



CABINET FOR ECONOMIC DEVELOPMENT

Matthew G. Bevin
Governor

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

Erik Dunnigan
Acting Secretary

MEMORANDUM

TO: KEDFA Members

FROM: Katie Smith, Executive Director
Office of Financial Services *KS*

DATE: June 22, 2016

SUBJECT: KEDFA Board Meeting

The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, June 30, 2016** 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 30, 2016

Call to Order
Notification of Press
Roll Call

Approval of Minutes

1. Approval of Minutes from May 26, 2016
Approval of Minutes from June 23, 2016 (Special Meeting)

Reports

- | | |
|---|-------------|
| 2. Approved / Undisbursed Loan Report | Don Goodin |
| 3. Financial Statements, Monitoring Reports & Audit Communication | Katie Smith |

High-Tech Pool Project

Don Goodin

- | | |
|------------------|---------|
| 4. MakeTime Inc. | Fayette |
|------------------|---------|

KEDFA Revenue Bonds

Katie Smith

- | |
|--------------------------------|
| 5. Catholic Health Initiatives |
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EDB Project (Final)

Debbie Phillips

- | | |
|-----------------|---------|
| 6. Ashland Inc. | Fayette |
|-----------------|---------|

Local IRB Project (Final)

Debbie Phillips

- | | |
|-----------------------------------|--------|
| 7. Heaven Hill Distilleries, Inc. | Nelson |
|-----------------------------------|--------|

KEIA Projects (Extension)

Bobby Aldridge

- | | |
|-------------------------------|-----------|
| 8. Berry Plastics Corporation | Hopkins |
| nGimat, LLC | Fayette |
| Tyson Chicken, Inc. | Henderson |

KEIA Projects (Final)

- | | | |
|---------------------------|---------|--------------------------------------|
| 9. Altec Industries, Inc. | Hardin | Morgan Pierstorff / Lynda Cunningham |
| 10. Jim Beam Brands Co. | Bullitt | Marlene Duffy / Debbie Phillips |

KBI Projects (Preliminary) & KEIA Projects (Final)

11. New Riff Distilling, LLC	Campbell	Marlene Duffy / Debbie Phillips
12. New Riff Distilling, LLC	Campbell	
13. WITHDRAWN		
14. WITHDRAWN		

KBI Projects (Preliminary)

15. Ervin Cable Construction of Florida, LLC	Union	Frank Tate / Michelle Elder
16. WITHDRAWN		
17. Beltline Electric Co., Inc.	McCracken	Corky Peek / Michelle Elder
18. North America Sticks	Knox	Lindsey Ransdell / Michelle Elder
19. Astecnos America Corporation	Jessamine	Marlene Duffy / Debbie Phillips
20. JBR Industrial Services, LLC	Mason	Marlene Duffy / Debbie Phillips
21. Leggett & Platt, Incorporated	Scott	Marlene Duffy / Debbie Phillips
22. Logan Corporation	Magoffin	Robyn Lee / Debbie Phillips
23. Alliance Entertainment, LLC	Bullitt	Anna Beth Bobbitt / Lynda Cunningham
24. AnyConnect LLC	Jefferson	Morgan Pierstorff / Lynda Cunningham

KBI Projects (Extension)

Michelle Elder

25. FET Engineering, Inc.	Nelson
America SednAir Compressor System, Inc.	Graves
Hayashi Telempu North America Corporation	Franklin
ISCO Industries, Inc.	Jefferson
Boyd Company, LLC	Jefferson
Elovations Services Group, LLC	Boone
Faurecia Automotive Seating LLC	Shelby
iHealth Solutions LLC	Jefferson
L'Oreal USA Products, Inc.	Kenton
Stantec Consulting Services Inc.	Fayette
zTux, Inc.	Jefferson

KBI Projects (Final)

Debbie Phillips

26. Hart AgStrong LLC	Todd
27. Kentucky Chrome Works, LLC	Hart
28. Norgren, Inc.	Jefferson
29. TeeSpring, Inc.	Boone
30. TPUSA, Inc.	Jefferson
31. WITHDRAWN	
32. GreenSky, LLC	Kenton
33. WITHDRAWN	
34. Thunder Mfg. USA, Inc.	Madison

KRA Project (Preliminary) & KEIA Project (Final)

35. Northland Corporation	Oldham	Anna Beth Bobbitt / Debbie Phillips
■ Northland Corporation	Oldham	

KRA Project (Preliminary)

36. Rane Precision Die Casting, Inc.	Logan	Corky Peek / Michelle Elder
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KEDFA Loan

37. Logan Corporation	Magoffin	Don Goodin
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KEDFA Loan (Extension)

38. Crittenden County Economic Development Corporation	Crittenden	Don Goodin
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IEIA Project (Final)

■ Energy Services Group, Inc.	Graves	Don Goodin
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IEIA Project (Extension)

39. Secure Energy Kentucky LLC	McCracken	Don Goodin
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KSBTC

40. Ballast, Inc.	Fayette	Tim Back
Blue Heaven Technologies, L.L.C.	Jefferson	
Blythe, White & Associates, PLLC	McCracken	
BryMak & Associates, Inc.	Christian	
DMD Data Systems Inc.	Franklin	
Eakle, Current and Company	Fayette	
Empyrean Artisan Ales LLC	Fayette	
GLC Industries, LLC	Montgomery	
Global Aviation Navigator, Inc.	Jefferson	
Kinemetrix Industrial Design, Inc.	Fayette	
Pinnacle Inc.	Marshall	
W & B Broadcasting Co., Inc.	Hardin	

Kentucky Angel Investment Act Program

41. Fincher, Ronald M.	Laurel	Tim Back
King, Darren	Laurel	First Care Holding, LLC
		First Care Holding, LLC

Other Business

42. KBI Program Enhanced Incentive Counties for FY 2016-2017		Don Goodin
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Closed Session

43.

Adjournment

Approved Undisbursed List
May-16

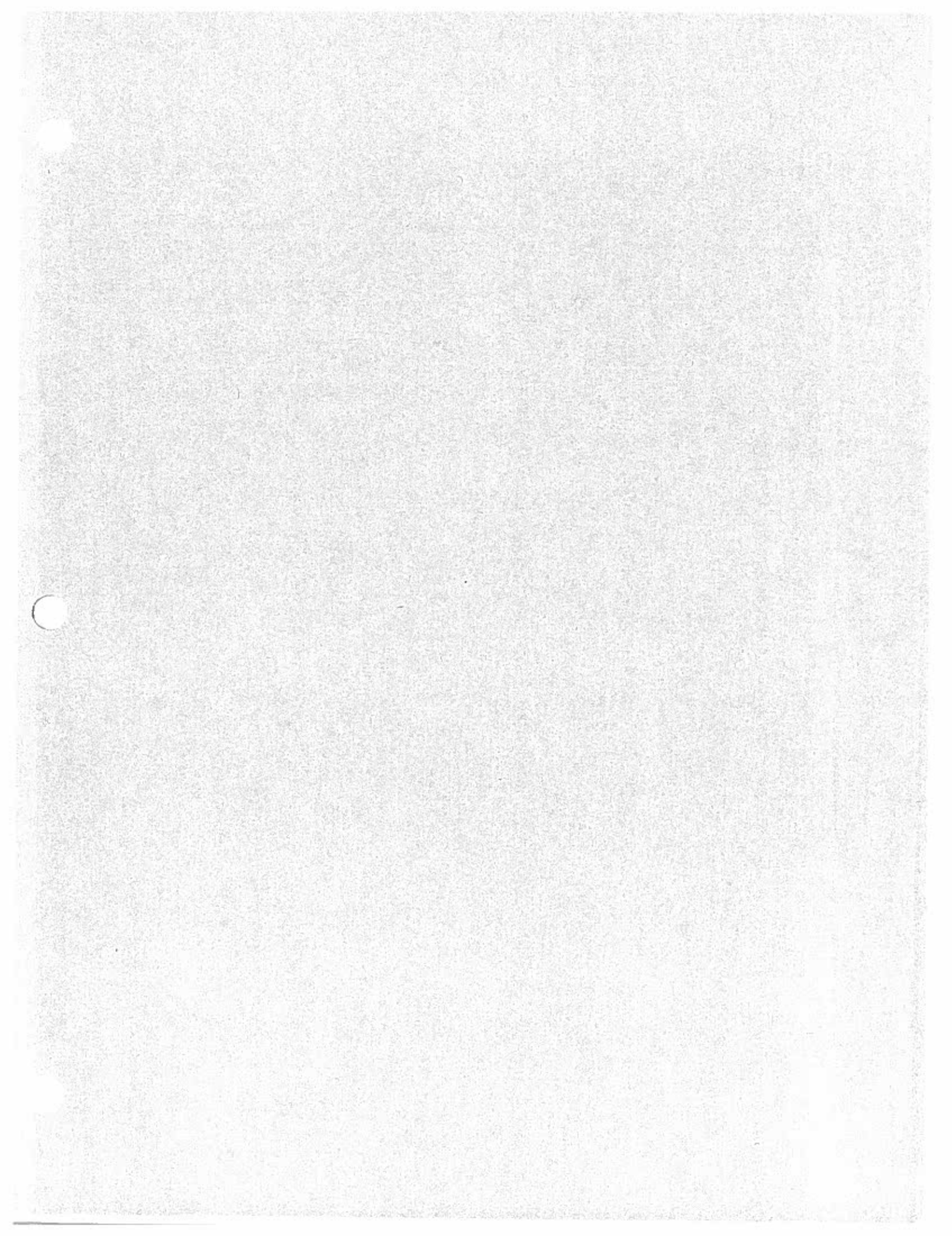
KEDFA LOANS

<u>Applicant</u>	<u>Form #</u>	<u>County</u>	<u>Date Approved</u>	<u>Commitment Expires</u>	<u>Amount</u>	<u>Jobs</u>
City of Shepherdsville	21008	Bullitt	Apr-16	Apr-17	3,500,000	

SMALL BUSINESS LOANS

<u>Applicant</u>	<u>Form #</u>	<u>County</u>	<u>Date Approved</u>	<u>Commitment Expires</u>	<u>Amount</u>	<u>Jobs</u>
None						

TOTAL COMMITMENTS 1					3,500,000	
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KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF NET POSITION
5/31/2016

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 5/31/16	OOE 5/31/16	COMBINED 5/31/16
<u>ASSETS</u>						
Cash & Accounts Receivable						
Operating Account	(44,281.45)	0.00	0.00	(44,281.45)	0.00	(44,281.45)
Cash	3,380,213.27	14,129,985.06	393,346.71	17,903,545.04	0.00	17,903,545.04
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	3,175,079.39	3,175,079.39
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	0.00	0.00	0.00	0.00	1,030,370.00	1,030,370.00
Total Cash & Accounts Receivable	3,336,931.82	14,129,985.06	393,346.71	17,859,263.59	4,346,993.27	22,206,256.86
Accrued Interest Receivable						
Loans	22,541.18	8,361.39	1.90	30,904.47	1,449.60	32,354.07
Investments	28.71	119.97	3.37	152.05	0.00	152.05
Total Accrued Interest Receivable	22,569.89	8,481.36	5.27	31,056.52	1,449.60	32,506.12
Notes Receivable						
Loans Receivable	18,170,345.34	1,736,436.72	3,208.76	19,909,990.82	99,143.00	20,009,133.82
(Allowance for Doubtful Accounts)				(1,159,163.61)		(1,159,163.61)
Total Notes Receivable	18,170,345.34	1,736,436.72	3,208.76	18,750,827.21	99,143.00	18,849,970.21
TOTAL ASSETS	21,528,847.05	15,874,903.14	396,560.74	36,641,147.32	4,447,585.87	41,088,733.19
DEFERRED OUTFLOWS OF RESOURCES				307,000.00	0.00	307,000.00
<u>LIABILITIES</u>						
Accrued Salaries & Compensated Absences				366,803.42	0.00	366,803.42
Accounts Payable				0.00	0.00	0.00
Intergovernment Payable				0.00	0.00	0.00
Grants Payable				0.00	0.00	0.00
Pension Liability				4,632,000.00	0.00	4,632,000.00
TOTAL LIABILITIES				4,998,803.42	0.00	4,998,803.42
DEFERRED INFLOWS OF RESOURCES				60,000.00	0.00	60,000.00
<u>NET POSITION</u>						
Beginning Balance				33,132,577.78	5,544,303.02	38,676,880.80
Current Year Undivided Profits				(1,243,233.88)	(1,096,717.15)	(2,339,951.03)
TOTAL NET POSITION				31,889,343.90	4,447,585.87	36,336,929.77

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

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

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH ENDING AND FISCAL YTD May 31, 2016

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2015-2016 YEAR TO DATE	FY 2014-2015 YEAR TO DATE
Operating Revenues - KEDFA						
Interest Income/Loans	14,056.86	2,970.92	13.02	0.00	199,900.74	227,844.78
Interest Income/ Investments	28.71	119.97	3.37	0.00	1,655.31	1,634.51
Late Fees	0.00	0.00	0.00	0.00	853.68	0.02
Application Fees	22,712.50	0.00	0.00	0.00	473,487.83	635,467.25
Miscellaneous Income	27.84	0.00	0.00	0.00	316.30	466.54
Total Operating Revenues - KEDFA	36,825.91	3,090.89	16.39	0.00	676,213.86	865,413.10
Operating Expenses - KEDFA						
Salaries	88,261.73				962,371.15	894,884.27
Employee benefits	51,510.01				625,434.99	573,334.77
Other Personnel Costs	0.00				0.00	6,464.94
Contracted Personal Services	8,708.33				131,541.29	141,414.50
Utilities and Heating Fuels	0.00				0.00	0.00
Rentals	0.00				0.00	0.00
Maintenance and Repairs	0.00				0.00	0.00
Postage and Related Services	0.00				14.73	9.82
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	100.00
Travel	217.62				2,633.16	2,495.11
Miscellaneous Commodities	0.00				396.75	478.50
Commodities Expense	0.00				219,830.71	0.00
Bad Debt Expense	0.00				0.00	0.00
Grant Disbursement	0.00				0.00	0.00
Total Operating Expenses - KEDFA	148,697.69	0.00	0.00	0.00	1,942,222.78	1,819,181.91
Income (Loss) from Operations - KEDFA	(111,871.78)	3,090.89	16.39	0.00	(1,266,008.92)	(753,768.81)
Non-Operating Revenues (Expenses) - KEDFA						
Operating Transfer Out - General Fund					0.00	0.00
Transfer Due from Bonds					0.00	(500,000.00)
Grants Disbursed					0.00	0.00
Operating Transfer In - Economic Dev					22,775.04	0.00
Unrealized Gains/(Losses) on Investment					0.00	0.00
Realized Gains/(Losses) on Investment					0.00	0.00
Total Non-Operating Revenues (Expenses) -	0.00	0.00	0.00	0.00	22,775.04	(500,000.00)
CHANGE IN NET POSITION - KEDFA	(111,871.78)	3,090.89	16.39	0.00	(1,243,233.88)	(1,253,768.81)
Operating Revenues (expenses) - OOE						
Interest Income - Loans				141.00	1,551.74	5,241.71
Misc Income				0.00	0.00	3.18
Disbursements: Projects (Note 1)				0.00	(709,963.69)	(1,924,718.95)
Repayments received from Projects				0.00	315,110.00	0.00
Non-Operating Revenues (Expenses) - OOE						
Operating Transfer in - OOE				0.00	0.00	0.00
Transfer Due from Bonds				0.00	(350,000.00)	(275,000.00)
Operating Transfer Out - OOE				0.00	(353,415.20)	(209,706.18)
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00	141.00	(1,096,717.15)	(2,404,180.24)
CHANGE IN NET POSITION - COMBINED	(111,871.78)	3,090.89	16.39	141.00	(2,339,951.03)	(3,657,949.05)

