



## CABINET FOR ECONOMIC DEVELOPMENT

Matthew G. Bevin  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601  
ThinkKentucky.com

Terry R. Gill, Jr.  
Secretary

### MEMORANDUM

**TO:** KEDFA Members

**FROM:** Katie Smith, Commissioner  
Department for Financial Services *KS*

**DATE:** February 15, 2018

**SUBJECT:** KEDFA Board Meeting

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The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, February 22, 2018** at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. The meeting will convene at 10:00 a.m. (EST) in the Board of Directors Conference Room.

If you have any questions, please feel free to contact our office at any time.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

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

**AGENDA**  
**February 22, 2018**

**Call to Order**  
**Notification of Press**  
**Roll Call**

**Approval of Minutes**

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Minutes from January 23, 2018 Special KEDFA Board Meeting  
Minutes from January 25, 2018 Regular KEDFA Board Meeting  
Minutes from January 25, 2018 Executive KEDFA Board Meeting

**Reports**

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Approved/Undisbursed Loan Report	Kylee Palmer
Financial Statements and Monitoring Reports	Krista Harrod

**KBI Project (Amendment)**

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The Sherwin-Williams Company	Madison	Bobby Aldridge
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**KEIA Projects (Extension)**

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The Webstaurant Store, Inc.	Hopkins	Bobby Aldridge
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**KEIA Projects**

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East Kentucky Network, LLC	Floyd	Robyn Lee / Debbie Phillips
Takigawa Corporation America	Nelson	Tess Simon / Michelle Elder
Michter's Distillery LLC	Washington	Lindsey Ransdell / Michelle Elder
Whiskey Service LLC	Boyle	Lindsey Ransdell / Michelle Elder

**KBI Projects (Preliminary) & KEIA Projects**

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Jack Riley Investments LLC	Warren	Tess Simon / Debbie Phillips
Jack Riley Investments LLC	Warren	
Grain, Limestone, & Oak, LLC	Shelby	Lindsey Ransdell / Michelle Elder
Grain, Limestone, & Oak, LLC	Shelby	

**KBI Projects (Preliminary)**

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Cuddle Clones LLC	Jefferson	Lindsey Ransdell / Michelle Elder
Sazerac Distillers, LLC	Daviss	Corky Peek / Michelle Elder
Blue Grass Metals, Inc.	Boone	Joan Ward / Debbie Phillips

Vita-Stat LLC	Jefferson	Tess Simon / Debbie Phillips
Owl's Head Alloys, Inc.	Warren	Taylor Sears / Debbie Phillips
TTA, LLC	Jefferson	Taylor Sears / Debbie Phillips
Wire Crafters, LLC	Jefferson	Taylor Sears / Debbie Phillips

**KBI Projects (Extension)**

Michelle Elder

eTechCampus, L.L.C.	Fayette
Seven Peaks Minerals, Inc.	Pike
EZ Portable Buildings, Inc.	McCracken
Hafendorfer Machine, Inc.	Jefferson
Integrity Express Logistics, LLC	Kenton
Whitworth Tool, Inc.	Breckinridge

**KBI Projects (Final)**

Debbie Phillips

Hogan Lovells US LLP	Jefferson
Holley Performance Products, Inc.	Warren
New Source Medical, LLC	Jefferson

**KSBTC**

Tim Back

Engineered Building Systems, Inc.	Campbell
James C. Burris Architects LLC	Fayette
Mile Wide Beer Company, LLC	Jefferson
Scott Endodontics, PLC	Jefferson
Total Packaging of Kentucky, Inc.	Daviess

**Other Business**

**KEDFA Bylaws**

Katie Smith

Fifth Amended and Restated Bylaws

**Authorized Signatories**

Katie Smith

**Closed Session**

**Adjournment**



# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## SPECIAL MEETING

January 23, 2018

### MINUTES

#### Call to Order

The Kentucky Economic Development Finance Authority convened at 9:30 a.m. EST, January 23, 2018, at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway, Board of Directors Conference Room, 1<sup>st</sup> Floor, in Frankfort, Kentucky and via video conference at LockNet, LLC, 800 John C. Watts Drive, Bay 3 Conference Room in Nicholasville, Kentucky for a special meeting to consider a Kentucky Business Investment (KBI) project and Kentucky Enterprise Initiative Act (KEIA) project in Todd County.

#### Notification of Press

Don Goodin, Vice Chairman, received verification that the media had been notified of the KEDFA Special Board Meeting.

#### Roll Call

**Members Present:** Don Goodin, Secretary William Landrum, Joe Kelly and Chad Miller

**Staff Present:** David Brock, Sarah Butler, Michelle Elder, Reid Glass, Brandon Mattingly, Vivek Sarin, Katie Smith, Teresa Spreitzer and Lucas Witt

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

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

##### Novelis Corporation Todd County

Lucas Whitt stated, Novelis Corporation is the global leader in aluminum rolled products and the world's largest recycler of aluminum. The company is considering locating a manufacturing operation in Guthrie, Kentucky to meet market demands from the automotive markets. The proposed project anticipates the creation of at least 125 new, full-time jobs (including non-Kentucky residents).

##### Lucas Witt Michelle Elder

Michelle Elder stated the project investment is \$304,850,754 of which \$120,069,246 qualifies as KBI eligible costs and \$98,968,998 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 100 with an average hourly wage of \$38.50 including benefits. The state wage assessment participation is 3.0% and Todd County and the City of Guthrie will participate by providing \$7,250,000 for land acquisition and site preparation. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at the Madison County location as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$8,500,000 and the KEIA approved recovery amount of \$3,000,000 for construction materials and building fixtures.

Joe Kelly moved to approve the staff recommendation, as presented; Secretary William Landrum seconded the motion. Motion passed; unanimous.

**Adjournment**

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

Secretary Landrum moved to adjourn the KEDFA Special Board Meeting; Chad Miller seconded the motion. Motion passed; unanimous.

The meeting adjourned at 9:38 a.m.

**PRESIDING OFFICER:**

A handwritten signature in cursive script, appearing to read "Jean Hale", written over a horizontal line.

Jean Hale, Chairman





# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## BOARD MEETING

January 25, 2018

### MINUTES

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#### **Call to Order**

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EST on January 25, 2018, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

#### **Notification of Press**

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

#### **Roll Call**

**Members Present:** Jean Hale, Don Goodin, Melinda M. Hill, Proxy for Secretary William M. Landrum, III, Tucker Ballinger, Joe Kelly and Chad Miller

**Staff Present:** Bobby Aldridge, Tim Back, Jessica Burke, Sarah Butler, Lynda Cunningham, Michelle Elder, Kimberly Gester, Terry R. Gill, Jr., Krista Harrod, Katie James, Brandon Mattingly, Brian Mefford, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Taylor Sears, Tess Simon, Kristina Slattery, Katie Smith, Teresa Spreitzer and Lucas Witt

**Others Present:** Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky and Mark Franklin, Stoll Keenon Ogden; Mike French, AgTech Scientific, LLC; Casey Bolton, Commonwealth Economics; Quincy Cutshaw, Denham-Blythe Company; Brad Thomas, East Kentucky Power Cooperative; John Frank, Green County Judge Executive; Glenn Thomas, Consultant, Green River Regional Business Park; Brent Burchett, Kentucky Department of Agriculture; John Brady, Kentucky Finance and Administration Cabinet, Office of Financial Management; Ben Moore and Sarah Zoeller, Louisville Forward; Jeff Mosley and Laura Ferguson, Louisville/Jefferson County Metro Government; Lisle Cheatam, Mayor, City of Greensburg, Barry Lendrum, Paladin; Gordon Wilson, Paris-Bourbon County Economic Development Authority; Jessica Zaiger, Polsinelli; Marty Thieneman and Takeshi Ariake, Sentry Steel, Inc.; Gina Lankswert and Keith Sherman, U of L Foundation; Michael Mountjoy and David Goodnight

#### **Approval of Minutes**

Chairman Hale entertained a motion to approve the minutes from the December 7, 2017 regular KEDFA board meeting.

Joe Kelly moved to approve the minutes, as presented; Tucker Ballinger seconded the motion. Motion passed; unanimous.

#### **Approved/Undisbursed Loan Report**

Chairman Hale called on Kylee Palmer to review the approved/undisbursed loan 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 monthly monitoring reports as of December 31, 2017. After review, the Authority accepted the statements and reports as presented.

## **Tax Increment Financing (TIF) Project (Preliminary)**

Chairman Hale called on staff to present a TIF project for preliminary approval to the Authority.

**Metro Development Authority, Inc.**  
**Butchertown Stadium District**  
**Jefferson County**

**Kimberly Gester**  
**Kylee Palmer**

Kimberly Gester stated Butchertown Stadium District is a Mixed-Use Redevelopment in Blighted Urban Areas TIF project. The project consists of building a new soccer-specific stadium in Louisville. The development is expected to include the new 10,000 seat Butchertown Stadium, 2 hotels, office space, supportive retail, entertainment and dining options. The construction is estimated to take place over the next two years.

Ms. Palmer stated public infrastructure costs total approximately \$74.8 million and include land preparation, public buildings/structure, sewers/storm drainage, curbs, sidewalks, promenades and pedways, roads, street lighting, provision of utilities, environmental remediation, floodwalls and floodgates, public space or parks and parking. The applicant, Metro Development Authority, Inc., estimates the project will generate \$3.8 billion in total economic impact over a 20-year period.

By granting preliminary approval, KEDFA would enable staff to begin working with the Office of State Budget Director and the Finance and Administration Cabinet to create criteria for which an independent consultant would review the project's feasibility including financing, appropriateness for the use of the TIF program and potential increments and whether the project represents a net positive impact for the Commonwealth.

Staff recommended preliminary approval of the TIF project.

Ms. Palmer introduced Jeff Mosley, Laura Ferguson, Michael Mountjoy and Casey Bolton and invited them to address the board regarding the project.

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

## **KEDFA Grant**

Chairman Hale called on staff to present a KEDFA Grant request to the Authority.

**Louisville/Jefferson County Metro Government**  
**Res-Care, Inc.**  
**Jefferson County**

**Lucas Witt**  
**Kylee Palmer**

Lucas Witt stated Res-Care, Inc. is the largest diversified health and human services provider in the United States. With more than 40 years of experience, Res-Care offers daily living support services and in-home care, vocational training, job placement, pharmacy, rehab and behavioral health services for people of all ages and skill levels. The company is currently headquartered in Louisville, Kentucky. With its existing office lease expiring in 2018, the company is considering a new headquarters facility.

