

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING December 9, 2021

MINUTES

Call to Order

KEDFA convened at 10:00 a.m. on December 9, 2021.

Notification of Press

Don Goodin, Vice 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 and Teresa LaJara, Proxy for Secretary Holly Johnson

Staff Present: Tim Back, Elizabeth Bishop, David Brock, Sarah Butler, Ashlee Chilton, Brittany Cox, Martin David-Jacobs, Rachael Dever, Danielle Dunmire, Lisa Duvall, Michelle Elder, Anthony Ellis, Ellen Felix, Danielle Goetz, Craig Kelly, Annie Franklin, Krista Harrod, James Johnson, Malcolm Jollie, Brandon Mattingly, Kate McCane, Sydney Montgomery, Kylee Palmer, Corky Peek, Debbie Phillips, Charlie Rowland, Jenny Schenkenfelder; Foster Shrout, Matt Simms, Kristina Slattery, Katie Smith, Beth Sturm, Jeff Taylor, Steve Vest, and Dan Wood.

Others Present: Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll, Keenan, Ogden; Michael Kalinyak, Hurt, Deckard & May; Tim Bates and Michael Crabtree, Office of Film and Tourism Development; J.J. Duvall, Mayor, City of Radcliff; Terri Bradshaw, Kentucky Capital Development; Gina Clear, The News Enterprise Elizabethtown; Mike Baker, Hancock County Industrial Foundation; Dave Bertocin, UPI; Casey Bolton, Commonwealth Economics; Gary Brunette and Rich Saginaw, SteelBlue Building Components LLC; Devin Bundrent, Heyman Talent Louisville; Mark DeCourey and Will Marsh, Ellie Diagnostics; Emily Blevins, Soozie Eastman, Merry-Kay Poe, and Nathaniel Spencer, Louisville Film Commission; Kevin Floral, Commonwealth Rolled Products; Roxann Fry, LG & E and KU Energy LLC; Brittany Johnson, Greater Owensboro Economic Development Corporation; Joe Klenke, Taylor Labeling Solutions; Ken Marshall, University of Louisville Health; Erich Miarka, Savion; George Parish, Funai Lexington Technology Corporation; Kimberly Rossetti and Devon Stansbury, Northern Kentucky Tri-Ed; Ray Watson, SRW Advisory Group; Stephanie Wolf, Louisville Public Media; Matt Zoellner, Scott Murphy and Daniel; Brian Zoeller, Frost, Brown, Todd; Shannon Rickett, University of Louisville; Jake Medley and Alex Mercer, Louisville Forward; Stephen Frazier, C-Ville Fabricating Inc.; Terry Pompelia, Perfetti Van Melle USA Inc.; Jody Wafford, KCTCS; Liz Moomey, Lexington Herald Leader; Gloria Nelson, The Gap, Inc.; Karen Poor and Tim Whitaker, ISP Chemicals, Inc.; Elizabeth Combs, Wrigley Media Group; and Senator Mike Wilson.

Approval of Minutes

Vice Chairman Goodin entertained a motion to approve the minutes from the October 28, 2021 KEDFA board meeting.

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

Approved/Undisbursed Report

Vice Chairman Goodin called on Kylee Palmer to review the approved/undisbursed report. After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports

Vice Chairman Goodin 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)

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

Logistics Air Park Development Project (LAP 2) Jefferson County

Kylee Palmer

Ms. Palmer stated the project is planning to develop a logistics warehouse building with industrial and office uses located on the northeast corner of I-65 and KY Route 1065 (Outer Loop Road) in Louisville, Kentucky. The project will require various public infrastructure improvements, including significant roadwork that would run through and adjacent to the project site and connect Industrial Boulevard to Route 1065. The proposed project site is 67.59-acre development, with both private improvements (warehouse and office space) and public infrastructure improvements. The total estimated cost of the project is approximately \$48.8 million, excluding financing. Construction is expected to begin in 2022 with anticipated completion by 2023. Infrastructure costs total approximately \$20.1 million and include land preparation; sewers; storm drainage; curbs, sidewalks; promenades; pedways; roads and provision of utilities.

