



## 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:** March 23, 2018

**SUBJECT:** KEDFA Board Meeting

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The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, March 29, 2018** at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. The meeting will convene at 10:00 a.m. (EDT) in the Board of Directors Conference Room.

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





**KEIA Projects**

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Stelised, Inc.	Shelby	Anna Beth Bobbitt / Debbie Phillips
LBX Company LLC	Fayette	Tess Simon / Debbie Phillips
Kings Royal Biotech, Inc.	Carlisle	Tess Simon / Debbie Phillips
Heritage Millworks, LLC dba Powell Valley Millwork	Powell	Robyn Lee / Debbie Phillips
Schneider Hotels, LLC	Jefferson	Lindsey Ransdell / Michelle Elder
Halton Company	Allen	Corky Peek / Michelle Elder

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

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Independent Stave Company, LLC	Rowan	Corky Peek / Michelle Elder
Independent Stave Company, LLC	Rowan	
Hydroponic Farms USA LLC	Breathitt	Robyn Lee / Debbie Phillips
Hydroponic Farms USA LLC	Breathitt	
Extiel-Advantage-Somerset 1 Limited Liability Company	Pulaski	Anna Beth Bobbitt / Debbie Phillips
Extiel-Advantage-Somerset 1 Limited Liability Company	Pulaski	
Santa Rosa Systems, Inc.	Bullitt	Anna Beth Bobbitt / Debbie Phillips
Santa Rosa Systems, Inc.	Bullitt	

**KBI Projects (Preliminary)**

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Fooji, Inc.	Fayette	Anna Beth Bobbitt / Debbie Phillips
Nifco America Corporation	Shelby	Anna Beth Bobbitt / Debbie Phillips
Dream Junction Ink LLC	Boone	Anna Beth Bobbitt / Debbie Phillips
Ampyss Healthcare Solutions, Inc.	Clinton	Joan Ward / Debbie Phillips
Alliant Technologies LLC	Barren	Taylor Sears / Debbie Phillips
HB Molding, Inc.	Jefferson	Taylor Sears / Debbie Phillips
Fitzgerald Industries II, LLC	Wayne	Tess Simon / Debbie Phillips
Century Aluminum of Kentucky General Partnership	Hancock	Lucas Witt / Michelle Elder
HDT Expeditionary Systems, Inc.	Boone	Corky Peek / Michelle Elder
Pioneer Plastics, Inc.	Webster	Corky Peek / Michelle Elder

**KBI Projects (Extension)**

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WPT Corporation	Ohio	Michelle Elder
AquiSense Technologies LLC	Boone	
Catalent Pharma Solutions, LLC	Clark	
Frost-Arnett Company	Taylor	
Kowa Kogyo-sho Co., Ltd.	Knox	
Logan Aluminum Inc.	Logan	
Rajant Corporation	Rowan	

**KBI Projects (Final)**

Debbie Phillips

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Atlas Development Group, LLC	Hardin
Challenger Lifts, Inc.	Jefferson
eTechCampus, L.L.C.	Fayette
Graf Brothers Flooring, Inc.	Greenup
Xact Associates, LLC dba Xact Communications	Fayette
North American Stainless	Carroll

**IEIA Projects (Extension)**

Kylee Palmer

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Cetna Energy, LLC	Boyd
Jefferson AD II, LLC	Jefferson

**KSBTC**

Tim Back

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American Tire, Inc.	Nelson
Blue Frame Technology LLC	Fayette
Central Kentucky Sprinkler, Inc.	Jessamine
C J L & M, Inc.	Warren
Darling State of Mind LLC	Jefferson
Hera Testing Laboratories, Inc.	Fayette
Industrial Field Maintenance, LLC	Fleming
Kentuckiana Electrical Services, LLC	Jefferson
Peritech, Inc.	Jefferson
Rivercrest Engineering, Inc.	McCracken
Russtech Admixtures, Inc.	Jefferson
The Advisory Team, LLC	Campbell

**Closed Session****Other Business****Adjournment**



# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## BOARD MEETING February 22, 2018

### MINUTES

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#### **Call to Order**

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EST on February 22, 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, Secretary William M. Landrum, III, Dorsey Hall, Tucker Ballinger, Joe Kelly and Chad Miller

**Staff Present:** Bobby Aldridge, Tim Back, John Bevington, Jessica Burke, Sarah Butler, Michelle Elder, Reid Glass, Krista Harrod, Robyn Lee, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Vivek Sarin, Taylor Sears, Tess Simon, Katie Smith, Teresa Spreitzer and Joan Ward

**Others Present:** Michael Kalinyak, Hurt, Deckard & May; Dwight Young, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Joe Berry and Mark Snell, Greater Owensboro Economic Development Corporation; Sierra Enlow, Louisville Forward; Barry Lendrum, Paladin; Judith Hollis and Jason Brauner, Grain, Limestone, & Oak, LLC; Jeff McKenzie, Bingham Greenebaum Doll; Jeff Koors, Blue Grass Metals, Inc.; and Sandy Williams, Kentucky Finance & Administration Cabinet, Office of Financial Management

#### **Approval of Minutes**

Chairman Hale entertained a motion to approve the minutes from the January 23, 2018 special KEDFA board meeting, the January 25, 2018 regular KEDFA board meeting and executive session.

Dorsey Hall moved to approve the minutes, as presented; Secretary William M. Landrum, III 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 January 31, 2018. After review, the Authority accepted the statements and reports as presented.

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

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

### **The Sherwin-Williams Company**

#### **Madison County**

Mr. Aldridge stated The Sherwin-Williams Company acquired The Valspar Corporation subsequent to its final approval and execution of the original agreement dated August 29, 2013. As a result of the purchase and corporate restructuring efforts, authorized representatives of the company requested that the project be amended to include The Sherwin-Williams Manufacturing Company, an Ohio corporation, be included as an "approved affiliate" of the project.

Staff recommended approval of the KBI amendment request.

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

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

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

### **The Webstaurant Store, Inc.**

#### **Hopkins County**

Mr. Aldridge stated The Webstaurant Store, Inc. requested a 12 month extension to complete its project.

Staff recommended approval of the KEIA extension request.

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

## **KEIA Projects**

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

### **East Kentucky Network, LLC**

#### **Floyd County**

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

**Robyn Lee**

**Debbie Phillips**

Debbie Phillips stated the project investment is \$14,500,000 of which \$5,350,000 qualifies as KEIA eligible costs. The KEIA approved recovery amount is \$100,000 for construction materials and building fixtures and \$100,000 for research and development and/or electronic processing equipment.

Staff recommended approval of the KEIA approved recovery amount of \$200,000.

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



**Takigawa Corporation America  
Nelson County**

**Tess Simon  
Michelle Elder**

Tess Simon stated Takigawa Corporation America, a family-owned company since 1907, pioneered the production of polyethylene films and began manufacturing high-grade gravure printed bags in 1967. As a manufacturer of premium quality bags, the company has grown rapidly and currently has a global presence in France, Canada and Singapore. This project would allow the company to open an office and new factory in the U.S. to meet the needs of its North American customers.

Michelle Elder stated the project investment is \$37,504,703 of which \$9,024,559 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$300,000 for construction materials and building fixtures.

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

**Michter's Distillery LLC  
Washington County**

**Lindsey Ransdell  
Michelle Elder**

Lindsey Ransdell stated Michter's Distillery LLC produces a variety of whiskeys including single barrel ryes, small batch bourbons and single barrel bourbons. The company has seen a demand for its products steadily increase and is considering the purchase of property to expand its storage capabilities.

Ms. Elder stated the project investment is \$17,000,000 of which \$8,500,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$400,000 for construction materials and building fixtures.

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

**Whiskey Service LLC  
Boyle County**

**Lindsey Ransdell  
Michelle Elder**

Ms. Ransdell stated Whiskey Service LLC is considering the purchase of property to develop its own storage facilities for bourbon whiskeys and other products. The company plans to engineer the facilities to serve as its primary storage as well as expand its involvement in the bourbon industry.

Ms. Elder stated the project investment is \$10,292,840 of which \$6,000,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$300,000 for construction materials and building fixtures.

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

**Jack Riley Investments LLC  
Warren County**

**Tess Simon  
Debbie Phillips**

Ms. Simon stated 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.

Ms. Phillips stated the project investment is \$2,056,800 of which \$2,050,000 qualifies as KBI eligible costs and \$958,250 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 56 with an average hourly wage of \$18.50 including benefits. The state wage assessment participation is 3.0% and the City of Bowling Green 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 \$650,000 and the KEIA approved recovery amount of \$40,000 for construction materials and building fixtures and \$5,000 for research and development and/or electronic processing equipment.