Ms. Palmer stated the company requested up to \$500,000 in the form of a KEDFA Grant. The funds will be used for building improvements to its new headquarters facility. The project will

include multiple locations within Louisville/Jefferson County. Only investment costs incurred at 805 North Whittington Parkway will be considered towards the investment requirement. Employees and their respective wages at the locations included in the project definition will be eligible for compliance. The terms of the grant include the retention of 310 full-time, Kentucky resident employees paying an average hourly wage of \$28.00, excluding benefits. Annual compliance will begin December 31, 2018 and continue for an additional four years through December 31, 2022. The Grant is performance-based and disbursement will not occur until after annual compliance is confirmed. Funds will flow through the Grantee/local government entity to the Beneficiary/company.

Staff recommended approval of the grant request up to \$500,000 for building improvements.

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

### **KEDFA Industrial Revenue Bond (IRB) Project**

Chairman Hale called on Katie Smith to present a KEDFA IRB supplemental request to the Authority.

#### **Madonna Manor, Inc.**

##### **Kenton County**

Ms. Smith stated KEDFA previously approved the issuance of healthcare facilities revenue bonds on behalf of Madonna Manor, Inc. The Series 2010 bonds were issued totaling \$28,440,000 to finance the acquisition, construction, installation and equipping of healthcare and health related facilities in Kenton County, Kentucky.

The original project was completed under budget, and as a result, a portion of the bond proceeds remain unspent. Madonna Manor, Inc. is requesting approval of a resolution to use the unspent proceeds, together with other funds available to the corporation, to acquire land in Kenton County, Kentucky. The new project was not described in the Notice of Public Hearing for the required TEFRA public hearing conducted by KEDFA in connection with the original issuance of the bonds. Thus, the Authority held a new public hearing at 9:00 a.m. on January 25, 2018 at the Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort as a part of the supplemental public approval to allow use of the unspent proceeds for the new project. No public comments were received at the TEFRA hearing. The bonds associated with the unspent proceeds may be deemed "reissued" for federal tax purposes. KEDFA may execute and deliver a Form 8038-Information Return for Tax-Exempt Private Activity Bond Issues with respect to the reissued bonds in connection with the supplemental public approval.

KEDFA remains the conduit issuer of the bonds and as such the bonds do not constitute a general obligation of KEDFA and KEDFA is not obligated to pay principal or interest for the bonds from its own funds.

Staff recommended KEDFA's adoption of the resolution and authorization of the required documents.

Ms. Smith introduced Jessica Zaiger and invited her to address the board regarding the project.

After discussion, Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Goodin seconded the motion. Motion passed; unanimous.

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

Chairman Hale called on Bobby Aldridge to present a KIFA project to the Authority.

### **Bluegrass Angel Venture Fund IV, LLC**

#### **Fayette County**

Mr. Aldridge stated Bluegrass Angel Venture Fund IV, LLC is being 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 IV, LLC made application on behalf of the fund and requested approval of Bluegrass Angel Venture Fund IV, LLC as a participant in the KIFA program as well as approval of Christopher H. Young as Fund Manager under the KIFA program. To date, the fund manager has secured over \$525,000 in committed cash contributions from 9 investors and expects a maximum committed cash contribution amount of \$6,000,000. Bluegrass Angel Venture Fund IV, LLC meets the minimum requirements of the KIFA program to be considered for approval by KEDFA for tax credits under the program.

Staff recommended approval of Christopher H. Young as fund manager and that a maximum of \$1,600,000 in KIFA tax credits be allocated to the fund.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

## **High-Tech Investment Pool Project (Amendment)**

Chairman Hale called on Mr. Aldridge to present a High-Tech Investment Pool project amendment request to the Authority.

### **Nucleus, Kentucky's Life Sciences and Innovation Center, LLC**

#### **Jefferson County**

Mr. Aldridge stated in July 2007, KEDFA approved the designation of \$3,000,000 from the High-Tech Investment Pool for companies locating in the high-tech business accelerator known at the time as "Cluster One," now renamed as the Nucleus Innovation Park located in Louisville, Kentucky. In July 2011, Nucleus requested and KEDFA approved a reallocation of the grant funds to provide \$100,000 for leasehold improvements and \$900,000 for up-fit for a Long-Term Health Incubator/Acelerator/Simulation Center on the Nucleus campus, now known as The Thrive Center, while the remaining \$2,000,000 would continue to be available for companies locating within Nucleus. Below are additional requirements for the \$2,000,000 grant proceeds:

- \$500,000 for start-up grants for companies with promising technology in the long-term health field.
- \$1,500,000 for start-up grants for non-long-term health companies in a business related to one of the five technology focus areas (human health and development, IT and communications, biosciences, energy and environmental technologies, materials science and advanced manufacturing).
- Proceeds may be used for start-up assistance to include but not limited to (i) lease expenses, fit-up and building improvements, rent subsidies, professional services (e.g., consulting, legal and accounting) and prototype development and (ii) expenses related to intellectual property and patent protection, software and licensing.

- Nucleus would negotiate and execute a grant agreement for each award. The agreement may not exceed three years and the amount of each award shall be from \$10,000 to \$75,000.

According to the terms of the grant agreement between KEDFA and Nucleus, Nucleus must expend all funds disbursed for the start-up grants within five years of KEDFA's disbursement (June 27, 2012 was KEDFA's disbursement). Through June 27, 2017, Nucleus committed \$1,939,202.40 to 27 grant recipients. Nucleus has returned the remaining \$60,797.60 of unused funds to the high-tech investment pool.

Due to the terms and conditions of the individual grant awards, Nucleus has not yet fully disbursed the funds to individual grant recipients as of June 27, 2017. The individual grant agreements have three-year terms, and the latest grant matures on June 5, 2020. Nucleus interpreted the agreement with KEDFA to require a commitment/award of the grant and not to mean disbursement of all proceeds. As of June 27, 2017, Nucleus had approximately \$1.2 million of grant proceeds available for the awarded/committed grants.

To fulfill the original intent of the individual grants, Nucleus requested an amendment to the agreement with KEDFA extending the "Term for Expending Proceeds" to June 5, 2020 to allow for disbursement of funds to all the individual grantees with agreements as of June 27, 2017.

As consideration for the extension, Nucleus has committed to be more engaged in ensuring the grant documents are strictly adhered to and if they are not, the grants are terminable with 30 days notice. Nucleus has also enhanced the reporting requirements for the individual grants to include additional reporting documentation related to disbursement requests and quarterly reporting. The funds will not be available for any new individual grants, and the funds will be returned to the high-tech investment pool should a default on an agreement occur.

Staff recommended approval of the High-Tech Investment Pool project amendment request to extend the Term of Expending Proceeds to June 5, 2020.

Mr. Aldridge introduced Keith Sherman and Gina Lankswert and invited them to address the board regarding the amendment request.

After discussion, Chairman Hale requested Nucleus provide staff with quarterly reports and a copy of all grant agreements between Nucleus and individual grant recipients.

Mr. Ballinger moved to approve the staff recommendation, as presented; and for Nucleus to provide quarterly reports to staff and copies of all grant agreements between Nucleus and individual grant recipients, as requested; Mr. Miller seconded the motion. Motion passed; unanimous.

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

Chairman Hale called on Mr. Aldridge to present a KBI project amendment to the Authority.

#### **Funai Lexington Technology Corporation Fayette County**

Mr. Aldridge stated Funai Lexington Technology Corporation received final approval on December 10, 2015 for a KBI project to establish an inkjet printer research and design center in Lexington. The original project site was a 41,070 square foot leased facility at 772 Newtown Pike. The company decided to relocate its operations to an approximate 70,000

square foot leased building located at 700 Setzer Way in Lexington. The new location allows the company significant room for growth. This amendment documents the change of the project site and recognizes the new lease. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment contingent upon receipt of the signed First Amendment to the Tax Incentive Agreement.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

### **Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)**

Chairman Hale called on Mr. Aldridge to present the KEIA project extension requests to the Authority.

Mr. Aldridge stated 8 companies requested additional time to complete the projects and asked that all 8 be presented as one motion.

<b>Company</b>	<b>County</b>	<b>Extension</b>
<b>Peristyle, LLC</b>	Woodford	11 Month
<b>Amazon.com.kydc LLC</b>	Taylor	12 Month
<b>Catalent Pharma Solutions, LLC</b>	Clark	12 Month
<b>Hollison, LLC</b>	Daviess	12 Month
<b>Kentucky Green Harvest LLC</b>	Lincoln	12 Month
<b>Mills Supply Company, Inc.</b>	Jefferson	12 Month
<b>Santa Rosa Systems, Inc.</b>	Bullitt	12 Month
<b>Toyota Tsusho America, Inc.</b>	Scott	12 Month

Staff recommended approval of the KEIA extension requests.

Mr. Ballinger moved to approve the staff recommendation, as presented; Melanie M. Hill seconded the motion. Motion passed; unanimous.

### **KEIA Projects**

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

#### **Consolidated Grain and Barge Co. Jefferson County**

**Kristina Slattery  
Lynda Cunningham**

Kristina Slattery stated Consolidated Grain and Barge Co. (CGB) serves the bourbon distillery business. Its role has been as a warehouse and distributor of grains, especially corn, rye, and barley malt. The company is considering the construction of a building to house new milling equipment along with a bagging line. The mill would be a roller mill which would allow CGB the flexibility to quickly change the "grind" or coarseness of the finished product. The finished product would feed a bag line.

Lynda Cunningham stated the project investment is \$1,965,852 of which \$734,099 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$25,000 for construction materials and building fixtures.

Mr. Goodin moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

**KEEN, Inc.  
Bullitt County**

**Kristina Slattery  
Lynda Cunningham**

Ms. Slattery stated KEEN, Inc. designs, manufactures, promotes and sells footwear, bags, accessories and apparel. To improve the quality, service and cost structure associated with customer order fulfillment needs, KEEN has decided to insource its order fulfillment function for its U.S. operations, which is currently being performed by a third-party service provider. The company plans to renovate the Shepherdsville facility and complete the transition from its current third-party facility.

Ms. Cunningham stated the project investment is \$8,245,753 of which \$3,051,556 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

**Braidy Industries Inc.  
Greenup County**

**Tess Simon  
Debbie Phillips**

Tess Simon stated Braidy Industries Inc. has plans to establish an eco-friendly and technically advanced aluminum mill, and is considering locating the facility in Greenup County. The company hopes to use the project to spearhead revitalization efforts in Eastern Kentucky. The company will serve OEM automotive and aerospace industries. The mill is expected to have the lowest conversion costs and highest operating margins among its North American competition. This request pertains to the second phase of a \$1.3 billion investment.

Debbie Phillips stated the project investment is \$602,750,000 of which \$145,000,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$2,500,000 for construction materials and building fixtures.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; Jean Hale and Tucker Ballinger abstained.