The total cumulative investment of \$48,862,998, excluding financing costs, must be achieved to be eligible for the maximum total incentive of \$800,000. The actual project completion percentage of the investment will be applied annually to the total incentive approved of \$800,000 to determine the maximum total incentive earned for the project during the term of the agreement. Eligible approved public infrastructure costs for the project will be limited to the cost of the road improvements within the Footprint (LAP2).

Staff recommended final approval of the negotiated tax incentive amount of up to \$800,000.

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

KEDFA Loan (Amendment)

Vice Chairman Goodin called on staff to present a KEDFA Loan Amendment to the Authority.

UofL Health, Inc. Jefferson County

Kylee Palmer

Kylee Palmer stated on March 26, 2020, KEDFA approved a loan to UofL Health-Louisville, Inc. in the amount of \$35,000,000 to provide funding to absorb operating losses and capital expenditures in the short-term to assist management in turning the medical operations purchased from KentuckyOne in Louisville into profitable operations. The loan was disbursed April 1, 2020 with loan payments of principal and interest to begin on April 1, 2025 for 15

years. Additionally, the loan agreement included the ability to forgive up to 50% of each annual loan payment based on the company meeting either of the following: 1) Retain 5,880 full-time, Kentucky-resident jobs being paid an average hourly wage, excluding benefits, of at least \$35.00; or 2) meet both of the following requirements in the Medically Underserved Areas (MUA): a) Continue operating existing facilities and open at least one additional facility within the MUA or in close proximity to serve the MUA; and b) increase the total number of UofL Health, Inc. and its affiliates family medicine access points providing healthcare services from 10 to 14 in the MUA.

KEDFA secured the loan with mortgages, fixtures filings and assignments of rents and leases on four properties along with authorization to redirect portions of appropriations from the University of Louisville to KEDFA to cover the amount of delinquent payments (state’s right to intercept). Due to positive financial performance, UofL Health-Louisville, Inc. requested an amendment to the loan documents to accelerate the repayment schedule to the following;

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Eligible for Forgiveness</u>
4/1/2022	\$8,750,000	\$0	\$4,375,000 based on requirements measured 12/31/21
4/1/2023	\$8,750,000	\$0	\$4,375,000 based on requirements measured 12/31/22
4/1/2024	\$8,750,000	\$0	\$4,375,000 based on requirements measured 12/31/23
4/1/2025	\$8,750,000	\$0	\$4,375,000 based on requirements measured 12/31/24

Staff recommends approval of the amendment request.

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

Local Industrial Revenue Bond (IRB) Project

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

Martin County Solar Project, LLC

Debbie Phillips

Martin County

Debbie Phillips stated in accordance with KRS 103.210, the Martin County Fiscal Court requested KEDFA review and approve a 100% reduction in the state ad valorem tax rate on the new construction of a 200MWac ground-mounted, solar photovoltaic, electricity generating facility which Martin County Solar Project, LLC proposes to be financed through the issuance of industrial revenue bonds by the Martin County Fiscal Court. The principal amount of the IRB authorization is up to \$231,778,588 for a term of 30 years. A Payment in Lieu of Tax Agreement will be required with the school district.

Staff recommended approval.

Chad Miller moved to approve the staff recommendation, as presented, Mike Cowles 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 Martin 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)

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

**Borderless Distribution LLC
Jefferson County**

Beth Sturm

Beth Sturm stated Borderless Distribution LLC is a rapidly growing online retailer that partners with large manufacturers to manage their ecommerce capabilities. The project received final approval on October 31, 2019 to relocate its warehouse operations from Utah to Northern Kentucky to be near Amazon’s largest fulfillment center. Since relocating to Hebron, the company’s growth has required the need for more space, and the company has leased an additional site at 2250 Progress Drive in Hebron. The company has requested that the new site be included in the project. The First Amendment to Tax Incentive Agreement adds the new site, creating a project campus, and allows the employees working there to be included as Project Employees.

Staff recommends approval of the Amended and Restated Tax Incentive Agreement for Borderless Distribution.

