PROJECT COSTS

\$3,650,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

	Year	Previous Job Target (90% required)	REVISED Job Target (90% required)	Annual Approved Cost Limitation
	Previously Earned			\$315,000,000
	12/31/2021	12,000	12,000	Included above
	12/31/2022	12,000	12,000	\$25,000,000
Current number of full-time employees	12/31/2023	12,000	12,500	\$25,000,000
	12/31/2024	12,000	12,500	\$25,000,000
12,220	12/31/2025	N/A	12,500	\$20,000,000
	12/31/2026	N/A	12,500	\$20,000,000

(Note: Current and anticipated jobs do not include variable and contract workers)

Average total hourly compensation for existing jobs: \$29.00

Anticipated average total hourly compensation for new jobs: \$29.00

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$430,000,000

Other Conditions/Requirements:

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

- 2) Investment of \$700,000,000 in the Kentucky Truck Plant related to the sixth supplemental project is required to be achieved by December 31, 2025. If the investment is less than projected, the Total Negotiated Tax Incentive Amount will be reduced proportionately. Since the fifth supplement project investment was achieved by December 31, 2021, expenditures for the sixth supplemental project may begin on January 1, 2022.

- 3) The term of the Agreement matures on January 31, 2027 (previously January 31, 2025).

- 4) Wage Assessment / Local Participation: a) State: 4%; b) Local: 1% Louisville-Jefferson County Metro Government.

- 5) The company will be subject to automatic reduction of available incentives for the succeeding fiscal year upon failure to achieve ninety percent (90%) of the job target in any year of the agreement term. The maximum annual incentive for the fiscal year following the year in which the company achieves less than 90% of the job target shall be reduced to the percentage of job target achieved for the prior fiscal year. The company may receive the amount of incentives in subsequent years if the company achieves 90% of the job target in future years.

- 6) The company will also be subject to suspension of claiming incentives for the succeeding fiscal year upon failure to achieve a job retention requirement of 11,000 full-time employees in any year of the agreement term after December 31, 2022. The amount not claimed during the suspension may be used as a carryforward amount in future years once compliance is confirmed.