



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, Executive Director
Office of Financial Services *KS*

DATE: June 21, 2017

SUBJECT: KEDFA Board Meeting

The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, June 29, 2017** 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.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

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

AGENDA June 29, 2017

Call to Order
Notification of Press
Roll Call

Approval of Minutes

1. Minutes from May 25, 2017 Regular KEDFA Board Meeting

Reports

- | | |
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| 2. Approved / Undisbursed Loan Report | Kylee Palmer |
| 3. Financial Statements and Monitoring Reports | Katie Smith |

TIF Project (Amendment)

- | | | |
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| 4. Oak Grove Village at Fort Campbell, LLC | Christian | Kylee Palmer |
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IEIA Project (Extension)

- | | | |
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| ■ Secure Energy Kentucky, LLC | McCracken | Kylee Palmer |
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KBI Project (Amendment)

- | | | |
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| 5. Payment Alliance International, Inc. | Jefferson | Bobby Aldridge |
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KEIA Projects (Extension)

- | | | |
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| 6. Tyson Chicken, Inc. | Henderson | Bobby Aldridge |
| Paducah Riverfront Hotel LP | McCracken | |
| Kentucky Fresh Harvest, LLC | Lincoln | |
| Altec Industries, Inc. | Hardin | |
| Butts Foods Incorporated | Simpson | |
| nGimat, LLC | Fayette | |
| United Parcel Service, Inc. | Jefferson | |

KEIA Projects

- | | | |
|--------------------------------------|---------|-------------------------------------|
| 7. Braidy Industries Inc. | Greenup | Tess Simon / Debbie Phillips |
| 8. Amazon Fulfillment Services, Inc. | Boone | Anna Beth Bobbitt / Debbie Phillips |

KBI Project (Preliminary) & KEIA Project

- | | | |
|--------------------------------------|-----------|-------------------------------------|
| 9. Distilled Spirits Epicenter, LLC | Jefferson | Anna Beth Bobbitt / Debbie Phillips |
| 10. Distilled Spirits Epicenter, LLC | Jefferson | |

11. WITHDRAWN
12. WITHDRAWN

KBI Projects (Preliminary)

13. Adkev, Inc.	Boyle	Alec Germond / Lynda Cunningham
14. Worldwide Technologies, LLC	Simpson	Kristina Slattery / Lynda Cunningham
15. Wright-Mix Material Solutions, LLC	Greenup	Robyn Lee / Lynda Cunningham
16. IDEXX Distribution Inc.	Jefferson	Tess Simon / Debbie Phillips
17. ShellTech, LLC	Pulaski	Joan Ward / Debbie Phillips
18. The Dow Chemical Company	Carroll	Lindsey Ransdell / Michelle Elder
19. Metalsa Structural Products, Inc.	Daviess	Corky Peek / Michelle Elder
20. Stratus Plastics KY, LLC	Butler	Corky Peek / Michelle Elder

KBI Projects (Extension)

Michelle Elder

21. First State Investments International, Inc.	Jefferson
L'Oreal USA Products, Inc.	Kenton
zTux, Inc.	Jefferson
Eloventions Services Group LLC	Boone
Challenger Lifts, Inc.	Jefferson
DecoArt, Inc.	Lincoln
iHealth Solutions LLC	Jefferson

KBI Projects (Final)

Debbie Phillips

22. Alliance Entertainment, LLC	Bullitt
23. Clariant Corporation	Jefferson
24. CLARK Material Handling Company	Fayette
25. Curtis-Maruyasu America, Inc.	Marion
26. Enviroflight LLC	Mason
27. Dana Light Axle Manufacturing, LLC	Grant
28. Four Roses Distillery LLC	Bullitt
29. HAHN Automation Inc.	Boone
30. INOAC Group North America, LLC	Washington
31. WITHDRAWN	
32. Magna Seating of America, Inc. dba Louisville Seating	Bullitt
33. Meggitt Aircraft Braking Systems Kentucky Corporation	Boyle
34. Retail Convergence.com, LP	Bullitt
35. Riken Elastomers Corporation	Christian
36. Sabert Corporation	Bullitt
37. Speyside Cooperage Kentucky, Inc.	Bullitt
38. The Bardstown Bourbon Company, LLC	Nelson
39. T. RAD North America, Inc.	Christian
40. Wolf Steel U.S.A. Inc.	Grant
41. Bluegrass Supply Chain Services, LLC	Warren
42. Eby-Brown Company, LLC	Bullitt
43. WITHDRAWN	
44. Lux Row Distillers LLC	Nelson

KRA Project (Preliminary)

Tess Simon / Debbie Phillips

45. Tarter Tube, LLC

Casey

KRA Project (Final)

Michelle Elder

46. Kellogg USA Inc.

Pike

KSBTC

Tim Back

47. Elizabethtown Motors, Inc.

Hardin

Enderle Besten Dieruf, PLLC

Fayette

Inside Out Design, LLC

Franklin

Jewell Engineering and Manufacturing

Company, Inc.

Jefferson

Marshall County Soil Improvement Association

Marshall

MSK Fitness LLC

McCracken

Polaris of Benton, Inc.

Marshall

PTX Food Corporation

Jefferson

Wilderness Trace Solar, Inc.

Boyle

Other Business

Sarah Butler

48. KBI Program Enhanced Incentive Counties for FY 2017-2018

Closed Session

49.

Adjournment

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING MAY 25, 2017

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EDT on May 25, 2017, 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, Edwin King, Proxy for Secretary William M. Landrum, III, Tucker Ballinger, Dorsey Hall, Joe Kelly and Mike Vogt

Staff Present: Bobby Aldridge, Tim Back, Caroline Baesler, John Bevington, Anna Beth Bobbitt, Sarah Butler, Lynda Cunningham, Michelle Elder, Alec Germond, Kimberly Gester, Secretary Terry R. Gill, Jr., Reid Glass, Robyn Lee, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Vivek Sarin, Tess Simon, Kristina Slattery, Katie Smith, Teresa Spreitzer and Lucas Witt

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Michael Holtz, Bingham Greenebaum Doll; Ben Moore and Charles Helms, Louisville Metro; Ian Smith, The Kroger Co.; Amit Shanker and Cynthia Brown, Legislative Research Commission; Jim Parsons, KMK Law; and Kerek Hetherington, The Bankers Bank of Kentucky

Announcement

Chairman Hale yielded the floor to Secretary Terry R. Gill, Jr.

Secretary Gill thanked the board for their service and dedication to the economic growth of the Commonwealth having surpassed the all-time record for the state in job creation from January through May of this year.

Secretary Gill introduced Vivek Sarin who recently joined the cabinet to assist, across all Cabinets, in orchestrating economic growth in the Commonwealth through businesses and job creation.

Mr. Sarin stated it is a privilege to serve Kentucky and is looking forward to providing job growth opportunities to the Commonwealth and the business community as a whole.

Secretary Gill yielded the floor to Chairman Hale. Secretary Gill and Mr. Sarin left the room.

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the April 26, 2017 special KEDFA board meeting and April 27, 2017 regular and executive session board meetings.

Tucker Ballinger moved to approve the minutes, as presented; Michael Vogt 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 Katie Smith to review the financial statements and monthly monitoring reports as of April 30, 2017. Ms. Smith also referenced the communication from Mountjoy Chilton Medley, LLP, the external auditor, discussing the timing of the field work.

After review, the Authority accepted the statements and reports as presented.

KEDFA Grant

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

**Louisville/Jefferson County Metro Government
Restaurant Supply Chain Solutions, LLC**

**Kristina Slattery
Kylee Palmer**

Kristina Slattery stated Restaurant Supply Chain Solutions, LLC (RSCS), headquartered in Louisville, Kentucky, is the exclusive supply chain management organization for Yum! Brands, Inc. and its three restaurant systems – KFC, Pizza Hut and Taco Bell. RSCS plans to upgrade the facility totaling approximately \$3.5 million over the next few years.

Kylee Palmer stated the company requested up to \$500,000 in the form of a KEDFA grant. The funds will be used for renovations and equipment. The terms of the grant include the retention of 102 full-time, Kentucky resident employees paying an average hourly wage of \$49.47, excluding benefits. Annual compliance will begin June 30, 2017 and continue for three additional years through June 30, 2020. The Grant is performance-based and disbursement will not occur until after annual compliance is confirmed.

Staff recommended approval of the Grant request.

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

Local Industrial Revenue Bond (IRB) Project (Final)

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

**The Kroger Co.
Boone County**

**Lindsey Ransdell
Michelle Elder**

Lindsey Ransdell introduced Ian Smith, The Kroger Co. and James Parsons, KMK Law, and invited them to address the board regarding the project and to answer any questions the board may have.

Michelle Elder stated in accordance with KRS 103.210, Boone County Fiscal Court requested KEDFA review and approve a fifty (50%) reduction in the state ad valorem tax rate on the industrial building and equipment which The Kroger Co. proposes to be financed through the issuance of industrial revenue bonds by the Boone County Fiscal Court. The company proposed the purchase of a new facility for a logistics and distribution center in Burlington. The principal amount of the IRB authorization is up to \$70,000,000 for a term of 20 years. A Payment in Lieu of Tax Agreement will be required for 75% of the taxes with the Boone County School District and for 100% of the taxes with Florence Fire District, Extension District, Health District and Library District.

Staff recommended approval of the requested percentage reduction in the state ad valorem tax rate on the industrial building and equipment proposed to be financed through the issuance of the industrial revenue bonds.

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

Note: The KEDFA board did not make any type of determination as to the legality of the bonds to be issued by the Boone County Fiscal Court, but only approved the reduction on the ad valorem tax rate as provided by KRS 103.200 and KRS 132.020.

Kentucky Jobs Development Act (KJDA) Projects (Amendment)

Chairman Hale called on Bobby Aldridge to present the KJDA project amendments to the Authority.

Mr. Aldridge requested both amendments be presented as one motion.

Summit Energy Services, Inc. (Project #14771) Jefferson County

Mr. Aldridge stated on January 27, 2005, Summit Energy Services, Inc. received approval for the company's expansion of its existing energy management facility in Louisville, Kentucky. Effective September 2014, Ormsby Louisville II LLC acquired ownership of the project site from the original lessor, Faulkner Hinton/Ormsby II, LLC.

The company is requesting approval that the KJDA agreement be amended to designate Ormsby Louisville II LLC as the approved lessor and to recognize additional square footage.

Summit Energy Services, Inc. (Project #16284) Jefferson County

Mr. Aldridge stated on June 26, 2008, Summit Energy Services, Inc. received approval for the company's expansion of its existing energy management facility in Louisville, Kentucky. Effective September 2014, Ormsby Louisville II LLC acquired ownership of the project site from the original lessor, Faulkner Hinton/Ormsby II, LLC.

The company is requesting approval that the KJDA agreement be amended to designate Ormsby Louisville II LLC as the approved lessor and to recognize additional square footage.

Staff recommended approval of the KJDA amendment requests.

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

Kentucky Business Incentives (KBI) Projects (Amendment)

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

**A & R Logistics, Inc.
Jefferson County**

Mr. Aldridge stated A & R Logistics, Inc. received final approval on March 26, 2015 for a KBI project to relocate its national headquarters for transportation and logistics operations to Louisville. The project site is a campus, consisting of the main facility on Hurstbourne Parkway and an additional site on Timberwood Circle. As a result of the need for more square footage, the company terminated the lease at Timberwood Circle and moved to a larger space on Bishop Lane in Louisville. This amendment request documents the change of the project site. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

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

**Specialty Foods Group, LLC
Daviness County**

Mr. Aldridge stated Specialty Foods Group, Inc. received final approval for participation in the KBI program on December 8, 2016. Effective March 2017, in connection with a series of mergers, Specialty Foods Group, LLC became the successor to the original company Specialty Foods Group, Inc. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

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

**Rut 'N Strut Distillery LLC
Shelby County**

Mr. Aldridge stated Rut 'N Strut Distillery LLC requested an additional 12 months to complete its project.

Staff recommended approval of extension request.