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
5/31/2016

	<u>5/31/2015</u>	<u>5/31/2016</u>
Fund A Cash Balance	\$4,009,618.78	\$3,380,213.27
Less: Loans Closed This Month	<i>INCLUDED IN BAL</i>	<i>INCLUDED IN BAL</i>
Less: Approved/Undisbursed	0.00	0.00
Total Unobligated Balance	\$4,009,618.78	\$3,380,213.27
2003 Bond Fund Cash Balance	\$13,593,912.21	\$14,129,985.06
Less: Loans Closed This Month	0.00	0.00
Less: Approved/Undisbursed	0.00	0.00
Total Unobligated Balance	\$13,593,912.21	\$14,129,985.06
Small Business Loan Fund Cash Balance	\$384,843.72	\$393,346.71
Less: Loans Closed This Month	0.00	0.00
Less: Approved/Undisbursed	0.00	0.00
Total Unobligated Balance	\$384,843.72	\$393,346.71
Bond Funds to be Provided for Loans	\$0.00	\$0.00
Less: Approved/Undisbursed	0.00	3,500,000.00
Total Unobligated Balance	\$0.00	\$3,500,000.00
Budget: Cash to be Transferred to Other CED Programs for	\$0.00	\$0.00
CASH AVAILABLE	\$17,988,374.71	\$17,903,545.04
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	\$3,873,360.93	\$3,126,293.93
Less: Approved/Undisbursed	(\$2,067,439.00)	(\$1,170,370.00)
LGEDF Pool	\$4,043.88	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects	\$1,380,370.00	\$1,030,370.00
Bond Funds Available for Projects	\$0.00	\$0.00
Total Unobligated Balance	\$3,327,835.81	\$3,127,837.81
TOTAL ALL FUNDS	\$21,316,210.52	\$21,031,382.85

**Kentucky Enterprise Initiative Act (KEIA) Projects
Fiscal 2016**

KEDFA Meeting date 6/30/2016

Total Projects Approved Fiscal Year-to-Date 61

Number of Proposed Projects for Current Month 4

Construction Materials and Building Fixtures

Fiscal Year Cap \$20,000,000

Approved Fiscal Year-to-Date \$15,535,000

Committed Amount \$0

Balance Available for Current Month \$4,465,000

Proposed Approval for Current Month \$745,000

Balance Available for Remainder of Fiscal Year \$3,720,000

Research & Development and Electronic Processing Equipment

Fiscal Year Cap \$5,000,000

Approved Fiscal Year-to-Date \$1,152,000

Committed Amount \$0

Balance Available for Current Month \$3,848,000

Proposed Approval for Current Month \$0

Balance Available for Remainder of Fiscal Year \$3,848,000

Office of Compliance, Financial and Administrative Services
Monthly Monitoring Report as of May 31, 2016

Financial Incentives Programs

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
KBI	79	58	0	0	14
IELA	0	0	0	0	0
KEIA	18	0	0	0	1
KIDA	4	0	0	0	3
KJDA	7	12	0	0	7
KREDA	20	23	0	0	22
KIRA	0	2	0	0	2
KJRA	0	0	0	0	0
KIFA	2	4	0	0	2
KESA	0	0	0	0	0
KRA	2	10	0	0	3
KALA	1	10	0	0	0
TIF	14	14	0	0	0
Totals	147	133	0	0	54

Cash Based Programs

Program	Projects Contacted	Projects Monitored	Defaults	Repayments	Completed Exhibits
HTP	4	0	0	0	0
Direct Loans	0	0	0	0	0
EDB	8	7	0	0	3
Totals	12	7	0	0	3

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

Project	County	Approval Date	Exit Date	Program
<u>Budge Industries</u>	<u>Henderson</u>	<u>08/24/2014</u>	<u>05/26/2016</u>	<u>KBI</u>
Explanation: <u>Company withdrew from KBI Program per email dated 5/16/2016.</u>				
<u>Valley Truck Equipment, LLC</u>	<u>Daviess</u>	<u>05/31/2012</u>	<u>05/26/2016</u>	<u>KBI</u>
Explanation: <u>Company withdrew from KBI Program per email dated 5/18/2016.</u>				
<u>Precision Die Casting, Inc.</u>	<u>Logan</u>	<u>2/26/2014</u>	<u>06/07/2016</u>	<u>KBI</u>
Explanation: <u>Company withdrew from the KBI program per email dated 6/7/2016.</u>				
Explanation: _____				



May 24, 2016

To the Committee Members
Kentucky Economic Development Finance Authority

We are engaged to audit the financial statements of the Kentucky Economic Development Finance Authority (Authority) for the year ended June 30, 2016. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated May 24, 2016, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the Authority. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests is not to provide an opinion on compliance with such provisions.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our "year-end fieldwork" on July 18, 2016 and to issue our reports no later than October 3, 2016.

Kentucky
Indiana
Ohio

MCM CPAs & Advisors

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www.mcmcpa.com | 888.587.1719

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To the Committee Members
Kentucky Economic Development Finance Authority
May 24, 2016

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This information is intended solely for the use of the Committee Members and is not intended to be, and should not be, used by anyone other than this specified party.

Very truly yours,

A handwritten signature in black ink that reads "Mountjoy Chilton Medley LLP". The signature is written in a cursive, flowing style.

Mountjoy Chilton Medley LLP
Louisville, Kentucky

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
HIGH TECH POOL PROJECT REPORT**

Date: June 30, 2016

Company: MakeTime Inc.

Location: Fayette County

New/Existing: Existing

Project Description:

MakeTime Inc. is an on-demand manufacturing platform that matches projects from buyers to production hours on computer numerically controlled (CNC) machines from pre-qualified suppliers. A buyer posts a project with DFM-ready part files to the MakeTime platform and receives a price estimate that includes machining, materials, and delivery costs. Upon approval from the buyer, MakeTime places the project with suppliers whose capabilities and available machine time match the project. MakeTime manages production, material procurement, delivery and payments. Every project is backed by a surety bond to ensure quality.

MakeTime dramatically reduces lead times by eliminating supplier vetting, RFQ's, and quote comparisons. Buyers cut production times by 75% on average, while also reducing the soft costs associated with procurement. By leveraging idle machine time from qualified suppliers nationwide, MakeTime offers competitive pricing in parts production.

The funds for this project will be used for operating expenses and to hire and train additional staff.

Proposed Project Financing:

	HIGH TECH POOL	MakeTime	TOTAL COST
Operating Expenses, including personnel costs	\$500,000	\$1,500,000	\$2,000,000
TOTAL	\$500,000	\$1,500,000	\$2,000,000

Existing, Kentucky Resident Full-time Jobs: 38

New High-Tech, Full-time Jobs to be Created for Kentucky Residents: 28

Average Salary for New Jobs, excluding benefits: \$70,000 annually, excluding benefits, and also must pay at least \$40,000 annually for jobs to be considered towards meeting the requirement

Job Retention and Creation Requirement Date: June 30, 2017

Job Maintenance Measurement Date: Annually for three additional years through June 30, 2020

Security: Not applicable – disbursement of grant funds will not occur until after annual compliance reporting has occurred

Requested Funding: Up to \$500,000 from the High-Tech Investment Pool in the form of a performance-based grant.

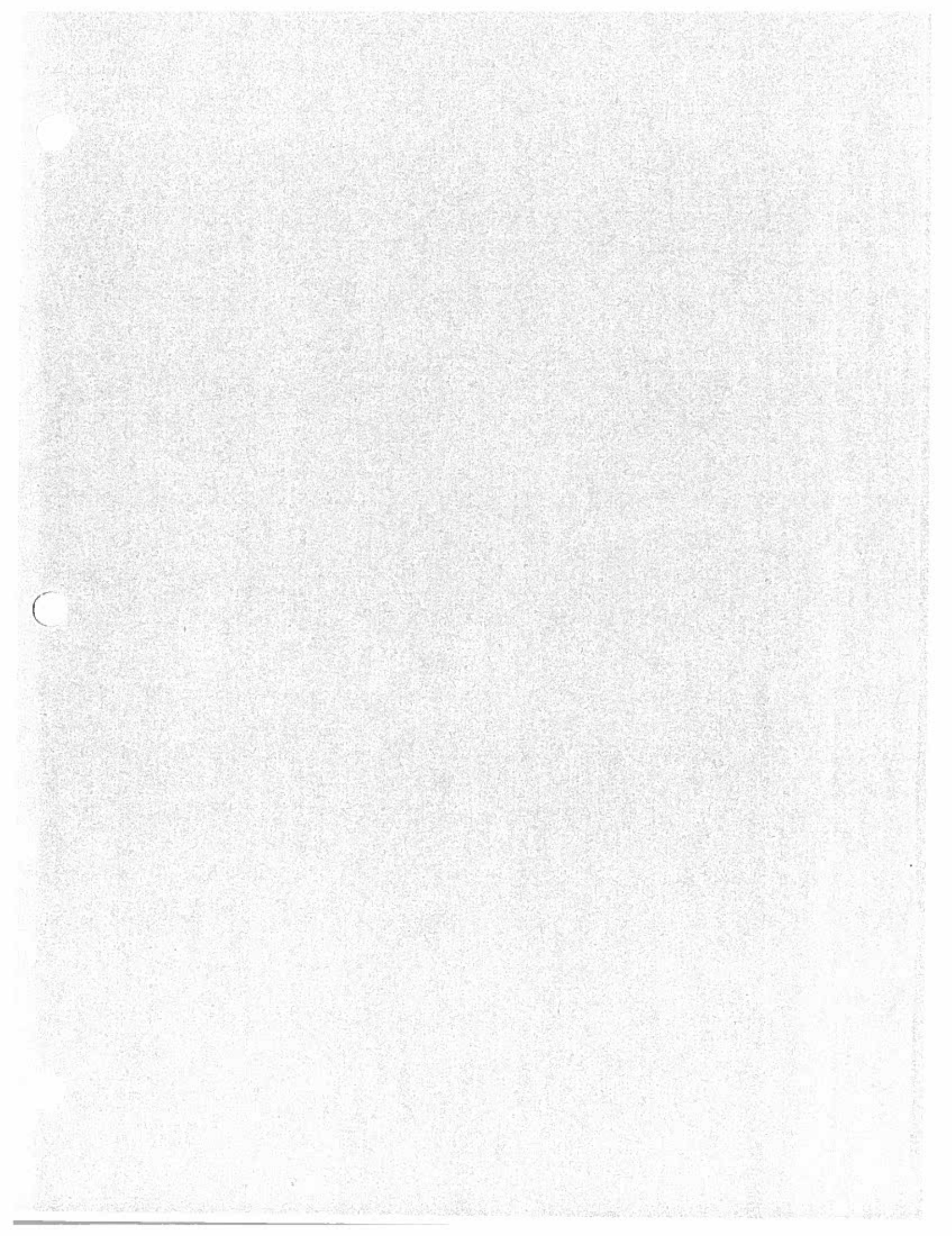
Other Terms: Agreement will include a grant reduction provision of \$1,894 per job not created or retained and a wage reduction provision for failure to meet these requirements.

Disbursement: Funds will be disbursed on a re-imbursement basis.

Other and/or Previous State Participation: None

NOTE:

This project was recommended by Mandy Lambert, Executive Director, Office of Entrepreneurship



MEMORANDUM

TO: KEDFA Board

FROM: Katie Smith, Executive Director *KS*

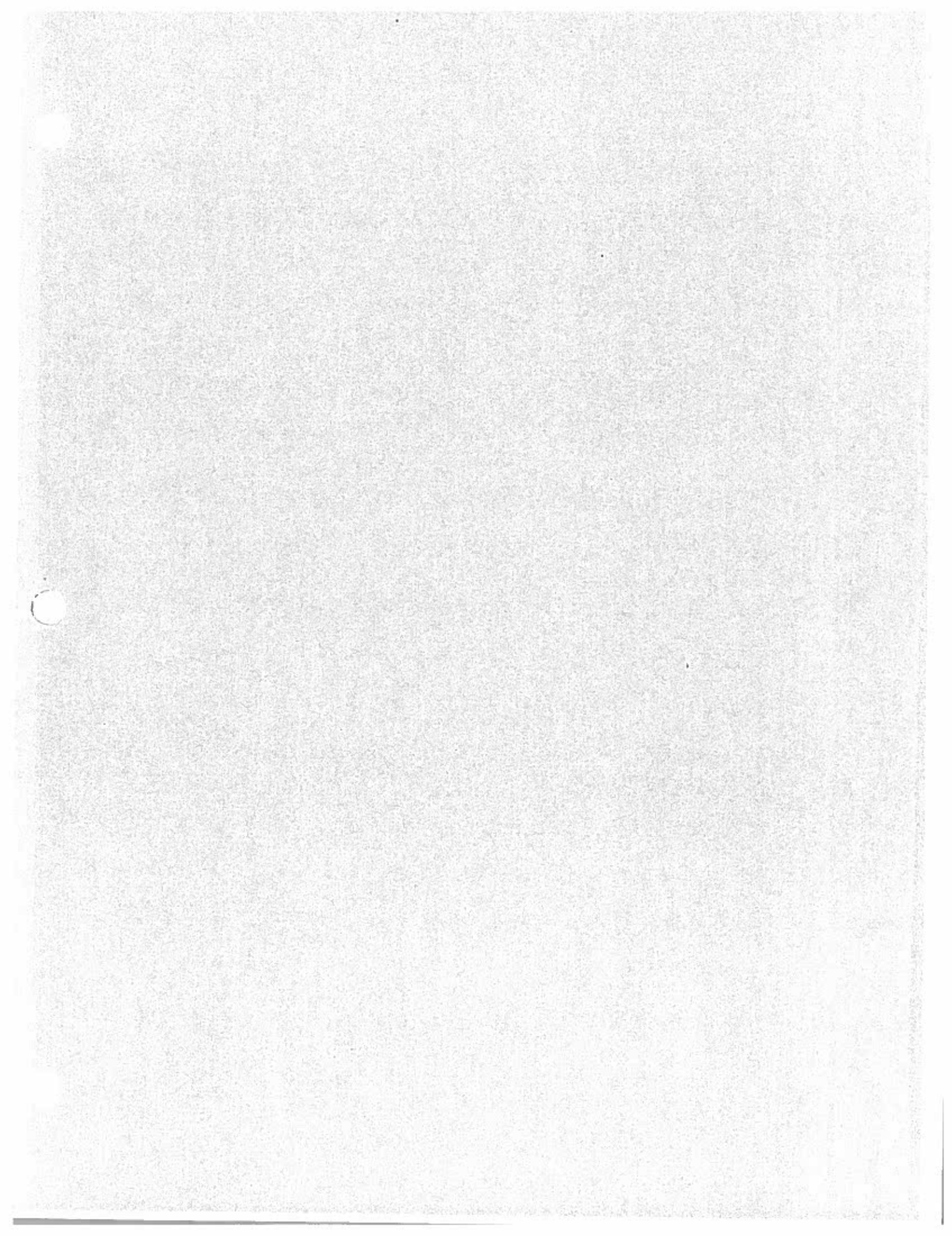
DATE: June 30, 2016

SUBJECT: KEDFA Revenue Bonds, Series 2013A (Catholic Health Initiatives) – \$78,535,000 – Resolution to Execute and Deliver Form 8038

KEDFA previously authorized the 2013 bond issue for Catholic Health Initiatives (CHI). A portion of the bond proceeds were used to finance or refinance costs of facilities that CHI recently sold to an unrelated third party. The sale requires KEDFA to report certain information regarding the sale to the Internal Revenue Service. Therefore, CHI is requesting KEDFA to execute and deliver the Form 8038-Information Return for Tax-Exempt Private Activity Bond Issues included with the attached bond resolution.

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

Staff recommends KEDFA's adoption of the attached resolution and execution and delivery of the Form 8038.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT BOND (EDB) PROJECT REPORT**

Date: June 30, 2016
Grantee: Lexington-Fayette Urban County Government
Beneficiary: Ashland Inc.
City: Lexington **County:** Fayette
Activity: Headquarters
Bus. Dev. Contact: J. Bevington **OFS Staff:** D. Phillips

Project Description: Ashland Inc. is a leading global specialty chemical company with customers in over 100 countries. The company plans to lease an approximately 165,000 square foot facility to be constructed in Lexington. The facility will serve as the new headquarters for Ashland's Valvoline unit.