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

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

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

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

Company	County	Extension
Pitman Creek Wholesale, LLC	Lincoln	3 Months
Heaven Hill Distilleries Inc. (22940)	Nelson	6 Months
Heaven Hill Distilleries Inc. (23203)	Nelson	6 Months
Louisville Vegan Jerky Co., LLC	Jefferson	6 Months
Santa Rosa Systems, LLC.	Bullitt	6 Months
TPG Plastics LLC	Calloway	6 Months
Amazon Fulfillment Services, Inc.	Boone	12 Months
Bespoke Ventures and Investments, LLC	Grant	12 Months
Braidy Atlas (#21638)	Boyd	12 Months
Braidy Atlas (#21977)	Boyd	12 Months
Danimer Scientific Kentucky, Inc.	Clark	12 Months
East Kentucky Network, LLC	Floyd	12 Months
Log Still Distilling, LLC	Nelson	12 Months
Rick and Still, LLC	Woodford	12 Months
Kentucky Owl, LLC	Nelson	12 Months
W KY Development dba Oak Grove Race Track	Christian	12 Months

Staff recommended approval of the KEIA extension requests.

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

KEIA Projects (Final)

Vice Chairman Goodin called on staff to present the KEIA projects to the Authority.

**ISP Chemicals LLC
Marshall County**

**Corky Peek
Michelle Elder**

Corky Peek stated ISP Chemicals, LLC manufactures chemicals for the personal care, pharmaceutical and other industries. The company is adding additional space for a new Aquaflo plant which would produce chemicals for high quality paints and coatings.

Michelle Elder stated the project investment is \$24,000,000 of which \$3,600,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$50,000 for Construction Materials and Building Fixtures and \$100,000 for R&D Equipment and or Processing Equipment.

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

**Campari America LLC
Anderson County**

**Annie Franklin
Michelle Elder**

Annie Franklin stated Campari America LLC is one of the largest spirits companies in the United States, producing more than 20 brands, including award-winning vodkas, whiskies, rums, gins, cordials, liqueurs, and cachacas. The company has seen an increase in the global demand for its products and in order to house the growing production for the critical aging process, Campari is considering constructing a new pallet barrel warehouse with space for storage of 46,000 barrels.

Michelle Elder stated the project investment is \$3,153,330 of which \$1,347,733 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$50,000 for Construction Materials and Building Fixtures.

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

**Martin County Solar Project, LLC
Martin County**

**Elizabeth Bishop
Debbie Phillips**

Elizabeth Bishop stated Martin County Solar Project LLC is a wholly owned subsidiary of Savion, LLC which is one of the largest, most technologically advanced utility-scale solar and energy storage project development companies in the United States. The proposed project would include the construction of a 200MWac ground-mounted, solar photovoltaic, electricity generating facility in Pilgrim.

Debbie Phillips stated the project investment is \$231,778,588 of which \$174,755,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$400,000 for Construction Materials and Building Fixtures and \$200,000 for R&D and or Electronic Processing Equipment.

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

**Heaven Hill Distilleries, Inc. (#23661)
Nelson County**

**Annie Franklin
Debbie Phillips**

Annie Franklin stated Heaven Hill Distilleries, Inc. is the nation’s second largest family-owned producer and marketer of distilled spirits. The company is considering increasing capacity of its barrel storage and aging operations in Cox Creek to meet growing demand for its Bourbon and Whiskey products. The project will include adding three new barrel aging warehouses.

Debbie Phillips stated the project investment is \$19,389,636 of which \$11,633,782 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$150,000 for Construction Materials and Building Fixtures.

**Heaven Hill Distilleries, Inc. (#23662)
Nelson County**

**Annie Franklin
Debbie Phillips**

Annie Franklin stated Heaven Hill Distilleries, Inc. is the nation’s second largest family-owned producer and marketer of distilled spirits. The company is considering increasing capacity of its barrel storage and aging operations in Bardstown to meet growing demand for its Bourbon and Whiskey products. The project will include adding two new barrel aging warehouses

Debbie Phillips stated the project investment is \$12,926,424 of which \$7,755,854 qualifies as KEIA eligible costs.

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

Jean Hale moved to approve the staff recommendation for Heaven Hill Distilleries, Inc. Project #23661 and Project #23662), as presented; Chad Miller seconded the motion. Motion passed; unanimous.

**Perfetti Van Melle USA Inc.
Boone County**

**Elizabeth Bishop
Kate McCane**

Elizabeth Bishop stated Perfetti Van Melle USA Inc. is a global leader in the confectionery business and is the third largest candy manufacturer in the world. The company is considering an expansion of its current feed and batching process to meet increased demands.

Kate McCane stated the project investment is \$9,875,410 of which \$1,961,190 qualifies as KEIA eligible costs.