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

**Grain, Limestone, & Oak, LLC  
Shelby County**

**Lindsey Ransdell  
Michelle Elder**

Ms. Ransdell stated Grain, Limestone, & Oak, LLC is considering the purchase of property to establish a distillery, rickhouses and related items for the production of high-quality bourbon and rye.

Ms. Ransdell introduced Judith Hollison, Jason Brauner and Jeff McKenzie and invited them to address the board regarding the project.

Ms. Elder stated the project investment is \$27,317,986 of which \$23,950,686 qualifies as KBI eligible costs and \$19,309,353 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 31 with an average hourly wage of \$50.00 including benefits. The state wage assessment participation is 1.5% and Shelby County will participate at 0.5%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$625,000 and the KEIA approved recovery amount of \$400,000 for construction materials and building fixtures.

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

**KBI Projects (Preliminary)**

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

**Cuddle Clones LLC  
Jefferson County**

**Lindsey Ransdell  
Michelle Elder**

Ms. Ransdell stated Cuddle Clones LLC makes 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 the community interactive area on its website to encourage further engagement from the pet-loving audience.

Ms. Elder stated the project investment is \$1,300,000 of which \$750,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of \$24.00 including benefits. The state wage assessment participation is 1.5% and Louisville/Jefferson County Metro Government 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 \$500,000.

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

**Sazerac Distillers, LLC  
Daviness County**

**Corky Peek  
Michelle Elder**

Corky Peek stated Sazerac Distillers, LLC is a 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 bottling lines, additional processing capacity and bulk storage tanks.

Ms. Elder stated the project investment is \$21,200,000 of which \$3,030,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 61 with an average hourly wage of \$42.00 including benefits. The state wage assessment participation is 3.0% and the City of Owensboro 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. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

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

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

**Blue Grass Metals, Inc.  
Boone County**

**Joan Ward  
Debbie Phillips**

Joan Ward stated 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 acquiring and equipping a facility in an adjacent lot to be used for manufacturing and warehouse space.

Ms. Ward introduced Jeff Koors and invited him to address the board regarding the project.

Ms. Phillips stated the project investment is \$4,065,000 of which \$2,700,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 15 with an average hourly wage of \$17.30 including benefits. The state wage assessment participation is 1.5%

and Boone County will participate at 0.4%. 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 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 toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

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

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

**Vita-Stat LLC  
Jefferson County**

**Tess Simon  
Debbie Phillips**

Ms. Simon stated 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.

Ms. Phillips stated the project investment is \$2,175,000 of which \$1,275,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 22 with an average hourly wage of \$27.00 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 \$300,000.

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

**Owl's Head Alloys, Inc.  
Warren County**

**Taylor Sears  
Debbie Phillips**

Taylor Sears stated 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 throughout the southeastern United States. This project would include an expansion of the facility for an additional furnace.

Ms. Phillips stated the project investment is \$2,590,000 of which \$2,130,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 17 with an average hourly wage of \$19.00 including benefits. The state wage assessment participation is 3.0% and the City of Bowling Green 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 \$150,000.

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

**TTA, LLC**  
**Jefferson County**

**Taylor Sears**  
**Debbie Phillips**

Mr. Sears stated 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.

Ms. Phillips stated the project investment is \$4,357,100 of which \$2,303,550 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 20 with an average hourly wage of \$36.00 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 \$350,000.

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

**Wire Crafters, LLC**  
**Jefferson County**

**Taylor Sears**  
**Debbie Phillips**

Mr. Sears stated 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.

Ms. Phillips stated the project investment is \$4,110,000 of which \$1,000,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 100 with an average hourly wage of \$34.75 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 \$1,000,000.

Mr. Hall moved to approve the staff recommendation, as presented; Mr. Goodin 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 and asked that all 6 be presented as one motion.

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

Staff recommended approval of the KBI extension requests.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Ballinger 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>
Hogan Lovells US LLP	Jefferson	Service & Technology

Modifications:

**Holley Performance Products, Inc.** Warren Manufacturing  
 The total investment increased from \$1,325,000 to \$2,455,000; the eligible costs increased from \$625,000 to \$1,025,000; the job target increased from 20 to 40; the average hourly wage target increased from \$14.00 to \$38.00 and the total negotiated tax incentive amount increased from \$400,000 to \$800,000. All other aspects of the project remain the same.

**New Source Medical, Inc.** Jefferson Service & Technology  
 The project changed from leased to owned. 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. Kelly moved to approve the staff recommendation, as presented; Mr. Hall 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 were 5 Kentucky small businesses from 4 counties with qualifying tax credits of \$45,500. The 5 businesses created 13 jobs and invested \$256,053 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>
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
Total Packaging of Kentucky, Inc.	Daviess	4	2	\$ 17.13	\$ 52,000	\$ 7,000

Staff recommended approval of the tax credits.

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

## **Other Business**

### **KEDFA Bylaws**

Katie Smith presented the Fifth Amended and Restated Bylaws and reviewed the modifications with the Authority. The requested changes include updates related to the Cabinet's reorganization and removing the authorizations regarding the LGEDF programs since they were previously transferred to the Department of Local Government.

Mr. Kelly moved to approve the amended bylaws as presented; Mr. Hall seconded the motion. Motion passed; unanimous.

### **Authorized Signatories**

Ms. Smith presented a memorandum updating the signatory authorizations for The Bank of New York Mellon regarding disbursements on behalf of KEDFA.

Mr. Goodin moved to approve the memorandum for authorized signatories as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

### **Adjournment**

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

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

The meeting adjourned at 10:36 a.m.

**PRESIDING OFFICER:**



Jean Hale, Chairman





**KEDFA APPROVED AND NOT DISBURSED**

2/28/2018

**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	(\$311,149)	\$64,924
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	(\$736,729)	\$1,263,271

**TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)**

**\$1,703,195**

**TOTAL KEDFA APPROVED AND NOT DISBURSED**

**\$3,533,195**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**STATEMENT OF NET POSITION**

**2/28/2018**

	<b>FUND A</b>	<b>BOND FUND</b>	<b>Small Bus. Loan Pool</b>	<b>KEDFA 2/28/18</b>	<b>OOE 2/28/18</b>	<b>COMBINED 2/28/18</b>
<b><u>ASSETS</u></b>						
<b>Cash &amp; Accounts Receivable</b>						
Operating Account	13,446.63	0.00	0.00	13,446.63	0.00	13,446.63
Cash	2,651,968.24	14,954,465.07	398,940.66	18,005,373.97	0.00	18,005,373.97
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	2,203,195.22	0.00	0.00	2,203,195.22	0.00	2,203,195.22
<b>Total Cash &amp; Accounts Receivable</b>	<b>4,868,610.09</b>	<b>14,954,465.07</b>	<b>398,940.66</b>	<b>20,222,015.82</b>	<b>3,008,667.35</b>	<b>23,228,683.17</b>
<b>Accrued Interest Receivable</b>						
Loans	26,180.60	2,574.25	0.00	28,754.85	(930.00)	27,824.85
Investments	2,027.02	11,274.00	302.98	13,604.00	0.00	13,604.00
<b>Total Accrued Interest Receivable</b>	<b>28,207.62</b>	<b>13,848.25</b>	<b>302.98</b>	<b>42,358.85</b>	<b>(930.00)</b>	<b>41,428.85</b>
<b>Notes Receivable</b>						
Loans Receivable	18,734,342.28	3,100,521.41	0.00	21,834,863.69	0.00	21,834,863.69
(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>18,734,342.28</b>	<b>3,100,521.41</b>	<b>0.00</b>	<b>20,215,141.08</b>	<b>0.00</b>	<b>20,215,141.08</b>
<b>TOTAL ASSETS</b>	<b>23,631,159.99</b>	<b>18,068,834.73</b>	<b>399,243.64</b>	<b>40,479,515.75</b>	<b>3,005,737.35</b>	<b>43,485,253.10</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>0.00</b>	<b>0.00</b>	<b>0.00</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>9,666,453.00</b>	<b>0.00</b>	<b>9,666,453.00</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>(1,384,706.99)</b>	<b>(1,358,382.43)</b>	<b>(2,743,089.42)</b>
<b>TOTAL NET POSITION</b>				<b>31,793,062.75</b>	<b>3,005,737.35</b>	<b>34,798,800.10</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 February 28, 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	16,887.64	4,996.52	0.00	0.00	187,947.71	157,276.37
Interest Income/ Investments	2,027.02	11,274.00	302.98	0.00	88,807.05	7,857.73
Late Fees	0.00	0.00	0.00	0.00	0.00	0.00
Application Fees	11,595.00	0.00	0.00	0.00	279,328.75	459,548.54
Miscellaneous Income	(897.16)	0.00	0.00	0.00	1,820.41	139.11
<b>Total Operating Revenues - KEDFA</b>	<b>29,612.50</b>	<b>16,270.52</b>	<b>302.98</b>	<b>0.00</b>	<b>557,903.92</b>	<b>624,827.75</b>
<b>Operating Expenses - KEDFA</b>						
Salaries	99,046.98				730,274.13	788,151.51
Employee benefits	62,056.63				511,006.96	522,425.60
Pension Liability Adjustment	0.00				0.00	0.00
Other Personnel Costs	0.00				0.00	0.00
Contracted Personal Services	9,300.00				94,234.30	94,253.46
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	0.37				9.82	14.22
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	242.72				1,832.92	1,839.91
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>170,646.70</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,337,573.13</b>	<b>1,407,318.70</b>
<b>Income (Loss) from Operations - KEDFA</b>	<b>(141,034.20)</b>	<b>16,270.52</b>	<b>302.98</b>	<b>0.00</b>	<b>(779,669.21)</b>	<b>(782,496.95)</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	0.00				500,000.00	9,500,000.00
Grants Disbursed	(213,012.09)				(1,105,037.78)	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>(213,012.09)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(605,037.78)</b>	<b>9,500,000.00</b>
<b>CHANGE IN NET POSITION - KEDFA</b>	<b>(354,046.29)</b>	<b>16,270.52</b>	<b>302.98</b>	<b>0.00</b>	<b>(1,384,706.99)</b>	<b>8,717,503.05</b>
<b>Operating Revenues (Expenses) - OOE</b>						
Interest Income - Loans				0.00	86.90	828.69
Misc Income				0.00	0.00	0.00
Disbursements: Projects (Note 1)				0.00	(1,375,088.84)	(401,574.51)
Repayments received from Projects				0.00	94,953.60	405,723.04
						0.00
<b>Non-Operating Revenues (Expenses) - OOE</b>						
Operating Transfer in - OOE					0.00	0.00
Transfer Due from Bonds				0.00	(23,244.49)	700,000.00
Operating Transfer Out - OOE				0.00	(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>0.00</b>	<b>(1,358,382.43)</b>	<b>240,689.60</b>
<b>CHANGE IN NET POSITION - COMBINED</b>	<b>(354,046.29)</b>	<b>16,270.52</b>	<b>302.98</b>	<b>0.00</b>	<b>(2,743,089.42)</b>	<b>8,958,192.65</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**  
**2/28/2018**