Anticipated Project Investment - Leased

Land
Building/Improvements
Equipment
Other Start-up Costs
TOTAL

Total Investment	
	\$0
	\$0
	\$0
	\$6,971,250
	\$6,971,250

Anticipated Project Funding

Economic Development Bond Grant (State)
Recaptured EDB Grant Funds (LFUCG)
JOBS Fund Grant (LFUCG)
Company Equity
Other
TOTAL

Amount	% of Total
\$450,000	6.5%
\$450,000	6.5%
\$100,000	1.4%
\$5,971,250	85.7%
\$0	0.0%
\$6,971,250	100.0%

Job and Wage Requirement:

616 existing, permanent, full-time, Kentucky resident jobs to be retained paying average hourly wages of \$42.00, excluding benefits, within 1 year of KEDFA approval of the project and maintain for 3 additional years.

Collateral Required: No collateral required; disbursement of grant funds will not occur until after annual compliance reporting has occurred

Job Reduction Provision: \$365 per job not retained

Wage Reduction Provision: pro rata portion of EDB grant based on a formula outlined in the EDB grant agreement

RECOMMENDED ECONOMIC DEVELOPMENT BOND AMOUNT:

\$450,000

Ownership (20% or more):

Publicly traded

Active State Participation at the Project Site: None

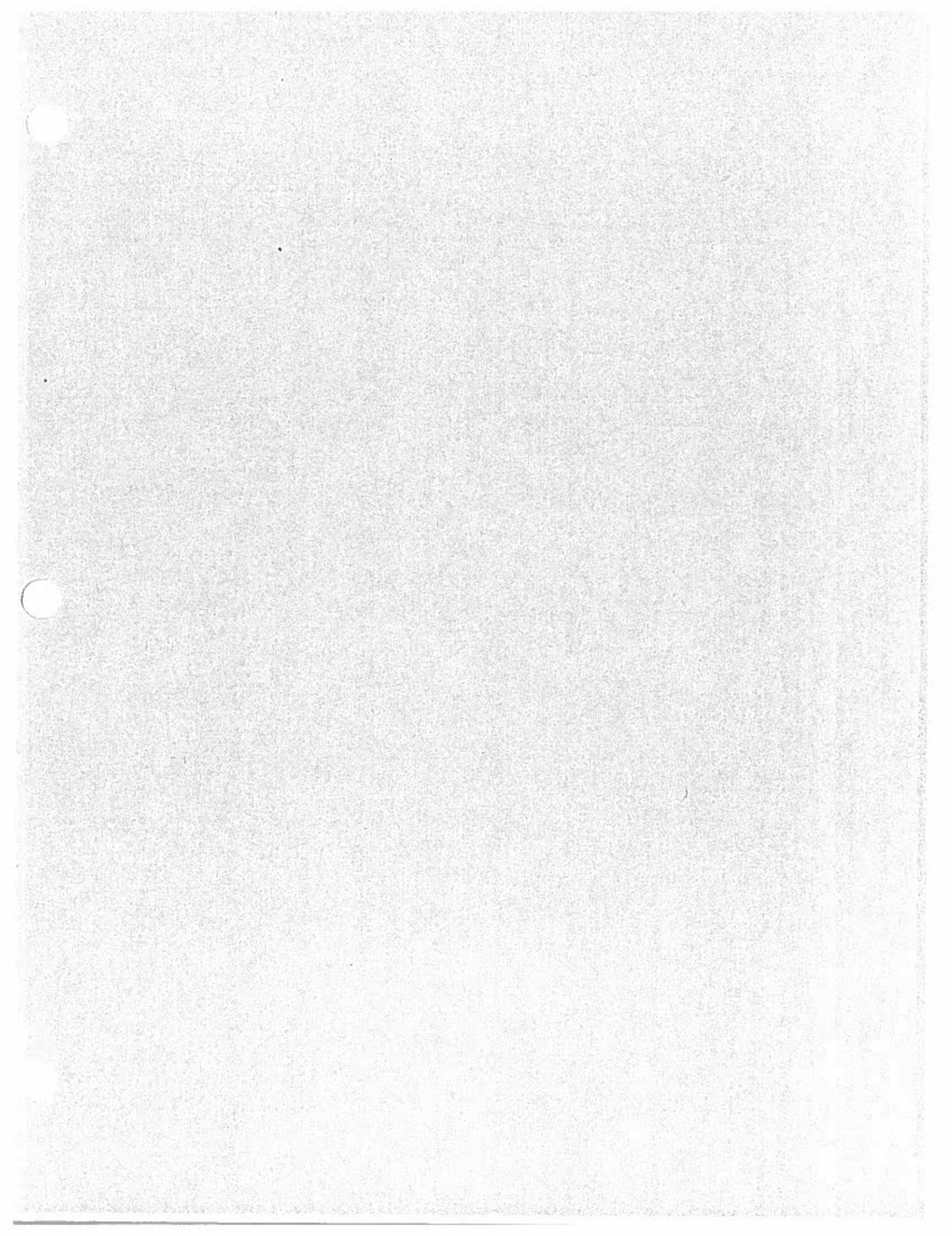
Unemployment Rate:

County: 3.3%

Kentucky: 4.6%

Recommendation:

Staff recommends approval of this EDB grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this EDB grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the EDB funds for this project.



**TAX-EXEMPT GOVERNMENTAL UNIT/STATUTORY AUTHORITY ISSUANCE
OF INDUSTRIAL REVENUE BONDS (IRB)**

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY REQUEST
FOR REDUCTION IN STATE AD VALOREM TAX RATE**

Date: June 30, 2016
Issuer: Nelson County Fiscal Court
Company: Heaven Hill Distilleries, Inc.
City: Bardstown **County:** Nelson
Project Type: Existing **Resolution #:** LIRB-16-4
Bus. Dev. Contact: M. Duffy **OFS Staff:** D. Phillips

Project Description: Heaven Hill Distilleries, Inc. is the nation's second largest family owned producer and marketer of distilled spirits. The company is considering the acquisition, construction and equipping of a product distribution facility.

Proposed Issuance Date	Principal amount of IRB authorization	Term of Bond (years)
December 31, 2016	up to \$29,000,000	30 years

New, Full-time Jobs to be Created	Average Annual Salary
0	\$0

Anticipated Financed Project Costs

Land	
Building/Improvements	\$9,080,000
Equipment	\$19,920,000
Infrastructure	
TOTAL	\$29,000,000

Active State Participation at the Project Site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Apr 28, 2016	KEIA	Approve-Final	\$685,000
Jun 26, 2014	KBI	Monitor	\$300,000
Oct 30, 1991	KREDA	Monitor	\$2,800,000

Unemployment Rate:

County: 4.2%

Kentucky: 4.6%

Projected New Net Tax Revenues to be Received Over the Term of the IRB

Excluding other state tax credits and incentives approved for the project, if fully utilized by the company. These projections are provided by the company and are not verified by the Cabinet.

State Tax Revenues	\$588,170,000
Local Tax Revenue	\$44,714,990
TOTAL	\$632,884,990

Requested % Reduction in the Ad Valorem

State: 100%

Local: 100%

Projected Tax Savings over Bond Term

\$629,030

\$1,109,000

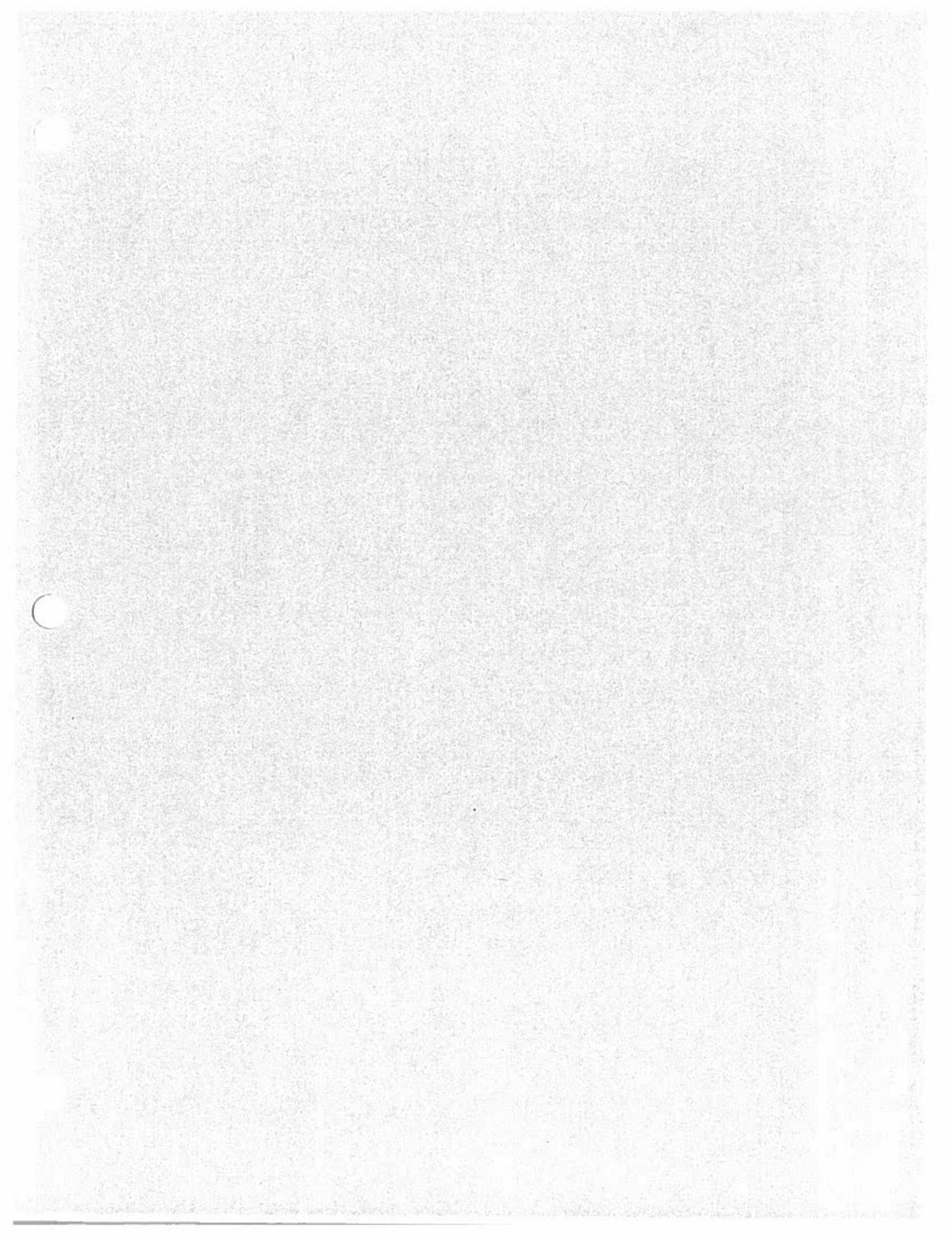
Payments will be made by the Company in lieu of taxes to the following:

Bardstown Independent Schools

Recommendation:

Staff recommends 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.

Note that the KEDFA board is not making any type of determination as to the legality of the bonds to be issued by the above-referenced issuer, but is only approving the reduction on the ad valorem tax rate as provided by KRS 103.200 and KRS 132.020.



MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division

DATE: June 30, 2016

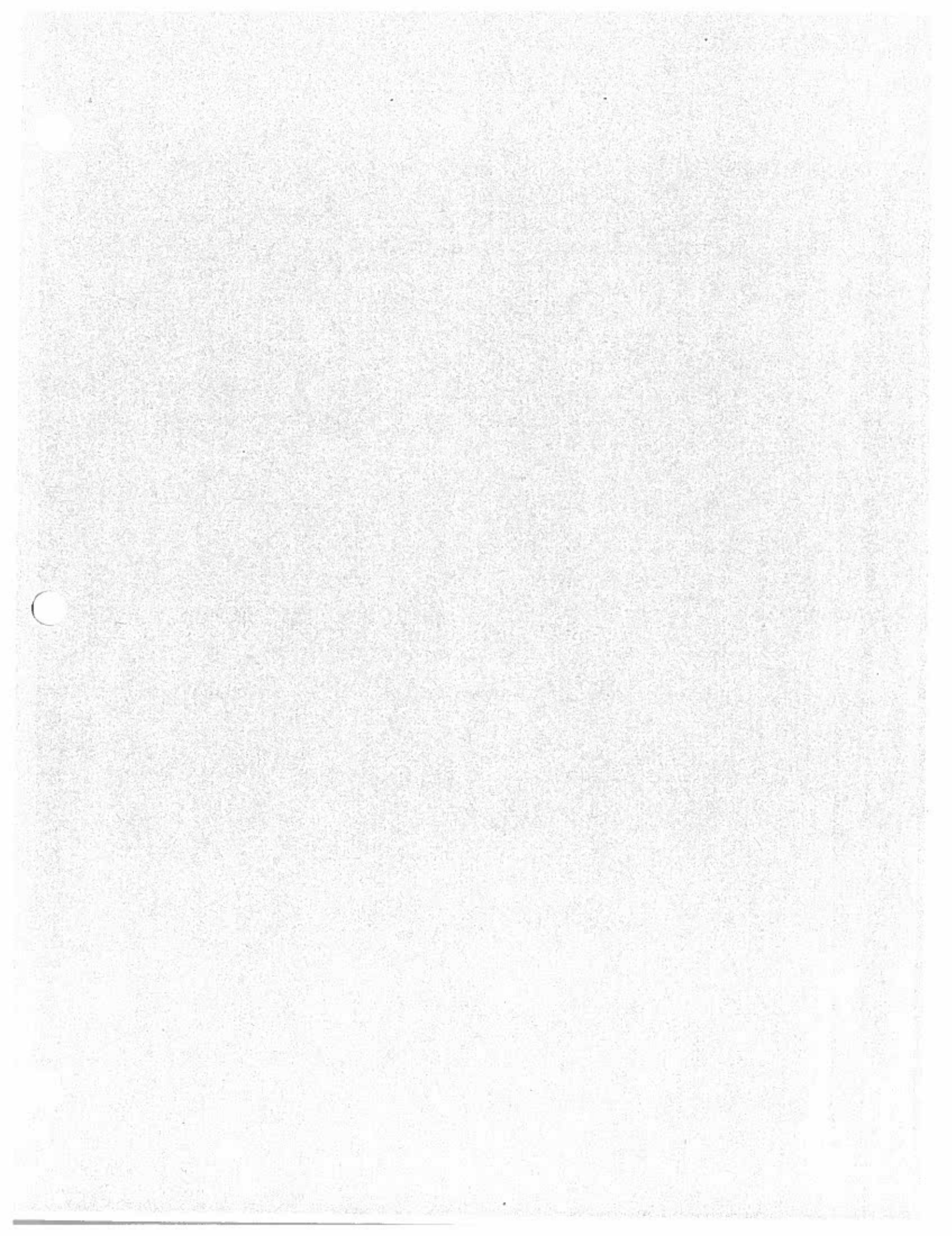
SUBJECT: KEIA Extensions

RA

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

Company	County	Extension
Berry Plastics Corporation	Hopkins	12 Months
nGimat, LLC	Fayette	12 Months
Tyson Chicken, Inc.	Henderson	12 Months

Staff recommends approval.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: June 30, 2016
Approved Company: Altec Industries, Inc.
City: Elizabethtown
Activity: Manufacturing
Bus. Dev. Contact: M. Pierstorff

County: Hardin
Resolution #: KEIA-16-21128
OFS Staff: L. Cunningham

Project Description: Altec Industries, Inc. is a privately held company formed in 1929 and is a leading provider of products and services to the electric utility, telecommunications, tree care, and contractor markets. Products include truck bodies and related equipment. The company is considering an expansion of its existing manufacturing facility to house new equipment associated with improving the quality of its production. The expansion would also include increasing the size of the existing office, high bay, and cafeteria space.