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

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

**Funai Lexington Technology Corporation
Fayette County**

**Elizabeth Bishop
Kate McCane**

Elizabeth Bishop stated Funai Lexington Technology Corporation is a wholly owned subsidiary of Funai Electric Co., LTD headquartered in Osaka, Japan created for the purpose of inkjet and microfluidic technology research. The company is currently developing 3 products in the life science market for drug delivery and diagnostics and is seeking to upgrade its processing equipment to meet the demanding quality and precision requirements.

Kate McCane stated the project investment is \$6,078,096 all of which qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$200,000 for R&D and/or Electronic Processing Equipment.

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

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

**Annie Franklin
Kate McCane**

Annie Franklin stated The Bardstown Bourbon Company, LLC (BBC) founded in 2014, is one of America's largest new distilleries. BBC began 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 anticipating building two additional barrel warehouses.

Kate McCane stated the project investment is \$8,816,225 of which \$5,742,392 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.

KBI (Preliminary) and KEIA Projects

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

**Kimberly-Clark Corporation
Daviness County**

**Corky Peek
Michelle Elder**

Corky Peek stated Kimberly-Clark Corporation is an American multinational personal care corporation that produces mostly paper-based consumer products. Their portfolio of brands includes Huggies, Kleenex, Scott, Kotex, Cottonelle, Poise, Depend, among many others. Since its initial startup in 1993, Kimberly-Clark's Tissue Manufacturing Facility in Owensboro has been producing many essential hygiene products for the workplace. The company is considering expanding its facility by constructing an additional space and purchasing a new state of the art tissue machine.

Michelle Elder stated the project investment is \$110,000,000, of which \$50,840,000 qualifies as KBI eligible costs and \$12,000,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 42 with an average hourly wage of \$48.00 including benefits. The state wage assessment participation is 1.5% with the Daviness County Fiscal Court participating at 0.5%. 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. 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. The jobs creation / maintenance and wage requirements will be satisfied collectively by the approved company and the recognized affiliates.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$500,000, and the KEIA approved recovery amount of \$350,000 for Construction Materials

and Building Fixtures.

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

**The Candleberry Company
Franklin County**

**M. David-Jacobs
Kate McCane**

Martin David-Jacobs stated The Candleberry Company began as a complimentary business manufacturing candles to supply its Gift Box stores. The company has seen significant growth over the years and is seeking to relocate to a larger facility to increase its production capacity.

Kate McCane stated the project investment is \$5,280,000 of which \$4,730,000 qualifies as KBI eligible costs and \$2,000,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 10 with an average hourly wage of \$17.00 including benefits. The state wage assessment participation is 1.5% and the Franklin County Fiscal Court will participate at 0.5%. 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 \$55,000 and the KEIA approved recovery amount of \$100,000 for Construction Materials and Building Fixtures.

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

**Taylor Communications, Inc.
Hardin County**

**Elizabeth Bishop
Kate McCane**

Elizabeth Bishop stated Taylor Communications, Inc. produces labels for a wide variety of industries. The company is considering an expansion and modernization of new equipment in order to remain competitive in the current market conditions.

Kate McCane stated the project investment is \$18,800,000 of which \$5,000,000 qualifies as KBI eligible costs and \$1,500,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 28 with an average hourly wage of \$23.40 including benefits. The state wage assessment participation is 3.0% and the City of Radcliff 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 \$500,000 and the KEIA approved recovery amount of \$70,000 Construction Materials and Building Fixtures.

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

**Universal Piping Industries, LLC
Scott County**

**Brittany Cox
Debbie Phillips**

Brittany Cox stated Universal Piping Industries, LLC (UPI) fabricates prepackaged industrial piping assemblies that are shipped throughout the country for installation. All systems are engineered and designed by UPI and include systems for paint circulation, industrial process systems and central process heating cooling systems. The proposed project would consist of

a newly outfitted ASME-certified fabrication facility and office located in Georgetown as well as the consolidation and relocation of its Fayette County facility.

Debbie Phillips stated the project investment is \$12,760,800 of which \$12,010,800 qualifies as KBI eligible costs and \$7,000,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 25 with an average hourly wage of \$51.00 including benefits. The state wage assessment participation is 3.0% and the City of Georgetown and Scott County will participate at 0.5% each for a total local participation of 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 \$350,000 and the KEIA approved recovery amount of \$350,000 Construction Materials and Building Fixtures.