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

KEIA Projects

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

**Campari America LLC
Anderson County**

**Anna Beth Bobbitt
Debbie Phillips**

Anna Beth Bobbitt stated Campari America LLC is one of the largest spirits company in the United States, producing more than 20 brands, including award-winning vodkas, whiskies, rums, gins, cordials, liqueurs, and cachaças. The company has seen an increase in the global demand for its products and has completed new expansion projects over the last few years. In order to house the growing production for the critical aging process, the company is

considering the construction of a new rack barrel warehouse with space for storage of 50,400 barrels.

Debbie Phillips stated the project investment is \$5,209,500 of which \$2,265,100 qualifies as KEIA eligible costs.

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

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

Vanderbilt Chemicals, LLC
Calloway County

Corky Peek
Michelle Elder

Corky Peek stated Vanderbilt Chemicals, LLC, a division of R.T. Vanderbilt Holding Company, Inc., mines, manufactures and resales chemicals. The Murray, KY location has been in operation since 1970. A new processing unit for its clay drying operation is being considered for this facility. This would allow Vanderbilt to double its output.

Ms. Elder stated the project investment is \$13,700,000 of which \$4,200,000 qualifies as KEIA eligible costs.

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

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

Arroweye Solutions, Inc.
Jefferson County

Lindsey Ransdell
Michelle Elder

Ms. Ransdell stated Arroweye Solutions, Inc. began operations in Nevada in 2007, manufacturing credit/debit and gift cards in an on-demand basis using its state-of-the art technology that allows orders to be fulfilled in days instead of weeks. Due to the tremendous growth in the past 12 months the company is considering expanding its production capabilities to Louisville for a fully operational second site.

Ms. Elder stated the project investment is \$9,510,000 of which \$612,500 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$30,000 for construction materials and building fixtures.

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

Kentucky Business Investment (KBI) Projects (Preliminary) and KEIA Projects

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

Cabot Corporation
Carroll County

Lindsey Ransdell
Michelle Elder

Ms. Ransdell stated Cabot Corporation, headquartered in Boston, Massachusetts, is a global leader in the manufacturing of specialty chemicals and performance materials. The company

produces fumed silica, a performance additive for a variety of applications, including adhesives, composites, coatings and silicone elastomers. Cabot is considering an expansion of its fumed silica manufacturing operations in the United States; one of the potential options for this operation is a new manufacturing plant in Carrollton, KY.

Ms. Elder stated the project investment is \$89,000,000 all of which qualifies as KBI eligible costs and \$20,000,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 32 with average hourly wages of \$41.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$750,000 and the KEIA approved recovery amount of \$250,000 for construction materials and building fixtures.

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

**Nucor Steel Gallatin LLC
Gallatin County**

**Lindsey Ransdell
Michelle Elder**

Ms. Ransdell stated Nucor Steel Gallatin LLC, previously Gallatin Steel Company, is located on the Ohio River in Ghent, KY. The flat-rolled products mills has an annual capacity of approximately 1.8 million tons. Nucor is considering expanding its operations by adding additional pickling and galvanizing capacity.

Ms. Elder stated the project investment is \$175,600,000 all of which qualifies as KBI eligible costs and \$21,700,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 75 with average hourly wages of \$46.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$4,000,000 and approval of the KEIA approved recovery amount of \$1,000,000 for construction materials and building fixtures.

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

**Wilderness Trace Distillery Limited Liability Company
dba Wilderness Trail Distillery
Boyle County**

**Lindsey Ransdell
Michelle Elder**

Ms. Ransdell stated Wilderness Trail Distillery produces Kentucky Bourbon, Rye Whiskey, Vodka and Rum, all from locally-sourced ingredients. This craft distillery is a member of the Kentucky Bourbon Craft Trail. Due to increase customer demand for its product as well as contract work for other distilleries, Wilderness Trail is considering expanding its current facility to support more production capacity as well as support the growth of its industry.

Ms. Elder stated the project investment is \$9,910,000 all of which qualifies as KBI eligible costs and \$3,188,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 10 with average hourly wages of \$22.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000 and approval of the KEIA approved recovery amount of \$150,000 for construction materials and building fixtures.

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

**Tri-Arrows Aluminum Inc.
Logan County**

**Corky Peek
Michelle Elder**

Mr. Peek stated Tri-Arrows Aluminum Inc., a premier supplier of rolled aluminum sheet, is a part of a joint-venture with Novelis, Inc. that owns Logan Aluminum Inc. in Russellville which is the project site. The company is considering adding capacity to its cold rolling mill capabilities. This would allow them to capture more business in both the beverage can market as well as in the automotive industry. This project would consist of the construction of additional manufacturing space as well as the purchase of a significant amount of new equipment.

Ms. Elder stated the project investment is \$125,000,000 of which \$49,979,000 qualifies as KBI eligible costs and \$28,000,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 60 with average hourly wages of \$50.00 including benefits. The state wage assessment participation is 3.0% and Logan County Fiscal Court will participate at 0.75%. 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. Only investment costs incurred by the approved company will be considered toward calculating eligible costs. Only the approved company may participate in the corporate income tax credit incentive (no affiliate is eligible). The jobs creation/maintenance and wage requirements will be satisfied collectively by the approved company and the affiliate, Logan Aluminum, Inc., for KBI.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$6,500,000 and approval of the KEIA approved recovery amount of \$1,500,000 for construction materials and building fixtures.

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

**Greif Packaging LLC dba Multicorr
Jefferson County**

**Anna Beth Bobbitt
Debbie Phillips**

Ms. Bobbitt stated Greif Packaging LLC owns and operates Multicorr, which has been in business in Louisville since 1995. Greif is a worldwide packaging company with four basis divisions, land management, Ridged Industrial Packaging, Flexible Packaging, and Paper and Pulp Systems. Multicorr operates under the Paper and Pulp Systems division supplying corrugated sheet and converted boxes to customers throughout the Midwest and as far as Mexico. With continuing sales growth, the facility has been operating at full capacity and needs to expand to accommodate for future business.

Ms. Phillips stated the project investment is \$15,477,713 of which \$5,530,713 qualifies as KBI eligible costs and \$2,574,428 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 17 with average hourly wages of \$29.00 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. 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. The project will include multiple locations within Louisville/Jefferson County. Only investment costs incurred at 7601 Port Road 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 \$250,000 and approval of the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

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

Emerson Electric Co. Logan County

**Kristina Slattery
Lynda Cunningham**

Ms. Slattery stated Emerson was founded in 1890 in St. Louis, Missouri as a manufacturer of electric motors and fans. The company has since grown from a regional manufacturer into a global technology solutions powerhouse, and has re-aligned its strategy towards focusing on new products and technological development. The company is considering locating one of its newest product lines into its Russellville manufacturing facility.

Lynda Cunningham stated the project investment is \$16,151,000 of which \$3,025,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 55 with average hourly wages of \$24.00 including benefits. The state wage assessment participation is 3.0% and the City of Russellville and Logan County will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

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

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

Sims Bark Co. of Georgia, LLC Whitley County

**Kristina Slattery
Lynda Cunningham**

Ms. Slattery stated Sim's Bark Co. of Georgia, LLC has been a family owned and operated business since 1974, with manufacturing facilities in Alabama, Georgia and South Carolina. Sims Bark uses raw materials, such as bark from saw mills, and processes it into various mulches and soils, which are bagged and distributed to retailers across the Southeastern United States. The company is considering establishing a new manufacturing facility in Corbin, Kentucky.

Ms. Cunningham stated the project investment is \$3,794,460 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 21 with average hourly wages of \$21.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$300,000.

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

Michter's Distillery LLC
Jefferson County

Lindsey Ransdell
Michelle Elder

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

Ms. Elder stated the project investment is \$6,660,000 of which \$1,960,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 15 with average hourly wages of \$35.00 including benefits. The state wage assessment participation is 3.0% and Louisville/Jefferson County Metro Government will participate at 1.0%.

The project will include multiple locations within Louisville/Jefferson County. Only investment costs incurred at 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. The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or thirty-six (36) full-time, Kentucky resident employees. Only investment costs incurred by the approved company will be considered toward calculating eligible costs. Only the approved company may participate in the corporate income tax credit incentive (no affiliate is eligible). The jobs creation/maintenance and wage requirements will be satisfied collectively by the approved company and the affiliate, Real Property Louisville, LLC, for KBI.

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. Vogt seconded the motion. Motion passed; unanimous.

Bluegrass Supply Chain Services, LLC

Corky Peek
Michelle Elder

Mr. Peek requested the following two (2) KBI projects, Bluegrass Supply Chain Services, LLC in Bullitt and Edmonson counties, be presented as one motion.

Mr. Peek stated Bluegrass Supply Chain Services, LLC, founded in 2002, offers its customers value added solutions to their supply chain needs. The company offers warehousing, quality support, light assembly and transportation management services and is considering leasing a building for office and warehousing.

Bullitt County

Ms. Elder stated the project investment in Bullitt County is \$1,575,810 of which \$825,405 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 24 with average hourly wages of \$18.00 including benefits. The state wage assessment participation is 3.0% and the City of Shepherdsville 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.

The project will include multiple locations within Shepherdsville/Bullitt County. Only investment costs incurred at 233 Omega Parkway 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. The company acknowledges that the project is to be located in a county currently certified as an enhanced incentive county, and further acknowledges that it does not wish to proceed under the KBI program provisions applicable to such projects, and instead waives the enhanced county benefits.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$300,000.

Edmonson County

Ms. Elder stated the project investment is \$1,781,000 of which \$917,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 27 with average hourly wages of \$18.00 including benefits. The state wage assessment participation is 5.0%. 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 \$300,000.

Mr. Hall moved to approve the staff recommendations of both Bluegrass Supply Chain Services, LLC projects, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

KBI Projects (Extension)

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

Ms. Elder stated 16 companies requested additional time to complete the projects and asked that all 16 be presented as one motion.

<u>Company</u>	<u>County</u>	<u>Extension</u>
Hahn Automation, Inc.	Boone	3 Month
Angel's Share Brands LLC	Jefferson	6 Month
Curtis Maruyasu America, Inc.	Marion	6 Month
Xact Associates, LLC dba Xact Communications	Fayette	6 Month
Accumetric, LLC	Hardin	12 Month
Capture, LLC dba Capture Higher Ed	Jefferson	12 Month
Data Dimensions Corporation	Montgomery	12 Month
eBay Inc.	Boone	12 Month
Holley Performance Products, Inc.	Warren	12 Month
Karbec LLC	Larue	12 Month
Monoprice, Inc.	Boone	12 Month
Riverine Fisheries International LLC	Fulton	12 Month
Texas Roadhouse, Inc.	Jefferson	12 Month
TMK IPSCO Coating Corporation	Campbell	12 Month
Toyo Automotive Parts (USA), Inc.	Simpson	12 Month
White Clay Consulting, Inc.	Jefferson	12 Month

Staff recommended approval of the KBI extension requests.

Mr. Vogt 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 11 companies requested KBI final approval, 5 of which have modifications since preliminary approval. Ms. Phillips asked that all 11 be presented as one motion.

No Modifications:

Project Name	County	Type Project
Itsuwa KY, LLC	Nelson	Manufacturing
Katayama American Company Inc.	Shelby	Manufacturing
Legend Lumber Lee Corp	Nelson	Manufacturing
Precision Resource, Inc.	Montgomery	Manufacturing
Santa Rosa Systems, LLC	Bullitt	Manufacturing
Von Lehman & Company, Inc.	Kenton	Service & Technology

Modifications:

Diageo Americas Supply, Inc. Shelby Manufacturing
The city that the project is located in changed from Bagdad to Shelbyville. All other aspects of the project remain the same.

GameStop, Inc. Bullitt Service & Technology
Affiliates ThinkGeek, Inc. and ThinkGeek Solutions, Inc. have been removed from the project. Geeknet, Inc. has been added as an affiliate of the project. All other aspects of the project remain the same.

Kindred Healthcare Operating, Inc. Jefferson Headquarters
Gentiva Health Services (USA) LLC has been added as an affiliate of the project. Job targets decreased in the activation year as well as years 1-4. All other aspects of the project remain the same.

Thai Summit Kentucky Corporation Nelson Manufacturing
Wage targets decreased from \$33.00 to \$20.00. All other aspects of the project remain the same.