**Maker's Mark Distillery, Inc.  
Marion County**

**Kristina Slattery  
Debbie Phillips**

Ms. Slattery stated Maker's Mark Distillery, Inc. has been in business over 60 years and is a leader in the production of high-end bourbon. The company is considering the construction of future barrel warehouses that will house 50,000 barrels each.

Ms. Phillips stated the project investment is \$31,200,000 of which \$9,360,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$500,000 for construction materials and building fixtures.

Mr. Kelly moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

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

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

### **Macro Plastics, Inc. Shelby County**

**Kristina Slattery  
Debbie Phillips**

Ms. Slattery stated Macro Plastics was founded in 1989 and is the largest manufacturer of plastic bulk bins in North America. The company is a market leader in the agricultural sector but recently expanded its portfolio into the auto-packaging market. The company is considering expanding capacity for Automotive Bin Production at its Shelby County facility to accommodate for new contracts.

Ms. Phillips stated the project investment is \$8,100,000 of which \$3,295,000 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 30 with an average hourly wage of \$22.00 including benefits. The state wage assessment participation is 3.0% and Shelby County will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000 and the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

### **Hansens Aluminum Extrusion LLC Henderson County**

**Corky Peek  
Michelle Elder**

Corky Peek stated Hansens Aluminum is a newly formed aluminum extrusion company. The company is considering locating a new aluminum extrusion facility in Henderson to produce anti-vibration and HVAC components for the automotive industry.

Michelle Elder stated the project investment is \$18,410,000 of which \$9,110,000 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 90 with an average hourly wage of \$24.00 including benefits. The state wage assessment participation is 3.0% and Henderson County will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$3,000,000 and the KEIA approved recovery amount of \$360,000 for construction materials and building fixtures.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Goodin seconded the motion. Motion passed; unanimous.

## **KBI Projects (Preliminary)**

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

### **AgTech Scientific, LLC Bourbon County**

**Tess Simon  
Debbie Phillips**

Ms. Simon stated AgTech Scientific, LLC, is a diversified industrial hemp company that intends to manufacture premiere cannabidiol (CBD) consumer products for both human and



animal application. The company is considering the acquisition and construction of a manufacturing facility to produce energy drinks, pet and equine foods, as well as high-end cosmetics.

Ms. Simon introduced Mike French, Gordon Wilson and Brent Burchett and invited them to address the board regarding the project.

Ms. Phillips stated the project investment is \$5,000,000 of which \$4,200,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 271 with an average hourly wage of \$16.00 including benefits. The state wage assessment participation is 3.0% and the City of Paris will participate at 0.5% with Bourbon County participation at 0.5%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,400,000.

Mr. Kelly moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

**DPL Financial Partners, LLC**  
**Jefferson County**

**Taylor Sears**  
**Lynda Cunningham**

Taylor Sears stated DPL Financial Partners, LLC began in 2014, initially providing consultation to insurance carriers on fee-based products and business models. While the consulting continues, the company has evolved into product distribution to Registered Investment Advisors. This proposed expansion is necessary to meet and sustain necessary growth.

Ms. Cunningham stated the project investment is \$3,600,000 of which \$3,350,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 40 with an average hourly wage of \$62.00 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, Kentucky resident employees as of the date of preliminary approval.

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

After discussion, Mr. Goodin moved to approve the staff recommendation, as presented; and for the company to provide a flow chart, as requested; Mr. Miller seconded the motion. Motion passed; unanimous.

**R.A. Jones & Co.**  
**Kenton County**

**Taylor Sears**  
**Lynda Cunningham**

Mr. Sears stated R.A. Jones & Co., a Coesia group company, is one of the global leaders in the design and manufacturing of primary and secondary packaging machinery for the food, pharmaceutical, dairy and consumer goods industries. The Coesia Group is considering this expansion to support its global growth and customer centricity initiatives.

Ms. Cunningham stated the project investment is \$7,400,000 of which \$1,950,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 105 with an average hourly wage of \$32.50 including benefits. The state wage assessment participation is 1.5% and Kenton County will participate at 0.5%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

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

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

**Hardin Scientific, Inc.  
Green County**

**Kristina Slattery  
Lynda Cunningham**

Ms. Slattery stated Hardin Scientific, Inc. is a new company considering Green County to begin its assembly, development and manufacturing operations for high tech laboratory equipment. The company plans for its propriety incubator to be its first modular and internet enabled device, providing the highest quality tools and materials for the industry.

Ms. Slattery introduced John Frank, Glenn Thomas and Lisle Cheatam and invited them to address the board regarding the project.

Ms. Cunningham stated the project investment is \$11,620,000 of which \$10,660,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of \$23.00 including benefits. The state wage assessment participation is 5.0%.

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

Mr. Ballinger moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

**Sentry Steel, Inc.  
Jefferson County**

**Lindsey Ransdell  
Michelle Elder**

Lindsey Ransdell stated Sentry Steel, Inc., incorporated in 1987, began by performing steel construction work. By the year 2000, Sentry was primarily a steel fabricator and erector. The company is considering starting a commercial stair fabrication operation that will allow for shipments to areas beyond a 250 mile radius of Louisville.

Ms. Ransdell introduced Marty Thieneman and Takeshi Ariake and invited them to address the board regarding the project.

Ms. Elder stated the project investment is \$2,855,000 of which \$1,945,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 62 with an average hourly wage of \$31.00 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, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$700,000.

Mr. Miller moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

**Kentucky Bourbon Barrel, LLC  
Jefferson County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated Kentucky Bourbon Barrel, LLC is a full-service used bourbon/whiskey barrel cooerage. The company is considering relocating its Louisville site and building a cooerage in order to expand its services and sales. The project would also include the purchase of new machinery and the addition of employees.

Ms. Elder stated the project investment is \$850,000 of which \$690,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 35 with an average hourly wage of \$30.00 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, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$400,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

**PowerTec Solutions International LLC  
Simpson County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated PowerTec Solutions International LLC (PSI) is a privately held technology design and manufacturing company focused on providing custom DC power and other standby power solutions to compliment global wireline and wireless applications. The company is considering purchasing land to construct a headquarters and distribution facility.

Ms. Elder stated the project investment is \$2,264,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 20 with an average hourly wage of \$13.00 including benefits. The state wage assessment participation is 3.0% and the City of Franklin will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

**KBI Projects (Extension)**

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

Ms. Elder stated 6 companies requested additional time to complete the projects. Ms. Elder asked that all 6 be presented as one motion.

<b>Company</b>	<b>County</b>	<b>Extension</b>
<b>MVP Group International, Inc.</b>	Fulton	3 Month
<b>CabKey, LLC</b>	Daviess	12 Month
<b>Century Aluminum Sebree LLC</b>	Henderson	12 Month
<b>Evolent Health LLC</b>	Jefferson	12 Month
<b>KapStone Container Corporation</b>	Warren	12 Month
<b>Stoody Company</b>	Warren	12 Month

Staff recommended approval of the KBI extension requests.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

**KBI Projects (Final)**

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

Ms. Phillips stated 3 companies requested KBI final approval, 2 of which have modifications since preliminary approval. Ms. Phillips asked that all 3 be presented as one motion.

**No Modifications:**

<u>Project Name</u>	<u>County</u>	<u>Type Project</u>
Ticona Polymers, Inc.	Boone	Manufacturing

**Modifications:**

**Hendrickson USA, L.L.C.** Hardin Manufacturing  
 The investment increased from \$13,053,000 to \$27,653,000; the eligible costs increased from \$1,575,000 to \$1,995,000; the job target increased from 75 to 96 and the total negotiated tax incentive amount increased from \$1,550,000 to \$1,950,000. All other aspects of the project remain the same.

**Portwest America, LLC** Bullitt Service & Technology  
 The company name changed from Portwest, LLC to Portwest America, LLC. Portwest, LLC was added as an affiliate. All other aspects of the project remain the same.

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

Mr. Ballinger moved to approve the staff recommendation, as presented; Ms. Hill 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.

Mr. Back stated there are 16 Kentucky small businesses from 6 counties with qualifying tax credits of \$235,400. The 16 businesses created 74 jobs and invested \$904,357 in qualifying equipment or technology.

Mr. 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>Average Hourly Wage</u>	<u>Qualifying Equipment or Technology</u>	<u>Tax Credit</u>
Action Landscape, Inc.	Jefferson	21	3	\$ 13.94	\$ 45,598	\$ 10,500
All Around Care LLC	Jefferson	0	3	\$ 13.00	\$ 19,500	\$ 10,500
B & E Furniture, LLC	Boyle	6	1	\$ 14.00	\$ 12,870	\$ 3,500
Bowden & Wood, PLLC	Jefferson	13	2	\$ 22.36	\$ 52,289	\$ 7,000
Carroll-Kron Consulting, Inc.	Jefferson	23	6	\$ 24.78	\$ 6,430	\$ 6,400
GTB Holdings, Inc.	Boone	18	3	\$ 14.67	\$ 111,000	\$ 10,500
Integrated Medical Solutions, LLC	Jefferson	6	8	\$ 22.19	\$ 27,500	\$ 25,000

Integrated Sign & Graphic, Inc.	Fayette	33	4	\$ 22.73	\$ 138,169	\$ 14,000
Interior Design & Architecture, Inc.	Jefferson	33	6	\$ 30.90	\$ 23,869	\$ 21,000
John R. Hobbs Construction Co., Inc.	Jefferson	11	7	\$ 15.86	\$ 42,240	\$ 24,500
Lexar Laboratories & Analysis, LLC	Fayette	3	8	\$ 15.06	\$ 266,364	\$ 25,000
Louisville Eye Center, PLLC	Jefferson	0	8	\$ 18.78	\$ 52,500	\$ 25,000
Motus Freight, LLC	Campbell	1	3	\$ 23.12	\$ 14,243	\$ 10,500
Peptides International, Inc.	Jefferson	18	3	\$ 19.94	\$ 58,657	\$ 10,500
Tellennium, Inc.	Bullitt	28	2	\$ 28.62	\$ 7,800	\$ 7,000
Tova Industries, LLC	Jefferson	38	7	\$ 13.40	\$ 25,328	\$ 24,500

Staff recommended approval of the KSBTC tax credits.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

### Kentucky Angel Investment Act Program Projects

Chairman Hale called on Mr. Back to present the Kentucky Angel Investment Act Program projects to the Authority.

Mr. Back stated there are 65 Kentucky Angel Investment Act Program projects representing 22 Kentucky businesses and 58 investors for a total projected investment of \$7,542,120 with eligible tax credits of \$3,000,000. The investor will have 60 calendar days in which to make the planned investment and 20 calendar days from the investment date in which to submit proof of the investment before receiving the tax credit.