Facility Details: Expanding existing operations

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$0
\$3,010,875	\$6,021,750
\$0	\$0
\$0	\$0
\$0	\$10,028,000
\$0	\$50,000
\$3,010,875	\$16,099,750

Ownership (20% or more):

Altec, Inc. - Birmingham, AL

Other State Participation:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jul 26, 2012	KEIA	Approve-Final	\$48,000
Jun 26, 2014	KBI	Monitor	\$1,250,000

Unemployment Rate

County: 4.1%

Kentucky: 4.6%

Existing Presence in Kentucky:

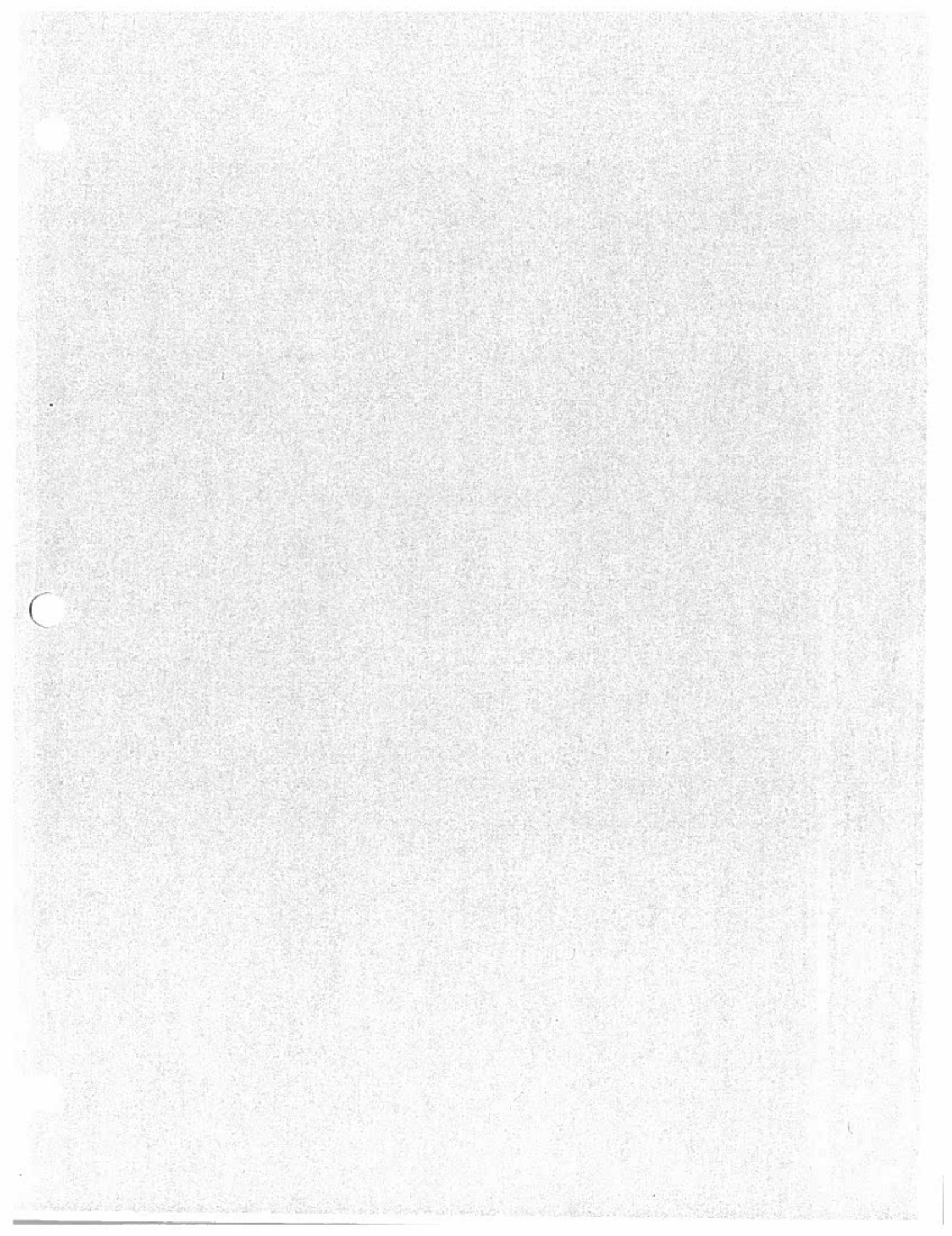
Hardin County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$150,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$150,000



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: June 30, 2016
Approved Company: Jim Beam Brands Co.
City: Shepherdsville
Activity: Manufacturing
Bus. Dev. Contact: M. Duffy

County: Bullitt
Resolution #: KEIA-16-21105
OFS Staff: D. Phillips

Project Description: Jim Beam Brands Co. has been making bourbon in Kentucky for more than 200 years and is the #1 selling bourbon in the world. The company is considering the construction of additional warehousing space to meet growing customer demands for its products.

Facility Details: Locating in a new facility

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$2,800,000
\$9,257,190	\$25,000,000
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$9,257,190	\$27,800,000

Ownership (20% or more):

BeamSuntory, Inc. Deerfield, IL

Other State Participation: None

Unemployment Rate

County: 3.9%

Kentucky: 4.6%

Existing Presence in Kentucky:

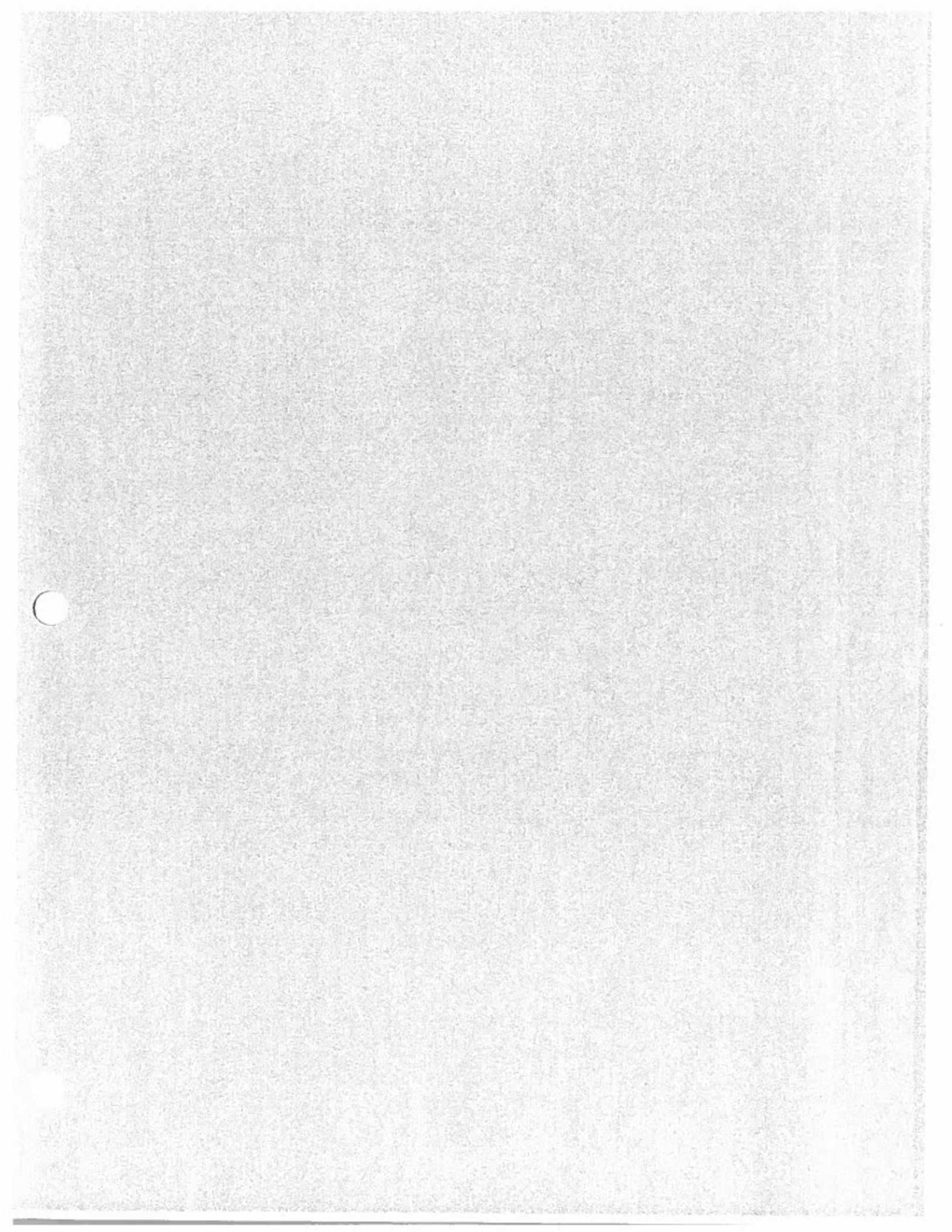
Bullitt, Franklin, Jefferson, Marion and Nelson Counties

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$400,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$400,000



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: June 30, 2016
Approved Company: New Riff Distilling, LLC
City: Newport
Activity: Manufacturing
Bus. Dev. Contact: M. Duffy

County: Campbell
Prelim Resolution #: KBI-I-16-21098
OFS Staff: D. Phillips

Project Description: New Riff Distilling, LLC is the largest craft distillery in Kentucky currently operating at full production of over 7,400 barrels a year. The company is considering the construction of a whiskey campus that will hold 28,000 bourbon barrels to age, raw material storage, offices, general warehousing, bottling and distribution operation. The project would also include the renovation of an existing facility by remodeling two historic brick warehouse buildings and constructing a major set of rick houses. In addition, this proposal includes acquisition of additional land adjacent to this property to construct a "state of the art" brewery/taproom/restaurant, event space as well as parking.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$725,000	\$725,000
\$8,300,000	\$8,300,000
\$480,000	\$3,250,000
\$200,000	\$200,000
\$9,705,000	\$12,475,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	24	\$22.00	
1	29	\$22.00	\$50,000
2	33	\$22.00	\$50,000
3	35	\$22.00	\$50,000
4	37	\$22.00	\$50,000
5	39	\$22.00	\$50,000
6	39	\$22.00	\$50,000
7	39	\$22.00	\$50,000
8	39	\$22.00	\$50,000
9	39	\$22.00	\$50,000
10	39	\$22.00	\$50,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$500,000

County Type:
Other

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

Ownership (20% or more):

Kenneth A. Lewis Louisville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% The City of Newport

Unemployment Rate

County: 3.5%

Kentucky: 4.6%

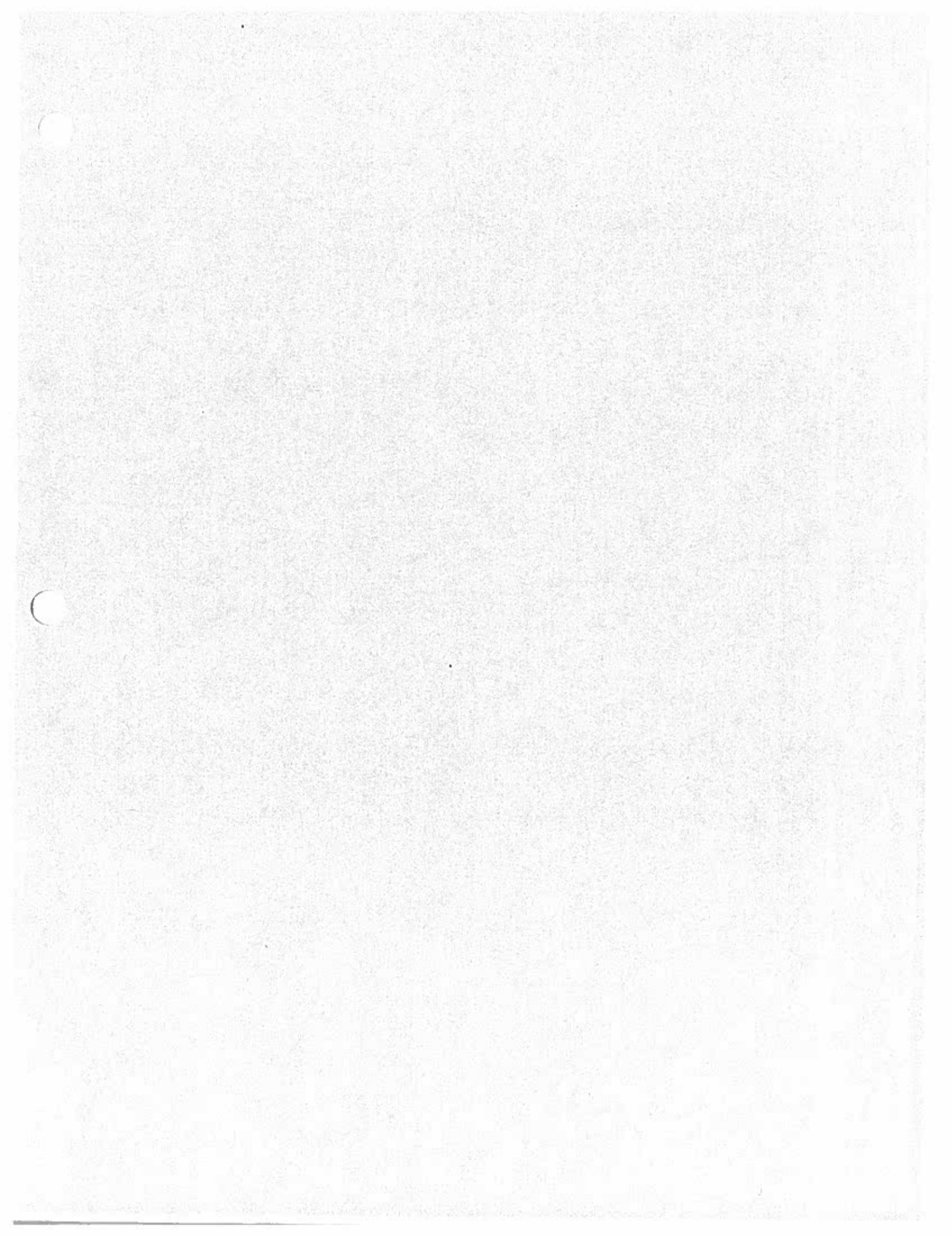
Existing Presence in Kentucky:

Campbell 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.

The project will include multiple locations within Campbell County, The City of Newport. Only investment costs incurred at 1050 Lowell 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 30, 2016
Approved Company: New Riff Distilling, LLC
City: Newport **County:** Campbell
Activity: Manufacturing **Resolution #:** KEIA-16-21099
Bus. Dev. Contact: M. Duffy **OFS Staff:** D. Phillips

Project Description: New Riff Distilling, LLC is the largest craft distillery in Kentucky currently operating at full production of over 7,400 barrels a year. The company is considering the construction of a whiskey campus that will hold 28,000 bourbon barrels to age, raw material storage, offices, general warehousing, bottling and distribution operation. The project would also include the renovation of an existing facility by remodeling two historic brick warehouse buildings and constructing a major set of rick houses. In addition, this proposal includes acquisition of additional land adjacent to this property to construct a "state of the art" brewery/taproom/restaurant, event space as well as parking.