Toyotomi America Corporation Washington Manufacturing
The total project investment and eligible costs increased from \$44,246,000 to \$79,712,730; the square footage (sf) of the expansion project increased from 31,665 to 71,665; the number of jobs increased from 35 to 89 and the total negotiated tax incentive amount increased from \$700,000 to \$1,500,000. All other aspects of the project remain the same.

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

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

Kentucky Reinvestment Act (KRA) Projects (Preliminary)

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

Tarter Gate Company, LLC Casey County

**Tess Simon
Debbie Phillips**

Tess Simon stated Tarter Gate Company, LLC is one of the largest manufacturers of farm gates and animal management equipment in North America with operations in Kentucky, Utah, Indiana and Iowa. The Dunnville facility is operating at full capacity but needs to be renovated to accommodate additional manufacturing equipment to create a more efficient facility to meet its customer demands.

The proposed project would include the development of an automated gate line machine, the acquisition of multiple tube fabricating machines, the installation of a new conveyor for the paint line and the renovation and expansion of two existing facilities at the project site. The company is hopeful the project will be complete and in full production no later than December of 2018. The automation of the gate manufacturing and tube fabricating process will improve the quality of the company's products and will increase over-all plant efficiency. If the incentives were not available the company would have to delay the renovation and expansion upgrades.

Ms. Phillips stated the project investment is \$10,900,971 of which \$5,450,486 qualifies as KRA eligible costs. The job retention requirement over the term of the agreement is 90% of the number of full-time jobs at the project location as of preliminary approval. The company will be required to withdraw its previously approved KREDA project (#14730) prior to final approval of this project.

Staff recommended preliminary approval of the KRA negotiated tax incentive amount of \$2,500,000

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

Domtar Paper Company, LLC Hancock County

**Kristina Slattery
Michelle Elder**

Ms. Slattery stated Domtar Paper Company, LLC is an international pulp and personal care company that sells products to customers in more than 50 countries. The company's paper mill in Hancock County opened in 1967 and is one of the newest pulp and paper facilities in the United States. The mill is almost 50 years old, but the paper machines are relatively new. These machines are the core assets to Domtar's manufacturing system and the continued reinvestment in the facility is an important component for the future of the mill. The company is contemplating an aggressive timeline and is considering the possibility of investing in alternative locations if not for these incentives.

Ms. Elder stated the project investment is \$59,004,000 of which \$29,502,000 qualifies as KRA eligible costs. The job retention requirement over the term of the agreement is 90% of the number of full-time jobs at the project location as of preliminary approval.

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

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

Kentucky Small Business Tax Credit (KSBTC) Projects

Chairman Hale called on Tim Back to present the KSBTC projects to the Authority.

Mr. Back stated there are 6 Kentucky small businesses from 4 counties with qualifying tax credits of \$59,500. The 6 businesses created 17 jobs and invested \$153,693 in qualifying equipment or technology. Mr. Back requested the following tax credits be presented as one motion:

Qualified Small Business	County	Beg. Emp.	Elig. Pos.	Average Hourly Wage	Qualifying Equipment or Technology	Tax Credit
Bluegrass Tool & Industrial, LLC	Fayette	8	4	\$ 19.25	\$ 22,000	\$ 14,000
Cuddle Clones LLC	Jefferson	3	1	\$ 37.50	\$ 5,164	\$ 3,500
Kentucky Airmotive Incorporated	Montgomery	8	1	\$ 20.00	\$ 6,061	\$ 3,500
Old World Timber, LLC	Fayette	1	4	\$ 14.00	\$ 50,466	\$ 14,000
Timesavers Kentucky, LLC	Warren	3	2	\$ 14.75	\$ 28,200	\$ 7,000
Visumatic Industrial Products, Inc.	Fayette	24	5	\$ 19.94	\$ 41,802	\$ 17,500

Staff recommended approval of the tax credits.

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

Kentucky Angel Investment Act Program Projects

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

Mr. Back stated there are 8 Kentucky Angel Investment Act Program projects representing 6 Kentucky businesses and 8 individuals for a total projected investment of \$512,420 with eligible tax credits of \$204,968. The investor will have 60 calendar days in which to make the planned investment and 20 calendar days from the investment date in which to submit proof of the investment before receiving the tax credit.

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

Qualified Small Business Qualified Investor(s)	County	Projected Investment	Tax Credit
Advanced Energy Materials, LLC	Jefferson		
Guru P. Ghanta		\$ 50,000	\$ 20,000
Flying Axes, Inc.	Jefferson		
David George Knox		\$ 50,000	\$ 20,000
Gourmet Renee LLC	Kenton		
Frank J. Flavin, Jr.		\$ 10,000	\$ 4,000
Lucina Health, Inc.	Jefferson		
Christopher Brian Shields		\$179,420	\$ 71,768
Patriot Brands LLC	Jefferson		
Douglas D. Winbigler		\$100,000	\$ 40,000
Rabbit Hole Spirits, LLC	Jefferson		
Gregory M. Abbas		\$ 50,000	\$ 20,000
Darren L. Cain		\$ 50,000	\$ 20,000
Kamal J. Khiani		\$ 23,000	\$ 9,200

Mr. Back stated that should the investments be made and confirmed, the Kentucky Angel Investment Act Program limit of \$3,000,000 will have been met for the year.

Staff recommended approval of the proposed tax credits.

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

Other Business

Ms. Smith introduced Sarah Butler, Director, Office of Financial Incentives.

Adjournment

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

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

The meeting adjourned at 10:57 a.m.

PRESIDING OFFICER:



Jean Hale, Chairman

KEDFA APPROVED AND NOT DISBURSED

5/31/2017

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 (Restaurant Supply Chain Solutions)		Jefferson	May-17	Jun-20	\$500,000
Tri-County Economic Development Corporation		Kenton	Feb-17	Jun-23	\$2,000,000

SMALL BUSINESS LOANS

None

TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)**\$2,500,000****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 LOANS

Louisville/Jefferson County Metro Government (Louisville Waterfront Park)	21597	Jefferson	Apr-17	Jun-18	\$376,073	(\$10,900)	\$365,173
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TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)**\$365,173****TOTAL KEDFA APPROVED AND NOT DISBURSED****\$2,865,173**

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF NET POSITION
5/31/2017

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 5/31/17	OEE 5/31/17	COMBINED 5/31/17
<u>ASSETS</u>						
Cash & Accounts Receivable						
Operating Account	30,785.68	0.00	0.00	30,785.68	0.00	30,785.68
Cash	2,997,360.58	14,361,295.80	398,969.99	17,755,626.37	0.00	17,755,626.37
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	2,773,863.77	2,773,863.77
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	2,876,073.00	0.00	0.00	2,876,073.00	1,428,795.49	4,304,868.49
Total Cash & Accounts Receivable	5,904,219.26	14,361,295.80	398,969.99	20,662,485.05	4,344,203.14	25,006,688.19
Accrued Interest Receivable						
Loans	26,360.80	3,302.49	0.00	29,663.29	(479.00)	29,184.29
Investments	964.10	5,027.01	127.82	6,118.93	0.00	6,118.93
Total Accrued Interest Receivable	27,324.90	8,329.50	127.82	35,782.22	(479.00)	35,303.22
Notes Receivable						
Loans Receivable	18,819,673.84	3,553,013.56	0.00	22,372,687.40	40,634.00	22,413,321.40
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,224,163.61)	0.00	(1,224,163.61)
Total Notes Receivable	18,819,673.84	3,553,013.56	0.00	21,148,523.79	40,634.00	21,189,157.79
TOTAL ASSETS	24,751,218.00	17,922,638.86	397,097.81	41,846,791.06	4,384,358.14	46,231,149.20
DEFERRED OUTFLOWS OF RESOURCES				443,000.00	0.00	443,000.00
<u>LIABILITIES</u>						
Accrued Salaries & Compensated Absences				365,518.86	0.00	365,518.86
Accounts Payable					0.00	0.00
Intergovernment Payable				0.00	0.00	0.00
Grants Payable				0.00	0.00	0.00
Pension Liability				7,492,000.00	0.00	7,492,000.00
TOTAL LIABILITIES				7,847,518.86	0.00	7,847,518.86
DEFERRED INFLOWS OF RESOURCES				0.00	0.00	0.00
<u>NET POSITION</u>						
Beginning Balance				34,062,296.85	4,395,900.70	38,458,197.55
Current Year Undivided Profits				379,975.35	(11,542.56)	368,432.79
TOTAL NET POSITION				34,442,272.20	4,384,358.14	38,826,630.34

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

NOTE 2 The Office of Entrepreneurship (OEE) 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 MAY 31, 2017

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2016-2017 YEAR TO DATE	FY 2015-2016 YEAR TO DATE
Operating Revenues - KEDFA						
Interest Income/Loans	18,454.36	3,786.14	0.00	0.00	223,814.95	199,900.74
Interest Income/ Investments	964.10	5,027.01	127.82	0.00	23,556.01	1,655.31
Late Fees	0.00	398.38	0.00	0.00	473.38	853.68
Application Fees	70,417.72	0.00	0.00	0.00	620,099.26	473,487.83
Miscellaneous Income	15.58	0.00	0.00	0.00	331.83	316.30
Total Operating Revenues - KEDFA	89,851.76	9,211.53	127.82	0.00	868,275.43	676,213.86
Operating Expenses - KEDFA						
Salaries	82,286.70				1,034,111.61	962,371.15
Employee benefits	58,213.79				694,113.44	625,434.99
Pension Liability Adjustment	0.00				0.00	0.00
Other Personnel Costs	0.00				300.00	0.00
Contracted Personal Services	11,337.50				121,705.86	131,541.29
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	0.82				18.06	14.73
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				0.00	0.00
Travel	281.60				2,581.11	2,633.16
Miscellaneous Commodities	9.00				643.00	396.75
Commodities Expense	0.00				0.00	219,830.71
Bad Debt Expense	0.00				0.00	0.00
Grant Disbursement	0.00				0.00	0.00
Total Operating Expenses - KEDFA	152,129.41	0.00	0.00	0.00	1,853,473.08	1,942,222.78
Income (Loss) from Operations - KEDFA	(62,277.65)	9,211.53	127.82	0.00	(985,197.65)	(1,266,008.92)
Non-Operating Revenues (Expenses) - KEDFA						
Operating Transfer Out - General Fund	0.00				0.00	0.00
Transfer Due from Bonds	500,000.00				1,376,073.00	0.00
Grants Disbursed	(10,900.00)				(10,900.00)	0.00
Operating Transfer In - Economic Dev	0.00				0.00	22,775.04
Unrealized Gains/(Losses) on Investment	0.00				0.00	0.00
Realized Gains/(Losses) on Investment	0.00				0.00	0.00
Total Non-Operating Revenues (Expense)	489,100.00	0.00	0.00	0.00	1,365,173.00	22,775.04
CHANGE IN NET POSITION - KEDFA	426,822.35	9,211.53	127.82	0.00	379,975.35	(1,243,233.88)
Operating Revenues (Expenses) - OOE						
Interest Income - Loans				68.00	1,026.69	1,551.74
Misc Income				0.00	0.00	0.00
Disbursements: Projects (Note 1)				(15,113,346.80)	(15,654,004.67)	(709,963.69)
Repayments received from Projects				0.00	405,723.04	315,110.00
						0.00
Non-Operating Revenues (Expenses) - OOE						
Operating Transfer in - OOE				0.00	15,000,000.00	0.00
Transfer Due from Bonds				0.00	700,000.00	(350,000.00)
Operating Transfer Out - OOE				0.00	(464,287.62)	(353,415.20)
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00	(15,113,280.80)	(11,542.56)	(1,096,717.15)
CHANGE IN NET POSITION - COMBINED	426,822.35	9,211.53	127.82	(15,113,280.80)	368,432.79	(2,339,951.03)