Mr. Back requested the following proposed Kentucky Angel Investment tax credits be presented as one motion:

<u>Qualified Small Business</u> <u>Qualified Investor(s)</u>	<u>County</u>	<u>Projected</u> <u>Investment</u>	<u>Tax</u> <u>Credit</u>
<u>Bagua, Inc.</u>	<u>Fayette</u>		
Joan S. Forrest		\$ 20,000	\$ 8,000
Benadicta Halecky		\$100,000	\$ 40,000
Stephen P. Pewitt		\$ 40,000	\$ 16,000
Tyler S. Pewitt		\$ 10,000	\$ 4,000
Valerie Taylor		\$ 20,000	\$ 8,000
<u>Bexion Pharmaceuticals, Inc.</u>	<u>Kenton</u>		
William P. Butler		\$500,000	\$183,152
<u>Cuddle Clones LLC</u>	<u>Jefferson</u>		
Martin N. McClelland		\$100,000	\$ 40,000
Phoebe A. Wood		\$100,000	\$ 40,000
<u>Double Double D, LLC</u>	<u>Boone</u>		
Alan John North		\$100,000	\$ 40,000
Daniel Kenyon Rooker		\$100,000	\$ 40,000
Douglas Anthony Suriano		\$100,000	\$ 40,000
<u>Edj Analytics, LLC</u>	<u>Jefferson</u>		
Douglas Ford Cobb		\$ 50,000	\$ 20,000
Mark Thomas Kirchdorfer		\$ 75,000	\$ 30,000
James A. Patterson, II		\$100,000	\$ 40,000
Christopher H. Young		\$ 50,000	\$ 20,000

<u>Edumedics LLC</u>	<u>Jefferson</u>		
Douglas Ford Cobb		\$ 50,000	\$ 20,000
Dennis W. Crum		\$100,000	\$ 40,000
Jack Clifford Danehy		\$500,000	\$200,000
William Bruce Lunsford		\$500,000	\$200,000
James Todd Taylor		\$500,000	\$200,000
<u>Enable AI Inc</u>	<u>Jefferson</u>		
Oliver B. Ardery		\$ 75,000	\$ 30,000
<u>Fourth Wall, L.L.C.</u>	<u>Kenton</u>		
David P. Heidrich		\$ 50,000	\$ 20,000
William R. Zalla		\$ 50,000	\$ 20,000
<u>Gryphon Environmental, LLC</u>	<u>Daviess</u>		
James R. Boyd		\$ 22,120	\$ 8,848
Gordon L. Deane		\$ 25,000	\$ 10,000
Gay Nell Estes		\$ 10,000	\$ 4,000
Wayne Lewis Estes		\$ 10,000	\$ 4,000
Michael S. Hoseus		\$ 50,000	\$ 20,000
Brian A. Luftman		\$ 10,000	\$ 4,000
Stewart A. Smith		\$ 10,000	\$ 4,000
<u>Gun Media Holdings, Inc.</u>	<u>Fayette</u>		
Christopher H. Young		\$250,000	\$100,000
<u>Hera Testing Laboratories, Inc.</u>	<u>Fayette</u>		
Christopher H. Young		\$100,000	\$ 40,000
<u>MobileServe LLC</u>	<u>Jefferson</u>		
Henry V. Heuser		\$100,000	\$ 40,000
Martin N. McClelland		\$100,000	\$ 40,000
Carl L. Swope		\$ 25,000	\$ 10,000
<u>Neuronetrix Solutions, LLC</u>	<u>Jefferson</u>		
Fran L. Berg		\$100,000	\$ 40,000
Bart L. Greenwald		\$100,000	\$ 40,000
Charles W. Schnatter		\$200,000	\$ 80,000
<u>Patriot Brands LLC</u>	<u>Jefferson</u>		
Jason E. Karem		\$100,000	\$ 40,000
John R. Karem, Sr.		\$100,000	\$ 40,000
Kenneth Wayne Livesay, Jr.		\$250,000	\$100,000
Jerry L. Morris		\$250,000	\$100,000
Raymond Scott Reid		\$250,000	\$100,000
Richard S. Sears		\$100,000	\$ 40,000
<u>Rabbit Hole Spirits, LLC</u>	<u>Jefferson</u>		
Gregory M. Abbas		\$125,000	\$ 50,000
Joe H. Tichenor		\$ 50,000	\$ 20,000

<u>RCM Brain, Inc.</u>	<u>Jefferson</u>		
<b>Chad J. Coulter</b>		\$ 30,000	\$ 12,000
<b>Robert W. Doligale</b>		\$ 30,000	\$ 12,000
<b>Scott E. Fitzhugh</b>		\$ 25,000	\$ 10,000
<b>Kevin M. Foley</b>		\$ 30,000	\$ 12,000
<b>Rick L. Foley</b>		\$ 25,000	\$ 10,000
<b>Herbert W. Perkins, III</b>		\$ 50,000	\$ 20,000
<b>Dale B. Skaggs, Jr.</b>		\$ 50,000	\$ 20,000
<b>Charles M. Stigler</b>		\$ 50,000	\$ 20,000
<b>Robert N. Taylor</b>		\$ 50,000	\$ 20,000
<u>Schedule It LLC</u>	<u>Hardin</u>		
<b>Carl L. Swope</b>		\$ 50,000	\$ 20,000
<u>Smart Farm Systems, Inc.</u>	<u>Jessamine</u>		
<b>Christopher H. Young</b>		\$ 50,000	\$ 20,000
<u>Sunstrand, LLC</u>	<u>Jefferson</u>		
<b>Craig D. Grant</b>		\$ 50,000	\$ 20,000
<u>Switcher Inc</u>	<u>Jefferson</u>		
<b>John H. Willmoth</b>		\$ 25,000	\$ 10,000
<u>TEC Biosciences Inc.</u>	<u>Fayette</u>		
<b>Tonye-Marie Castaneda</b>		\$500,000	\$200,000
<b>Peter Edward Wagner</b>		\$500,000	\$200,000
<u>Virtual Peaker, Inc.</u>	<u>Jefferson</u>		
<b>Mark H. Boyer</b>		\$150,000	\$ 60,000
<b>Douglas Ford Cobb</b>		\$ 50,000	\$ 20,000
<b>Edward L. Galloway</b>		\$ 50,000	\$ 20,000
<b>Steve T. Wilhite</b>		\$150,000	\$ 60,000

Staff recommended approval of the proposed Angel Investment tax credits.

Mr. Miller moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

## Other Business

### Quarterly Report - Kentucky Small Business Credit Initiative (KSBCI)

Chairman Hale called on Ms. Palmer to review the Quarterly KSBCI Report for the period ending December 31, 2017. After review, the Authority accepted the report as presented.

### Quarterly Report – Letter Amendment / Resolution

Chairman Hale called on Jessica Burke to review the Quarterly Amendment Report ending December 31, 2017.

Ms. Burke stated the Bylaws of the Board of Directors of KEDFA grant authority to the Commissioner of the Department for Financial Services (formerly known as Executive Director of the Office of Financial Services), et al., to effectuate non-substantive amendment changes to the agreements and act as signatory for amendments to those agreements on behalf of the Board.

Ms. Burke noted the following amendment has been executed:

**KEIA**

**Braidy Industries Inc.**

Letter Amendment to KEIA Agreement dated January 25, 2018, for Braidy Industries Inc. to update the specific address of the Project location and clarify that the Project will lie within the contiguous counties of Boyd County and Greenup County, Kentucky.

Staff recommended the Authority accept the Amendment Report and adopt the resolution to ratify the amendment.

Chairman Hale moved to accept the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

**Resolution of Recognition – Lynda Cunningham**

Chairman Hale read and presented a Resolution of Recognition for Lynda Cunningham who will retire on January 31, 2018 with over 32 years of service dedicated entirely to the Cabinet for Economic Development.

Mr. Goodin moved to adopt the resolution, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

**Executive Session**

Pursuant to KRS Section 61.810 (1) (C), Chairman Hale entertained a motion to enter into executive session to discuss proposed or pending litigation against or on behalf of the public agency.

Mr. Ballinger moved to enter into executive session; Mr. Kelly seconded the motion. Motion passed; unanimous. The board entered into executive session at 11:05 a.m.

**Regular Session**

Chairman Hale entertained a motion to return to regular session.

Mr. Goodin moved to return to regular session; Mr. Ballinger seconded the motion. Motion passed; unanimous. The board returned to regular session 11:09 a.m.

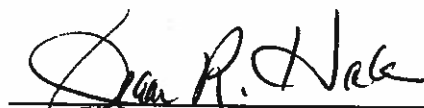
**Adjournment**

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

Mr. Ballinger moved to adjourn the January KEDFA board meeting; Mr. Kelly seconded the motion. Motion passed; unanimous.

The meeting adjourned at 11:09 a.m.

**PRESIDING OFFICER:**



Jean Hale, Chairman





**KEDFA APPROVED AND NOT DISBURSED**

1/31/2018

**Approved and Undisbursed KEDFA Projects**

Applicant	Form #	County	Date Approved	Commitment Expires	Project Amount
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**KEDFA LOANS**

None

**KEDFA GRANTS**

Louisville/Jefferson County Metro Government <i>(Louisville Regional Airlift Development, Inc.)</i>		Jefferson	Jul-17	Jan-20	\$1,330,000
Louisville/Jefferson County Metro Government <i>(Res-Care, Inc.)</i>		Jefferson	Jan-18	Dec-22	\$500,000

**SMALL BUSINESS LOANS**

None

**TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)****\$1,830,000****Approved and Partially Disbursed KEDFA Projects**

Applicant	Form #	County	Date Approved	Closing Date	Project Amount	Disbursed to Date	Remaining Balance
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**KEDFA GRANTS**

Louisville/Jefferson County Metro Government <i>(Louisville Waterfront Park)</i>	21597	Jefferson	Apr-17	Jun-18	\$376,073	(\$283,698)	\$92,375
Louisville/Jefferson County Metro Government <i>(Restaurant Supply Chain Solutions)</i>	21636	Jefferson	May-17	Jun-20	\$500,000	(\$125,000)	\$375,000
Tri-County Economic Development Corporation	21599	Kenton	Feb-17	Jun-23	\$2,000,000	(\$551,168)	\$1,448,832

**TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)****\$1,916,207****TOTAL KEDFA APPROVED AND NOT DISBURSED****\$3,746,207**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**STATEMENT OF NET POSITION**