Facility Details: Expanding existing operations

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$725,000
\$3,735,000	\$8,300,000
\$0	\$0
\$0	\$0
\$0	\$3,250,000
\$0	\$200,000
\$3,735,000	\$12,475,000

Existing Presence in Kentucky:
Campbell County

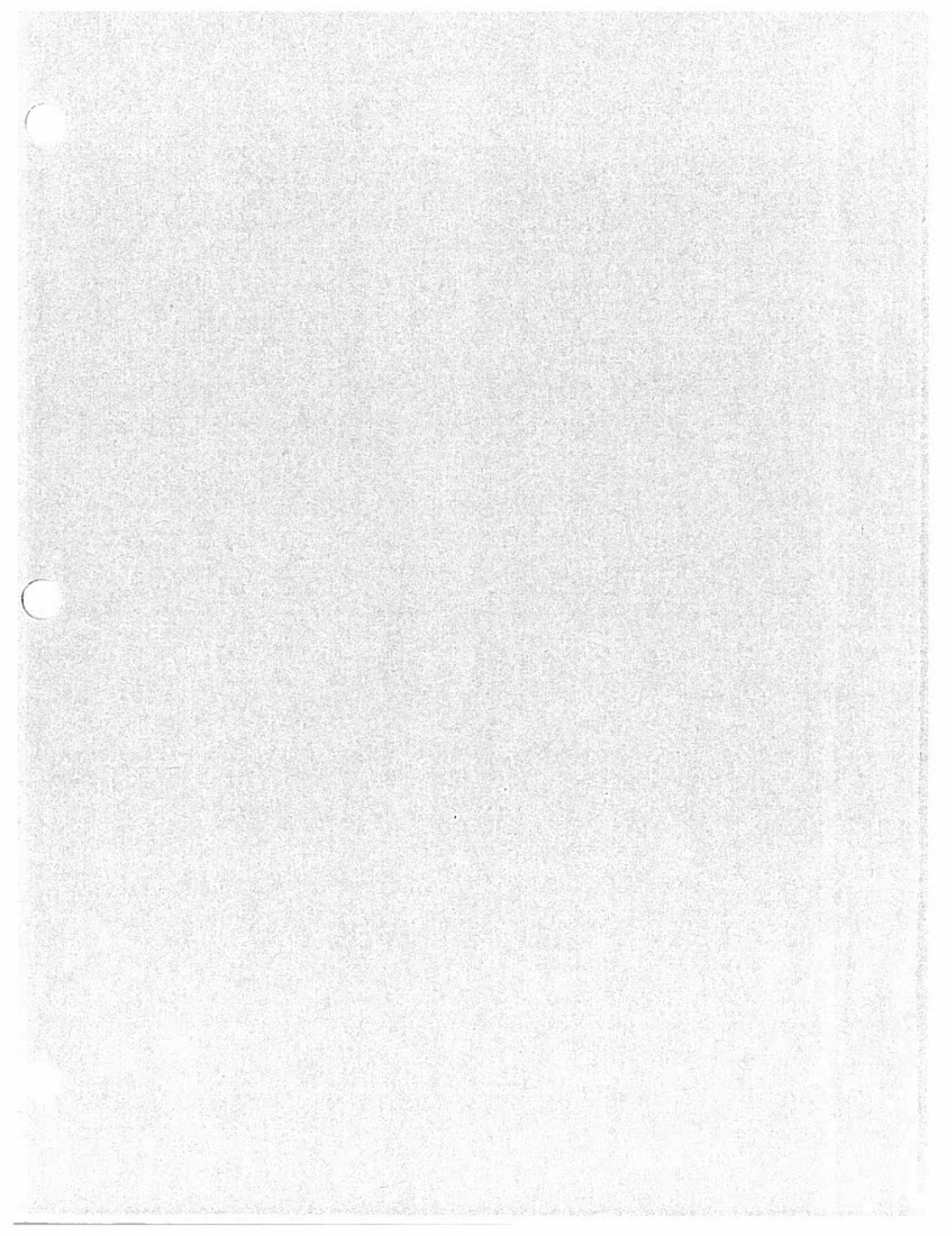
Approved Recovery Amount:

Construction Materials and Building Fixtures: \$150,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$150,000

See KBI file (KBI-I-16-21098) for Ownership, Other State Participation and Unemployment Rate.



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

Date: June 30, 2016
Approved Company: Ervin Cable Construction of Florida, LLC
City: Sturgis **County:** Union
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-16-21133
Bus. Dev. Contact: F. Tate **OFS Staff:** M. Elder

Project Description: Ervin Cable Construction of Florida, LLC (ECC), began business in 1980 as a small construction company doing Cable TV design and construction work. With steady growth and continued reinvestment in the company EEC has grown allowing them to serve more customers throughout the Southeastern United States. EEC has reached maximum capacity at its headquarters location in Sturgis and the company is considering an expansion to support this growth.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased

Rent

Building/Improvements

Equipment

Other Start-up Costs

TOTAL

Eligible Costs	Total Investment
\$120,000	\$240,000
\$246,000	\$246,000
\$0	\$0
\$25,000	\$25,000
\$391,000	\$511,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

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

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:**\$200,000**

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

Publicly traded

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 0.5% Union County

Unemployment Rate

County: 6.2%

Kentucky: 4.6%

Existing Presence in Kentucky:

Union 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 66 full-time, Kentucky resident employees as of the application date.

The only incentive available for this project is the wage assessment.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: June 30, 2016
Approved Company: Beltline Electric Co., Inc.
City: Paducah **County:** McCracken
Activity: Manufacturing **Prelim Resolution #:** KBI-I-16-21151
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: Beltline Electric Co., Inc. is a heavy industrial and commercial electrical and mechanical construction contractor serving the Southeastern U.S. The company is considering the expansion of its current facility in Paducah to manufacture fabrication of engineered electrical components.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$1,075,000	\$1,075,000
\$30,000	\$30,000
\$100,000	\$100,000
\$1,205,000	\$1,205,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	13	\$25.00	
1	13	\$25.00	\$25,000
2	13	\$25.00	\$25,000
3	14	\$25.00	\$25,000
4	15	\$25.00	\$25,000
5	15	\$25.00	\$25,000
6			
7			
8			
9			
10			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$125,000

County Type:
Other

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

Ownership (20% or more):

Jason Siener Paducah, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% - The City of Paducah

Unemployment Rate

County: 5.1%

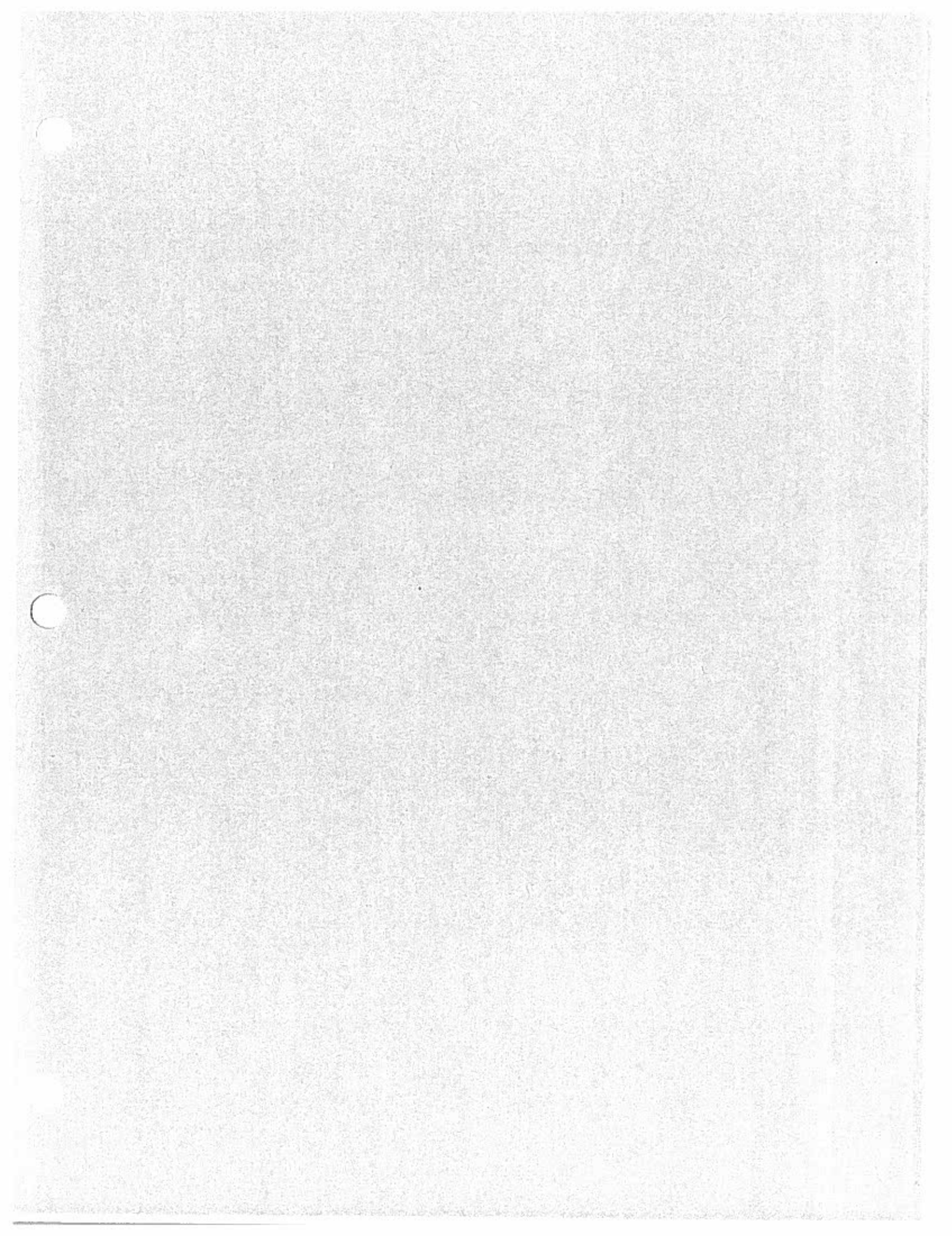
Kentucky: 4.6%

Existing Presence in Kentucky:

Daviess and McCracken Counties

Special Conditions:

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



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: June 30, 2016
Approved Company: North America Sticks
City: Corbin
Activity: Manufacturing
Bus. Dev. Contact: L. Ransdell

County: Knox
Prelim Resolution #: KBI-IL-16-21140
OFS Staff: M. Elder

Project Description: French-owned Euro Sticks Group, a multigenerational family company with facilities across the world, is considering opening its first US manufacturing operation to supply demand from US-based customers for its wooden ice cream, popsicle and coffee stir sticks.

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
\$1,700,000	\$1,700,000
\$11,000,000	\$11,000,000
\$500,000	\$500,000
\$14,100,000	\$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	50	\$18.75	
1	70	\$18.75	\$200,000
2	90	\$18.75	\$200,000
3	90	\$18.75	\$200,000
4	90	\$18.75	\$200,000
5	90	\$18.75	\$200,000
6	90	\$18.75	\$200,000
7	90	\$18.75	\$200,000
8	90	\$18.75	\$200,000
9	90	\$18.75	\$200,000
10	90	\$18.75	\$200,000
11	90	\$18.75	\$200,000
12	90	\$18.75	\$200,000
13	90	\$18.75	\$200,000
14	90	\$18.75	\$200,000
15	90	\$18.75	\$200,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$3,000,000

County Type:
Enhanced

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

Ownership (20% or more):

Sticks Management Saint-Sauveur, France

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 5.0%

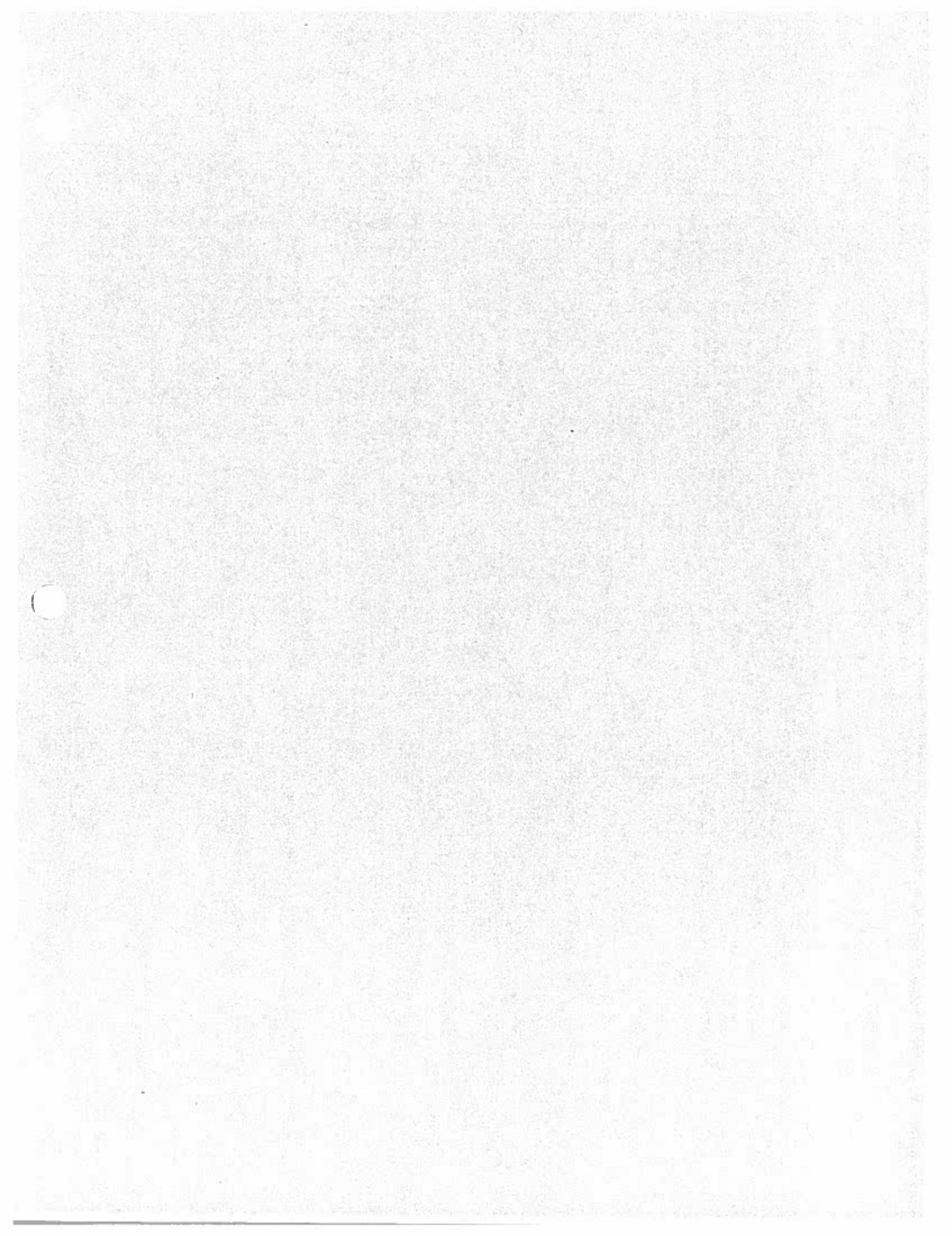
Unemployment Rate

County: 7.2%

Kentucky: 4.6%

Existing Presence in Kentucky: None

Special Conditions: None



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**KBI REPORT - PRELIMINARY APPROVAL****Date:** June 30, 2016**Approved Company:** Astecnos America Corporation**City:** Nicholasville**County:** Jessamine**Activity:** Manufacturing**Prelim Resolution #:** KBI-IL-16-21103**Bus. Dev. Contact:** M. Duffy**OFS Staff:** D. Phillips

Project Description: Astecnos America Corporation designs and manufactures specialized machines and processing of jigs as well as designs and produces control panels for the automotive industry. The company is considering establishing its first U.S. operation to be closer to its customers.

Facility Details: Locating in a new facility

Anticipated Project Investment - Leased

Rent

Building/Improvements

Equipment

Other Start-up Costs

TOTAL

Eligible Costs	Total Investment
\$499,125	\$998,250
\$0	\$0
\$110,567	\$110,567
\$134,000	\$134,000
\$743,692	\$1,242,817

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	16	\$42.00	
1	16	\$42.00	\$30,000
2	23	\$42.00	\$30,000
3	31	\$42.00	\$30,000
4	31	\$42.00	\$30,000
5	41	\$42.00	\$30,000
6	41	\$42.00	\$30,000
7	41	\$42.00	\$30,000
8	41	\$42.00	\$30,000
9	41	\$42.00	\$30,000
10	41	\$42.00	\$30,000

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

County Type:
Other

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

Ownership (20% or more):

Astecnos Co., Ltd. Toro Suruga-ku Shizuoka, Japan

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: .6% - The City of Nicholasville/.4% - Jessamine County

Unemployment Rate

County: 3.7%

Kentucky: 4.6%

Existing Presence in Kentucky: None

Special Conditions: None

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: June 30, 2016
Approved Company: JBR Industrial Services, LLC
City: Maysville **County:** Mason
Activity: Service & Technology **Prelim Resolution #:** KBI-I-16-21102
Bus. Dev. Contact: M. Duffy **OFS Staff:** D. Phillips

Project Description: JBR Industrial Services, LLC provides a conduit for our clients to transfer the inherent risk associated with an industrial transition, such as closing, partial relocation, or consolidating a manufacturing facility. JBR also provides heavy equipment moving, total plant relocation, plant demolition and scrap out projects. The company is considering expanding its warehousing ability to store and rebuild machinery, expand the rigging operations, freight brokerage services and office space.