	<u>2/28/2017</u>	<u>2/28/2018</u>
<b>Fund A Cash Balance</b>	\$3,330,783.34	\$2,651,968.24
Less: Approved/Undisbursed	\$0.00	0.00
<b>Total Unobligated Balance</b>	<b>\$3,330,783.34</b>	<b>\$2,651,968.24</b>
<b>2003 Bond Fund Cash Balance</b>	\$15,609,998.70	\$14,954,465.07
Less: Approved/Undisbursed	(\$12,298,199.52)	(3,533,195.00)
<b>Total Unobligated Balance</b>	<b>\$3,311,799.18</b>	<b>\$11,421,270.07</b>
<b>Small Business Loan Fund Cash Balance</b>	\$396,711.74	\$398,940.66
Less: Approved/Undisbursed	\$0.00	0.00
<b>Total Unobligated Balance</b>	<b>\$396,711.74</b>	<b>\$398,940.66</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>\$7,039,294.26</b>	<b>\$14,472,178.97</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	\$3,026,293.94	\$2,865,123.47
Less: Approved/Undisbursed	(\$2,320,398.00)	(\$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	\$1,580,395.49	\$0.00
Bond Funds Available for Projects	\$0.00	\$0.00
<b>Total Unobligated Balance</b>	<b>\$2,427,835.31</b>	<b>\$2,488,633.35</b>
<b>TOTAL ALL FUNDS</b>	<b>\$9,467,129.57</b>	<b>\$16,960,812.32</b>

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

KEDFA Meeting date	3/29/2018
Total Projects Approved Fiscal Year-to-Date	38
Number of Proposed Projects for Current Month	10

**Construction Materials and Building Fixtures**

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$14,580,800
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$5,419,200
Proposed Approval for Current Month	<u>\$2,540,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$2,879,200</u></u>

**Research & Development and Electronic Processing Equipment**

Fiscal Year Cap	\$5,000,000
Approved Fiscal Year-to-Date	\$105,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$4,895,000
Proposed Approval for Current Month	<u>\$150,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$4,745,000</u></u>

# KBI Summary

Updated March 20, 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	5,882	5,380	109%	\$24.88	\$23.37	106%
2014	92	10,046	9,442	106%	\$24.85	\$23.04	108%
2015	128	14,197	12,113	117%	\$25.28	\$22.45	113%
2016	160	19,152	16,181	118%	\$24.77	\$21.80	114%
2017	84	8,942	6,744	133%	\$26.67	\$23.05	116%

## 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	\$14,088,639	\$6,601,085	47%
2014	\$27,770,169	\$24,112,127	\$13,131,631	54%
2015	\$46,079,440	\$40,282,578	\$18,084,965	45%
2016	\$39,748,148	\$36,136,653	\$19,923,814	55%
2017	\$35,641,678	\$30,079,267	N/A	N/A
<b>Grand Total</b>	<b>\$170,221,718</b>	<b>\$149,613,926</b>	<b>\$59,845,588</b>	<b>40%</b>

- The Commonwealth provided \$3,125 of incentives per new job reported based on total actual incentives claimed to date and actual jobs reported in 2016.
- Based on actual jobs and wages reported in 2016 by companies approved to claim incentives, the estimated payroll for new, full-time Kentucky resident jobs is \$986 million. This equated to \$16.49 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>Huntington Alloys Corporation</u>	<u>Boyd</u>	<u>02/26/2015</u>	<u>02/28/2018</u>	<u>KBI</u>
Explanation: <u>Several attempts to contact the company with no response. Project expired on 2/28/2018.</u>				
<hr/>				
<u>Filtrona Plastics LLC</u>	<u>Jefferson</u>	<u>08/29/2013</u>	<u>02/28/2018</u>	<u>KBI</u>
Explanation: <u>Several attempts to contact the company with no response. Project expired on 2/28/2018.</u>				
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**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
TIF REPORT - PRELIMINARY APPROVAL**

**Date:** March 29, 2018  
**Applicant:** Department of Finance of LFUCG  
**Project Name:** Coldstream Research Campus Project  
**City:** Lexington **County:** Fayette  
**Program Type:** Mixed-Use Redevelopment in Blighted Urban Areas  
**TIF Term:** 20 years **DFS Staff:** Kylee Palmer

**Project Description:** The University of Kentucky's Coldstream Research Campus is a premier business site located in the heart of the Kentucky Bluegrass Region. Today, Coldstream is home to over 50 organizations with more than 2,100 employees working in biotechnology, pharmaceuticals and equine health, and a variety of other industry sectors. The planned expansion of 176 acres at the research campus aims to launch new companies and attract out-of-state businesses that place a high priority on connectivity to the University of Kentucky, while also maintaining a growing relationship with established businesses in the community. The proposed development is expected to provide additional space for innovative businesses and employees to thrive, while also providing complimentary and supportive hospitality, dining, retail, and residential options and the public infrastructure required to attract growing businesses.

The proposed development is expected to include:

- Lab Space ~ 190,000 sq. ft.
- Office Space ~ 234,000 sq. ft.
- Residential ~ 243,000 sq. ft.
- Hotel ~ 125 rooms
- Restaurant space ~ 21,000 sq. ft.
- Retail space ~ 15,000 sq. ft.

Total estimated cost of the project is \$199 million, excluding financing.

Construction is expected to begin in 2018 with completion in 2024.

**Certification:** Jim Gray, Mayor of the Lexington-Fayette Urban County Government and William O'Mara, Commissioner of Finance, have both certified that the Coldstream Research Campus Project Mixed-Use Redevelopment Project is not reasonably expected to be developed without public assistance, including but not limited to tax increment financing.

**Impact:** This Project could provide extensive benefits to the Lexington business community and surrounding region of Kentucky. The applicant estimates that over a 20-year period, the Project could generate a total impact occurring within the anticipated development of \$67.5 million of state tax revenues and \$34.8 million of local tax revenues.