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
5/31/2017

	<u>5/31/2016</u>	<u>5/31/2017</u>
Fund A Cash Balance	\$3,380,213.27	\$2,997,360.58
Less: Approved/Undisbursed	<u>0.00</u>	<u>0.00</u>
Total Unobligated Balance	\$3,380,213.27	\$2,997,360.58
2003 Bond Fund Cash Balance	\$14,129,985.06	\$14,361,295.80
Less: Approved/Undisbursed	<u>0.00</u>	<u>(2,865,173.00)</u>
Total Unobligated Balance	\$14,129,985.06	\$11,496,122.80
Small Business Loan Fund Cash Balance	\$393,346.71	\$396,969.99
Less: Approved/Undisbursed	<u>0.00</u>	<u>0.00</u>
Total Unobligated Balance	\$393,346.71	\$396,969.99
Bond Funds to be Provided for Loans	\$0.00	\$0.00
Less: Approved/Undisbursed	<u>3,500,000.00</u>	<u>0.00</u>
Total Unobligated Balance	\$3,500,000.00	\$0.00
Budget: Cash to be Transferred to Other CED Programs for	<u>\$0.00</u>	<u>\$0.00</u>
CASH AVAILABLE	<u>\$17,903,545.04</u>	<u>\$14,890,453.37</u>
OCI Fund Cash Balance		
High Tech Construction Pool	\$137,500.00	\$137,500.00
Less: Approved/Undisbursed	\$0.00	\$0.00
High Tech Investment Pool	\$3,126,293.93	\$2,773,863.77
Less: Approved/Undisbursed	(\$1,170,370.00)	(\$1,916,367.00)
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects	\$1,030,370.00	\$1,428,795.49
Bond Funds Available for Projects	<u>\$0.00</u>	<u>\$0.00</u>
Total Unobligated Balance	\$3,127,837.81	\$2,427,836.14
TOTAL ALL FUNDS	<u>\$21,031,382.85</u>	<u>\$17,318,289.51</u>

**Kentucky Enterprise Initiative Act (KEIA) Projects
Fiscal 2017**

KEDFA Meeting date	6/29/2017
Total Projects Approved Fiscal Year-to-Date	53
Number of Proposed Projects for Current Month	3

Construction Materials and Building Fixtures

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$12,147,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$7,853,000
Proposed Approval for Current Month	<u>\$4,930,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$2,923,000</u></u>

Research & Development and Electronic Processing Equipment

Fiscal Year Cap	\$5,000,000
Approved Fiscal Year-to-Date	\$299,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$4,701,000
Proposed Approval for Current Month	<u>\$3,000,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$1,701,000</u></u>

Office of Compliance, Financial and Administrative Services
Monthly Monitoring Report as of May 31, 2017

Financial Incentives Programs

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
KBI	73	69	0	0	26
IEIA	0	0	0	0	0
KEIA	25	4	0	0	4
KIDA	8	9	0	0	9
KJDA	5	12	0	0	6
KREDA	1	24	0	0	12
KIRA	1	2	0	0	3
KJRA	0	0	0	0	0
KIFA	1	15	0	0	0
KESA	0	0	0	0	0
KRA	1	5	0	0	4
KAIA	9	11	0	0	0
TIF	6	17	0	0	0
Totals	130	168	0	0	64

Cash Based Programs

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
HTP	15	8	0	0	0
Direct Loans	0	0	0	0	0
EDB	16	10	0	0	0
Totals	31	18	0	0	0

Projects Contacted - This category reflects phone calls, e-mails, or other less involved questions.

Projects Monitored - This category includes review of specific aspects of a project which requires research of a file or a more in-depth examination.

Completed Exhibits - Project's Fiscal Year End exhibits have been monitored for the year.

Project Update Report **June 2017**

<u>Project</u>	<u>County</u>	<u>Approval Date</u>	<u>Exit Date</u>	<u>Program</u>
Alliance Entertainment, LLC Explanation: Company withdrew effective 12/31/2016. Going for a KBI.	Bullitt	10/30/2008	12/31/2016	KJDA

MEMORANDUM

TO: KEDFA Board

FROM: Kylee Palmer 

DATE: June 29, 2017

SUBJECT: Amendment to the Oak Grove Village at Fort Campbell Mixed-Use Tax Increment Financing Project

The City of Oak Grove is requesting an amendment to the Oak Grove Village at Fort Campbell Mixed-Use Tax Increment Financing (TIF) Project. The project received final approval by KEDFA on February 28, 2013 for an eligible tax incentive amount of \$66,475,000 based on a 20-year impact of the completed project.

This project is located on 110 acres near the intersection of Interstate 24 and U.S. Highway 41A. The proposed site is directly across from Gate 7 of Fort Campbell Military Base in Oak Grove, Kentucky and 2 miles from the Tennessee border. The project will integrate office, retail, hotel, restaurant and entertainment uses. The developer, Oak Grove Village at Fort Campbell, LLC, of Brentwood California anticipates the project investment to be approximately \$199 million. The applicant has requested to change the minimum capital investment date from January 1, 2017 to January 1, 2022 due to delays with construction of the project.

Additionally, the impact of the project will be less than originally anticipated because of the delays. Therefore, CED is recommending a reduction in the eligible tax incentive amount from \$66,475,000 to \$54,000,000.

Staff recommends approval to amend the Oak Grove Village at Fort Campbell Mixed-Use Tax Increment Financing Project to change the minimum capital investment date and reduce the eligible tax incentive amount.

MEMORANDUM

TO: KEDFA Board Members
FROM: Kylee Palmer 
Office of Financial Services
DATE: June 29, 2017
SUBJECT: IEIA Extension

The following company previously received IEIA preliminary approval and is requesting approval of a time extension:

Company	County	Extension
Secure Energy Kentucky, LLC	McCracken	12 month

Staff recommends approval to June 29, 2018.

MEMORANDUM

TO: KEDFA Board

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

DATE: June 29, 2017

SUBJECT: KBI Amendment
Payment Alliance International, Inc. (Jefferson County)
KBI Project #18370

Payment Alliance International, Inc. received Final Approval on October 31, 2013 for a KBI project assisting with the Company's expansion and relocation of its existing headquarters operation in Louisville. The project activated on January 1, 2014. The Company has now outgrown the original expansion site and has moved to a larger leased space with more room for growth, located at High Wickham Place in Louisville. This amendment documents the change of the project site and incorporates the new lease in the Tax Incentive Agreement. All other aspects of the project remain the same.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division

DATE: June 29, 2017

SUBJECT: KEIA Extensions



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

Company	County	Extension
Tyson Chicken, Inc.	Henderson	2 Months
Paducah Riverfront Hotel LP	McCracken	3 Months
Altec Industries, Inc.	Hardin	12 Months
Butts Foods Incorporated	Simpson	12 Months
Kentucky Fresh Harvest, LLC	Lincoln	12 Months
nGimat, LLC	Fayette	12 Months
United Parcel Service, Inc.	Jefferson	12 Months

Staff recommends approval.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: June 29, 2017
Approved Company: Braidy Industries Inc.
City: South Shore **County:** Greenup
Activity: Manufacturing **Resolution #:** KEIA-17-21638
Bus. Dev. Contact: T. Simon **OFS Staff:** D. Phillips

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

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	\$5,000,000
\$245,000,000	\$350,000,000
\$0	\$0
\$0	\$0
\$0	\$250,000,000
\$0	\$2,750,000
\$245,000,000	\$607,750,000

Ownership (20% or more):

Craig T. Bouchard - Naples, FL
 Commonwealth Seed Capital - Lexington, KY

Other State Participation:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Apr 26, 2017	KBI	Approve-Prelim	\$10,000,000

Unemployment Rate:

County: 7.7%

Kentucky: 4.8%

Existing Presence in Kentucky:

Boyd County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$2,500,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,500,000

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: June 29, 2017
Approved Company: Amazon Fulfillment Services, Inc.
City: Hebron **County:** Boone
Activity: Service & Technology **Resolution #:** KEIA-17-21654
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** D. Phillips

Project Description: Amazon has a long, rich history in Kentucky and employs over 10,000 full time associates in eleven fulfillment centers. As the company's capacity demand continues to grow, the need to invest in infrastructure is necessary in order to meet and exceed the needs of its customers. The company is considering developing a centralized air hub at the CVG Airport to serve the growing fleet of Prime Air cargo planes. The project has the potential to create over 2,700 new jobs and a significant capital investment over several years. This request pertains to the first phase of a \$1.5 billion investment.

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
\$40,000,000	\$100,000,000
\$12,500,000	\$12,500,000
\$37,500,000	\$37,500,000
\$0	\$5,000,000
\$0	\$20,000,000
\$90,000,000	\$175,000,000

Ownership (20% or more):
Publicly Traded

Other State Participation:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jan 31, 2017	KBI	Approve-Prelim	\$40,000,000

Unemployment Rate:

County: 3.9%

Kentucky: 4.8%

Existing Presence in Kentucky:

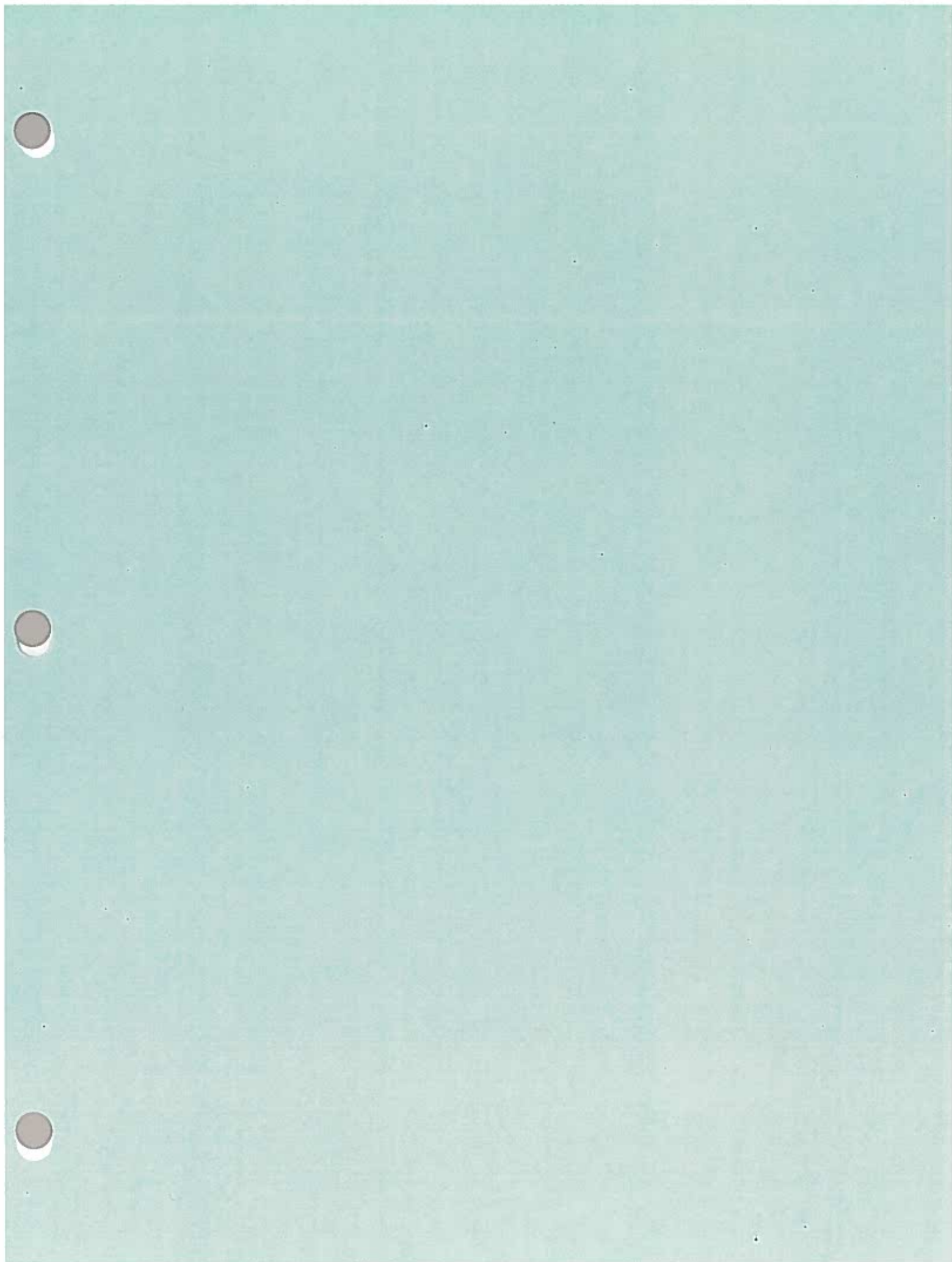
Boone, Bullitt, Clark, Fayette, Jefferson and Taylor Counties