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
\$1,600,500	\$1,600,500
\$718,500	\$718,500
\$45,500	\$45,500
\$2,364,500	\$2,364,500

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$20.00	
1	10	\$20.00	\$16,666
2	10	\$20.00	\$16,666
3	10	\$20.00	\$16,666
4	10	\$20.00	\$16,666
5	10	\$20.00	\$16,666
6	10	\$20.00	\$16,666
7	10	\$20.00	\$16,666
8	10	\$20.00	\$16,666
9	10	\$20.00	\$16,666
10	10	\$20.00	\$16,666
11	10	\$20.00	\$16,666
12	10	\$20.00	\$16,666
13	10	\$20.00	\$16,666
14	10	\$20.00	\$16,666
15	10	\$20.00	\$16,676

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$250,000

County Type:
Enhanced

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

Ownership (20% or more):

Bradley D. Hargett	Brooksville, KY
Trevor E. Hargett	Brooksville, KY
Douglas E. Hamilton	Liberty, IN

Active State Participation at the project site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Dec 10, 2015	KSBIC	Approve-Final	\$10,500

Requested Wage Assessment / Local Participation:

State: 5.0%

Unemployment Rate

County: 5.4%

Kentucky: 4.6%

Existing Presence in Kentucky:

Mason 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 21 full-time, Kentucky resident employees as of the application date.

The project will include multiple locations within the Mason County/The City of Maysville. Only investment costs incurred at 1118 Progress Way will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - PRELIMINARY APPROVAL

Date: June 30, 2016
Approved Company: Leggett & Platt, Incorporated
City: Georgetown **County:** Scott
Activity: Manufacturing **Prelim Resolution #:** KBI-IL-16-21153
Bus. Dev. Contact: M. Duffy **OFS Staff:** D. Phillips

Project Description: Leggett & Platt, Incorporated manufactures adjustable bed frames for household use. The company is considering an expansion to consolidate its existing Georgetown operations into two facilities.

Facility Details: Expanding existing operations

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

Eligible Costs	Total Investment
\$0	\$0
\$650,000	\$650,000
\$900,000	\$900,000
\$300,000	\$300,000
\$1,850,000	\$1,850,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	45	\$18.00	
1	64	\$18.00	\$80,000
2	64	\$18.00	\$80,000
3	64	\$18.00	\$80,000
4	64	\$18.00	\$80,000
5	64	\$18.00	\$80,000
6	64	\$18.00	\$80,000
7	64	\$18.00	\$80,000
8	64	\$18.00	\$80,000
9	64	\$18.00	\$80,000
10	64	\$18.00	\$80,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$800,000

County Type:
Other

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

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% - .50% The City of Georgetown/.50% Scott County Fiscal Court

Unemployment Rate
County: 3.5% Kentucky: 4.6%

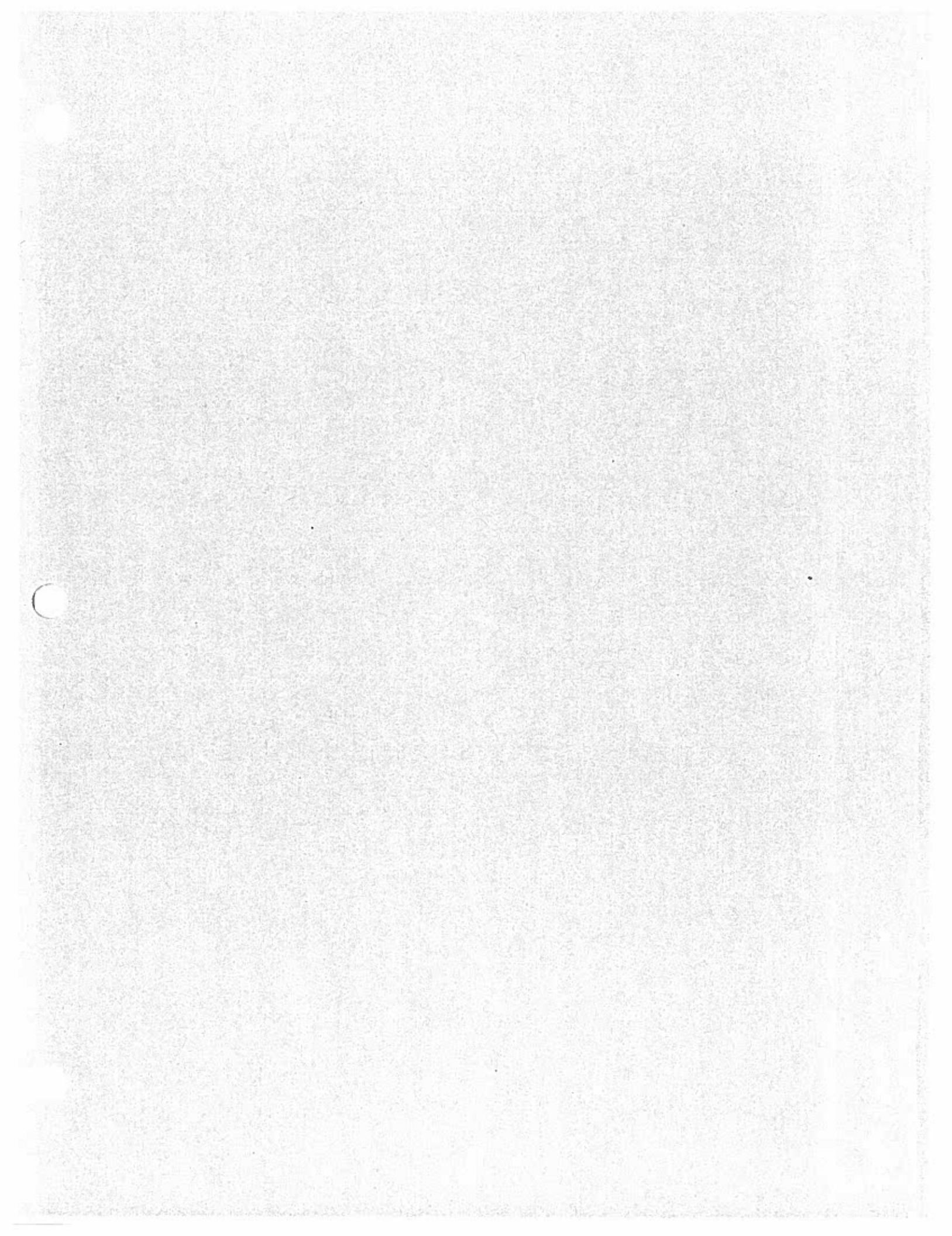
Existing Presence in Kentucky:
Clark, Grayson, Harrison and Scott Counties

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 289 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.

The project will include multiple locations within Scott County/The City of Georgetown. Only investment costs incurred at 108 Summer Court will be considered towards calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: June 30, 2016
Approved Company: Logan Corporation
City: Salyersville
Activity: Manufacturing
Bus. Dev. Contact: R. Lee

County: Magoffin
Prelim Resolution #: KBI-I-16-21121
OFS Staff: D. Phillips

Project Description: Logan Corporation manufactures a wide range of quality products for the mining, rail transport, industrial, construction and power generation markets. The company is considering the expansion of its current facility in Salyersville by constructing a new facility to expand its truck bed product line to meet customer demand.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$1,500,000	\$1,500,000
\$1,000,000	\$1,000,000
\$100,000	\$100,000
\$2,600,000	\$2,600,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$15.00	
1	30	\$15.00	\$130,000
2	50	\$15.00	\$130,000
3	70	\$15.00	\$130,000
4	70	\$15.00	\$130,000
5	70	\$15.00	\$130,000
6	70	\$15.00	\$130,000
7	70	\$15.00	\$130,000
8	70	\$15.00	\$130,000
9	70	\$15.00	\$130,000
10	70	\$15.00	\$130,000
11	70	\$15.00	\$130,000
12	70	\$15.00	\$130,000
13	70	\$15.00	\$130,000
14	70	\$15.00	\$130,000
15	70	\$15.00	\$180,000

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

Ownership (20% or more):
Mingo Wyoming Coal Land Co. Nitro, WV

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 5.0%

Unemployment Rate
County: 15.8% Kentucky: 4.6%

Existing Presence in Kentucky:
Martin 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 47 full-time, Kentucky resident employees as of the application date.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: June 30, 2016
Approved Company: Alliance Entertainment, LLC
City: Shepherdsville **County:** Bullitt
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-16-21156
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 is considering acquiring another company and moving some of the business to its Shepherdsville location.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$1,764,000	\$3,528,000
\$500,000	\$500,000
\$2,300,000	\$2,300,000
\$0	\$0
\$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

Ownership (20% or more):

Project Panther Acquisition Corp. - Sunrise, FL

Active State Participation at the project site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Oct 30, 2008	KJDA	Monitor	\$1,500,000

Requested Wage Assessment / Local Participation:

State: 5.0%

Unemployment Rate

County: 3.9%

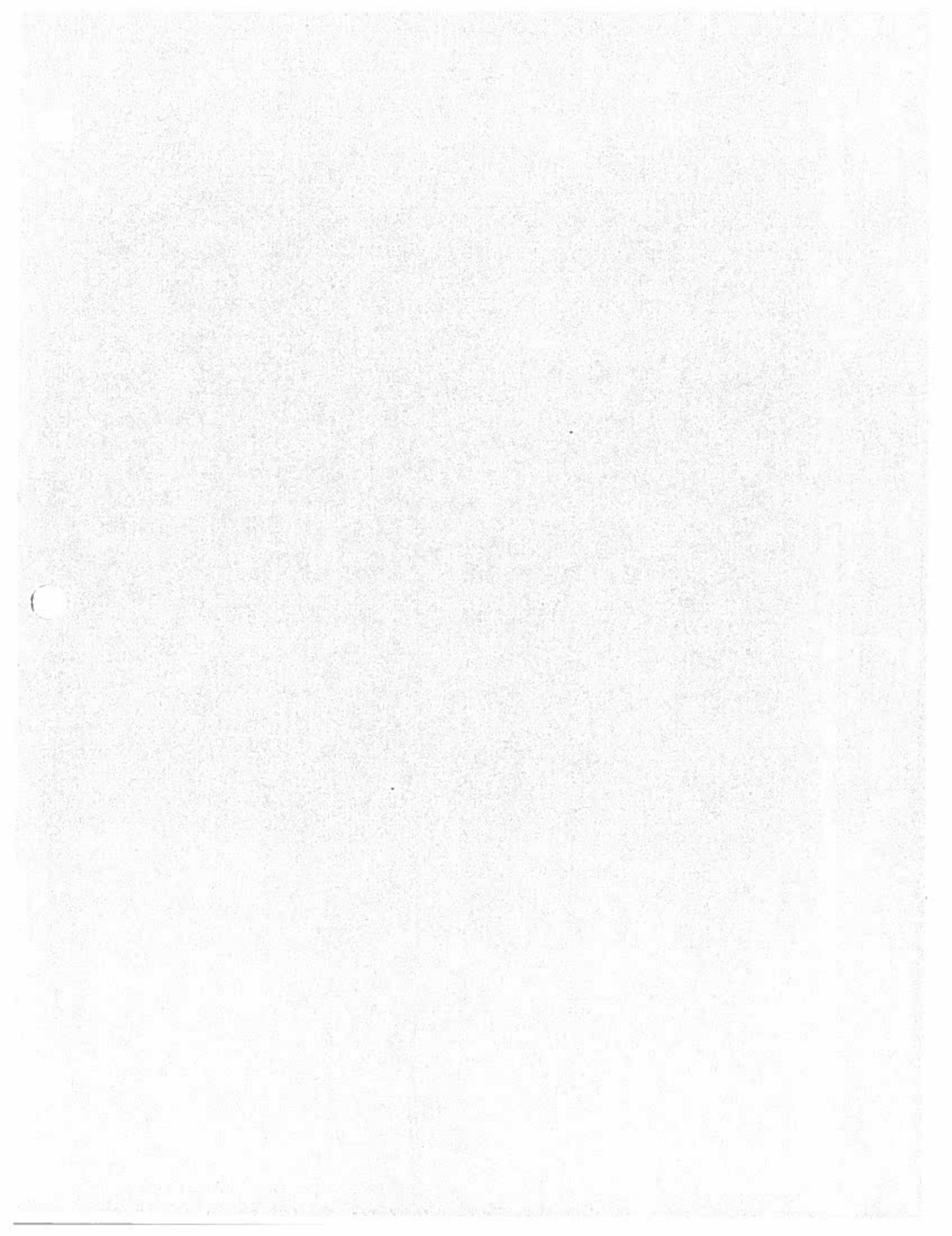
Kentucky: 4.6%

Existing Presence in Kentucky: Bullitt 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 263 full-time, Kentucky resident employees as of the application date.

The company will be required to withdraw from the KJDA program prior to KBI final approval.



KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: June 30, 2016
Approved Company: AnyConnect LLC
City: Louisville **County:** Jefferson
Activity: Service & Technology **Prelim Resolution #:** KBI-I-16-21159
Bus. Dev. Contact: M. Pierstorff **OFS Staff:** L. Cunningham

Project Description: AnyConnect develops, markets and licenses software for the Internet of Things (IoT). Its existing intellectual property includes copyrighted software and patented inventions that allow two devices on the internet to communicate directly. This technology is used in baby monitors and video conferencing services. The company is considering Louisville as a location for a second office for approximately half of its U.S. based development staff.

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
\$1,650,000	\$1,650,000
\$240,000	\$250,000
\$50,000	\$50,000
\$1,940,000	\$1,950,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	12	\$50.00	
1	12	\$50.00	\$30,000
2	12	\$50.00	\$30,000
3	12	\$50.00	\$30,000
4	12	\$50.00	\$30,000
5	12	\$50.00	\$30,000
6	12	\$50.00	\$30,000
7	12	\$50.00	\$30,000
8	12	\$50.00	\$30,000
9	12	\$50.00	\$30,000
10	12	\$50.00	\$30,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$300,000

County Type:
Other

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

Ownership (20% or more):

Chris Piche - Singapore
Charan Narang - Singapore

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% - Louisville/Jefferson County Metro Government