**Public Infrastructure:** Infrastructure costs total approximately \$33 million:

- Land preparation
- Public buildings/structure
- Sewers/storm drainage
- Curbs, sidewalks, promenades and pedways
- Roads
- Street lighting
- Provision of utilities
- Public space or parks
- Parking
- Easements and rights of way
- Fountains, benches and sculptures

**Preliminary Approval:** By granting preliminary approval, KEDFA would enable staff to begin working with the Office of State Budget Director and the Office of Financial Management to create criteria for which a consultant would review the project feasibility including financing, appropriateness for the use of the TIF program and potential increments, and whether the project represents a net positive impact to the Commonwealth.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
HIGH-TECH POOL (HTP) PROJECT REPORT**

**Date:** March 29, 2018  
**Company:** Response Techs, LLC  
**Activity:** Materials Science & Advanced Manufacturing  
**New/Existing:** New location in Kentucky  
**Bus. Dev. Contact:** Brian Mefford **DFS Staff:** Kylee Palmer

**Project Description:** Response Techs, LLC (RT) was founded by two experienced, technical business leaders with over 50 years of combined experience in: plastics, textiles, material science and advanced manufacturing. RT was founded with the goal of utilizing its patent-pending, additively manufactured, 3D reinforced process (3DTS) to disrupt existing markets valued at \$22B. Products include explosion resistant fuel tanks; inflatable boats, rafts and emergency exit shoots; oil booms; and personal protective equipment - such as Hazmat, fire-fighting, and ballistic protection.

RT is seeking to relocate operations to Kentucky, where superior talent (both quality and quantity) and work ethic, infrastructure, HTP Funding, "SBIR Matching Funds" and other assistance programs will allow them to accelerate the many opportunities within the massive market space. RT anticipates creating nearly 100 new advanced manufacturing jobs over the next four to eight years, to include manufacturing, technical, and engineering.

Funding Source	Status	Use of Proceeds	Amount
Office of Entrepreneurship	Requested	Down payment on building and/or equipment purchases and/or facility fit-up	\$250,000
Response Technologies, LLC	Committed	Relocation expenses, operational expenses, and/or administrative expenses	\$250,000
<b>TOTAL</b>			<b>\$500,000</b>

**Terms/Requirements:** At a minimum, a dollar-for-dollar match will be required.

Compliance will be measured by total annual payroll of at least \$1,000,000 - defined as the sum of all salaries as well as guaranteed payments to LLC members.

Compliance dates will begin June 1, 2020 with maintenance dates annually for three additional years (June 1, 2021, 2022, and 2023). Forgiveness of up to 25% of the forgivable loan will occur at each maintenance date, prorated to the percentage of metric achieved.

Repayment = (% short of targeted payroll) x (25% of \$250,000)

**Disbursement:** Option 1 - Funds will be disbursed for facility purchase.  
Option 2 - Funds will be disbursed on a reimbursement basis for equipment purchase and/or facility fit-up.

Funds must be requested/disbursed by June 1, 2020.

**Collateral:** Option 1 - If funds are used for facility purchase, 2nd position on mortgage.  
Option 2 - If funds are used on a reimbursement basis for equipment purchase and/or facility fit-up, lien will be placed on new or existing equipment.

**RECOMMENDED HIGH-TECH POOL FUNDING AMOUNT:**

**\$250,000**

Source of Funds: Bond Pool

Financing Type: Forgivable Loan


**Recommendation:**

This project was recommended by the Executive Director, Office of Entrepreneurship



## **MEMORANDUM**

**TO:** KEDFA Board Members

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

**DATE:** March 29, 2018

**SUBJECT:** KBI Amendment  
Copper & Kings Brandy Company (Jefferson County)  
Project # 19424

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On December 15, 2017, Cados, Inc. and Copper & Kings Brandy Company executed Articles of Merger pursuant to which Cados, Inc. was merged into Copper & Kings Brandy Company. Cados, Inc. has requested the Authority's approval of the merger and recognition of Copper & Kings Brandy Company as the Approved Company, and that it be eligible to receive the Incentives attributable to the Project in accordance with the terms of the Agreement.

Staff recommends approval.





## MEMORANDUM

**TO:** KEDFA Board Members

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

**DATE:** March 29, 2018

**SUBJECT:** KEIA Extensions



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The following companies have requested additional time to complete their projects:

<b>Company</b>	<b>County</b>	<b>Extension</b>
Novelis Corporation	Madison	2 Months
Restaurant Supply Chain Solutions, LLC	Jefferson	2 Months
3M Company	Harrison	3 Months
Road ID, Inc.	Kenton	3 Months
Brown-Forman Corporation	Woodford	6 Months
Heaven Hill Distilleries, Inc.	Jefferson	6 Months
Heaven Hill Distilleries, Inc.	Nelson	6 Months
L'Oreal USA Products, Inc.	Kenton	6 Months
New Riff Distilling, Inc.	Campbell	6 Months
Michter's Distillery, LLC	Jefferson	9 Months
MobileMedTek Holdings, Inc.	Jefferson	12 Months

Staff recommends approval.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** March 29, 2018  
**Approved Company:** Stelised, Inc.  
**City:** Shelbyville **County:** Shelby  
**Activity:** Manufacturing **Resolution #:** KEIA-18-22047  
**Bus. Dev. Contact:** A. Bobbitt **OFS Staff:** D. Phillips

**Project Description:** Stelised Inc., originally a mold making company, has over the years added plastic injection molding, value added contract manufacturing and direct product distribution for its customers. The company is considering the construction of a new operation in Shelbyville to increase its current services offered.

**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**

<b>Eligible Costs</b>	<b>Total Investment</b>
\$0	\$242,000
\$1,074,500	\$2,953,175
\$0	\$0
\$0	\$0
\$0	\$267,000
\$0	\$27,000
<b>\$1,074,500</b>	<b>\$3,489,175</b>

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

Brian Desilets - Louisville, KY

**Other State Participation:** None

**Unemployment Rate:**

County: 2.9%

Kentucky: 4.3%

**Existing Presence in Kentucky:**

Shelby County

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$60,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$60,000**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** March 29, 2018  
**Approved Company:** LBX Company LLC  
**City:** Lexington  
**Activity:** Headquarters  
**Bus. Dev. Contact:** T. Simon

**County:** Fayette  
**Resolution #:** KEIA-18-22024  
**OFS Staff:** D. Phillips

**Project Description:** LBX Company LLC is the proud maker of Link-Belt Excavators which is where the "LBX" name originated. In addition to the excavators, the company manufactures Link-Belt Material Handlers and Link-Belt Forestry equipment for the North American market. The company is considering Lexington for its corporate headquarters.

**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	\$3,890,193
\$2,300,000	\$5,000,000
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
<b>\$2,300,000</b>	<b>\$8,890,193</b>

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

Sumitomo Construction - Chiba, Japan

**Other State Participation:** None

**Unemployment Rate:**

County: 2.8%

Kentucky: 4.3%

**Existing Presence in Kentucky:**

Fayette County

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$70,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$70,000**









**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** March 29, 2018  
**Approved Company:** Heritage Millworks, LLC dba Powell Valley Millwork  
**City:** Clay City **County:** Powell  
**Activity:** Manufacturing **Resolution #:** KEIA-18-22039  
**Bus. Dev. Contact:** R. Lee **OFS Staff:** D. Phillips

**Project Description:** Heritage Millworks, LLC dba Powell Valley Millwork produces solid wood moldings, trim and other millwork products including plantation shutter components, kiln-dried lumber and animal bedding. The company is considering the construction of a new facility to meet customer demand.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment**

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

<b>Eligible Costs</b>	<b>Total Investment</b>
\$0	\$0
\$1,075,000	\$1,445,000
\$0	\$0
\$0	\$0
\$0	\$1,855,000
\$0	\$50,000
<b>\$1,075,000</b>	<b>\$3,350,000</b>

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

James K. Thornberry - Lexington, KY  
 James T. Thornberry - Lexington, KY

**Other State Participation:** None

**Unemployment Rate:**

County: 5.3%

Kentucky: 4.3%

**Existing Presence in Kentucky:**

Powell County

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$60,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$60,000**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** March 29, 2018  
**Approved Company:** Schneider Hotels, LLC  
**City:** Louisville **County:** Jefferson  
**Activity:** Tourism Attraction **Resolution #:** KEIA-18-22017  
**Bus. Dev. Contact:** L. Ransdell **OFS Staff:** M. Elder

**Project Description:** The Galt House Hotel was built in 1971 as part of Al Schneider's vision for a vibrant waterfront scene that would draw people from far and wide to downtown Louisville. The expansions of this complex have continued into the early 1980's with the 1,300 rooms and its 130,000 sf conference center which hosts hundreds of events each year. Schneider Hotels, LLC is considering renovating all guest rooms and public spaces, several of the hotel's food and beverage outlets as well as the creation of a new restaurant in an exciting meeting room overlooking one of the city's extraordinary parks.

**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
\$33,000,000	\$80,000,000
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
<b>\$33,000,000</b>	<b>\$80,000,000</b>

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

The Al J. Schneider Company Louisville, KY

**Other State Participation:** None

**Unemployment Rate:**

County: 3.3%

Kentucky: 4.3%

**Existing Presence in Kentucky:** None

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$500,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$500,000**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** March 29, 2018  
**Approved Company:** Halton Company  
**City:** Scottsville **County:** Allen  
**Activity:** Manufacturing **Resolution #:** KEIA-18-22018  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Halton Company is a leading manufacturer of commercial kitchen ventilation and air distribution systems. The company is considering the construction of a new 55,000 sf facility to supplement its current manufacturing space in Allen County. This new space will lay the foundation for the Halton Air Moving division in the North American market.