Approved Recovery Amount:

Construction Materials and Building Fixtures:	\$2,400,000
R&D and/or Electronic Processing Equipment:	\$3,000,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$5,400,000



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: June 29, 2017
Approved Company: Distilled Spirits Epicenter, LLC
Approved Affiliate(s): Pro-Liquitech, LLC
City: Louisville
Activity: Manufacturing
Bus. Dev. Contact: A. Bobbitt
County: Jefferson
Prelim Resolution #: KBI-I-17-21689
OFS Staff: D. Phillips

Project Description: Distilled Spirits Epicenter, LLC, founded in 2012, is an international distilling center. The Epicenter has something for everyone with a passion for the craft on both the science and art side of distilling. The company's sister company, Pro-Liquitech International (DBA Flavorman) is a custom beverage development company and is directly related to the growth of Distilled Spirits Epicenter. The company needs additional production space to move the bulk of its blending and bottling operation which includes custom flavor concentrates that will then be bottled. They are considering an adjacent property to construct a new facility to house the additional growth.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$400,000	\$400,000
\$1,100,000	\$1,100,000
\$200,000	\$500,000
\$0	\$0
\$1,700,000	\$2,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$20.00	
1	12	\$20.00	\$13,000
2	15	\$20.00	\$13,000
3	20	\$20.00	\$13,000
4	20	\$20.00	\$13,000
5	20	\$20.00	\$13,000
6	20	\$20.00	\$13,000
7	20	\$20.00	\$13,000
8	20	\$20.00	\$13,000
9	20	\$20.00	\$13,000
10	20	\$20.00	\$13,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$130,000

County Type:
Other

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

Ownership (20% or more):
David Dafoe Louisville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 1.5%
Local: 0.5% Louisville Metro

Unemployment Rate:
County: 4.4% Kentucky: 4.8%

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

Only investment costs incurred by the approved company will be considered towards calculating eligible costs. Only the approved company may participate in the corporate income tax credit incentive (no affiliate is eligible). The jobs creation/maintenance and wage requirements will be satisfied collectively by the approved company and the affiliate(s) recognized above.

The project will include multiple locations within Jefferson County/Louisville. Only investment costs incurred at 827 South 8th 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
KEIA REPORT**

Date: June 29, 2017
Approved Company: Distilled Spirits Epicenter, LLC
City: Louisville
Activity: Manufacturing
Bus. Dev. Contact: A. Bobbitt
County: Jefferson
Resolution #: KEIA-17-21690
OFS Staff: D. Phillips

Project Description: Distilled Spirits Epicenter, LLC, founded in 2012, is an international distilling center. The Epicenter has something for everyone with a passion for the craft on both the science and art side of distilling. The company's sister company, Pro-Liquitech International (DBA Flavorman) is a custom beverage development company and is directly related to the growth of Distilled Spirits Epicenter. The company needs additional production space to move the bulk of its blending and bottling operation which includes custom flavor concentrates that will then be bottled. They are considering an adjacent property to construct a new facility to house the additional growth.

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	\$400,000
\$600,000	\$1,100,000
\$0	\$0
\$0	\$0
\$0	\$500,000
\$0	\$0
\$600,000	\$2,000,000

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$30,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$30,000

See KBI file (KBI-I-17-21689) for Ownership, Other State Participation and Unemployment Rate.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**KBI REPORT - PRELIMINARY APPROVAL****Date:** June 29, 2017**Approved Company:** Adkev, Inc.**City:** Danville**County:** Boyle**Activity:** Manufacturing**Prelim Resolution #:** KBI-I-17-21679**Bus. Dev. Contact:** A. Germond**OFS Staff:** L. Cunningham

Project Description: In 1987, Adkev opened for business in Goodland, IN as a custom injection molding company. Since that time, the company expanded to a second Indiana facility and employment grew from 2 to over 350. Adkev is considering opening a third facility in Danville to allow them closer access to its Tennessee customers and new market demands.

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
\$8,250,000	\$8,250,000
\$6,000,000	\$6,000,000
\$1,400,000	\$1,400,000
\$15,650,000	\$15,650,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$19.00	
1	25	\$19.00	\$50,000
2	40	\$19.00	\$50,000
3	55	\$19.00	\$50,000
4	65	\$19.00	\$50,000
5	70	\$19.00	\$50,000
6	70	\$19.00	\$50,000
7	70	\$19.00	\$50,000
8	70	\$19.00	\$50,000
9	70	\$19.00	\$50,000
10	70	\$19.00	\$50,000
11			
12			
13			
14			
15			

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

County Type:
Enhanced

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

Ownership (20% or more):
Gary Rheude - Goodland, IN
Cathleen Rheude - Goodland, IN

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate:
County: 4.9% Kentucky: 4.8%

Existing Presence in Kentucky: None

Special Conditions: None

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: June 29, 2017
Approved Company: Worldwide Technologies, LLC
City: Franklin **County:** Simpson
Activity: Manufacturing **Prelim Resolution #:** KBI-I-17-21652
Bus. Dev. Contact: K. Slattery **OFS Staff:** L. Cunningham

Project Description: Worldwide Technologies has been manufacturing in Franklin, KY for approximately 7 years. The company provides parts and services to over 50 customers, including Bendix, Magna, Danfoss, New Mather, and many more. Products manufactured include heavy truck parts, gun parts, medical parts, and job shop services. The proposed expansion would include two to three additional machines that would allow the company to accept additional work.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land

Building/Improvements

Equipment

Other Start-up Costs

TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$100,000	\$100,000
\$200,000	\$375,000
\$0	\$0
\$300,000	\$475,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$18.00	
1	12	\$18.00	\$20,000
2	13	\$18.00	\$20,000
3	14	\$18.00	\$20,000
4	14	\$18.00	\$20,000
5	14	\$18.00	\$20,000
6	14	\$18.00	\$20,000
7	14	\$18.00	\$20,000
8	14	\$18.00	\$20,000
9	14	\$18.00	\$20,000
10	14	\$18.00	\$20,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$200,000

County Type:
Other

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

Michael Jones - Smiths Grove, KY

Kenneth Whitworth - Hardisburg, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% - City of Franklin

Unemployment Rate:

County: 4.5%

Kentucky: 4.8%

Existing Presence in Kentucky:

Simpson 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 67 full-time, Kentucky resident employees as of the application date.

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

Date: June 29, 2017
Approved Company: Wright-Mix Material Solutions, LLC
Approved Affiliate(s): Wright Block & Precast, LLC
Wrightway Ready-Mix, LLC
City: Greenup **County:** Greenup
Activity: Manufacturing **Prelim Resolution #:** KBI-I-17-21629
Bus. Dev. Contact: R. Lee **OFS Staff:** L. Cunningham

Project Description: Wright-Mix Material Solutions, LLC has been in operation since 2011. Due to the rapid market growth, the company is considering opening a new facility that will serve the Tri-State region. This new operation will specialize in Product Development and Toll Blending for cementitious and powder based products. Wright-Mix is considering constructing a new facility in Greenup County.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land

Building/Improvements

Equipment

Other Start-up Costs

TOTAL

Eligible Costs	Total Investment
\$400,000	\$400,000
\$1,880,000	\$1,880,000
\$5,940,000	\$5,940,000
\$280,000	\$280,000
\$8,500,000	\$8,500,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	63	\$16.00	
1	63	\$16.00	\$100,000
2	85	\$16.00	\$100,000
3	100	\$16.00	\$100,000
4	110	\$16.00	\$100,000
5	110	\$16.00	\$100,000
6	120	\$16.00	\$100,000
7	120	\$16.00	\$100,000
8	120	\$16.00	\$100,000
9	130	\$16.00	\$100,000
10	130	\$16.00	\$100,000
11	130	\$16.00	\$100,000
12	130	\$16.00	\$100,000
13	130	\$16.00	\$100,000
14	130	\$16.00	\$100,000
15	130	\$16.00	\$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**\$1,500,000**

County Type:
Enhanced

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

Ownership (20% or more):
Shannon Wright - Pikeville, KY
Kendall Wright - Pikeville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate:
County: 7.7% Kentucky: 4.8%

Existing Presence in Kentucky:
Fayette and Pike Counties

Special Conditions:
The company will be required to maintain 95% of the total statewide full-time, Kentucky resident employees at all company and affiliate locations, excluding the site of the project, as of the date of preliminary approval.

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

Date: June 29, 2017
Approved Company: IDEXX Distribution Inc.
City: Louisville **County:** Jefferson
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-17-21693
Bus. Dev. Contact: T. Simon **OFS Staff:** D. Phillips

Project Description: IDEXX is a worldwide leader in the development and commercialization of innovative biotechnology products and services for veterinary, food and water applications. IDEXX Distribution Inc. is considering opening a new regional lab to serve the Ohio Valley, Great Lakes and the Upper Midwest with standard testing and the entire U.S. with certain specialty testing. The company is considering Louisville for this possible facility to help support continued growth of its business.

Facility Details: Locating in a new facility

Anticipated Project Investment - Leased

Rent

Building/Improvements

Equipment

Other Start-up Costs

TOTAL

Eligible Costs	Total Investment
\$900,000	\$1,800,000
\$0	\$0
\$700,000	\$3,500,000
\$750,000	\$750,000
\$2,350,000	\$6,050,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	35	\$30.00	
1	60	\$30.00	\$100,000
2	75	\$30.00	\$100,000
3	85	\$30.00	\$100,000
4	95	\$30.00	\$100,000
5	100	\$30.00	\$100,000
6	100	\$30.00	\$100,000
7	100	\$30.00	\$100,000
8	100	\$30.00	\$100,000
9	100	\$30.00	\$100,000
10	100	\$30.00	\$100,000

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

County Type:
Other

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

Ownership (20% or more):
Publicly Traded

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% Louisville Metro

Unemployment Rate:
County: 4.4% Kentucky: 4.8%

Existing Presence in Kentucky: None

Special Conditions: None

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: June 29, 2017
Approved Company: ShellTech LLC
City: Eubank **County:** Pulaski
Activity: Manufacturing **Prelim Resolution #:** KBI-I-17-21614
Bus. Dev. Contact: J. Ward **OFS Staff:** D. Phillips

Project Description: ShellTech LLC is a supplier of assembly, quality control, inventory management and shipping and receiving services. The company is considering establishing an assembly operations in Eubank to assemble and distribute NAS³ cases under a long-term contract and perpetual license from Shell Shock Technologies, LLC and will distribute assembled cases to its customers.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$50,000	\$50,000
\$785,000	\$785,000
\$2,044,500	\$2,044,500
\$350,000	\$350,000
\$3,229,500	\$3,229,500

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$17.00	
1	20	\$17.00	\$80,000
2	30	\$17.00	\$80,000
3	40	\$17.00	\$80,000
4	50	\$17.00	\$80,000
5	50	\$17.00	\$80,000
6	50	\$17.00	\$80,000
7	50	\$17.00	\$80,000
8	50	\$17.00	\$80,000
9	50	\$17.00	\$80,000
10	50	\$17.00	\$80,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$800,000

County Type:
Enhanced

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

Ownership (20% or more):
Shell Shock Technologies, LLC - Westport, CT

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate:
County: 5.3% Kentucky: 5.4%

Existing Presence in Kentucky: None

Special Conditions: None

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: June 29, 2017
Approved Company: The Dow Chemical Company
City: Carrollton **County:** Carroll
Activity: Manufacturing **Prelim Resolution #:** KBI-I-17-21692
Bus. Dev. Contact: L. Randsdell **OFS Staff:** M. Elder

Project Description: Dow Corning Corporation has operated two manufacturing facilities in Kentucky, 53 years in Elizabethtown and 50 years in Carrollton. In 2016, The Dow Chemical Company became the sole owner of Dow Corning Corporation. With the already existing Dow site in Louisville, the company has three thriving manufacturing locations in Kentucky. Dow Chemical is in the process of closing an existing facility in the US outside of Kentucky and is considering dividing those manufacturing processes and moving them to existing Dow locations. One of the potential locations is in Carrollton. If Carrollton is selected for part of this consolidation, this project will support the relocation of these processes into a vacant building within Dow's existing footprint, including road and access upgrades, building improvements and the relocation and purchase of equipment. This project will also support work to prepare ground for the recently announced fence line silica plant with Cabot Corp.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