1/31/2017

	<b>FUND A</b>	<b>BOND FUND</b>	<b>Small Bus. Loan Pool</b>	<b>KEDFA 1/31/17</b>	<b>OOE 1/31/17</b>	<b>COMBINED 1/31/17</b>
<b><u>ASSETS</u></b>						
<b>Cash &amp; Accounts Receivable</b>						
Operating Account	(26,548.75)	0.00	0.00	(26,548.75)	0.00	(26,548.75)
Cash	2,830,504.01	14,832,467.54	398,620.76	18,061,592.31	0.00	18,061,592.31
High Tech Construction Pool	0.00	0.00	0.00	0.00	137,500.00	137,500.00
High Tech Investment Pool	0.00	0.00	0.00	0.00	2,865,123.47	2,865,123.47
High Tech LGEDF Pool	0.00	0.00	0.00	0.00	4,043.88	4,043.88
Investment Account	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Intergovernment Receivable	2,416,207.31	0.00	0.00	2,416,207.31	0.00	2,416,207.31
<b>Total Cash &amp; Accounts Receivable</b>	<b>5,220,162.57</b>	<b>14,832,467.54</b>	<b>398,620.76</b>	<b>20,451,250.87</b>	<b>3,006,667.35</b>	<b>23,457,918.22</b>
<b>Accrued Interest Receivable</b>						
Loans	17,561.42	6,005.29	0.00	23,566.71	(930.00)	22,636.71
Investments	2,255.84	11,885.51	319.90	14,461.25	0.00	14,461.25
<b>Total Accrued Interest Receivable</b>	<b>19,817.26</b>	<b>17,890.80</b>	<b>319.90</b>	<b>38,027.96</b>	<b>(930.00)</b>	<b>37,097.96</b>
<b>Notes Receivable</b>						
Loans Receivable	18,736,842.28	3,210,645.80	0.00	21,947,488.08	0.00	21,947,488.08
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,619,722.61)	0.00	(1,619,722.61)
<b>Total Notes Receivable</b>	<b>18,736,842.28</b>	<b>3,210,645.80</b>	<b>0.00</b>	<b>20,327,765.47</b>	<b>0.00</b>	<b>20,327,765.47</b>
<b>TOTAL ASSETS</b>	<b>23,976,822.11</b>	<b>18,061,004.14</b>	<b>398,940.66</b>	<b>40,817,044.30</b>	<b>3,005,737.35</b>	<b>43,822,781.65</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				<b>980,000.00</b>	<b>0.00</b>	<b>980,000.00</b>
<b><u>LIABILITIES</u></b>						
<b>Accrued Salaries &amp; Compensated Absences</b>				<b>325,453.00</b>	<b>0.00</b>	<b>325,453.00</b>
<b>Accounts Payable</b>				<b>55.76</b>	<b>0.00</b>	<b>55.76</b>
<b>Intergovernment Payable</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grants Payable</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Pension Liability</b>				<b>9,341,000.00</b>	<b>0.00</b>	<b>9,341,000.00</b>
<b>TOTAL LIABILITIES</b>				<b>9,666,508.76</b>	<b>0.00</b>	<b>9,666,508.76</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b><u>NET POSITION</u></b>						
<b>Beginning Balance</b>				<b>33,177,769.74</b>	<b>4,364,119.78</b>	<b>37,541,889.52</b>
<b>Current Year Undivided Profits</b>				<b>(1,047,234.20)</b>	<b>(1,358,382.43)</b>	<b>(2,405,616.63)</b>
<b>TOTAL NET POSITION</b>				<b>32,130,535.54</b>	<b>3,005,737.35</b>	<b>35,136,272.89</b>

NOTE 1 The Small Business Loan Pool is presented separately only for internal tracking purposes.

NOTE 2 The Office of Entrepreneurship (OOE) operating transactions are no longer under the direction of KEDFA and are not reflected above.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**  
**CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE MONTH ENDING AND FISCAL YTD January 31, 2018**

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2017-2018 YEAR TO DATE	FY 2016-2017 YEAR TO DATE
<b>Operating Revenues - KEDFA</b>						
Interest Income/Loans	17,772.74	5,230.96	0.00	0.00	166,063.55	136,719.54
Interest Income/ Investments	2,255.84	11,885.51	319.90	0.00	75,203.05	5,027.06
Late Fees	0.00	0.00	0.00	0.00	0.00	0.00
Application Fees	33,864.00	0.00	0.00	0.00	267,733.75	375,048.54
Miscellaneous Income	218.43	0.00	0.00	0.00	2,717.57	139.11
<b>Total Operating Revenues - KEDFA</b>	<b>54,111.01</b>	<b>17,116.47</b>	<b>319.90</b>	<b>0.00</b>	<b>511,717.92</b>	<b>516,934.25</b>
<b>Operating Expenses - KEDFA</b>						
Salaries	85,267.40				631,227.15	670,455.20
Employee benefits	60,975.47				448,950.33	456,499.80
Pension Liability Adjustment	0.00				0.00	0.00
Other Personnel Costs	0.00				0.00	0.00
Contracted Personal Services	11,491.93				84,934.30	83,163.87
Utilities and Heating Fuels	0.00				0.00	0.00
Rentals	0.00				0.00	0.00
Maintenance and Repairs	0.00				0.00	0.00
Postage and Related Services	0.00				9.45	10.98
Telecommunications	0.00				0.00	0.00
Computer Services	0.00				0.00	0.00
Supplies	0.00				0.00	0.00
Miscellaneous Services	0.00				16.00	0.00
Travel	171.79				1,590.20	1,513.91
Miscellaneous Commodities	0.00				199.00	634.00
Commodities Expense	0.00				0.00	0.00
Bad Debt Expense	0.00				0.00	0.00
Grant Disbursement	0.00				0.00	0.00
<b>Total Operating Expenses - KEDFA</b>	<b>157,906.59</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,166,926.43</b>	<b>1,212,277.76</b>
<b>Income (Loss) from Operations - KEDFA</b>	<b>(103,795.58)</b>	<b>17,116.47</b>	<b>319.90</b>	<b>0.00</b>	<b>(655,208.51)</b>	<b>(695,343.51)</b>
<b>Non-Operating Revenues (Expenses) - KEDFA</b>						
Operating Transfer Out - General Fund	0.00				0.00	0.00
Operating Transfer Out - BSSC					0.00	0.00
Operating Transfer Out - Secretary's Office					0.00	0.00
Operating Transfer Out - New Business	0.00				0.00	0.00
Transfer Due from Bonds	500,000.00				500,000.00	7,500,000.00
Grants Disbursed	(221,897.93)				(892,025.69)	0.00
Operating Transfer In - Economic Dev	0.00				0.00	0.00
Unrealized Gains/(Losses) on Investment	0.00				0.00	0.00
Realized Gains/(Losses) on Investment	0.00				0.00	0.00
<b>Total Non-Operating Revenues (Expenses) -</b>	<b>278,102.07</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(392,025.69)</b>	<b>7,500,000.00</b>
<b>CHANGE IN NET POSITION - KEDFA</b>	<b>174,306.49</b>	<b>17,116.47</b>	<b>319.90</b>	<b>0.00</b>	<b>(1,047,234.20)</b>	<b>6,804,656.49</b>
<b>Operating Revenues (Expenses) - OOE</b>						
Interest Income - Loans				0.00	86.90	767.09
Misc Income				0.00	0.00	0.00
Disbursements: Projects (Note 1)				(50,000.00)	(1,375,088.84)	(224,974.51)
Repayments received from Projects				0.00	94,953.60	405,723.04
						0.00
<b>Non-Operating Revenues (Expenses) - OOE</b>						0.00
Operating Transfer in - OOE					0.00	0.00
Transfer Due from Bonds				(23,244.49)	(23,244.49)	700,000.00
Operating Transfer Out - OOE				(54,089.60)	(55,089.60)	(464,287.62)
<b>CHANGE IN NET POSITION - OOE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(127,334.09)</b>	<b>(1,358,382.43)</b>	<b>417,228.00</b>
<b>CHANGE IN NET POSITION - COMBINED</b>	<b>174,306.49</b>	<b>17,116.47</b>	<b>319.90</b>	<b>(127,334.09)</b>	<b>(2,405,616.63)</b>	<b>7,221,884.49</b>

NOTE 1 Represents disbursements for projects from OOE Funds. (See OOE listings for detail of approved projects)

NOTE 2 Statement does not include interest income for OOE that is swept monthly to OOE's operating account

NOTE 3 The Small Business Loan Pool is presented separately only for internal tracking purposes.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**  
**CASH POSITION STATEMENT**  
**1/31/2018**

	1/31/2017	1/31/2018
<b>Fund A Cash Balance</b>	\$3,275,539.58	\$2,830,504.01
Less: Approved/Undisbursed	\$0.00	0.00
<b>Total Unobligated Balance</b>	<b>\$3,275,539.58</b>	<b>\$2,830,504.01</b>
<b>2003 Bond Fund Cash Balance</b>	\$13,596,287.21	\$14,832,467.54
Less: Approved/Undisbursed	(\$10,298,199.52)	(3,746,207.00)
<b>Total Unobligated Balance</b>	<b>\$3,298,087.69</b>	<b>\$11,086,260.54</b>
<b>Small Business Loan Fund Cash Balance</b>	\$396,653.93	\$398,620.76
Less: Approved/Undisbursed	\$0.00	0.00
<b>Total Unobligated Balance</b>	<b>\$396,653.93</b>	<b>\$398,620.76</b>
<b>Bond Funds to be Provided for Loans</b>	\$0.00	\$0.00
Less: Approved/Undisbursed	\$0.00	0.00
<b>Total Unobligated Balance</b>	<b>\$0.00</b>	<b>\$0.00</b>
Budget: Cash to be Transferred to Other CED Programs for	\$0.00	
<b>CASH AVAILABLE</b>	<b>\$6,970,281.20</b>	<b>\$14,315,385.31</b>
<b>OCI Fund Cash Balance</b>		
High Tech Construction Pool	\$137,500.00	\$137,500.00
Less: Approved/Undisbursed	\$0.00	\$0.00
High Tech Investment Pool	\$2,901,319.42	\$2,865,123.47
Less: Approved/Undisbursed	(\$2,345,398.00)	(\$518,034.00)
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects	\$1,730,370.00	\$0.00
Bond Funds Available for Projects	\$0.00	
<b>Total Unobligated Balance</b>	<b>\$2,427,835.30</b>	<b>\$2,488,633.35</b>
<b>TOTAL ALL FUNDS</b>	<b>\$9,398,116.50</b>	<b>\$16,804,018.66</b>

**Kentucky Enterprise Initiative Act (KEIA) Projects  
Fiscal 2018**

KEDFA Meeting date	2/22/2018
Total Projects Approved Fiscal Year-to-Date	32
Number of Proposed Projects for Current Month	6

**Construction Materials and Building Fixtures**

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$13,040,800
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$6,959,200
Proposed Approval for Current Month	<u>\$1,540,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$5,419,200</u></u>

**Research & Development and Electronic Processing Equipment**

Fiscal Year Cap	\$5,000,000
Approved Fiscal Year-to-Date	\$0
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$5,000,000
Proposed Approval for Current Month	<u>\$105,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$4,895,000</u></u>