**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	\$160,000
\$1,750,000	\$3,500,000
\$0	\$0
\$0	\$0
\$0	\$3,000,000
\$0	\$0
<b>\$1,750,000</b>	<b>\$6,660,000</b>

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

Halton Group Americas, Inc. Scottsville, KY

**Other State Participation:** None

**Unemployment Rate:**

County: 2.9%

Kentucky: 4.3%

**Existing Presence in Kentucky:**

Allen County

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$100,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$100,000**



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 29, 2018  
**Approved Company:** Independent Stave Company, LLC  
**City:** Morehead **County:** Rowan  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-18-22019  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Independent Stave Company, LLC, founded in 1912, has grown into the largest barrel manufacturer in the world, marketing its products in over 19 countries. The company is considering the purchase of land and construction of a cooperage in order to increase its capacity to help achieve the growth need as well as create more production flexibility in an area that is closer to where the raw materials are sourced.

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

**Anticipated Project Investment - Owned**

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

Eligible Costs	Total Investment
\$422,400	\$422,400
\$24,600,000	\$24,600,000
\$41,000,000	\$41,000,000
\$500,000	\$500,000
<b>\$66,522,400</b>	<b>\$66,522,400</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	136	\$24.00	
1	190	\$24.00	\$200,000
2	190	\$24.00	\$200,000
3	190	\$24.00	\$200,000
4	190	\$24.00	\$200,000
5	210	\$24.00	\$200,000
6	210	\$24.00	\$200,000
7	215	\$24.00	\$200,000
8	215	\$24.00	\$200,000
9	215	\$24.00	\$200,000
10	215	\$24.00	\$200,000
11	220	\$24.00	\$200,000
12	220	\$24.00	\$200,000
13	220	\$24.00	\$200,000
14	220	\$24.00	\$200,000
15	220	\$24.00	\$200,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$3,000,000**



**County Type:**  
Enhanced

**Statutory Minimum Wage Requirements:**  
Base hourly wage: \$9.06  
Total hourly compensation: \$10.42

**Ownership (20% or more):**  
ISCO Holding Company, Inc. Lebanon, MO

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

**Requested Wage Assessment / Local Participation:**  
State: 5.0%

**Unemployment Rate:**  
County: 4.6% Kentucky: 4.3%

**Existing Presence in Kentucky:**  
Jefferson, Marshall and Marion and Rowan Counties

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



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** March 29, 2018  
**Approved Company:** Independent Stave Company, LLC  
**City:** Morehead **County:** Rowan  
**Activity:** Manufacturing **Resolution #:** KEIA-18-22020  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Independent Stave Company, LLC, founded in 1912, has grown into the largest barrel manufacturer in the world, marketing its products in over 19 countries. The company is considering the purchase of land and construction of a coopeage in order to increase its capacity to help achieve the growth need as well as create more production flexibility in an area that is closer to where the raw materials are sourced.

**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**

<b>Eligible Costs</b>	<b>Total Investment</b>
\$0	\$422,400
\$24,100,000	\$24,600,000
\$0	\$0
\$0	\$0
\$0	\$41,000,000
\$0	\$500,000
<b>\$24,100,000</b>	<b>\$66,522,400</b>

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$500,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$500,000**

See KBI file (KBI-I-18-2019) for Ownership, Other State Participation and Unemployment Rate.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 29, 2018  
**Approved Company:** Hydroponic Farms USA LLC  
**City:** Jackson **County:** Breathitt  
**Activity:** Service & Technology **Prelim Resolution #:** KBI-I-18-22021  
**Bus. Dev. Contact:** R. Lee **OFS Staff:** D. Phillips

**Project Description:** Hydroponic Farms USA LLC is a newly formed corporation in 2017. The company is considering the acquisition and construction of a state-of-the-art facility which will include hydroponic, aquaponics and aeroponic technologies used to grow produce.

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

**Anticipated Project Investment - Owned**

	<b>Eligible Costs</b>	<b>Total Investment</b>
Land	\$700,000	\$700,000
Building/Improvements	\$14,569,304	\$14,569,304
Equipment	\$25,452,884	\$25,452,884
Other Start-up Costs	\$3,853,044	\$3,853,044
<b>TOTAL</b>	<b>\$44,575,232</b>	<b>\$44,575,232</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	96	\$15.00	
1	96	\$15.00	\$122,000
2	119	\$15.00	\$122,000
3	119	\$15.00	\$122,000
4	119	\$15.00	\$122,000
5	119	\$15.00	\$122,000
6	119	\$15.00	\$122,000
7	119	\$15.00	\$122,000
8	119	\$15.00	\$122,000
9	119	\$15.00	\$122,000
10	119	\$15.00	\$122,000
11	119	\$15.00	\$122,000
12	119	\$15.00	\$122,000
13	119	\$15.00	\$122,000
14	119	\$15.00	\$122,000
15	119	\$15.00	\$122,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$1,830,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** March 29, 2018  
**Approved Company:** Hydroponic Farms USA LLC  
**City:** Jackson **County:** Breathitt  
**Activity:** Service & Technology **Resolution #:** KEIA-18-22022  
**Bus. Dev. Contact:** R. Lee **OFS Staff:** D. Phillips

**Project Description:** Hydroponic Farms USA LLC is a newly formed corporation in 2017. The company is considering the acquisition and construction of a state-of-the-art facility which will include hydroponic, aquaponics and aeroponic technologies used to grow produce.

**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**

<b>Eligible Costs</b>	<b>Total Investment</b>
\$0	\$700,000
\$11,217,664	\$14,569,304
\$0	\$0
\$0	\$0
\$0	\$25,452,884
\$0	\$3,853,044
<b>\$11,217,664</b>	<b>\$44,575,232</b>

**Existing Presence in Kentucky:** None

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$250,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$250,000**

See KBI file (KBI-I-18-22021) for Ownership, Other State Participation and Unemployment Rate.





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 29, 2018  
**Approved Company:** Extiel-Advantage-Somerset 1 Limited Liability Company  
**City:** Somerset **County:** Pulaski  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-18-22051  
**Bus. Dev. Contact:** A. Bobbitt **OFS Staff:** D. Phillips

**Project Description:** Extiel-Advantage-Somerset 1 LLC is a subsidiary of Extiel GPG, LLC a developer of Natural Gas to Liquid (GTL) plants. The company uses a technology to convert low cost natural gas into high-value, full-synthetic waxes, base oils and solvents. The proposed plant will be a down-sized version of a large-scale GTL plant design and will produce 250 barrels per day of ultra-clean synthetic fuel products, waxes and industrial hydrogen.

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

**Anticipated Project Investment - Owned**

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

Eligible Costs	Total Investment
\$0	\$0
\$19,100,000	\$19,100,000
\$55,000,000	\$55,000,000
\$900,000	\$900,000
<b>\$75,000,000</b>	<b>\$75,000,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	15	\$30.00	
1	15	\$30.00	\$150,000
2	20	\$30.00	\$150,000
3	30	\$30.00	\$150,000
4	60	\$30.00	\$150,000
5	60	\$30.00	\$150,000
6	60	\$30.00	\$150,000
7	60	\$30.00	\$150,000
8	60	\$30.00	\$150,000
9	60	\$30.00	\$150,000
10	60	\$30.00	\$150,000
11			
12			
13			
14			
15			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$1,500,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** March 29, 2018  
**Approved Company:** Extiel-Advantage-Somerset 1 Limited Liability Company  
**City:** Somerset **County:** Pulaski  
**Activity:** Manufacturing **Resolution #:** KEIA-18-22052  
**Bus. Dev. Contact:** A. Bobbitt **OFS Staff:** D. Phillips

**Project Description:** Extiel-Advantage-Somerset 1 LLC is a subsidiary of Extiel GPG, LLC a developer of Natural Gas to Liquid (GTL) plants. The company uses a technology to convert low cost natural gas into high-value, full-synthetic waxes, base oils and solvents. The proposed plant will be a down-sized version of a large-scale GTL plant design and will produce 250 barrels per day of ultra-clean synthetic fuel products, waxes and industrial hydrogen.