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

KBI Projects (Preliminary)

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

Ellie Diagnostics, LLC Jefferson County

**Matt Simms
Kate McCane**

Matt Simms stated Ellie Diagnostics, LLC is an innovative diagnostic company providing high quality laboratory services to veterinarians in 40 states. The company is considering expanding to Kentucky with a new state-of-the-art laboratory.

Kate McCane stated the project investment is \$10,000,000 of which \$5,350,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 100 with an average hourly wage of \$33.00 including benefits. The state wage assessment participation is 3.0% and Louisville Metro Government will participate at 1.0%

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,250,000.

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

The Gap, Inc. Kenton County

**Annie Franklin
Michelle Elder**

Annie Franklin stated that The Gap, Inc., a collection of purpose-led, billion-dollar lifestyle brands, is a leading global retailer offering clothing accessories, and personal care products for men, women and children under the Old Navy, Gap, Banana Republic and Athleta Brands. The company is considering expanding its current location to help meet customer demand.

Michelle Elder stated the project investment is \$288,896 of which \$241,647 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 10 with an average hourly wage of \$40.00 including benefits. The state wage assessment participation is 3.0% and the City of Erlanger 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 \$200,000.

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

**C-Ville Fabricating Inc.
Casey County**

**Elizabeth Bishop
Kate McCane**

Elizabeth Bishop stated C-Ville Fabricating, Inc. was founded in 1993 and now provides products to some of the largest farm, ranch and construction retailers in the United States. The company is seeking to increase manufacturing capacity and add new automated equipment.

Kate McCane stated the project investment is \$8,850,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 54 with an average hourly wage of \$22.90 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. The company will be required to maintain 85% of the total statewide full-time employees subject to Kentucky income tax at all company and affiliate locations, excluding the site of the project, as of the date of preliminary approval.

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

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

**Consumer Cellular, Incorporated
Jefferson County**

**Malcolm Jollie
Kate McCane**

Malcolm Jollie stated Consumer Cellular, Incorporated is an American postpaid mobile virtual network operator offering cellphones, non-contract cell phone plans and accessories with a focus on users over the age of 50. The company is considering an expansion to meet growth and better serve a national scale customer base.

Kate McCane stated the project investment is \$15,510,000 of which \$8,510,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 486 with an average hourly wage of \$20.00 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 \$5,500,000.

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

**Commonwealth Rolled Products, Inc.
Hancock County**

**Corky Peek
Michelle Elder**

Corky Peek stated Commonwealth Rolled Products, Inc. is a multi-decade producer of high quality aluminum rolled products serving the automotive, industrial and consumer good industries. The company is considering an expansion in Lewisport that would modernize the facility. This would include some reconstruction inside the facility as well as the purchase of new manufacturing equipment.

Michelle Elder stated the project investment is \$167,250,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 40 with an average hourly wage of \$38.00 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 \$1,500,000.

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

**SteelBlue Building Components LLC
Franklin County**

**Brittany Cox
Debbie Phillips**

Brittany Cox stated SteelBlue Building Components LLC is a manufacturer of metal products for the building industry. The company is considering a location in Frankfort to serve as a central location in the United States to better serve its customers.

Debbie Phillips stated the project investment is \$17,699,800, of which \$4,800,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 146 with an average hourly wage of \$34.00 including benefits. The state wage assessment participation is 3.0% and the City of Frankfort will participate at 1%.

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

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

KBI Projects (Extension)

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

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

<u>Company</u>	<u>County</u>	<u>Extension</u>
ShellTech, LLC	Pulaski	6 Months
Ahlstrom-Munksjo Filtration LLC	Hopkins	12 Months
AmerisourceBergen Drug Corporation	Jefferson	12 Months
Boxvana LLC	Martin	12 Months
Dajcor Aluminum Inc.	Perry	12 Months
Diageo Americas Supply, Inc.	Marion	12 Months
Ironton Enterprises LLC	McCracken	12 Months
Precision, Inc.	Mason	12 Months
Takigawa Corporation America	Nelson	12 Months
WABCO USA LLC	Boone	12 Months

Staff recommended approval of the KBI extension requests.