	Eligible Costs	Total Investment
Land	\$3,800,000	\$3,800,000
Building/Improvements	\$750,000	\$750,000
Equipment	\$4,450,000	\$4,450,000
Other Start-up Costs	\$500,000	\$500,000
TOTAL	\$9,500,000	\$9,500,000

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	\$30,000
2	15	\$32.00	\$30,000
3	20	\$32.00	\$30,000
4	20	\$32.00	\$30,000
5	20	\$32.00	\$30,000
6	20	\$32.00	\$30,000
7	20	\$32.00	\$30,000
8	20	\$32.00	\$30,000
9	20	\$32.00	\$30,000
10	20	\$32.00	\$30,000
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$300,000

County Type:
Enhanced

County Type:
Enhanced

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

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

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

Ownership (20% or more): Publicly Traded

Ownership (20% or more): Publicly Traded

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 5.0%

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate:
County: 4.3% Kentucky: 4.8%

Unemployment Rate:
County: 4.3% Kentucky: 4.8%

Unemployment Rate:
County: 4.3% Kentucky: 4.8%

Existing Presence in Kentucky:
Carroll, Hardin and Jefferson Counties

Existing Presence in Kentucky:
Carroll, Hardin and Jefferson Counties

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

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

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
KBI REPORT - PRELIMINARY APPROVAL

Date: June 29, 2017
Approved Company: Metalsa Structural Products, Inc.
City: Owensboro **County:** Daviess
Activity: Manufacturing **Prelim Resolution #:** KBI-I-17-21016
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: Metalsa Structural Products, Inc., headquartered in Mexico, is one of the leading suppliers of passenger and commercial vehicle automotive frames and structural components. The company is considering expanding the Owensboro operation 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
\$5,975,661	\$5,975,661
\$880,000	\$30,519,528
\$0	\$0
\$6,855,661	\$36,495,189

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	44	\$18.00	
1	113	\$18.00	\$30,000
2	113	\$18.00	\$500,000
3	113	\$18.00	\$500,000
4	113	\$18.00	\$400,000
5	113	\$18.00	\$400,000
6	113	\$18.00	\$330,000
7	113	\$18.00	\$330,000
8	113	\$18.00	\$330,000
9	113	\$18.00	\$340,000
10	113	\$18.00	\$340,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$3,500,000

County Type:
Other

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

Ownership (20% or more):

Metalsa Automotive USA, Inc. Elizabethtown, KY

Active State Participation at the project site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Apr 26, 2012	KBI	Monitor	\$2,700,000

Requested Wage Assessment / Local Participation:

State: 3.0%
Local: 1.0% City of Owensboro

Unemployment Rate

County: 4.4% Kentucky: 4.8%

Existing Presence in Kentucky:

Christian, Daviess and Hardin 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.

The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 240 (*base employment number required by previous project*) full-time, Kentucky resident employees.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: June 29, 2017
Approved Company: Stratus Plastics KY, LLC
City: Morgantown **County:** Butler
Activity: Manufacturing **Prelim Resolution #:** KBI-I-17-21608
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: Stratus Plastics International is a TS16949 and ISO 9001:2008 certified automotive and consumer goods supplier. The company specializes in mold tryouts and injection molding production runs. Stratus is considering purchasing a building in Morgantown to begin its first Kentucky operation to focus on supplying the automotive industry in the Southeast and Midwest.

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
\$1,780,000	\$1,780,000
\$2,170,000	\$2,170,000
\$50,000	\$50,000
\$4,000,000	\$4,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	29	\$18.00	
1	29	\$18.00	\$32,000
2	29	\$18.00	\$32,000
3	29	\$18.00	\$32,000
4	29	\$18.00	\$32,000
5	29	\$18.00	\$32,000
6	29	\$18.00	\$32,000
7	29	\$18.00	\$32,000
8	29	\$18.00	\$32,000
9	29	\$18.00	\$32,000
10	29	\$18.00	\$32,000
11	29	\$18.00	\$32,000
12	29	\$18.00	\$32,000
13	29	\$18.00	\$32,000
14	29	\$18.00	\$32,000
15	29	\$18.00	\$32,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$480,000

County Type:
Enhanced

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

Ownership (20% or more):

Dave Kondracki Logan, KY
Stratus Plastics International Windsor, Ontario

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate:

County: 5.2%

Kentucky: 4.8%

Existing Presence in Kentucky: None

Special Conditions: None

MEMORANDUM

TO: KEDFA Board Members
FROM: Michelle Elder *ME*
Incentive Assistance Division
DATE: June 29, 2017
SUBJECT: KBI Extensions

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

Company	County	Extension
First State Investments International, Inc.	Jefferson	2 month
L'Oreal USA Products, Inc.	Kenton	3 month
zTux, Inc.	Jefferson	3 month
Eloventions Services Group LLC	Boone	6 month
Challenger Lifts, Inc.	Jefferson	12 month
DecoArt, Inc.	Lincoln	12 month
iHealth Solutions LLC	Jefferson	12 month

Staff recommends approval.

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

Date: June 29, 2017

Preliminary Approval: June 30, 2016

Approved Company: Alliance Entertainment LLC

City: Shepherdsville

County: Bullitt

Activity: Service & Technology

Final Resolution #: KBI-FLD-17-21156

Bus. Dev. Contact: A. Bobbitt

OFS Staff: L. Cunningham

Project Description: Alliance Entertainment LLC is the largest wholesale distributor of CD, DVD and Blu-Ray titles in the United States. The company provides distribution, fulfillment and other services to retailers such as Barnes & Noble, Amazon.com and Wal-Mart.com. Alliance Entertainment has acquired another company and has moved some of the business to its Shepherdsville location.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$4,564,000	\$6,328,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	40	\$13.00	
1	120	\$13.00	\$71,428
2	150	\$13.00	\$71,428
3	150	\$13.00	\$71,428
4	150	\$13.00	\$71,428
5	150	\$13.00	\$71,428
6	150	\$13.00	\$71,428
7	150	\$13.00	\$71,432
8			
9			
10			
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$500,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

Base hourly wage: \$9.06

Total hourly compensation: \$10.42

Special Conditions:

Maintain Base Employment: 252

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: July 25, 2013
Approved Company: Clariant Corporation
City: Louisville
Activity: Manufacturing
Bus. Dev. Contact: A. Bobbitt

County: Jefferson
Final Resolution #: KBI-F-17-19633
OFS Staff: M. Elder

Project Description: Clariant Corporation is a wholly owned subsidiary of Clariant International, a leading specialty chemicals company headquartered in Muttens, Switzerland. Clariant currently operates two plant sites in Louisville which produce industrial catalysts used in the chemical and petrochemical industries. The company built a new manufacturing facility to expand their product line on property they own in the Louisville area.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$28,740,000	\$71,800,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	27	\$33.00	
1	27	\$33.00	\$50,000
2	27	\$33.00	\$50,000
3	27	\$33.00	\$50,000
4	27	\$33.00	\$50,000
5	27	\$33.00	\$50,000
6	27	\$33.00	\$50,000
7	27	\$33.00	\$50,000
8	27	\$33.00	\$50,000
9	27	\$33.00	\$50,000
10	27	\$33.00	\$50,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$500,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 273

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: December 10, 2015
Approved Company: CLARK Material Handling Company
City: Lexington **County:** Fayette
Activity: Manufacturing **Final Resolution #:** KBI-F-17-20729
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** M. Elder

Project Description: CLARK Material Handling Company is an international leader in the material handling industry and the inventor of the material handling truck. The company is over 100 years old and has been located in Lexington since 1974. The company moved two product lines from Mexico to its Lexington facility and needed to expand and modify its footprint in order to accommodate this consolidation.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$3,385,000	\$4,785,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	30	\$27.00	
1	30	\$27.00	\$40,000
2	30	\$27.00	\$40,000
3	30	\$27.00	\$40,000
4	30	\$27.00	\$40,000
5	30	\$27.00	\$40,000
6	30	\$27.00	\$40,000
7	30	\$27.00	\$40,000
8	30	\$27.00	\$40,000
9	30	\$27.00	\$40,000
10	30	\$27.00	\$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: 138
Maintain Statewide Employment: 31

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: May 29, 2014
Approved Company: Curtis-Maruyasu America, Inc.
City: Lebanon
Activity: Manufacturing
Bus. Dev. Contact: M. Duffy

County: Marion
Final Resolution #: KBI-FD-17-19937
OFS Staff: D. Phillips

Project Description: Curtis-Maruyasu America, Inc. is a manufacturer and fabricator of tubular parts for the automotive industry. The project consisted of the purchase of braze ovens, two plating lines and custom processing equipment to accommodate new contracts that will ensure future growth at the Lebanon facility.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$28,693,000	\$28,693,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	62	\$20.00	
1	62	\$20.00	\$100,000
2	72	\$20.00	\$100,000
3	72	\$20.00	\$100,000
4	72	\$20.00	\$100,000
5	72	\$20.00	\$100,000
6	72	\$20.00	\$100,000
7	72	\$20.00	\$100,000
8	72	\$20.00	\$100,000
9	72	\$20.00	\$100,000
10	72	\$20.00	\$100,000
11	72	\$20.00	\$100,000
12	72	\$20.00	\$100,000
13	72	\$20.00	\$100,000
14	72	\$20.00	\$100,000
15	72	\$20.00	\$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,500,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 463

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: January 26, 2017
Approved Company: Enviroflight LLC
City: Maysville
Activity: Manufacturing
Bus. Dev. Contact: A. Germond

County: Mason
Final Resolution #: KBI-F-17-21475
OFS Staff: L. Cunningham

Project Description: Enviroflight LLC is a joint venture formed in February 2016, owned equally by Intrexon (XON) and Darling Ingredients (DAR). Enviroflight established a Black Soldier Fly (BSF) rearing and processing facility in Maysville. This facility will take the BSF larvae and supply selected specialty pet food distributors, and zoos, as a feed ingredient for exotic pets.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$32,000,000	\$32,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$27.00	
1	20	\$27.00	\$50,000
2	20	\$27.00	\$50,000
3	25	\$27.00	\$50,000
4	25	\$27.00	\$50,000
5	30	\$27.00	\$50,000
6	30	\$27.00	\$50,000
7	30	\$27.00	\$50,000
8	30	\$27.00	\$50,000
9	30	\$27.00	\$50,000
10	30	\$27.00	\$50,000
11	30	\$27.00	\$50,000
12	30	\$27.00	\$50,000
13	30	\$27.00	\$50,000
14	30	\$27.00	\$50,000
15	30	\$27.00	\$50,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$750,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions: None

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: April 30, 2015
Approved Company: Dana Light Axle Manufacturing, LLC
City: Dry Ridge **County:** Grant
Activity: Manufacturing **Final Resolution #:** KBI-FLD-17-20367
Bus. Dev. Contact: L. Ransdell **OFS Staff:** D. Phillips

Project Description: Dana Light Axle Manufacturing, LLC manufactures axles and driveshafts for major vehicle manufacturers in the global automotive, commercial vehicle, and off highway markets. The project consisted of the expansion of its Dry Ridge facility by purchasing additional equipment to help meet customer demand.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$17,000,000	\$17,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	60	\$22.00	
1	100	\$22.00	\$160,000
2	100	\$22.00	\$110,000
3	100	\$22.00	\$110,000
4	100	\$22.00	\$110,000
5	100	\$22.00	\$110,000
6	100	\$22.00	\$110,000
7	100	\$22.00	\$110,000
8	100	\$22.00	\$110,000
9	100	\$22.00	\$110,000
10	100	\$22.00	\$110,000
11	100	\$22.00	\$110,000
12	100	\$22.00	\$110,000
13	100	\$22.00	\$110,000
14	100	\$22.00	\$110,000
15	100	\$22.00	\$110,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,700,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 327
Maintain Statewide Employment: 108

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: March 26, 2015
Approved Company: Four Roses Distillery LLC
City: Cox's Creek
Activity: Manufacturing
Bus. Dev. Contact: L. Ransdell

County: Bullitt
Final Resolution #: KBI-FD-17-20332
OFS Staff: D. Phillips

Project Description: Four Roses Distillery LLC has a long history back to the mid 1800's, starting in Georgia and eventually moving to Kentucky around 1885. The project included building a new bottling facility that will house a high-speed bottling line and a single barrel bottling line.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$8,400,000	\$8,400,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	14	\$26.00	
1	14	\$26.00	\$45,000
2	26	\$26.00	\$45,000
3	26	\$26.00	\$45,000
4	27	\$26.00	\$45,000
5	28	\$26.00	\$45,000
6	29	\$26.00	\$45,000
7	30	\$26.00	\$45,000
8	30	\$26.00	\$45,000
9	30	\$26.00	\$45,000
10	30	\$26.00	\$45,000
11	30	\$26.00	\$45,000
12	30	\$26.00	\$45,000
13	30	\$26.00	\$45,000
14	30	\$26.00	\$45,000
15	30	\$26.00	\$45,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$675,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 44
Maintain Statewide Employment: 52

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: May 30, 2013
Approved Company: HAHN Automation Inc.
City: Hebron
Activity: Manufacturing
Bus. Dev. Contact: M. Duffy

County: Boone
Final Resolution #: KBI-F-17-19522
OFS Staff: M. Elder

Project Description: HAHN Automation, Inc., founded in Germany in 1992 and established in Kentucky since 2001, is a full-service supplier of custom automation equipment serving the automotive, household and pharmaceutical industries. The company handles complete project execution, including sales, design, programming, manufacturing, assembly, testing and installation at the customer plant. The expansion project more than doubled the engineering and production area and increased productivity.