**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	\$0
\$9,400,000	\$19,100,000
\$0	\$0
\$0	\$0
\$0	\$55,000,000
\$0	\$900,000
<b>\$9,400,000</b>	<b>\$75,000,000</b>

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$500,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$500,000**

See KBI file (KBI-I-18-22051) for Ownership, Other State Participation and Unemployment Rate.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 29, 2018  
**Approved Company:** Santa Rosa Systems, LLC  
**Approved Affiliate(s):** Material Handling Systems, Inc.  
**City:** Mt. Washington **County:** Bullitt  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-18-22053  
**Bus. Dev. Contact:** A. Bobbitt **OFS Staff:** D. Phillips

**Project Description:** Santa Rosa Systems, LLC (SRS) is a manufacturer of conveyor and automated sortation equipment. SRS fabricates and assembles equipment that is installed by its sister company, Material Handling Systems, Inc. (MHS), a leader in the parcel industry. SRS sells system components to MHS and also sells products, primarily extendable conveyor machines, directly to end users, such as United Parcel Service and Fed Ex Ground. The company is considering an expansion of its facility to increase office space as well as manufacturing space to meet customer demand.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**

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

Eligible Costs	Total Investment
\$0	\$0
\$12,658,000	\$12,658,000
\$2,000,000	\$8,000,000
\$1,000,000	\$1,000,000
<b>\$15,658,000</b>	<b>\$21,658,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	100	\$25.00	
1	175	\$25.00	\$250,000
2	250	\$25.00	\$250,000
3	300	\$25.00	\$250,000
4	300	\$25.00	\$250,000
5	300	\$25.00	\$250,000
6	300	\$25.00	\$250,000
7	300	\$25.00	\$250,000
8	300	\$25.00	\$250,000
9	300	\$25.00	\$250,000
10	300	\$25.00	\$250,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$2,500,000**







**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
KEIA REPORT**

**Date:** March 29, 2018  
**Approved Company:** Santa Rosa Systems, LLC  
**City:** Mt. Washington  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** A. Bobbitt

**County:** Bullitt  
**Resolution #:** KEIA-18-22054  
**OFS Staff:** D. Phillips

**Project Description:** Santa Rosa Systems, LLC (SRS) is a manufacturer of conveyor and automated sortation equipment. SRS fabricates and assembles equipment that is installed by its sister company, Material Handling Systems, Inc. (MHS), a leader in the parcel industry. SRS sells system components to MHS and also sells products, primarily extendable conveyor machines, directly to end users, such as United Parcel Service and Fed Ex Ground. The company is considering an expansion of its facility to increase office space as well as manufacturing space to meet customer demand.

**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
\$5,063,200	\$12,658,000
\$0	\$0
\$0	\$0
\$0	\$8,000,000
\$0	\$1,000,000
<b>\$5,063,200</b>	<b>\$21,658,000</b>

**Existing Presence in Kentucky:**

Bullitt and Jefferson Counties

**Approved Recovery Amount:**

Construction Materials and Building Fixtures: \$150,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$150,000**

See KBI file (KBI-I-18-22053) for Ownership, Other State Participation and Unemployment Rate.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 29, 2018  
**Approved Company:** Fooji, Inc.  
**City:** Lexington **County:** Fayette  
**Activity:** Headquarters **Prelim Resolution #:** KBI-IL-18-22040  
**Bus. Dev. Contact:** A. Bobbitt **OFS Staff:** D. Phillips

**Project Description:** Fooji, Inc. is an experiential technology company that uses on-demand delivery services to power unique marketing campaigns that acquire and engage fans for big brands. The company is considering an expansion of its headquarters facility in Lexington.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Leased**

	<b>Eligible Costs</b>	<b>Total Investment</b>
Rent	\$1,425,000	\$2,850,000
Building/Improvements	\$0	\$0
Equipment	\$200,000	\$300,000
Other Start-up Costs	\$52,000	\$52,000
<b>TOTAL</b>	<b>\$1,677,000</b>	<b>\$3,202,000</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	\$30.00	
1	20	\$30.00	\$60,000
2	30	\$30.00	\$60,000
3	40	\$30.00	\$60,000
4	40	\$30.00	\$60,000
5	40	\$30.00	\$60,000
6	40	\$30.00	\$60,000
7	40	\$30.00	\$60,000
8	40	\$30.00	\$60,000
9	40	\$30.00	\$60,000
10	40	\$30.00	\$60,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$600,000**

**County Type:**

Other

**Statutory Minimum Wage Requirements:**

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

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

Gregg Morton - Lexington, KY

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

**Requested Wage Assessment / Local Participation:**

State: 3.0%

Local: 1.0% - Lexington-Fayette Urban County Government

**Unemployment Rate:**

County: 2.8%

Kentucky: 4.3%

**Existing Presence in Kentucky:**

Fayette 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 42 full-time, Kentucky resident employees as of the application date.

The project will include multiple locations within Lexington, Fayette County. Only investment costs incurred at 1170 Manchester Street 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:** March 29, 2018  
**Approved Company:** Nifco America Corporation  
**City:** Shelbyville **County:** Shelby  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-18-22056  
**Bus. Dev. Contact:** A. Bobbitt **OFS Staff:** D. Phillips

**Project Description:** Nifco America Corporation, a manufacturing facility in Shelbyville, is a state of the art injection molding and assembly plant with high-level automation. The company is considering the expansion of this facility to include the purchase of additional equipment to meet customer demand.

**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
\$760,000	\$6,170,000
\$0	\$0
<b>\$760,000</b>	<b>\$6,170,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	38	\$20.00	
1	38	\$20.00	\$64,000
2	38	\$20.00	\$64,000
3	38	\$20.00	\$64,000
4	38	\$20.00	\$64,000
5	38	\$20.00	\$64,000
6	38	\$20.00	\$65,000
7	38	\$20.00	\$65,000
8			
9			
10			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$450,000**







**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 29, 2018  
**Approved Company:** Dream Junction Ink LLC  
**City:** Hebron **County:** Boone  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-IL-18-22057  
**Bus. Dev. Contact:** A. Bobbitt **OFS Staff:** D. Phillips

**Project Description:** Dream Junction Ink LLC is a California-based company primarily engaged in contract Direct-To-Garment apparel printing for e-commerce customers. The company is considering a manufacturing facility in Hebron.

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

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

Eligible Costs	Total Investment
\$1,020,770	\$2,041,540
\$565,000	\$565,000
\$1,000,000	\$4,000,000
\$325,000	\$325,000
<b>\$2,910,770</b>	<b>\$6,931,540</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	\$18.00	
1	50	\$18.00	\$130,000
2	150	\$18.00	\$130,000
3	250	\$18.00	\$130,000
4	250	\$18.00	\$130,000
5	250	\$18.00	\$130,000
6			
7			
8			
9			
10			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$650,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 29, 2018  
**Approved Company:** Ampyss Healthcare Solutions, Inc.  
**City:** Albany **County:** Clinton  
**Activity:** Service & Technology **Prelim Resolution #:** KBI-I-18-22023  
**Bus. Dev. Contact:** J. Ward **OFS Staff:** D. Phillips

**Project Description:** Ampyss Healthcare Solutions, Inc. is a full service healthcare consulting company that provides services to customers throughout the Country. The company is considering an expansion in Albany to provide services to a national healthcare provider.

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

**Anticipated Project Investment - Owned**

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

Eligible Costs	Total Investment
\$0	\$0
\$700,000	\$700,000
\$200,000	\$200,000
\$0	\$0
<b>\$900,000</b>	<b>\$900,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$17.00	
1	40	\$17.00	\$50,000
2	60	\$17.00	\$50,000
3	80	\$17.00	\$50,000
4	90	\$17.00	\$50,000
5	100	\$17.00	\$50,000
6	100	\$17.00	\$50,000
7	100	\$17.00	\$50,000
8	100	\$17.00	\$50,000
9	100	\$17.00	\$50,000
10	100	\$17.00	\$50,000
11			
12			
13			
14			
15			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$500,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 29, 2018  
**Approved Company:** Alliant Technologies LLC  
**City:** Glasgow **County:** Barren  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-IL-18-22048  
**Bus. Dev. Contact:** T. Sears **OFS Staff:** D. Phillips

**Project Description:** Alliant Technologies LLC is an electrical and software engineering company with an electrical panel fabrication shop. The company is considering leasing a facility in Glasgow to support control panel fabrication for two new markets as well as help meet customer demand.

