`KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

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

SPECIAL BOARD MEETING

AGENDA January 31, 2017

Call to Order Notification of Press Roll Call

KBI (Preliminary) - Boone County
 Presented by Anna Beth Bobbitt and Lynda Cunningham

Adjournment

Video Conference Sites:

Cabinet for Economic Development

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

Mazak Corporation

Conference Room B 6850 Industrial Road Florence, Kentucky

Community Trust Bank, Inc.

5th Floor Conference Room 346 North Mayo Trail Pikeville, Kentucky

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY KBI REPORT - PRELIMINARY APPROVAL

Date:

January 31, 2017

Approved Company:

Amazon Fulfillment Services, Inc.

City:

Hebron

County: Boone

Activity:

Service & Technology

Prelim Resolution #: KBI-I-17-21488

Bus. Dev. Contact:

A. Bobbitt

OFS Staff: L. Cunningham

Project Description:

Amazon has a long, rich history in Kentucky and employs over 10,000 full time associates in eleven fulfillment centers. As the company's capacity demand continues to grow, the need to invest in infrastructure is necessary in order to meet and exceed the needs of its customers. The company is considering developing a centralized air hub at the CVG Airport to serve the growing fleet of Prime Air cargo planes. The project has the potential to create over 2,700 new jobs and a significant capital investment over several years.

Facility Details:

Locating in a new facility

Anticipated Project Investment - Owned

Land

Building/Improvements

Equipment

Other Start-up Costs

TOTAL

Eligible Costs	Total Investment	
\$0	\$0	
\$461,600,000	\$461,600,000	
\$2,000,000	\$1,032,400,000	
\$0	\$0	
\$463,600,000	\$1,494,000,000	

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	100	\$26.00	
1	100	\$26.00	\$4,000,000
2	200	\$26.00	\$4,000,000
3	300	\$26.00	\$4,000,000
4	400	\$26.00	\$4,000,000
5	500	\$26.00	\$4,000,000
6	600	\$26.00	\$4,000,000
7	600	\$26.00	\$4,000,000
8	600	\$26.00	\$4,000,000
9	600	\$26.00	\$4,000,000
10	600	\$26.00	\$4,000,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$40	000,000	

County Type: Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

Publicly Traded

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 2.25%

Local: 0.6% Unincorporated Boone County

Unemployment Rate:

County: 3.1%

Kentucky: 4.0%

Existing Presence in Kentucky:

Boone, Bullitt, Clark, Fayette, Jefferson and Taylor Counties

Special Conditions:

The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company and affiliate locations, excluding the site of the project, as of the date of preliminary approval.