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

KBI Projects (Final)

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

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

No Modifications:

Project Name	County	Type Project
DAE-IL USA, Inc.	Calloway	Manufacturing
ViWinTech Window & Door, Inc.	McCracken	Manufacturing
Asahi Bluegrass Forge Corporation	Madison	Manufacturing

Modifications:

CTI-Clinical Trial Services, Inc. Kenton Headquarters
The total investment and eligible costs have been updated based on current projections.

Wastequip, LLC Montgomery Service or Technology
The company is requesting to add an affiliate, Wastequip Manufacturing Company.

The Recon Group LLP dba GoTRG LLP Franklin Service or Technology
The company name has changed from the Recon Group, Inc. to the Recon Group LLP dba GoTRG LLP. The total investment and eligible costs have been updated based on current projections.

Piramal Pharma Solutions, Inc. Fayette Manufacturing
The company name has changed from Coldstream Laboratories Inc. to Piramal Pharma Solutions Inc. The total investment and eligible costs have been updated based on the current projections.

Federal - Mogul Motorparts LLC Barren Manufacturing
The investment increased from \$8,681,000 to \$21,443,000. The eligible costs increased from \$3,200,000 to \$5,830,000. Jobs increased from 25 to 40. The total negotiated Tax Incentive Amount increased from \$600,000 to \$960,000.

HB Sealing Products Inc. Jefferson Service or Technology
The total investment and eligible costs have been updated based on current projections.

Lynx Labeling, Inc. Barren Service or Technology
The total investment and eligible costs have been updated based on current projections. The company shall no longer be required to maintain the statewide employment.

Performance Feeds, LLC Warren Manufacturing
The total investment and eligible costs have been updated based on current projections.

Staff recommended final approval of the KBI resolutions and tax incentive agreements and the authorization to execute and deliver the documents.

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

Kentucky Small Business Tax Credit (KSBTC) Projects

Vice Chairman Goodin called on staff to present the KSBTC projects to the Authority.

Tim Back stated there are 43 Kentucky small businesses from 21 counties with qualifying tax credits of \$368,700. The 43 businesses created 106 jobs and invested \$1,378,523 in qualifying equipment and/or technology.