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

**Anticipated Project Investment - Leased**

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

Eligible Costs	Total Investment
\$456,750	\$913,500
\$24,000	\$24,000
\$75,000	\$75,000
\$176,000	\$176,000
<b>\$731,750</b>	<b>\$1,188,500</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	30	\$25.00	
1	30	\$25.00	\$27,500
2	30	\$25.00	\$27,500
3	30	\$25.00	\$27,500
4	30	\$25.00	\$27,500
5	30	\$25.00	\$27,500
6	30	\$25.00	\$27,500
7	30	\$25.00	\$27,500
8	30	\$25.00	\$27,500
9	30	\$25.00	\$27,500
10	30	\$25.00	\$27,500

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$275,000**







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

**Date:** March 29, 2018  
**Approved Company:** HB Molding, Inc.  
**City:** Jeffersontown **County:** Jefferson  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-18-22055  
**Bus. Dev. Contact:** T. Sears **OFS Staff:** D. Phillips

**Project Description:** HB Molding, Inc. is a plastic injection molder that started in 1998 and has seen dramatic growth over the years. The company is considering building on adjacent acreage to include expanded warehouse space that will allow for existing space to be converted to manufacturing operations, install new equipment and renovate and expand office operations.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Owned**

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

Eligible Costs	Total Investment
\$0	\$0
\$770,000	\$770,000
\$200,000	\$650,000
\$30,000	\$30,000
<b>\$1,000,000</b>	<b>\$1,450,000</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	\$26.50	
1	12	\$26.50	\$22,500
2	16	\$26.50	\$22,500
3	17	\$26.50	\$22,500
4	20	\$26.50	\$22,500
5	20	\$26.50	\$22,500
6	20	\$26.50	\$22,500
7	20	\$26.50	\$22,500
8	20	\$26.50	\$22,500
9	20	\$26.50	\$22,500
10	20	\$26.50	\$22,500

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$225,000**

**County Type:**  
Other

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

**Ownership (20% or more):**  
Mark Hallam Prospect, 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: 4.3%

**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 71 full-time, Kentucky resident employees as of the application date.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 29, 2018  
**Approved Company:** Fitzgerald Industries II, LLC  
**City:** Monticello **County:** Wayne  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-18-22041  
**Bus. Dev. Contact:** T. Simon **OFS Staff:** D. Phillips

**Project Description:** Fitzgerald Industries II, LLC, a newly formed company, is wholly owned by the Tommy C. Fitzgerald Legacy Trust. The company is considering a location in Monticello to manufacture fabricated aluminum dump beds for class 8 trucks.

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

**Anticipated Project Investment - Owned**

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

Eligible Costs	Total Investment
\$100,000	\$100,000
\$1,900,000	\$1,900,000
\$3,000,000	\$3,000,000
\$1,000,000	\$1,000,000
<b>\$6,000,000</b>	<b>\$6,000,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	75	\$22.00	
1	75	\$22.00	\$150,000
2	250	\$22.00	\$250,000
3	250	\$22.00	\$250,000
4	250	\$22.00	\$250,000
5	250	\$22.00	\$250,000
6	250	\$22.00	\$250,000
7	250	\$22.00	\$250,000
8	250	\$22.00	\$250,000
9	250	\$22.00	\$250,000
10	250	\$22.00	\$250,000
11			
12			
13			
14			
15			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$2,400,000**







**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 29, 2018  
**Approved Company:** Century Aluminum of Kentucky General Partnership  
**City:** Hawesville **County:** Hancock  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-18-22042  
**Bus. Dev. Contact:** L. Witt **OFS Staff:** M. Elder

**Project Description:** Century Aluminum of Kentucky General Partnership's smelter located on the Ohio River is the last remaining producer of High Purity Metal in the US and the largest producer of primary aluminum in the United States. Aluminum from this facility supplies the electrical conductor, remelt ingot and high-purity ingot markets, as well as the defense and aerospace industries. The company is considering upgrading its equipment to remain competitive in the marketplace and increase capacity.

**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
\$1,600,000	\$21,200,000
\$95,300,000	\$95,300,000
<b>\$96,900,000</b>	<b>\$116,500,000</b>

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	80	\$57.00	
1	80	\$57.00	\$1,000,000
2	250	\$57.00	\$1,000,000
3	250	\$57.00	\$1,500,000
4	250	\$57.00	\$1,500,000
5	250	\$57.00	\$250,000
6	250	\$57.00	\$150,000
7	250	\$57.00	\$100,000
8			
9			
10			

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$5,500,000**





**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

**KBI REPORT - PRELIMINARY APPROVAL**

**Date:** March 29, 2018  
**Approved Company:** HDT Expeditionary Systems, Inc.  
**City:** Florence **County:** Boone  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-IL-18-22038  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** HDT Expeditionary Systems, Inc. provides innovative solutions to military, government, industrial and commercial market customers throughout the world including shelters, generators, heaters, air filtration devices and many other engineered products. The company is considering expanding its business by purchasing new equipment and making significant improvements to the property.

**Facility Details:** Expanding existing operations

**Anticipated Project Investment - Leased**

	<b>Eligible Costs</b>	<b>Total Investment</b>
Rent	\$0	\$9,680,000
Building/Improvements	\$1,800,000	\$1,800,000
Equipment	\$1,880,000	\$2,674,000
Other Start-up Costs	\$350,000	\$350,000
<b>TOTAL</b>	<b>\$4,030,000</b>	<b>\$14,504,000</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	94	\$27.00	
1	103	\$27.00	\$200,000
2	113	\$27.00	\$200,000
3	113	\$27.00	\$200,000
4	113	\$27.00	\$200,000
5	113	\$27.00	\$200,000
6	113	\$27.00	\$200,000
7	113	\$27.00	\$200,000
8	113	\$27.00	\$200,000
9	113	\$27.00	\$200,000
10	113	\$27.00	\$200,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$2,000,000**





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

**Date:** March 29, 2018  
**Approved Company:** Pioneer Plastics, Inc.  
**City:** Dixon **County:** Webster  
**Activity:** Manufacturing **Prelim Resolution #:** KBI-I-18-22050  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Pioneer Plastics, Inc., in business since early 1960, has several buildings that house 22 injection molding machines ranging from 75 to 990 tons used to manufacture a variety of plastic injection molded products. The company is considering investing in new equipment, making improvements to its facility and hiring additional employees to help meet the needs of its customers.

**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
\$200,000	\$550,000
\$50,000	\$50,000
<b>\$250,000</b>	<b>\$600,000</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	\$16.00	
1	17	\$16.00	\$15,000
2	17	\$16.00	\$15,000
3	17	\$16.00	\$15,000
4	17	\$16.00	\$15,000
5	17	\$16.00	\$15,000
6	17	\$16.00	\$15,000
7	17	\$16.00	\$15,000
8	17	\$16.00	\$15,000
9	17	\$16.00	\$15,000
10	17	\$16.00	\$15,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**

**\$150,000**

**County Type:**  
Other

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

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

Edward R. Knapp Evansville, IN  
Judith A. Knapp Evansville, IN

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

**Requested Wage Assessment / Local Participation:**

State: 3.0%

Local: Up to \$3,750 a year- Webster County Fiscal Court and Webster  
County Economic Development Corporation

**Unemployment Rate:**

County: 4.1%

Kentucky: 4.3%

**Existing Presence in Kentucky:**

Webster 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 32 full-time, Kentucky resident employees as of the application date.





## **MEMORANDUM**

**TO:** KEDFA Board Members  
**FROM:** Michelle Elder   
Incentive Administration Division  
**DATE:** March 29, 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>
WPT Corporation	Ohio	6 Month
AquiSense Technologies LLC	Boone	12 Month
Catalent Pharma Solutions, LLC	Clark	12 Month
Frost-Arnett Company	Taylor	12 Month
Kowa Kogyo-sho Co., Ltd.	Knox	12 Month
Logan Aluminum Inc.	Logan	12 Month
Rajant Corporation	Rowan	12 Month

Staff recommends approval.



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

**Date:** March 29, 2018  
**Preliminary Approval:** March 26, 2015  
**Approved Company:** Atlas Development Group, LLC  
**City:** Elizabethtown  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** J. Bevington

**County:** Hardin  
**Final Resolution #:** KBI-F-18-20341  
**OFS Staff:** M. Elder

**Project Description:** Atlas Development Group, LLC was formed in January 2015 by a group of professional engineers in the small arms industry. The founders are long time Kentucky residents with well over 100 years of experience between them. The company develops and manufactures ammunition cartridge cases.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$315,000	\$2,935,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$32.00	
1	10	\$32.00	\$31,500
2	16	\$32.00	\$31,500
3	16	\$32.00	\$31,500
4	16	\$32.00	\$31,500
5	18	\$32.00	\$31,500
6	18	\$32.00	\$31,500
7	18	\$32.00	\$31,500
8	18	\$32.00	\$31,500
9	18	\$32.00	\$31,500
10	18	\$32.00	\$31,500

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$315,000**

**County Type:**  
Other

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

**Special Conditions:**  
 Maintain Base Employment: 5

**Modifications since preliminary approval?**

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



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

**Date:** March 29, 2018  
**Preliminary Approval:** June 25, 2018  
**Approved Company:** Challenger Lifts, Inc.  
**City:** Louisville  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** A. Bobbitt