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

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$32.00	
1	20	\$32.00	\$40,000
2	20	\$32.00	\$40,000
3	20	\$32.00	\$40,000
4	20	\$32.00	\$40,000
5	20	\$32.00	\$40,000
6	20	\$32.00	\$40,000
7	20	\$32.00	\$40,000
8	20	\$32.00	\$40,000
9	20	\$32.00	\$40,000
10	20	\$32.00	\$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: 33

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: July 31, 2014
Approved Company: INOAC Group North America, LLC
City: Springfield **County:** Washington
Activity: Manufacturing **Final Resolution #:** KBI-FD-17-20019
Bus. Dev. Contact: M. Duffy **OFS Staff:** D. Phillips
Project Description: INOAC Group North America, LLC is a supplier of polyurethane, plastic and rubber products for the automotive industry. The project included an expansion to its existing facility and the purchase of new equipment.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$14,117,808	\$14,117,808

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	86	\$20.00	
1	86	\$20.00	\$166,666
2	86	\$20.00	\$166,666
3	86	\$20.00	\$166,666
4	86	\$20.00	\$166,666
5	86	\$20.00	\$166,666
6	86	\$20.00	\$166,666
7	86	\$20.00	\$166,666
8	86	\$20.00	\$166,666
9	86	\$20.00	\$166,666
10	86	\$20.00	\$166,666
11	86	\$20.00	\$166,666
12	86	\$20.00	\$166,666
13	86	\$20.00	\$166,666
14	86	\$20.00	\$166,666
15	86	\$20.00	\$166,676

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,500,000

County Type:
 Enhanced

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

Special Conditions:

Maintain Base Employment: 340
 Maintain Statewide Employment: 138

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: April 28, 2016
Approved Company: Magna Seating of America, Inc. dba Louisville Seating
City: Shepherdsville **County:** Bullitt
Activity: Manufacturing **Final Resolution #:** KBI-FL-17-20992
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: Magna Seating of America, Inc. dba Louisville Seating (Louisville Seating) is a wholly owned subsidiary of Magna International. The company manufactures and assembles seats for automotive Original Equipment Manufacturer (OEM) customers. Louisville Seating expanded its existing facility to fulfill a contract to build seats for multiple Sport Utility Vehicle (SUV) models.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$9,793,289	\$12,686,650

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	150	\$28.00	
1	170	\$28.00	\$250,000
2	170	\$28.00	\$275,000
3	170	\$28.00	\$275,000
4	170	\$28.00	\$300,000
5	170	\$28.00	\$300,000
6	170	\$28.00	\$300,000
7	170	\$28.00	\$300,000
8			
9			
10			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,000,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

Base hourly wage: \$9.06

Total hourly compensation: \$10.42

Special Conditions:

Maintain Base Employment: 518

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: March 26, 2015
Approved Company: Meggitt Aircraft Braking Systems Kentucky Corporation
City: Danville **County:** Boyle
Activity: Manufacturing **Final Resolution #:** KBI-F-17-20327
Bus. Dev. Contact: L. Ransdell **OFS Staff:** M. Elder

Project Description: Meggitt Aircraft Braking Systems Kentucky Corporation, located in Danville in 2005, provides aircraft braking systems to many customers including airline operators, aircraft constructors, aircraft owners and charter operators, government and military operations and distributors and repair stations. The company added three new furnaces to the carbon brake manufacturing plant as well as added a maintenance and repair operation to its distribution building.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$9,343,060	\$9,343,060

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	45	\$21.00	
1	45	\$21.00	\$113,333
2	53	\$21.00	\$113,333
3	60	\$21.00	\$113,333
4	66	\$21.00	\$113,333
5	66	\$21.00	\$113,333
6	66	\$21.00	\$113,333
7	66	\$21.00	\$113,333
8	66	\$21.00	\$113,333
9	66	\$21.00	\$113,333
10	66	\$21.00	\$113,333
11	66	\$21.00	\$113,334
12	66	\$21.00	\$113,334
13	66	\$21.00	\$113,334
14	66	\$21.00	\$113,334
15	66	\$21.00	\$113,334

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,700,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 154

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: May 26, 2016
Approved Company: Retail Convergence.com, LP
City: Shepherdsville
Activity: Service & Technology
Bus. Dev. Contact: M. Duffy

County: Bullitt
Final Resolution #: KBI-FLD-17-20979
OFS Staff: D. Phillips

Project Description: Retail Convergence.com, LP is a leading E-commerce company specializing in flash sales for high-end fashion apparel and merchandise. The project consisted of the expansion of its current distribution and media production operation in Shepherdsville to meet product demand and accommodate future growth.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$15,000,000	\$15,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	30	\$20.00	
1	65	\$20.00	\$65,000
2	102	\$20.00	\$110,000
3	102	\$20.00	\$159,000
4	102	\$20.00	\$159,000
5	102	\$20.00	\$159,000
6	102	\$20.00	\$159,000
7	102	\$20.00	\$159,000
8	102	\$20.00	\$159,000
9	102	\$20.00	\$159,000
10	102	\$20.00	\$159,000
11	102	\$20.00	\$160,600
12	102	\$20.00	\$160,600
13	102	\$20.00	\$160,600
14	102	\$20.00	\$160,600
15	102	\$20.00	\$160,600

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,250,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 244

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: April 30, 2015
Approved Company: Riken Elastomers Corporation
City: Hopkinsville
Activity: Manufacturing
Bus. Dev. Contact: C. Peek

County: Christian
Final Resolution #: KBI-F-17-20401
OFS Staff: L. Cunningham

Project Description: Riken Elastomers Corporation produces high-performance plastic compounds for the automobile industry. The company has expanded its facility and added additional production lines for increased capacity.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$22,400,000	\$22,400,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$17.50	
1	20	\$17.50	\$45,000
2	23	\$17.50	\$45,000
3	24	\$17.50	\$45,000
4	25	\$17.50	\$45,000
5	30	\$17.50	\$45,000
6	30	\$17.50	\$45,000
7	30	\$17.50	\$45,000
8	30	\$17.50	\$45,000
9	30	\$17.50	\$45,000
10	30	\$17.50	\$45,000
11	30	\$17.50	\$45,000
12	30	\$17.50	\$45,000
13	30	\$17.50	\$45,000
14	30	\$17.50	\$45,000
15	30	\$17.50	\$45,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$675,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:
Maintain Base Employment: 26

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: July 30, 2015
Approved Company: Sabert Corporation
City: Shepherdsville
Activity: Manufacturing
Bus. Dev. Contact: A. Bobbitt

County: Bullitt
Final Resolution #: KBI-FD-17-20565
OFS Staff: M. Elder

Project Description: Sabert Corporation is a privately owned global food packaging company that has been in business for 35 years. The Shepherdsville location has been in operation since 2008. The company expanded its manufacturing capabilities to serve new customers as well as enable the plant to continue to grow new business.

	Eligible Costs	Total Investment
Anticipated Project Investment - Owned	\$8,000,000	\$8,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$18.00	
1	24	\$18.00	\$50,000
2	32	\$18.00	\$50,000
3	32	\$18.00	\$50,000
4	35	\$18.00	\$50,000
5	35	\$18.00	\$50,000
6	35	\$18.00	\$50,000
7	35	\$18.00	\$50,000
8	35	\$18.00	\$50,000
9	35	\$18.00	\$50,000
10	35	\$18.00	\$50,000
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$500,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 105

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: October 30, 2014
Approved Company: Speyside Cooperage Kentucky, Inc.
City: Shepherdsville **County:** Bullitt
Activity: Manufacturing **Final Resolution #:** KBI-FD-17-20170
Bus. Dev. Contact: M. Duffy **OFS Staff:** D. Phillips

Project Description: Speyside Cooperage Kentucky, Inc. is a wholly owned subsidiary of the Scottish company Speyside Cooperage Limited. The company produces, purchases, repairs and sells bourbon barrels and related materials. The proposed project included the construction of a new facility in Shepherdsville to process used bourbon barrels for the Scotch industry.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$2,245,000	\$2,245,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	12	\$16.00	
1	12	\$16.00	\$20,000
2	12	\$16.00	\$20,000
3	12	\$16.00	\$20,000
4	12	\$16.00	\$20,000
5	12	\$16.00	\$20,000
6	12	\$16.00	\$20,000
7	13	\$16.00	\$20,000
8	13	\$16.00	\$20,000
9	13	\$16.00	\$20,000
10	14	\$16.00	\$20,000
11	14	\$16.00	\$20,000
12	14	\$16.00	\$20,000
13	14	\$16.00	\$20,000
14	14	\$16.00	\$20,000
15	14	\$16.00	\$20,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$300,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 16

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: June 26, 2014
Approved Company: The Bardstown Bourbon Company, LLC
City: Bardstown **County:** Nelson
Activity: Manufacturing **Final Resolution #:** KBI-F-17-19980
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** M. Elder

Project Description: The Bardstown Bourbon Company, LLC was founded by experts in the industry to develop and distill unique spirits. The company built a distillery and rickhouses in Nelson County for the production of bourbon and other spirits.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$24,850,000	\$24,850,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	18	\$25.00	
1	34	\$25.00	\$66,667
2	34	\$25.00	\$66,667
3	34	\$25.00	\$66,667
4	34	\$25.00	\$66,667
5	34	\$25.00	\$66,667
6	34	\$25.00	\$66,667
7	34	\$25.00	\$66,667
8	34	\$25.00	\$66,667
9	34	\$25.00	\$66,667
10	34	\$25.00	\$66,667
11	34	\$25.00	\$66,666
12	34	\$25.00	\$66,666
13	34	\$25.00	\$66,666
14	34	\$25.00	\$66,666
15	34	\$25.00	\$66,666

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,000,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions: None

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: June 26, 2014
Approved Company: T.RAD North America, Inc.
City: Hopkinsville
Activity: Manufacturing
Bus. Dev. Contact: C. Peek

County: Christian
Final Resolution #: KBI-F-17-19953
OFS Staff: M. Elder

Project Description: T.RAD North America designs and manufacturers radiators and cooling systems for the automotive, motorcycle, construction and agricultural industries, as well as for military products. The company chose Hopkinsville for the construction of additional manufacturing and warehouse space to increase production efficiency and cost reduction by adding additional equipment.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$17,924,338	\$17,924,338

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	40	\$20.00	
1	70	\$20.00	\$230,000
2	100	\$20.00	\$230,000
3	120	\$20.00	\$230,000
4	137	\$20.00	\$230,000
5	137	\$20.00	\$230,000
6	137	\$20.00	\$230,000
7	137	\$20.00	\$230,000
8	137	\$20.00	\$230,000
9	137	\$20.00	\$230,000
10	137	\$20.00	\$230,000
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,300,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 463