# KBI Summary

Updated February 9, 2018

## Fiscal Year End Reporting

Year	Number of Projects	Jobs			Wages		
		Jobs Reported	Job Target	% Achieved	Average Wage Reported	Wage Target	% Achieved
2010	1	40	51	78%	\$11.42	\$11.00	104%
2011	5	269	257	105%	\$35.00	\$28.90	121%
2012	18	1,264	1,154	110%	\$25.30	\$23.23	109%
2013	57	5,909	5,380	110%	\$24.84	\$23.37	106%
2014	92	10,046	9,442	106%	\$24.85	\$23.04	108%
2015	127	13,955	12,043	116%	\$25.42	\$22.49	113%
2016	148	17,657	15,389	115%	\$24.88	\$21.81	114%
2017	53	5,382	3,946	136%	\$25.85	\$21.13	122%

## Annual Maximums and Incentives Claimed

Year	Approved Annual Maximum	Earned Annual Maximum	Incentives Claimed*	Utilization Rate
2010-2012**	\$5,182,833	\$4,914,663	\$2,104,094	43%
2013	\$15,799,451	\$14,103,743	\$6,601,085	47%
2014	\$27,770,169	\$24,126,108	\$13,131,631	54%
2015	\$46,079,440	\$40,282,300	\$18,084,965	45%
2016	\$39,470,648	\$35,869,153	\$19,923,814	56%
2017	\$31,312,678	\$26,127,501	N/A	N/A
<b>Grand Total</b>	<b>\$165,615,218</b>	<b>\$145,423,467</b>	<b>\$59,845,588</b>	<b>41%</b>

- The Commonwealth provided \$3,389 of incentives per new job created based on total actual incentives claimed to date and actual jobs reported in 2016.
- Based on actual jobs and wages reported in 2016, companies approved to claim incentives reported an additional \$914 million of payroll for new, full-time Kentucky resident jobs. This equated to \$15.27 for every \$1 of claimed incentives.

**\*Notes on incentives claimed:** Data is based on information provided by the Kentucky Department of Revenue. Total incentives claimed represents the total of income tax credits and wage assessments claimed through December 31, 2017.

**\*\*Due to taxpayer confidentiality, years 2010-2012 were combined.**



## Project Update Report


Project	County	Approval Date	Exit Date	Program
<u>Eagle Manufacturing Company LLC</u>	<u>Boone</u>	<u>12/11/2014</u>	<u>1-11-18</u>	<u>KRA</u>
<u>Explanation: After several attempts to contact the company, the project expired 12/31/17 due to no response. - dp</u>				
<u>Blue Shore Fishery LLC</u>	<u>Graves</u>	<u>01/29/2015</u>	<u>01/31/2018</u>	<u>KBI</u>
<u>Explanation: Several attempts to contact the company with no response. Project expired on 1/31/2018.</u>				
<u>AgRenew Partners, LLC</u>	<u>Henderson</u>	<u>01/29/2015</u>	<u>01/31/2018</u>	<u>KBI</u>
<u>Explanation: Several attempts to contact the company with no response. Project expired on 1/31/2018.</u>				
<u>Harrisonville Equipment Co.</u>	<u>Jefferson</u>	<u>10/29/2015</u>	<u>01/31/2018</u>	<u>KBI</u>
<u>Explanation: Company withdrew from KBI program per email dated 1/11/2018.</u>				





## **MEMORANDUM**

**TO:** KEDFA Board Members

**FROM:** Robert Aldridge, Assistant Director   
Compliance Division

**DATE:** February 22, 2018

**SUBJECT:** KBI Amendment  
The Sherwin-Williams Company (Madison County)  
Project # 17477

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The Sherwin-Williams Company subsequent to the Final Approval and execution of the Original Agreement dated August 29, 2013, acquired The Valspar Corporation. As a result of the purchase and corporate restructuring efforts authorized representatives of the Company are requesting that the project be amended so that The Sherwin-Williams Manufacturing Company, an Ohio corporation, be included in the Economic Development Project as an "Approved Affiliate" for the project.

Staff recommends approval.



## **MEMORANDUM**

**TO:** KEDFA Board Members

**FROM:** Robert Aldridge, Assistant Director   
Compliance Division

**DATE:** February 22, 2018

**SUBJECT:** KEIA Extensions

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The following company has requested additional time to complete its project:

<b>Company</b>	<b>County</b>	<b>Extension</b>
The Webstaurant Store, Inc.	Hopkins	12 Months

Staff recommends approval.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** February 22, 2018  
**Approved Company:** East Kentucky Network, LLC  
**City:** Ivel **County:** Floyd  
**Activity:** Service & Technology **Resolution #:** KEIA-18-21991  
**Bus. Dev. Contact:** R. Lee **OFS Staff:** D. Phillips

**Project Description:** East Kentucky Network, LLC is a major regional wireless carrier serving eastern Kentucky, Virginia and West Virginia. The company is considering to expand its operations from telecommunications to the data storage industry by constructing a facility in Ivel. The facility will serve as a data processing center.

**Facility Details:** Locating in a new facility

**Anticipated Project Investment**

Land  
 Building Construction  
 Electronic Processing Equipment  
 Research & Development Equipment  
 Other Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$4,750,000
\$2,600,000	\$4,000,000
\$2,750,000	\$5,100,000
\$0	\$0
\$0	\$0
\$0	\$650,000
<b>\$5,350,000</b>	<b>\$14,500,000</b>

**Ownership (20% or more):**

Gearheart Communications Co., Inc. - Harold, KY  
 Cellular Services, LLC - Staffordsville, KY  
 Mountain Telecommunications, Inc. - West Liberty, KY  
 Peoples Rural Telephone Cooperative - McKee, KY  
 Thacker-Grigsby Telephone Co., Inc. - Hindman, KY

**Other State Participation:** None

**Unemployment Rate:**

County: 6.0%

Kentucky: 3.7%

**Existing Presence in Kentucky:**

Floyd County

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$100,000  
 R&D and/or Electronic Processing Equipment: \$100,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

<b>\$200,000</b>
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**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** February 22, 2018  
**Approved Company:** Michter's Distillery LLC  
**City:** Springfield  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** L. Ransdell

**County:** Washington  
**Resolution #:** KEIA-18-22011  
**OFS Staff:** M. Elder

**Project Description:** Michter's Distillery LLC produces a variety of whiskeys including single barrel ryes, small batch bourbons and single barrel bourbons. In recent years the company has seen a demand for its products steadily increase therefore Michter's is considering the purchase of property to expand its storage capabilities for its products.

**Facility Details:** Locating in a new facility

**Anticipated Project Investment**

Land  
 Building Construction  
 Electronic Processing Equipment  
 Research & Development Equipment  
 Other Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$527,000
\$8,500,000	\$14,873,000
\$0	\$0
\$0	\$0
\$0	\$1,600,000
\$0	\$0
<b>\$8,500,000</b>	<b>\$17,000,000</b>

**Ownership (20% or more):**

Chatham Imports, Inc.      New York, NY

**Other State Participation:** None

**Unemployment Rate:**

County: 3.2%

Kentucky: 3.7%

**Existing Presence in Kentucky:**

Jefferson County

**Approved Recovery Amount:**

Construction Materials and Building Fixtures:      \$400,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$400,000**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** February 22, 2018  
**Approved Company:** Whiskey Service LLC  
**City:** Danville **County:** Boyle  
**Activity:** Manufacturing **Resolution #:** KEIA-18-22006  
**Bus. Dev. Contact:** L. Ransdell **OFS Staff:** M. Elder

**Project Description:** Whiskey Service LLC is considering the purchase of property to develop its own storage facilities for bourbon whiskeys and other products. The company hopes to engineer this facility to serve its primary storage facilities as well as expand its involvement in the bourbon industry.

**Facility Details:** Locating in a new facility

**Anticipated Project Investment**

Land  
 Building Construction  
 Electronic Processing Equipment  
 Research & Development Equipment  
 Other Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$292,840
\$6,000,000	\$9,500,000
\$0	\$0
\$0	\$0
\$0	\$500,000
\$0	\$0
<b>\$6,000,000</b>	<b>\$10,292,840</b>

**Ownership (20% or more):**

IJW Holdings Corporation Louisville, KY  
 Isser Ira Elishis Los Angeles, CA

**Other State Participation:** None

**Unemployment Rate:**

County: 3.9%

Kentucky: 3.7%

**Existing Presence in Kentucky:** None

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$300,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

<b>\$300,000</b>
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**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** February 22, 2018  
**Approved Company:** Jack Riley Investments LLC  
**City:** Bowling Green **County:** Warren  
**Activity:** Service & Technology **Prelim Resolution #:** KBI-I-18-22000  
**Bus. Dev. Contact:** A. Bobbitt **OFS Staff:** D. Phillips

**Project Description:** Jack Riley Investments LLC (dba Pink Lily Boutique) is a leading national e-commerce company and manufacturer of women's boutique clothing and accessories. The company is considering a location for its headquarters operation as well as to house management, marketing, finance, manufacturing, warehousing and distribution.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**

Land  
 Building/Improvements  
 Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$0
\$1,700,000	\$1,700,000
\$200,000	\$206,800
\$150,000	\$150,000
<b>\$2,050,000</b>	<b>\$2,056,800</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$18.50	
1	10	\$18.50	\$65,000
2	27	\$18.50	\$65,000
3	36	\$18.50	\$65,000
4	44	\$18.50	\$65,000
5	56	\$18.50	\$65,000
6	56	\$18.50	\$65,000
7	56	\$18.50	\$65,000
8	56	\$18.50	\$65,000
9	56	\$18.50	\$65,000
10	56	\$18.50	\$65,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$650,000**







**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** February 22, 2018  
**Approved Company:** Jack Riley Investments LLC  
**City:** Bowling Green **County:** Warren  
**Activity:** Service & Technology **Resolution #:** KEIA-18-22001  
**Bus. Dev. Contact:** A. Bobbitt **OFS Staff:** D. Phillips

**Project Description:** Jack Riley Investments LLC (dba Pink Lily Boutique) is a leading national e-commerce company and manufacturer of women's boutique clothing and accessories. The company is considering a location for its headquarters operation as well as to house management, marketing, finance, manufacturing, warehousing and distribution.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment**

Land  
 Building Construction  
 Electronic Processing Equipment  
 Research & Development Equipment  
 Other Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$0
\$850,000	\$1,700,000
\$108,250	\$108,250
\$0	\$0
\$0	\$98,550
\$0	\$150,000
<b>\$958,250</b>	<b>\$2,056,800</b>

**Existing Presence in Kentucky:**

Warren County

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$40,000  
 R&D and/or Electronic Processing Equipment: \$5,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$45,000**

See KBI file (KBI-I-18-22000) for Ownership, Other State Participation and Unemployment Rate.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** February 22, 2018  
**Approved Company:** Grain, Limestone, & Oak, LLC  
**City:** Waddy **County:** Shelby  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-18-22004  
**Bus. Dev. Contact:** L. Ransdell **OFS Staff:** M. Elder

**Project Description:** Grain, Limestone, & Oak, LLC is considering the purchasing of property in order to develop it to establish a distillery, rickhouses, and related items for the production of high-quality bourbon and rye.