**County:** Jefferson  
**Final Resolution #:** KBI-FL-18-20484  
**OFS Staff:** M. Elder

**Project Description:** Challenger Lifts, Inc. specializes in the design, manufacturing, and distribution of a comprehensive line of car lifts, jacks and auto lift accessories. The company has been operating in Louisville for over 30 years, and it was acquired by Snap-on Inc. in 2013. This project included an expansion and consolidation of the company's two original sites and relocation to a new site.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$2,400,000	\$5,000,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$19.00	
1	20	\$19.00	\$40,000
2	20	\$19.00	\$40,000
3	25	\$19.00	\$40,000
4	30	\$19.00	\$40,000
5	35	\$19.00	\$40,000
6	35	\$19.00	\$40,000
7	35	\$19.00	\$40,000
8	35	\$19.00	\$40,000
9	35	\$19.00	\$40,000
10	35	\$19.00	\$40,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$400,000**

**County Type:**  
Other

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

**Special Conditions:**  
 Maintain Base Employment: 89  
 Corporate Income Tax Only

**Modifications since preliminary approval?** No



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

**Date:** March 29, 2018  
**Preliminary Approval:** February 26, 2015  
**Approved Company:** eTechCampus, L.L.C.  
**City:** Lexington  
**Activity:** Service & Technology  
**Bus. Dev. Contact:** A. Bobbitt

**County:** Fayette  
**Final Resolution #:** KBI-FL-18-20325  
**OFS Staff:** M. Elder

**Project Description:** eTechCampus, L.L.C. was founded by eCampus.com, a Lexington based purveyor and renter of new and used textbooks. The education market has experienced a major shift toward digital learning and in response eCampus launched this EdTech start up. The company provides complete digital learning solutions for schools, colleges, corporations and government entities. In order to meet the growing demands the company moved into a new location to accommodate its additional staff.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$1,175,000	\$2,050,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	30	\$28.00	
1	30	\$28.00	\$60,000
2	30	\$28.00	\$60,000
3	30	\$28.00	\$60,000
4	30	\$28.00	\$60,000
5	45	\$28.00	\$60,000
6	45	\$28.00	\$60,000
7	45	\$28.00	\$60,000
8	45	\$28.00	\$60,000
9	45	\$28.00	\$60,000
10	45	\$28.00	\$60,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$600,000**

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

**Special Conditions:**  
 Maintain Base Employment: 6

**Modifications since preliminary approval?** No





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

**Date:** March 29, 2018  
**Preliminary Approval:** August 25, 2016  
**Approved Company:** Graf Brothers Flooring, Inc.  
**City:** South Shore  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** R. Lee

**County:** Greenup  
**Final Resolution #:** KBI-F-18-21205  
**OFS Staff:** D. Phillips

**Project Description:** Graf Brothers Flooring, Inc. is the world's largest manufacturer of rift and quartered hardwood flooring. The project consisted of expanding its operation in South Shore by constructing two new buildings, a manufacturing facility to produce Lamellas used in engineered wood flooring and the other facility will be utilized for warehousing and shipping.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$1,629,000	\$1,629,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$12.55	
1	20	\$12.55	\$30,000
2	20	\$12.55	\$30,000
3	20	\$12.55	\$30,000
4	20	\$12.55	\$30,000
5	20	\$12.55	\$30,000
6	20	\$12.55	\$30,000
7	20	\$12.55	\$30,000
8	20	\$12.55	\$30,000
9	20	\$12.55	\$30,000
10	20	\$12.55	\$30,000
11	20	\$12.55	\$30,000
12	20	\$12.55	\$30,000
13	20	\$12.55	\$30,000
14	20	\$12.55	\$30,000
15	20	\$12.55	\$30,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$450,000**

**County Type:**  
Enhanced

**Statutory Minimum Wage Requirements:**

Base hourly wage: \$9.06  
 Total hourly compensation: \$10.42

**Special Conditions:**  
 Maintain Base Employment: 43

**Modifications since preliminary approval?** No



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

**Date:** March 29, 2018  
**Preliminary Approval:** May 31, 2012  
**Approved Company:** Xact Associates, LLC dba Xact Communications  
**City:** Lexington **County:** Fayette  
**Activity:** Headquarters **Final Resolution #:** KBI-FL-18-19035  
**Bus. Dev. Contact:** J. Bevington **OFS Staff:** D. Phillips

**Project Description:** Xact Associates, LLC dba Xact Communications is a premier provider of telecommunication services. The project included leasing an approximate 2,000 sf facility in Lexington to serve as its US and International headquarters.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$340,000	\$1,567,942

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	11	\$35.00	
1	20	\$35.00	\$30,000
2	20	\$35.00	\$30,000
3	20	\$35.00	\$30,000
4	20	\$35.00	\$30,000
5	20	\$35.00	\$30,000
6	20	\$35.00	\$30,000
7	20	\$35.00	\$30,000
8	20	\$35.00	\$30,000
9	20	\$35.00	\$30,000
10	20	\$35.00	\$30,000

**TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:** **\$300,000**

**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:** March 29, 2018  
**Preliminary Approval:** March 26, 2015  
**Approved Company:** North American Stainless  
**City:** Ghent  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** L. Ransdell

**County:** Carroll  
**Final Resolution #:** KBI-FL-18-20335  
**OFS Staff:** D. Phillips

**Project Description:** North American Stainless, founded in 1990, is the largest, fully integrated stainless steel producer in the United States. The project consisted of the installation of additional manufacturing processes to increase its sales base and further meet the needs of its customers.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$150,000,000	\$150,000,000

**NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:**

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	36	\$33.00	
1	36	\$33.00	\$266,667
2	36	\$33.00	\$266,667
3	36	\$33.00	\$266,667
4	36	\$33.00	\$266,667
5	36	\$33.00	\$266,667
6	36	\$33.00	\$266,667
7	36	\$33.00	\$266,667
8	36	\$33.00	\$266,667
9	36	\$33.00	\$266,667
10	36	\$33.00	\$266,667
11	36	\$33.00	\$266,667
12	36	\$33.00	\$266,667
13	36	\$33.00	\$266,667
14	36	\$33.00	\$266,667
15	36	\$33.00	\$266,662

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

**County Type:**  
Enhanced

**Statutory Minimum Wage Requirements:**

Base hourly wage: \$9.06

Total hourly compensation: \$10.42

**Special Conditions:**

Maintain Base Employment: 857

**Modifications since preliminary approval?** Yes

The project ownership changed from an owned project to a leased project with no rent being considered as eligible cost. All other aspects of the project remain the same.



**MEMORANDUM**

**TO:** KEDFA Board Members  
**FROM:** Kylee Palmer *KP*  
Department for Financial Services  
**DATE:** March 29, 2018  
**SUBJECT:** IEIA Extensions

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

<b>Company</b>	<b>County</b>	<b>Extension</b>
Cetna Energy, LLC	Boyd	12-month
Jefferson AD II, LLC	Jefferson	12-month

Staff recommends approval.





## Kentucky Small Business Tax Credit Projects March 2018

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/ Technology	Tax Credit Amount
American Tire, Inc.	Nelson	12	2	\$19.00	\$28,332	\$7,000
Blue Frame Technology LLC	Fayette	3	1	\$32.69	\$9,635	\$3,500
Central Kentucky Sprinkler, Inc.	Jessamine	20	3	\$17.50	\$19,500	\$10,500
C J L & M, Inc.	Warren	5	2	\$11.75	\$7,042	\$7,000
Darling State of Mind LLC	Jefferson	0	1	\$16.35	\$5,321	\$3,500
Hera Testing Laboratories, Inc.	Fayette	5	1	\$20.67	\$8,989	\$3,500
Industrial Field Maintenance, LLC	Fleming	0	8	\$32.63	\$28,800	\$25,000
Kentuckiana Electrical Services, LLC	Jefferson	9	5	\$22.89	\$21,500	\$17,500
Peritech, Inc.	Jefferson	14	2	\$34.22	\$21,500	\$7,000
Rivercrest Engineering, Inc.	McCracken	3	1	\$25.00	\$37,491	\$3,500

<b>Small Business</b>	<b>County</b>	<b>Beginning Employment</b>	<b>Eligible Positions</b>	<b>Average Hourly Wage</b>	<b>Qualifying Equipment/Technology</b>	<b>Tax Credit Amount</b>
Russtech Admixtures, Inc.	Jefferson	15	1	\$18.11	\$25,194	\$3,500
The Advisory Team, LLC	Campbell	7	1	\$19.95	\$10,689	\$3,500
<b>12</b>	<b>8</b>		<b>28</b>	<b>Total</b>	<b>\$223,993</b>	<b>\$95,000</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.

<b>Credit Limit</b>	<b>\$3,000,000</b>
<b>Current FY Projected/Approved Credits</b>	<b>\$1,464,200</b>
<b>Remaining Credits</b>	<b>\$1,535,800</b>