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: February 26, 2015
Approved Company: Wolf Steel U.S.A. Inc.
City: Crittenden
Activity: Manufacturing
Bus. Dev. Contact: L. Ransdell

County: Grant
Final Resolution #: KBI-FD-17-20312
OFS Staff: D. Phillips

Project Description: Wolf Steel U.S.A. Inc. is a renowned manufacturer of stoves, fireplaces, grills, furnaces and HVAC units, parts and accessories under the Napoleon brand. The project included the expansion of its existing facility to increase manufacturing and distribution capacities allowing for further growth of its furnace/HVAC lines.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$2,342,000	\$2,342,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$18.00	
1	20	\$18.00	\$30,000
2	30	\$18.00	\$30,000
3	30	\$18.00	\$30,000
4	30	\$18.00	\$30,000
5	30	\$18.00	\$30,000
6	30	\$18.00	\$30,000
7	30	\$18.00	\$30,000
8	30	\$18.00	\$30,000
9	30	\$18.00	\$30,000
10	30	\$18.00	\$30,000
11	30	\$18.00	\$30,000
12	30	\$18.00	\$30,000
13	30	\$18.00	\$30,000
14	30	\$18.00	\$30,000
15	30	\$18.00	\$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: 55

Modifications since preliminary approval? No

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

Date: June 29, 2017
Preliminary Approval: December 11, 2014
Approved Company: Bluegrass Supply Chain Services, LLC
City: Bowling Green **County:** Warren
Activity: Service & Technology **Final Resolution #:** KBI-FL-17-20234
Bus. Dev. Contact: C. Peek **OFS Staff:** L. Cunningham

Project Description: Bluegrass Supply Chain Services is a third party logistics provider of value added supply chain solutions for automotive and food customers. The company offers warehousing, quality support, light assembly, and transportation management services over a four state region. The project included the consolidation of three locations into one centralized corporate office and warehouse.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$2,627,800	\$5,185,600

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	55	\$21.00	
1	55	\$21.00	\$125,000
2	55	\$21.00	\$125,000
3	55	\$21.00	\$125,000
4	55	\$21.00	\$125,000
5	55	\$21.00	\$125,000
6	55	\$21.00	\$125,000
7	55	\$21.00	\$125,000
8	55	\$21.00	\$125,000
9	55	\$21.00	\$125,000
10	55	\$21.00	\$125,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,250,000

County Type:
Other

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

Special Conditions:

Maintain Base Employment: 38

Modifications since preliminary approval? Yes

Project was preliminary approved with multiple locations. Since preliminary approval, these locations have moved into the project location. All other aspects of the project remain the same.

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

Date: June 29, 2017
Preliminary Approval: February 25, 2016
Approved Company: Eby-Brown Company, LLC
City: Shepherdsville **County:** Bullitt
Activity: Service & Technology **Final Resolution #:** KBI-FLD-17-20933
Bus. Dev. Contact: A. Bobbitt **OFS Staff:** L. Cunningham

Project Description: Eby-Brown Company was established over 125 years ago and has been owned by the Wake family for the last 60 years. The company is the largest privately-owned convenience store distributor in the United States. Due to recent growth, the company opened a new distribution and warehouse facility in Bullitt County to serve customers in the Midwest and Mid-South regions of the U.S.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$21,981,600	\$36,909,975

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	221	\$18.00	
1	245	\$18.00	\$160,000
2	245	\$18.00	\$160,000
3	245	\$18.00	\$160,000
4	245	\$18.00	\$160,000
5	245	\$18.00	\$160,000
6	245	\$18.00	\$160,000
7	245	\$18.00	\$160,000
8	245	\$18.00	\$160,000
9	245	\$18.00	\$160,000
10	245	\$18.00	\$160,000
11	245	\$18.00	\$160,000
12	245	\$18.00	\$160,000
13	245	\$18.00	\$160,000
14	245	\$18.00	\$160,000
15	245	\$18.00	\$160,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,400,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 16

Modifications since preliminary approval? Yes

There has been one change to the project since preliminary approval. Rent is no longer an eligible expense. All other aspects of the project remain the same.

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

Date: June 29, 2017
Preliminary Approval: December 10, 2015
Approved Company: Lux Row Distillers LLC
Approved Affiliate(s): LFL LLC
City: Bardstown
Activity: Manufacturing
Bus. Dev. Contact: L. Ransdell

County: Nelson
Final Resolution #: KBI-FD-17-20736
OFS Staff: M. Elder

Project Description: Lux Row Distillers LLC is a premium liquor and wine supplier based in St. Louis, Missouri. The company was founded in 1958 under the name of David Sherman Corporation. Lux Row owns many bourbon brands including Rebel Yell and Ezra Brooks both of which are sold across the United States and long been distilled under contract in Kentucky. The company has chosen Nelson County for its first stand-alone wholly owned distillery which will increase the production volume for all of its bourbon brands. The company chose this scenic setting for the distillery which will enhance its attractiveness as a destination on the Kentucky Bourbon Trail.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$27,300,000	\$27,300,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	18	\$25.00	
1	18	\$25.00	\$66,667
2	34	\$25.00	\$66,667
3	34	\$25.00	\$66,667
4	34	\$25.00	\$66,667
5	34	\$25.00	\$66,667
6	34	\$25.00	\$66,667
7	34	\$25.00	\$66,667
8	34	\$25.00	\$66,667
9	34	\$25.00	\$66,667
10	34	\$25.00	\$66,667
11	34	\$25.00	\$66,666
12	34	\$25.00	\$66,666
13	34	\$25.00	\$66,666
14	34	\$25.00	\$66,666
15	34	\$25.00	\$66,666

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,000,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

Base hourly wage: \$9.06

Total hourly compensation: \$10.42

Special Conditions: None

Modifications since preliminary approval? Yes

The Company name has changed from Luxco Inc. to Lux Row Distillers LLC. LFL LLC has been added as an affiliate. All other aspects of the project remain the same.

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

Date: June 29, 2017
Approved Company: Tarter Tube, LLC
City: Dunnville
Prelim Resolution #: KRA-I-17-21678
Bus. Dev. Contact: T. Simon

County: Casey

OFS Staff: D. Phillips

Project Description: Tarter Tube, LLC is the manufacturer of various types of tubing for a wide array of applications. The operation at the Dunnville facility has grown over the years and the facility is operating at full capacity. The company's manufacturing process is labor intensive and its equipment is dated. The company is considering investing in automated equipment to streamline the manufacturing process, which would produce a more consistent product and shift existing laborers to other areas of the facility.

Without the incentives, the company states it would have to delay the building improvements and equipment acquisitions until a later date. The company has an aggressive timeline and hopes to be completed with this project by December 2017.

Number of full-time jobs at the project location as of the application date:
paying average hourly wages, excluding benefits, of:

75

\$15.00

Negotiated job retention percentage:

90%

(Required to be at least 85% of employment as of preliminary approval)

Anticipated Equipment and Related Costs

Land
Building (new construction/additions)
Improvements (existing buildings)
Equipment and related costs (including installation costs)
Other related costs
TOTAL

Eligible Costs (50% eligible)	Total Investment
\$0	\$0
\$0	\$0
\$45,000	\$90,000
\$1,559,734	\$3,119,467
\$0	\$0
\$1,604,734	\$3,209,467

Maximum Amount of Eligible Costs:

\$1,604,734

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$500,000

Financing:

Source	Amount
Bank Loan	\$768,967
Other - Equity	\$1,000,000
Other - Capital Lease	\$1,440,500
TOTAL	\$3,209,467

Ownership (20% or more):

Anna Lou Tarter Smith Casey, KY

Active State Participation at the project site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jun 27, 1995	KREDA	Monitor	\$1,000,000

Unemployment Rate

County: 4.5%

Kentucky: 4.8%

Special Conditions:

The company will be required to withdraw its previously approved KREDA project (form#4006) prior to final approval of this project.

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

Date: June 29, 2017
Preliminary Approval: June 26, 2014
Approved Company: Kellogg USA Inc.
City: Kimper
Final Resolution #: KRA-F-17-20013
Bus. Dev. Contact: R. Lee

County: Pike

OFS Staff: M. Elder

Project Description: Kellogg USA, Inc., a manufacturer of breakfast line packaged foods has been operating in Pike County since 1996. The company states the facility is in good condition and has been well maintained, however the facility incurs abnormally high costs compared to other Kellogg facilities due to inventory logistic issues and distance from vendors.

The project included the purchase of new equipment in order to stay competitive and reduce transportation costs, including a potential new bulk transfer station. The incentives will help offset the significant cost of upgrading its Pike County facility, enhancing transportation to and from the facility and the elimination of excess capacity.

Current number of full-time jobs at the project location:

355

Required number of full-time jobs to retain at the project location:

320

Preliminarily Approved Anticipated Costs

Equipment and Related Costs

Training Costs

TOTAL

Eligible Costs	Total Investment
\$3,000,000	\$6,000,000
\$0	\$0
\$3,000,000	\$6,000,000

Actual Costs Expended

Equipment and Related Costs

Training Costs

TOTAL

Eligible Costs	Total Investment
\$7,788,813	\$15,577,626
\$0	\$0
\$7,788,813	\$15,577,626

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,000,000

Modifications since preliminary approval? No

Kentucky Small Business Tax Credit Projects

June 2017

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment	Tax Credit Amount
Elizabethtown Motors, Inc.	Hardin	42	7	\$17.26	\$19,953	\$19,900
Enderle Besten Dieruf, PLLC	Fayette	12	3	\$20.67	\$7,246	\$7,200
Inside Out Design, LLC	Franklin	3	1	\$15.00	\$14,710	\$3,500
Jewell Engineering and Manufacturing Company, Inc.	Jefferson	13	1	\$18.00	\$167,386	\$3,500
Marshall County Soil Improvement Association	Marshall	7	1	\$14.50	\$52,500	\$3,500
MSK Fitness LLC	McCracken	0	1	\$10.88	\$5,558	\$3,500
Polaris of Benton, Inc.	Marshall	15	7	\$20.92	\$27,090	\$24,500
PTX Food Corporation	Jefferson	20	4	\$27.81	\$14,380	\$14,000
Wilderness Trace Solar, Inc.	Boyle	2	2	\$17.50	\$9,500	\$7,000
9	7		27	Total	\$318,323	\$86,600


Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment	Tax Credit Amount
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Note: The tax credit amount will be equal to \$3,500 per eligible position, not to exceed the purchase price of qualifying equipment or technology, with a maximum income tax credit of \$25,000 per company for each calendar year. Per KRS 154.60-020, the maximum amount of credits that may be committed in each state fiscal year shall be capped at \$3,000,000.

Credit Limit	\$3,000,000
Current FY Projected/ Approved Credits	\$1,869,800
Remaining Credits	\$1,130,200

MEMORANDUM

TO: KEDFA Board Members

FROM: Katie Smith 
Incentive Assistance Division

DATE: June 29, 2017

SUBJECT: Kentucky Business Investment (KBI) Program
FY 2017-2018 Enhanced Incentive Counties

Kentucky counties are designated "enhanced incentive" eligible by meeting at least one of the three following criteria: (1) counties with an average annual unemployment rate exceeding the state average annual unemployment rate in the five preceding calendar years; (2) counties with an unemployment rate greater than 200 percent of the statewide unemployment rate for the preceding year; and (3) counties identified as one of the sixty most distressed counties based on a three part test (three-year unemployment, education attainment and road quality).

Any project located in an enhanced incentive county that has been decertified shall have until July 1st of the third year following the decertification to obtain final approval. Once a company enters into a tax incentive agreement, the company maintains its enhanced benefits for the term of the agreement regardless of any change in the county's status.

The counties of **Boyle, Carroll and Meade** previously certified as enhanced no longer meet the criteria and will be decertified as of June 30, 2020. The counties of **Gallatin, Garrard, Harrison and Metcalfe**, which were decertified last year, are in the second year of decertification and projects must complete final approval by June 30, 2019. **Allen and Marshall** Counties are in the third year of decertification and projects must complete final approval by June 30, 2018.

Carlisle County meets the criteria for certification and is designated as a KBI Enhanced County as of June 30, 2017.

Staff recommends adoption of the resolution certifying the Kentucky Business Investment (KBI) Program - FY 2017-2018 Enhanced Incentive Counties.