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

Qualified Small Business	County	Beg. Emp.	Elig. Pos.	Qualifying Average Hourly Wage	Equipment or Technology	Tax Credit
All Hours Lock & Key, LLC	Fayette	3	1	\$ 12.25	\$ 31,028	\$ 3,500
All Safe Industries, Inc.	Jefferson	3	3	\$ 20.67	\$ 13,126	\$ 10,500
Associates in Accounting, PSC	Jefferson	10	2	\$ 19.25	\$ 8,324	\$ 7,000
Aviette BioProcessing, LLC	Simpson	0	1	\$ 40.86	\$ 8,250	\$ 3,500
Big Jack's Donuts & Coffee, LLC	Anderson	0	1	\$ 14.47	\$ 5,273	\$ 3,500
Blue Frame Technology LLC	Fayette	16	3	\$ 26.14	\$ 10,801	\$ 10,500
Bluegrass Bean Counter, PLLC	Scott	3	1	\$ 18.00	\$ 5,001	\$ 3,500
Bluegrass Chiro, PLLC	Boyle	44	5	\$ 21.07	\$ 20,825	\$ 17,500
Busy Bee Occupational Therapy, PLLC	Madison	7	3	\$ 20.86	\$ 10,676	\$ 10,500
Colors Galore, LLC	Jefferson	3	2	\$ 18.50	\$ 8,102	\$ 7,000
Cornerstone Engineering, Inc.	Jefferson	8	2	\$ 34.38	\$ 76,190	\$ 7,000
Darling State of Mind LLC	Jefferson	1	1	\$ 15.00	\$ 5,123	\$ 3,500
Ehrlers, Inc.	Jefferson	3	1	\$ 37.50	\$ 11,703	\$ 3,500
Epiphany Foam Insulation, LLC	Woodford	10	1	\$ 13.00	\$ 82,381	\$ 3,500
FWK & Associates PLLC	Fayette	10	2	\$ 23.50	\$ 8,887	\$ 7,000
Gorillashine.com, LLC	Fayette	3	4	\$ 18.06	\$ 17,172	\$ 14,000
Healthcare Asset Network, Inc.	Jefferson	10	5	\$ 60.55	\$ 15,238	\$ 15,200
Infrastructure Precast, Inc.	Ohio	21	5	\$ 18.70	\$ 83,033	\$ 17,500
Inside Out Design, LLC	Franklin	6	1	\$ 13.00	\$ 24,000	\$ 3,500
Johnson Brothers, Incorporated	Fleming	11	2	\$ 12.00	\$ 28,900	\$ 7,000
Joseph Laratta MD Spine Surgeon, LLC	Jefferson	0	1	\$ 15.00	\$ 5,382	\$ 3,500
Kentucky Machinery Company, LLC	Madison	8	1	\$ 36.00	\$171,600	\$ 3,500
Landworx, LLC	Boone	8	5	\$ 27.11	\$206,833	\$ 17,500
Marrillia Interests, LLC	Fayette	23	2	\$ 31.79	\$ 45,000	\$ 7,000
McCain Bros. Excavating, LLC	Washington	19	3	\$ 19.33	\$137,000	\$ 10,500
Mizuguchi Plastic Surgery, PLLC	Jefferson	5	1	\$103.00	\$ 10,000	\$ 3,500
Motus Freight, LLC	Campbell	18	4	\$ 20.01	\$ 23,305	\$ 14,000
Moxie MOD, LLC	McCracken	0	1	\$ 20.63	\$ 5,183	\$ 3,500
Premium Delivery, Inc.	Jefferson	12	2	\$ 17.00	\$ 57,981	\$ 7,000
Pure Blue Pools, LLC	Boone	10	7	\$ 22.86	\$ 33,830	\$ 24,500
Rad Accessories, LLC	Marshall	2	3	\$ 23.50	\$ 14,395	\$ 10,500
Revolution Physical Therapy, LLC	Laurel	6	1	\$ 21.00	\$ 5,020	\$ 3,500
Summers, McCrary & Sparks, P.S.C.	Fayette	6	3	\$ 21.63	\$ 11,835	\$ 10,500
Technical Horizons, PLLC	Fayette	6	3	\$ 35.58	\$ 11,343	\$ 10,500
Tellennium, Inc.	Bullitt	37	2	\$ 42.86	\$ 7,341	\$ 7,000
The Thomas Firm, PLLC	Jefferson	11	3	\$ 21.45	\$ 15,278	\$ 10,500
Thompson Plumbing, LLC	Marshall	2	3	\$ 26.29	\$ 41,830	\$ 10,500
Traughber Mechanical Services, Inc.	Simpson	38	4	\$ 20.59	\$ 20,700	\$ 14,000
Vantage Engineering PLC	Mercer	6	2	\$ 21.58	\$ 8,345	\$ 7,000
Volta Electric, LLC	Boone	8	2	\$ 15.60	\$ 32,386	\$ 7,000
Volta Inc.	Franklin	28	1	\$ 21.63	\$ 5,123	\$ 3,500
Wake Cumberland Watersports LLC	Pulaski	0	3	\$ 15.14	\$ 15,080	\$ 10,500
Winner's Circle Painting, LLC	Jessamine	20	3	\$ 20.00	\$ 19,700	\$ 10,500

Staff recommended approval of the tax credits.

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

Kentucky Selling Farmer Tax Credit (KSFTC)

Vice Chairman Goodin called on Tim Back to present the KSFTC project to the Authority

Tim Back stated there are two Kentucky Selling Farmers who have sold qualifying agricultural assets totaling \$1,308,018 to eligible beginning farmers. The Kentucky selling farmers qualify to receive a total of \$50,000 in tax credits.

<u>Selling Farmer</u>	<u>County</u>	<u>Qualifying Agriculture Assets</u>	<u>Tax Credit Amount</u>
Bonita Jolly	Hardin	\$658,018	\$25,000
Andrew T. England and Melanie England	Daviess	\$650,000	\$25,000

Staff recommended approval of the farmer 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

Vice Chairman Goodin called on staff to present the Kentucky Angel Investment Act projects to the Authority.