**Facility Details:** Locating in a new facility

**Anticipated Project Investment - Owned**

	<b>Eligible Costs</b>	<b>Total Investment</b>
Land	\$609,000	\$609,000
Building/Improvements	\$22,041,686	\$22,041,686
Equipment	\$300,000	\$3,667,300
Other Start-up Costs	\$1,000,000	\$1,000,000
<b>TOTAL</b>	<b>\$23,950,686</b>	<b>\$27,317,986</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

<b>Year</b>	<b>Job Target</b>	<b>Average Hourly Wage Target (Including Employee Benefits)</b>	<b>Annual Approved Cost Limitation</b>
As of Activation Date	15	\$50.00	
1	25	\$50.00	\$125,000
2	31	\$50.00	\$125,000
3	31	\$50.00	\$125,000
4	31	\$50.00	\$125,000
5	31	\$50.00	\$125,000
6			
7			
8			
9			
10			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$625,000**

**County Type:**  
Other

**Statutory Minimum Wage Requirements:**  
Base hourly wage: \$10.88  
Total hourly compensation: \$12.51

**Ownership (20% or more):**

Mash Bill Investments, LLC Louisville, KY

**Active State Participation at the project site:** None

**Requested Wage Assessment / Local Participation:**

State: 1.5%

Local: 0.50% Shelby County

**Unemployment Rate:**

County: 2.9%

Kentucky: 3.7%

**Existing Presence in Kentucky:** None

**Special Conditions:** None



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** February 22, 2018  
**Approved Company:** Grain, Limestone, & Oak, LLC  
**City:** Waddy **County:** Shelby  
**Activity:** Manufacturing **Resolution #:** KEIA-18-22005  
**Bus. Dev. Contact:** L. Ransdell **OFS Staff:** M. Elder

**Project Description:** Grain, Limestone, & Oak, LLC is considering the purchasing of property in order to develop it to establish a distillery, rickhouses, and related items for the production of high-quality bourbon and rye.

**Facility Details:** Locating in a new facility

**Anticipated Project Investment**

Land  
 Building Construction  
 Electronic Processing Equipment  
 Research & Development Equipment  
 Other Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$609,000
\$18,809,353	\$22,041,686
\$500,000	\$500,000
\$0	\$0
\$0	\$3,167,300
\$0	\$1,000,000
<b>\$19,309,353</b>	<b>\$27,317,986</b>

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$400,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$400,000**

See KBI file (KBI-I-18-22004) for Ownership, Other State Participation and Unemployment Rate.





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** February 22, 2018  
**Approved Company:** Cuddle Clones LLC  
**City:** Louisville **County:** Jefferson  
**Activity:** Headquarters **Prelim Resolution #:** KBI-IL-18-22003  
**Bus. Dev. Contact:** L. Ransdell **OFS Staff:** M. Elder

**Project Description:** Cuddle Clones LLC makes adorable stuffed animals that look like your pet as well as a variety of other custom products of your pet, from figurines and Christmas ornaments to jewelry and memorials. The company is considering increasing the number of products offered and expanding its community interactive area on its website to encourage further engagement from the pet-loving audience.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Leased**

	<b>Eligible Costs</b>	<b>Total Investment</b>
Rent	\$500,000	\$1,000,000
Building/Improvements	\$25,000	\$25,000
Equipment	\$200,000	\$250,000
Other Start-up Costs	\$25,000	\$25,000
<b>TOTAL</b>	<b>\$750,000</b>	<b>\$1,300,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

<b>Year</b>	<b>Job Target</b>	<b>Average Hourly Wage Target (Including Employee Benefits)</b>	<b>Annual Approved Cost Limitation</b>
As of Activation Date	10	\$24.00	
1	14	\$24.00	\$50,000
2	36	\$24.00	\$50,000
3	50	\$24.00	\$50,000
4	50	\$24.00	\$50,000
5	50	\$24.00	\$50,000
6	50	\$24.00	\$50,000
7	50	\$24.00	\$50,000
8	50	\$24.00	\$50,000
9	50	\$24.00	\$50,000
10	50	\$24.00	\$50,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$500,000**

**County Type:**  
Other

**Statutory Minimum Wage Requirements:**  
Base hourly wage: \$10.88  
Total hourly compensation: \$12.51

**Ownership (20% or more):**

Jennifer Williams    Louisville, KY

**Active State Participation at the project site:** None

**Requested Wage Assessment / Local Participation:**

State: 1.5%

Local: .50% Louisville/Jefferson County Metro Government

**Unemployment Rate:**

County: 3.3%

Kentucky: 3.7%

**Existing Presence in Kentucky:**

Jefferson County

**Special Conditions:**

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 11 full-time, Kentucky resident employees as of the application date.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** February 22, 2018  
**Approved Company:** Sazerac Distillers, LLC  
**City:** Owensboro **County:** Daviess  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-18-22002  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Sazerac Distillers, LLC is manufacturer and supplier of alcoholic beverages to all 50 states and 50 foreign countries and is the largest bottler of distilled spirits in the state of Kentucky. In order to meet the projected growth of its business and the demand for the products, the company is considering installing new bottling lines, additional processing capacity and bulk storage tanks.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**

	<b>Eligible Costs</b>	<b>Total Investment</b>
Land	\$0	\$0
Building/Improvements	\$2,000,000	\$2,000,000
Equipment	\$780,000	\$18,950,000
Other Start-up Costs	\$250,000	\$250,000
<b>TOTAL</b>	<b>\$3,030,000</b>	<b>\$21,200,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

<b>Year</b>	<b>Job Target</b>	<b>Average Hourly Wage Target (Including Employee Benefits)</b>	<b>Annual Approved Cost Limitation</b>
As of Activation Date	39	\$42.00	
1	61	\$42.00	\$100,000
2	61	\$42.00	\$100,000
3	61	\$42.00	\$100,000
4	61	\$42.00	\$100,000
5	61	\$42.00	\$100,000
6	61	\$42.00	\$100,000
7	61	\$42.00	\$100,000
8	61	\$42.00	\$100,000
9	61	\$42.00	\$100,000
10	61	\$42.00	\$100,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$1,000,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KBI REPORT - PRELIMINARY APPROVAL**

**Date:** February 22, 2018  
**Approved Company:** Blue Grass Metals, Inc.  
**City:** Independence  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** J. Ward

**County:** Boone  
**Prelim Resolution #:** KBI-I-18-21992  
**OFS Staff:** D. Phillips

**Project Description:** Blue Grass Metals, Inc. was established in 1990 with sales focused on supplying wire forms to the pneumatic tool industry. The company has expanded from the pneumatic tool industry into the automotive industry producing listing wires for seat frames, exhaust brackets, frame components, stamping and tube fabrication. The proposed project would consist of constructing and equipping a facility in an adjacent lot to be used for manufacturing and warehouse space.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**  
 Land  
 Building/Improvements  
 Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$0
\$2,500,000	\$2,500,000
\$200,000	\$1,565,000
\$0	\$0
<b>\$2,700,000</b>	<b>\$4,065,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$17.30	
1	10	\$17.30	\$20,000
2	10	\$17.30	\$20,000
3	15	\$17.30	\$20,000
4	15	\$17.30	\$20,000
5	15	\$17.30	\$20,000
6	15	\$17.30	\$20,000
7	15	\$17.30	\$20,000
8	15	\$17.30	\$20,000
9	15	\$17.30	\$20,000
10	15	\$17.30	\$20,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$200,000**



**County Type:**  
Other

**Statutory Minimum Wage Requirements:**  
Base hourly wage: \$10.88  
Total hourly compensation: \$12.51

**Ownership (20% or more):**

Blue Grass Metals ESOP Trust - Independence, KY

**Active State Participation at the project site:** None

**Requested Wage Assessment / Local Participation:**

State: 1.5%

Local: .4% - Boone County

**Unemployment Rate:**

County: 3.0%

Kentucky: 3.7%

**Existing Presence in Kentucky:**

Boone County

**Special Conditions:**

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 50 full-time, Kentucky resident employees as of the application date.

The project will include multiple locations within the City of Independence, Boone County. Only investment costs incurred at the project location (address to be determined) 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.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** February 22, 2018  
**Approved Company:** Vita-Stat LLC  
**City:** Louisville **County:** Jefferson  
**Activity:** Service & Technology **Prelim Resolution #:** KBI-IL-18-21999  
**Bus. Dev. Contact:** T. Simon **OFS Staff:** D. Phillips

**Project Description:** Vita-Stat LLC provides services to enable safe and accurate distribution of prescription medication to group environments such as assisted living and skilled nursing facilities. The company is considering an expansion of its current operation to add computer resources and increased office space.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Leased**

	<b>Eligible Costs</b>	<b>Total Investment</b>
Rent	\$900,000	\$1,800,000
Building/Improvements	\$80,000	\$80,000
Equipment	\$175,000	\$175,000
Other Start-up Costs	\$120,000	\$120,000
<b>TOTAL</b>	<b>\$1,275,000</b>	<b>\$2,175,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

<b>Year</b>	<b>Job Target</b>	<b>Average Hourly Wage Target (Including Employee Benefits)</b>	<b>Annual Approved Cost Limitation</b>
As of Activation Date	10	\$27.00	
1	14	\$27.00	\$30,000
2	18	\$27.00	\$30,000
3	20	\$27.00	\$30,000
4	22	\$27.00	\$30,000
5	22	\$27.00	\$30,000
6	22	\$27.00	\$30,000
7	22	\$27.00	\$30,000
8	22	\$27.00	\$30,000
9	22	\$27.00	\$30,000
10	22	\$27.00	\$30,000
<b>TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:</b>			<b>\$300,000</b>





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** February 22, 2018  
**Approved Company:** Owl's Head Alloys, Inc.  
**City:** Bowling Green **County:** Warren  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-18-21980  
**Bus. Dev. Contact:** T. Sears **OFS Staff:** D. Phillips

**Project Description:** Owl's Head Alloys, Inc. is a secondary aluminum recycler, processing over 200 million pounds of aluminum annually. The state of the art aluminum recycling facility ships to primary mills all over the southeastern United States. This project would include an expansion of the facility for an additional furnace.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**

Land  
 Building/Improvements  
 Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$0
\$1,335,000	\$1,335,000
\$340,000	\$800,000
\$455,000	\$455,000
<b>\$2,130,000</b>	<b>\$2,590,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	17	\$19.00	
1	17	\$19.00	\$30,000
2	17	\$19.00	\$30,000
3	17	\$19.00	\$30,000
4	17	\$19.00	\$30,000
5	17	\$19.00	\$30,000
6			
7			
8			
9			
10			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$150,000**







**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** February 22, 2018  
**Approved Company:** TTA, LLC  
**City:** Louisville **County:** Jefferson  
**Activity:** Headquarters **Prelim Resolution #:** KBI-IL-18-22007  
**Bus. Dev. Contact:** T. Sears **OFS Staff:** D. Phillips

**Project Description:** TTA, LLC, now doing business as ALTOUR, opened for business in December of 1971 as a full-service travel agency. The company is considering relocating its regional headquarters to Louisville. This facility will include accounting, human resources, technology professionals, and travel agent support.