Tim Back stated there are 19 Kentucky Angel Investment Act projects representing five Kentucky businesses and 18 investors for a total projected investment of \$1,282,500 with eligible tax credits of \$324,000. 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:

<u>Qualified Small Business Qualified Investor(s)</u>	<u>County</u>	<u>Projected Investment</u>	<u>Tax Credit</u>
<u>Liberate Medical (DE), Inc.</u>	Oldham		
Roy T. Toutant		\$ 25,000	\$ 6,250
Renato V. La Rocca		\$ 10,000	\$ 2,500
John Ryan McDaniel		\$ 25,000	\$ 6,250
Cedric Francois		\$ 100,000	\$ 25,000
John Marshall Moore		\$ 25,000	\$ 6,250
<u>MEP Equine Solutions, LLC</u>	Fayette		
Roy T. Toutant		\$ 50,000	\$ 12,500
Richard Lee Schackel		\$ 50,000	\$ 12,500
Robert E. Frey		\$ 25,000	\$ 6,250
<u>Personal Medicine Plus LLC</u>	McCracken		
Brian Aaron Luftman		\$ 10,000	\$ 4,000
Robert A. Followell		\$ 12,500	\$ 5,000

<u>RedLeaf Biologics, Inc</u>	Fayette		
Austin Thomas Tucker		\$ 37,500	\$ 9,375
Thomas Thornton Tucker		\$100,000	\$ 25,000
Jacob Matthew Sizemore		\$ 37,500	\$ 9,375
James P. Gray, II		\$ 25,000	\$ 6,250
Lynn C. Saligman		\$250,000	\$ 62,500
Patti Saligman Woomer		\$250,000	\$ 62,500
Theodore Wachtell		\$100,000	\$ 25,000
<u>Stuff by Text Inc.</u>	Jefferson		
Brent Christian Beanblossom		\$ 50,000	\$ 12,500
Martin N. McClelland		\$100,000	\$ 25,000

Staff recommended approval of the proposed Angel Investment tax credits.

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

Other Business

Sarah Butler presented the **Kentucky Entertainment Incentive Program Guidelines**

During the 2021 Session of the General Assembly, House Bill 249 was authorized to establish the Kentucky Entertainment Incentive (KEI) Program to encourage the development of entertainment and production industry in Kentucky (KRS 154.61). The incentive provides qualifying applicants the ability to recover a portion of qualified expenditures through a refundable income tax credit. KEDFA will be responsible for reviewing and approving projects applying for the refundable tax credit under the new program. Cabinet staff has prepared guidelines for the KEI Program outlining the terms, conditions, requirements and process for applications. Cabinet staff will also be responsible for monitoring the performance of approved applications of the KEI program and reporting annually on the program to the legislature.

Staff recommends approval of the Kentucky Entertainment Incentive Program Guidelines.

Jean Hale moved to approve the Kentucky Entertainment Incentive Program Guidelines as presented; Chad Miller seconded the motion. Motion passed; unanimous.

Sarah Butler presented a **KEDFA Resolution for the State Small Business Credit Initiative**

The State Small Business Credit Initiative (SSBCI) was created under the Small Business Jobs Act, which was signed into law in 2010. Pursuant to the SSBCI, Kentucky received an allocation from Treasury of approximately \$15,000,000.00 and KEDFA contributed an additional \$5,000,000 to fund the Kentucky Small Business Credit Initiative programs. These programs included the Kentucky Capital Access Program, the Collateral Support Program, the Loan Participation Program and Kentucky Venture Capital Program.

On March 11, 2021, the American Rescue Plan Act was signed into law and provided an additional \$10 billion to fund the SSBCI to support small business credit support and investment programs. The SSBCI Allocation from Treasury is over \$117,000,000 for funds to support significant opportunities for economic growth and job creation for socially and economically disadvantaged business in Kentucky.

In order to facilitate Kentucky's full utilization of allocated funds and to further enhance the KSBCI programs, the Cabinet requests authority from KEDFA to enter into the initial application for the SSBCI funds due December 11, 2021.

Staff recommends approval from KEDFA for the proposed resolution.

Don Goodin moved to approve the Resolution as presented; Jean Hale seconded the motion. Motion passed; unanimous.

Katie Smith presented the **KEDFA 2022 Board Meeting schedule** to the Authority.

Adjournment

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

Chad Miller moved to adjourn the December 9, 2021 KEDFA board meeting; Jean Hale seconded the motion. Motion passed; unanimous.

The meeting adjourned at 11:27 a.m.

**APPROVED
PRESIDING OFFICER:**



J. Don Goodin, Vice-Chairman