**Facility Details:** Locating in a new facility

**Anticipated Project Investment - Leased**  
 Rent  
 Building/Improvements  
 Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$2,053,550	\$4,107,100
\$0	\$0
\$0	\$0
\$250,000	\$250,000
<b>\$2,303,550</b>	<b>\$4,357,100</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$36.00	
1	20	\$36.00	\$35,000
2	20	\$36.00	\$35,000
3	20	\$36.00	\$35,000
4	20	\$36.00	\$35,000
5	20	\$36.00	\$35,000
6	20	\$36.00	\$35,000
7	20	\$36.00	\$35,000
8	20	\$36.00	\$35,000
9	20	\$36.00	\$35,000
10	20	\$36.00	\$35,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

<b>\$350,000</b>
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**County Type:**

Other

**Statutory Minimum Wage Requirements:**

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

**Ownership (20% or more):**

ALTOUR Delaware, LLC - New York, NY

**Active State Participation at the project site: None**

**Requested Wage Assessment / Local Participation:**

State: 3.0%

Local: 1.0% - Louisville/Jefferson County Metro Government

**Unemployment Rate:**

County: 3.3%

Kentucky: 3.7%

**Existing Presence in Kentucky:**

Jefferson County

**Special Conditions:**

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 30 full-time, Kentucky resident employees as of the application date.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** February 22, 2018  
**Approved Company:** WireCrafters, LLC  
**City:** Louisville **County:** Jefferson  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-IL-18-22010  
**Bus. Dev. Contact:** T. Sears **OFS Staff:** D. Phillips

**Project Description:** WireCrafters, LLC, established in 1967, is a leading provider of wire partitions in the United States. The company is considering the expansion of its existing facility to increase productivity and to help meet customer demands.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**

Land  
 Building/Improvements  
 Equipment  
 Other Start-up Costs  
**TOTAL**

Eligible Costs	Total Investment
\$0	\$0
\$0	\$0
\$1,000,000	\$4,110,000
\$0	\$0
<b>\$1,000,000</b>	<b>\$4,110,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	50	\$34.75	
1	50	\$34.75	\$100,000
2	60	\$34.75	\$100,000
3	70	\$34.75	\$100,000
4	80	\$34.75	\$100,000
5	90	\$34.75	\$100,000
6	100	\$34.75	\$100,000
7	100	\$34.75	\$100,000
8	100	\$34.75	\$100,000
9	100	\$34.75	\$100,000
10	100	\$34.75	\$100,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$1,000,000**

**County Type:**

Other

**Statutory Minimum Wage Requirements:**

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

**Ownership (20% or more):**

F & M Diebold GSTT Trust - Louisville, KY

Diebold Legacy Trust - Louisville, KY

Stephen E. Diebold - Louisville, KY

**Active State Participation at the project site:** None

**Requested Wage Assessment / Local Participation:**

State: 3.0%

Local: 1.0% - Louisville/Jefferson County Metro Government

**Unemployment Rate:**

County: 3.3%

Kentucky: 3.7%

**Existing Presence in Kentucky:**

Jefferson County

**Special Conditions:**

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 158 full-time, Kentucky resident employees as of the application date.



**MEMORANDUM**

**TO:** KEDFA Board Members  
**FROM:** Michelle Elder *ME*  
Incentive Administration Division  
**DATE:** February 22, 2018  
**SUBJECT:** KBI Extensions

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The following companies have previously received KBI preliminary approval and are requesting approval of a time extension:

<b>Company</b>	<b>County</b>	<b>Extension</b>
eTechCampus, L.L.C.	Fayette	3 Month
Seven Peaks Minerals, Inc.	Pike	3 Month
EZ Portable Buildings, Inc.	McCracken	6 Month
Hafendorfer Machine, Inc.	Jefferson	12 Month
Integrity Express Logistics, LLC	Kenton	12 Month
Whitworth Tool, Inc.	Breckinridge	12 Month

Staff recommends approval.





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KBI REPORT - FINAL APPROVAL**

**Date:** February 22, 2018  
**Preliminary Approval:** February 25, 2016  
**Approved Company:** Hogan Lovells US LLP  
**City:** Louisville  
**Activity:** Service & Technology  
**Bus. Dev. Contact:** L. Ransdell

**County:** Jefferson  
**Final Resolution #:** KBI-FL-18-20911  
**OFS Staff:** M. Elder

**Project Description:** Hogan Lovells is a multinational law firm co-headquartered in London and Washington, D.C. The firm has around 2,500 lawyers working out of more than 40 offices in the United States, Europe, Latin America, the Middle East and Asia. Hogan Lovells is one of the top ten law firms in the world by revenues. It is independently recognized as one of the world's top five law firm brands. The firm deployed a service center operation to consolidate a number of the firm's business support activities. This location is one of two centers worldwide, the other in South Africa. It consists of a mix of traditional shared service occupations like finance/accounting, HR and IT; along with the addition of legal support personnel, including staff attorneys and paralegals.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$5,200,000	\$8,900,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	50	\$31.00	
1	100	\$31.00	\$400,000
2	150	\$31.00	\$400,000
3	200	\$31.00	\$400,000
4	210	\$31.00	\$400,000
5	220	\$31.00	\$400,000
6	230	\$31.00	\$400,000
7	240	\$31.00	\$400,000
8	250	\$31.00	\$400,000
9	250	\$31.00	\$400,000
10	250	\$31.00	\$400,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$4,000,000**

**County Type:**  
Other

**Statutory Minimum Wage Requirements:**  
 Base hourly wage: \$10.88  
 Total hourly compensation: \$12.51

**Special Conditions:** None

**Modifications since preliminary approval?** No



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KBI REPORT - FINAL APPROVAL**

**Date:** February 22, 2018  
**Preliminary Approval:** May 29, 2014  
**Approved Company:** Holley Performance Products, Inc.  
**City:** Bowling Green **County:** Warren  
**Activity:** Manufacturing **Final Resolution #:** KBI-F-18-19938  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Holley Performance Products, Inc. is a manufacturer of a variety of high performance products for the automotive industry. The project included the development and design of higher quality exhaust systems.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$1,025,000	\$2,455,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	40	\$38.00	
1	40	\$38.00	\$80,000
2	40	\$38.00	\$80,000
3	40	\$38.00	\$80,000
4	40	\$38.00	\$80,000
5	40	\$38.00	\$80,000
6	40	\$38.00	\$80,000
7	40	\$38.00	\$80,000
8	40	\$38.00	\$80,000
9	40	\$38.00	\$80,000
10	40	\$38.00	\$80,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$800,000**

**County Type:** Other **Statutory Minimum Wage Requirements:**  
 Base hourly wage: \$10.88  
 Total hourly compensation: \$12.51

**Special Conditions:**  
 Maintain Base Employment: 237

**Modifications since preliminary approval?**

The investment increased from \$1,325,000 to \$2,455,000. Eligible Costs increased from \$625,000 to \$1,025,000. Jobs increased from 20 to 40. Wages increased from \$14.00 to \$38.00. The total incentive amount to be requested at final increased from \$400,000 to \$800,000. All other aspects of the project remain the same.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KBI REPORT - FINAL APPROVAL**

**Date:** February 22, 2018  
**Preliminary Approval:** February 25, 2016  
**Approved Company:** New Source Medical, LLC  
**City:** Louisville  
**Activity:** Service & Technology  
**Bus. Dev. Contact:** M. Pierstorff

**County:** Jefferson  
**Final Resolution #:** KBI-F-18-20942  
**OFS Staff:** D. Phillips

**Project Description:** New Source Medical provides medical durable equipment used by nursing homes, long-term care facilities, and hospitals. New Source Medical's products include specialty beds, pressure-reduction mattresses, and an array of various other medical goods. The company acquired the assets of a durable medical equipment division in Florida and relocated these assets within a warehouse/distribution operation in conjunction with its national headquarters.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$1,000,000	\$3,050,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$25.00	
1	20	\$25.00	\$80,000
2	30	\$25.00	\$80,000
3	45	\$25.00	\$80,000
4	46	\$25.00	\$80,000
5	50	\$25.00	\$80,000
6	50	\$25.00	\$80,000
7	50	\$25.00	\$80,000
8	50	\$25.00	\$80,000
9	50	\$25.00	\$80,000
10	50	\$25.00	\$80,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$800,000**

**County Type:** Other  
**Statutory Minimum Wage Requirements:**  
 Base hourly wage: \$10.88  
 Total hourly compensation: \$12.51

**Special Conditions:** None

**Modifications since preliminary approval?** Yes

The company has changed from a leased project to an owned project. All other aspects of the project remain the same.



## Kentucky Small Business Tax Credit Projects February 2018

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/Technology	Tax Credit Amount
Engineered Building Systems, Inc.	Campbell	4	5	\$28.41	\$17,763	\$17,500
James C. Burris Architects LLC	Fayette	0	1	\$15.41	\$6,300	\$3,500
Mile Wide Beer Company, LLC	Jefferson	1	2	\$29.97	\$165,020	\$7,000
Scott Endodontics, PLC	Jefferson	0	3	\$17.83	\$14,970	\$10,500
<b>Total Packaging of Kentucky, Inc.</b>	<b>Daviess</b>	<b>4</b>	<b>2</b>	<b>\$17.13</b>	<b>\$52,000</b>	<b>\$7,000</b>
<b>5</b>	<b>4</b>		<b>13</b>	<b>Total</b>	<b>\$256,053</b>	<b>\$45,500</b>

Note: The tax credit amount will be equal to \$3,500 per eligible position, not to exceed the purchase price of qualifying equipment or technology, with a maximum income tax credit of \$25,000 per company for each calendar year. Per KRS 154.60-020, the maximum amount of credits that may be committed in each state fiscal year shall be capped at \$3,000,000.

Credit Limit	\$3,000,000
Current FY Projected/	
Approved Credits	\$1,369,200
<b>Remaining Credits</b>	<b>\$1,630,800</b>