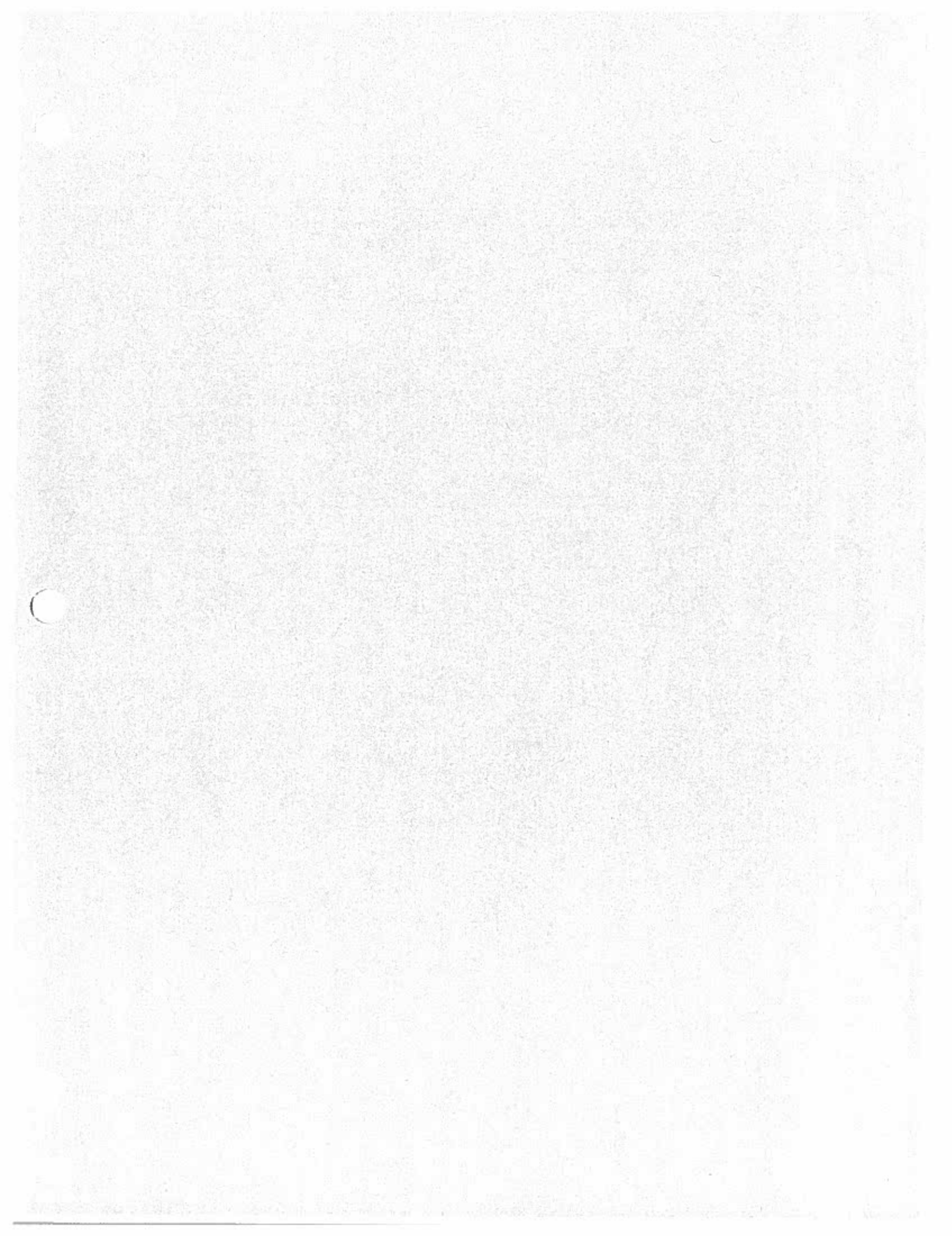
Unemployment Rate

County: 4.1%

Kentucky: 4.6%

Existing Presence in Kentucky: No

Special Conditions: None



MEMORANDUM

TO: KEDFA Board Members

FROM: Michelle Elder *ME*
Incentive Assistance Division

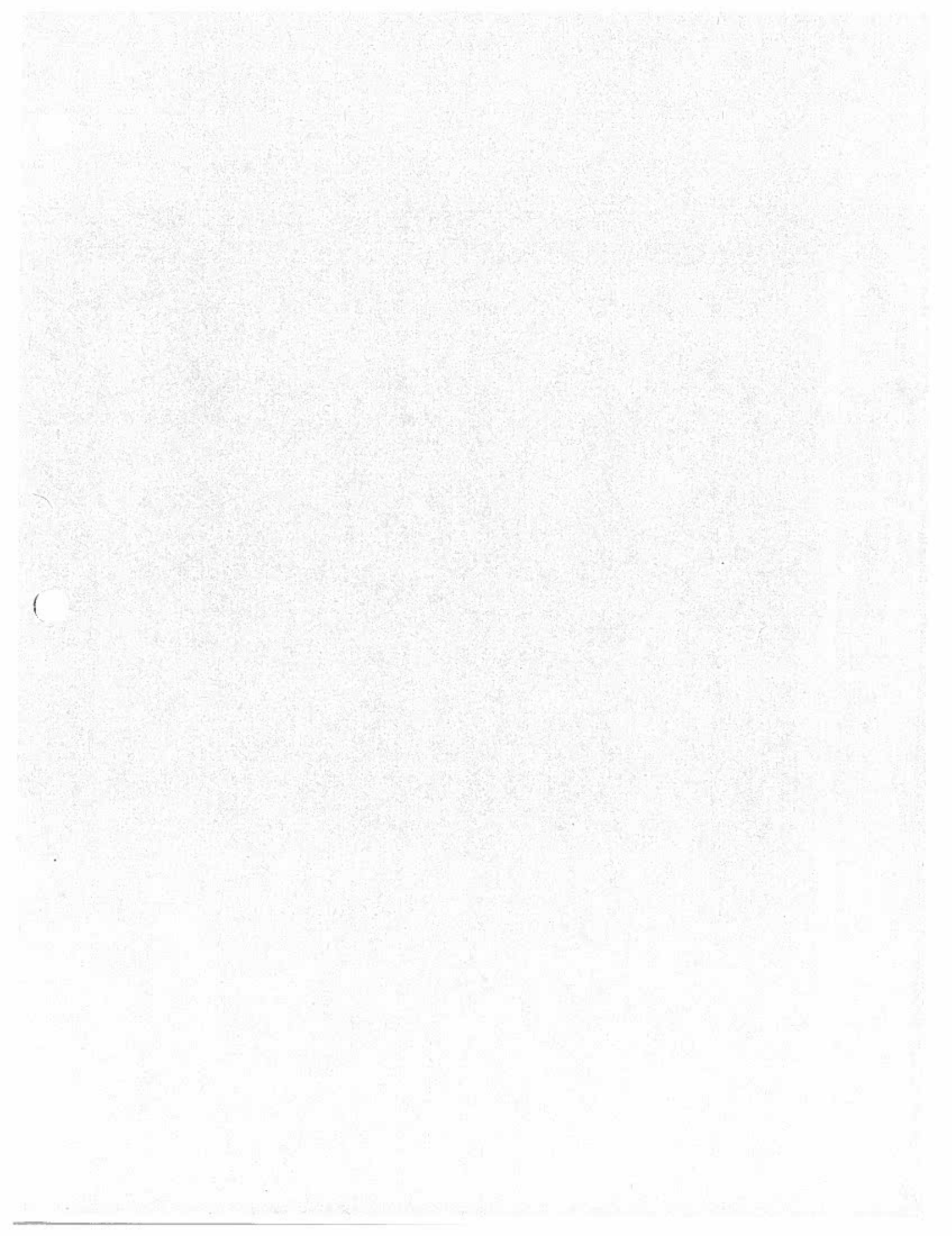
DATE: June 30, 2016

SUBJECT: KBI Extensions

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

Company	County	Extension
FET Engineering, Inc.	Nelson	3 month
America SednAir Compressor System, Inc.	Graves	6 month
Hayashi Telempu North America Corporation	Franklin	6 month
ISCO Industries, Inc.	Jefferson	6 month
Boyd Company, LLC	Jefferson	12 month
Eloventions Services Group LLC	Boone	12 month
Faurecia Automotive Seating, LLC	Shelby	12 month
iHealth Solutions LLC	Jefferson	12 month
L'Oreal USA Products, Inc.	Kenton	12 month
Stantec Consulting Services, Inc.	Fayette	12 month
zTux, Inc.	Jefferson	12 month

Staff recommends approval.



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

Date: June 30, 2016
Preliminary Approval: October 31, 2013
Approved Company: Hart AgStrong LLC
City: Trenton
Activity: Manufacturing
Bus. Dev. Contact: C. Peek

County: Todd
Final Resolution #: KBI-FD-16-19724
OFS Staff: D. Phillips

Project Description: Hart AgStrong LLC sources canola seed from local farmers in western Kentucky. The project included the construction of new processing plant for crushing canola seeds and refining vegetable oil.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$7,294,940	\$7,294,940

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	11	\$19.00	\$30,000
2	20	\$19.00	\$30,000
3	20	\$19.00	\$30,000
4	25	\$19.00	\$30,000
5	25	\$19.00	\$30,000
6	25	\$19.00	\$30,000
7	25	\$19.00	\$30,000
8	25	\$19.00	\$30,000
9	25	\$19.00	\$30,000
10	25	\$19.00	\$30,000
11	25	\$19.00	\$30,000
12	25	\$19.00	\$30,000
13	25	\$19.00	\$30,000
14	25	\$19.00	\$30,000
15	25	\$19.00	\$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: None

Modifications since preliminary approval? No

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

Date: June 30, 2016
Preliminary Approval: August 28, 2014
Approved Company: Kentucky Chrome Works, LLC
City: Horse Cave **County:** Hart
Activity: Manufacturing **Final Resolution #:** KBI-F-16-20082
Bus. Dev. Contact: C. Peek **OFS Staff:** L. Cunningham

Project Description: Kentucky Chrome Works, LLC provides chrome services for the OEM automotive aluminum alloy wheel industry. The project included an expansion to capture new business from General Motors.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$600,000	\$707,200

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	15	\$15.00	
1	15	\$15.00	\$42,500
2	30	\$15.00	\$42,500
3	45	\$15.00	\$42,500
4	60	\$15.00	\$42,500
5	63	\$15.00	\$42,500
6	63	\$15.00	\$42,500
7	63	\$15.00	\$42,500
8	63	\$15.00	\$42,500
9	63	\$15.00	\$42,500
10	63	\$15.00	\$42,500

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$425,000

County Type:
Other

Statutory Minimum Wage Requirements:

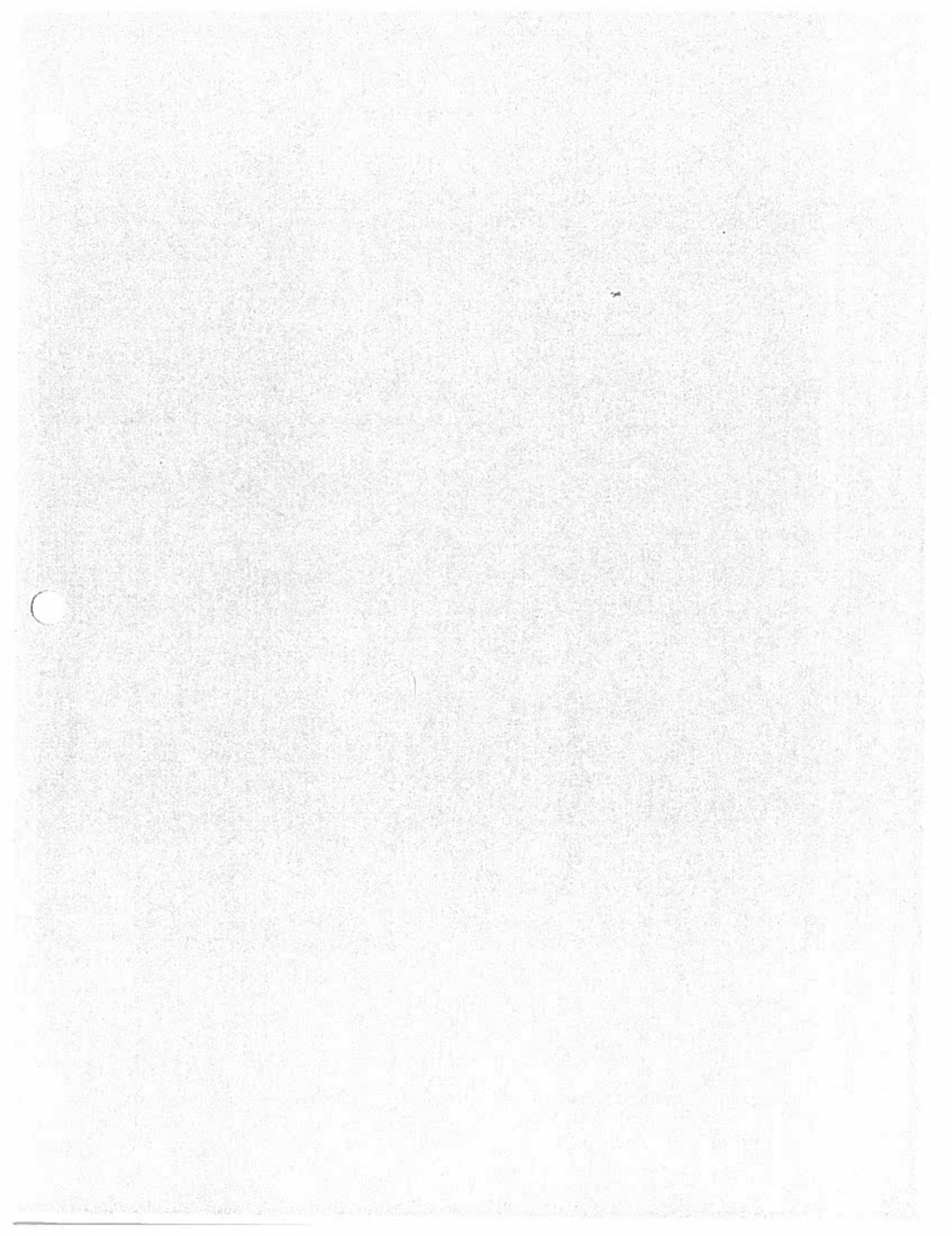
Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 81

Modifications since preliminary approval? No



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

Date: June 30, 2016
Preliminary Approval: January 26, 2012
Approved Company: Norgren, Inc.
City: Louisville
Activity: Service & Technology
Bus. Dev. Contact: L. Ransdell

County: Jefferson
Final Resolution #: KBI-FL-16-18897
OFS Staff: M. Elder

Project Description: Norgren, Inc., in business for over 70 years, supplies pneumatic motion and fluid control technologies worldwide. The company offers fluid and process control solutions for air, water, oil and other fluids. The company moved an existing service operation to Kentucky in order to improve serviceability to its US customer base.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$1,100,000	\$1,850,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	15	\$20.00	
1	15	\$20.00	\$22,500
2	17	\$20.00	\$22,500
3	18	\$20.00	\$22,500
4	20	\$20.00	\$22,500
5	22	\$20.00	\$22,500
6	22	\$20.00	\$22,500
7	22	\$20.00	\$22,500
8	22	\$20.00	\$22,500
9	22	\$20.00	\$22,500
10	22	\$20.00	\$22,500

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$225,000

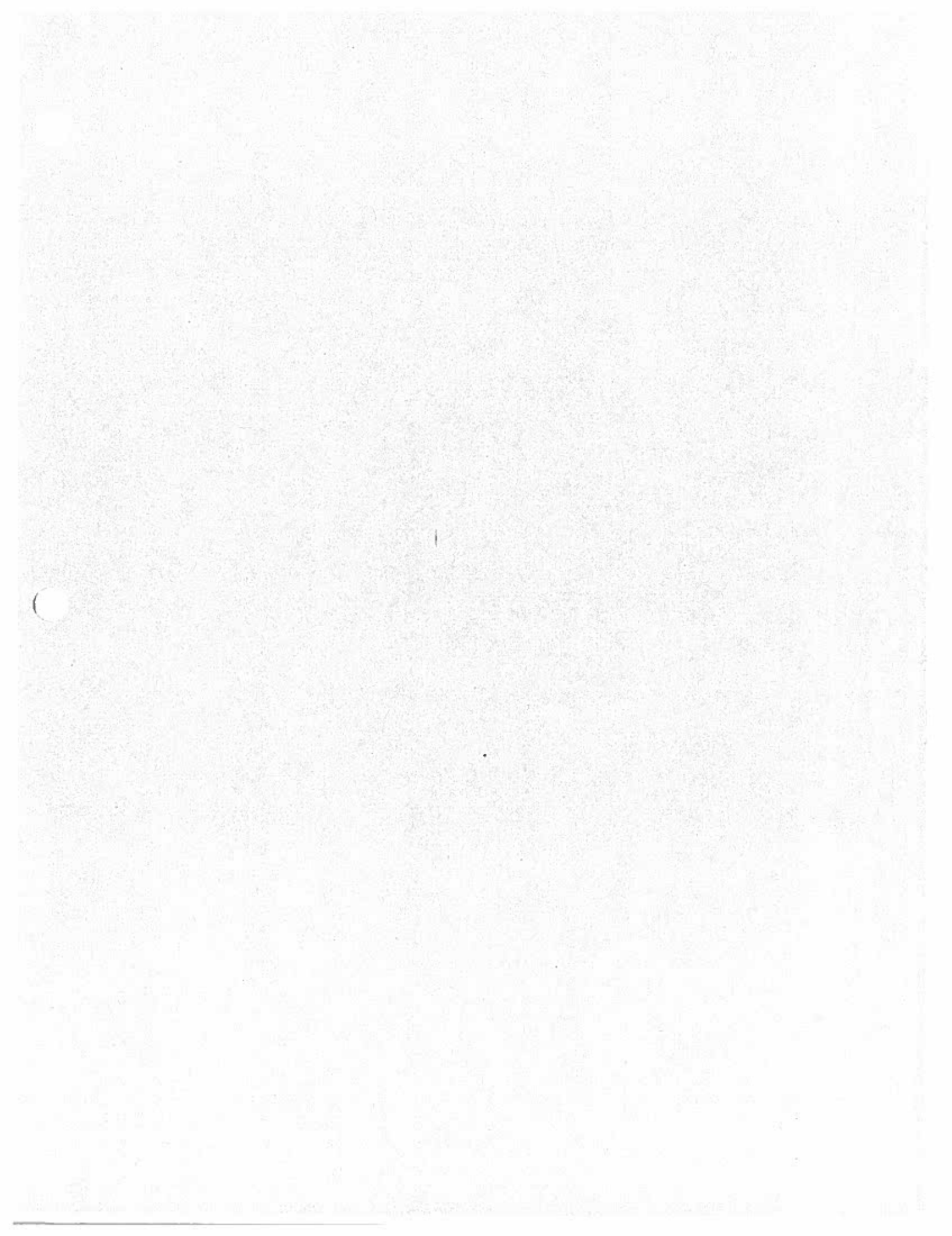
County Type:
Other

Statutory Minimum Wage Requirements:

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

Special Conditions: None

Modifications since preliminary approval? No



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

Date: June 30, 2016
Preliminary Approval: August 28, 2014
Approved Company: TeeSpring, Inc.
City: Hebron
Activity: Manufacturing
Bus. Dev. Contact: M. Duffy

County: Boone
Final Resolution #: KBI-FL-16-20063
OFS Staff: D. Phillips

Project Description: TeeSpring, Inc. is the manufacturer of custom tee shirts used in fundraising campaigns and organization identity. The project included leasing and equipping a manufacturing facility in Hebron bringing the majority of production in-house, helping to meet customer demand.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$6,776,207	\$21,869,207

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	179	\$16.75	
1	179	\$16.75	\$250,000
2	197	\$16.75	\$250,000
3	299	\$16.75	\$250,000
4	299	\$16.75	\$250,000
5	299	\$16.75	\$250,000
6	299	\$16.75	\$250,000
7	299	\$16.75	\$250,000
8	299	\$16.75	\$250,000
9	299	\$16.75	\$250,000
10	299	\$16.75	\$250,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,500,000

County Type:
Other

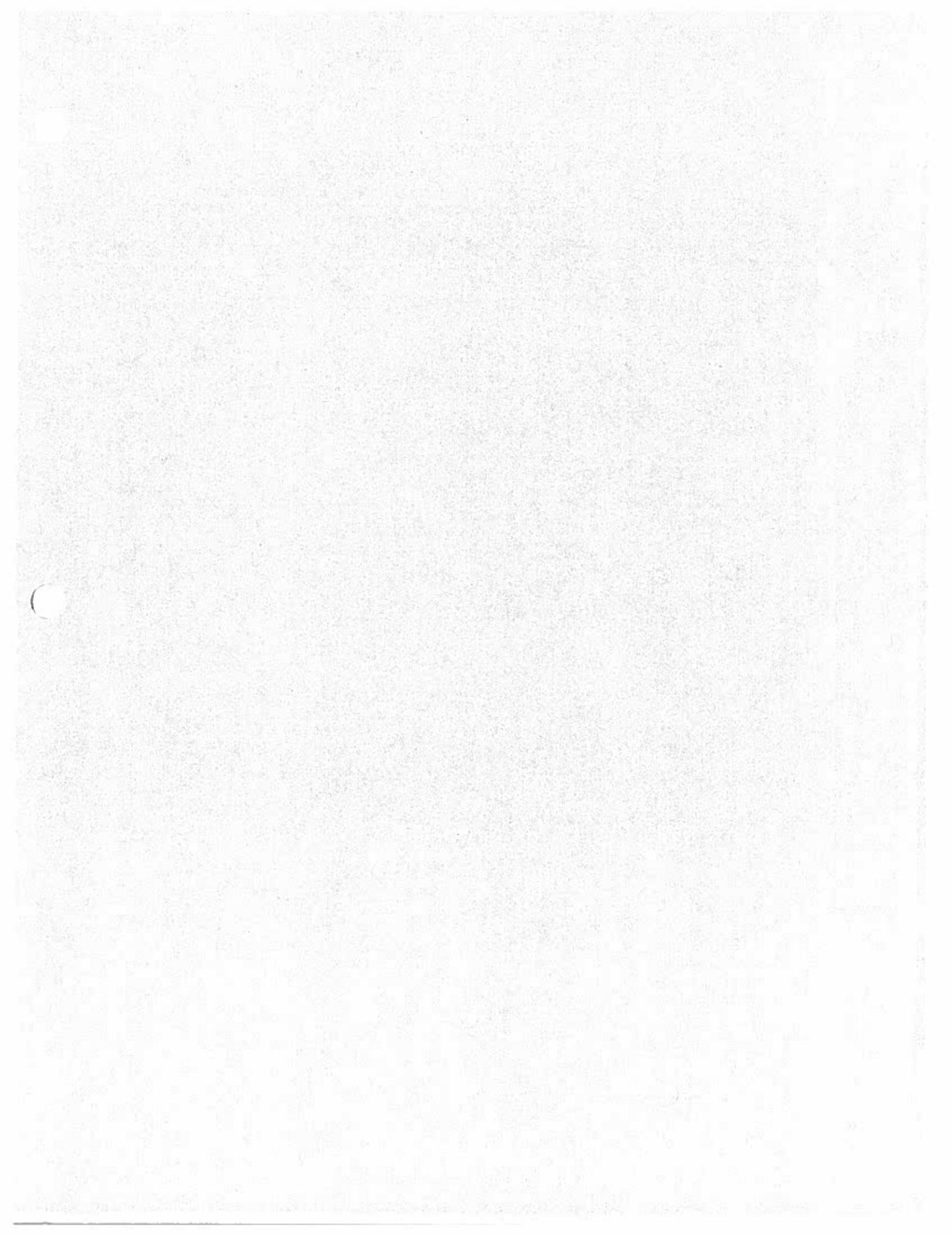
Statutory Minimum Wage Requirements:

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

Special Conditions:

Maintain Base Employment: 1

Modifications since preliminary approval? No



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

Date: June 30, 2016
Preliminary Approval: August 28, 2014
Approved Company: TPUSA, Inc.
City: Louisville
Activity: Service & Technology
Bus. Dev. Contact: A. Bobbitt

County: Jefferson
Final Resolution #: KBI-FL-16-20072
OFS Staff: M. Elder

Project Description: TPUSA, Inc., one of the largest subsidiaries of Teleperformance, began operations in the United States in 1993. The company provides customer services for banking, insurance, investments and retirement financial planning for a leading financial client.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$8,612,500	\$13,265,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	187	\$15.00	
1	750	\$15.00	\$380,000
2	750	\$15.00	\$380,000
3	750	\$15.00	\$380,000
4	750	\$15.00	\$380,000
5	750	\$15.00	\$380,000
6	750	\$15.00	\$380,000
7	750	\$15.00	\$380,000
8	750	\$15.00	\$380,000
9	750	\$15.00	\$380,000
10	750	\$15.00	\$380,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$3,800,000

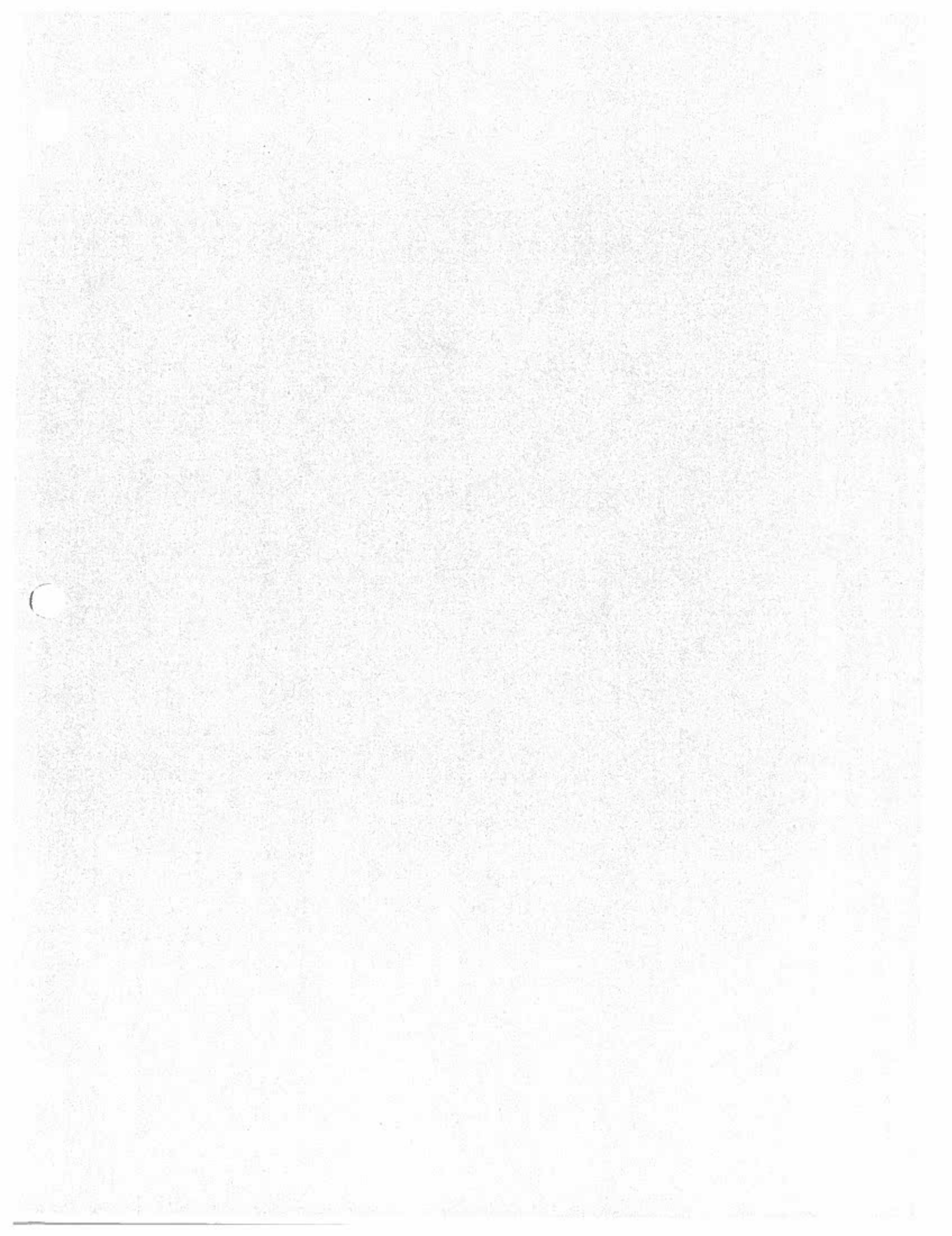
County Type:
Other

Statutory Minimum Wage Requirements:

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

Special Conditions: None

Modifications since preliminary approval? No



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

Date: June 30, 2016
Preliminary Approval: April 30, 2015
Approved Company: GreenSky, LLC
City: Crestview Hill
Activity: Service & Technology
Bus. Dev. Contact: A. Bobbitt

County: Kenton
Final Resolution #: KBI-FL-16-20410
OFS Staff: M. Elder

Project Description: GreenSky, LLC is a leading company in the consumer finance marketplace specializing in Home Improvement and Retail credit. The multi-lender direct closed-end consumer bank loan program provides loans to customers across the nation. The company relocated its call center from its existing facility in Covington to enable the growth of its business.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$3,680,000	\$6,860,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	50	\$20.00	
1	100	\$20.00	\$200,000
2	150	\$20.00	\$200,000
3	200	\$20.00	\$200,000
4	200	\$20.00	\$200,000
5	200	\$20.00	\$200,000
6	200	\$20.00	\$200,000
7	200	\$20.00	\$200,000
8	200	\$20.00	\$200,000
9	200	\$20.00	\$200,000
10	200	\$20.00	\$200,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,000,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

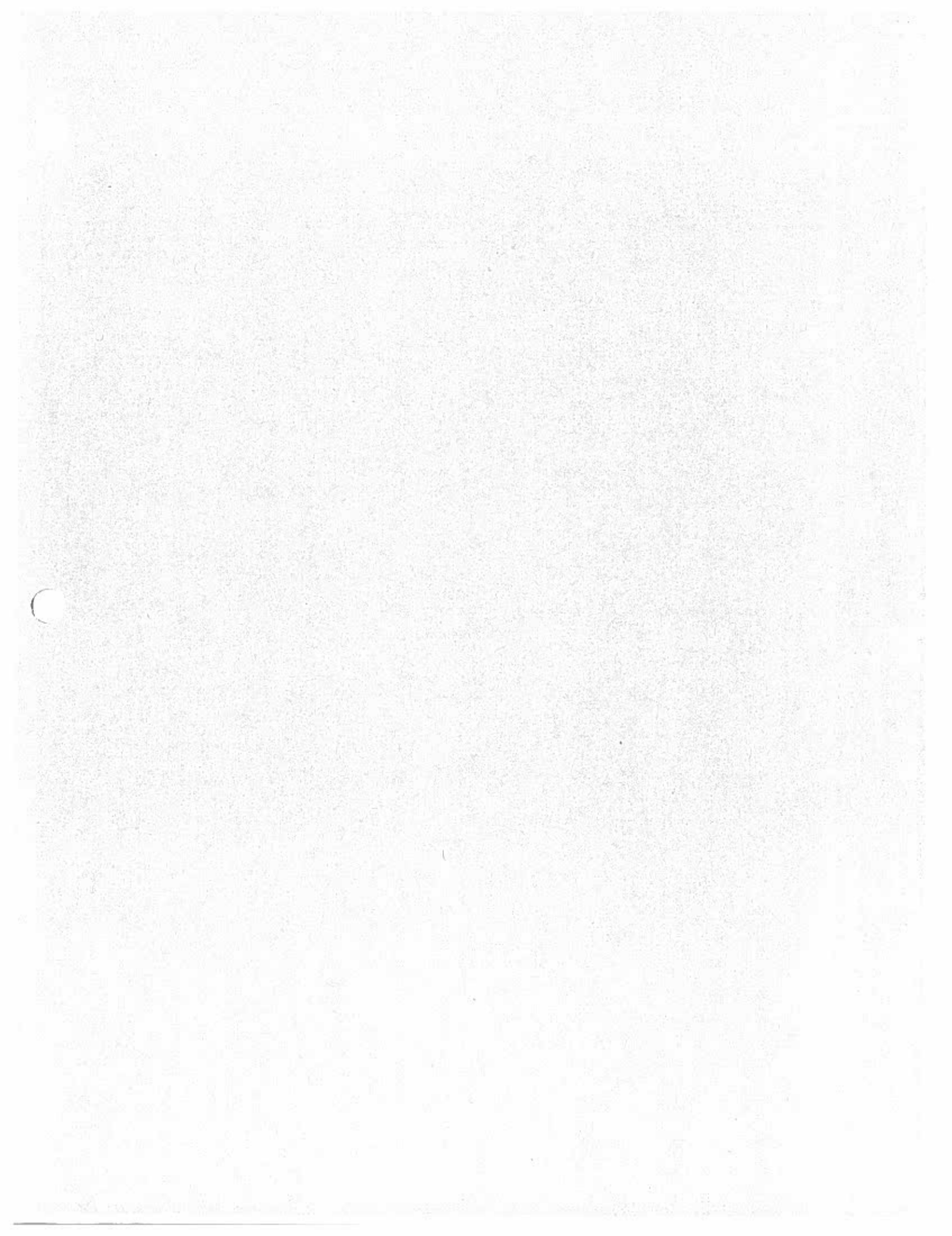
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 48

Modifications since preliminary approval?

The company name changed from GreenSky Trade Credit, LLC to GreenSky, LLC. All other aspects of the project remain the same.



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

Date: June 30, 2016
Preliminary Approval: June 28, 2012
Approved Company: Thunder Mfg. USA, Inc.
City: Richmond
Activity: Manufacturing
Bus. Dev. Contact: M. Duffy

County: Madison
Final Resolution #: KBI-F-16-19160
OFS Staff: D. Phillips

Project Description: Thunder Mfg. USA, Inc. is the manufacturer of metal stamping primarily used for the automotive industry. The project in Richmond included the purchase of an existing facility, improvements to the facility and adding equipment.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$1,420,000	\$2,200,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	16	\$20.00	
1	25	\$20.00	\$65,000
2	45	\$20.00	\$65,000
3	45	\$20.00	\$65,000
4	45	\$20.00	\$65,000
5	45	\$20.00	\$65,000
6	45	\$20.00	\$65,000
7	45	\$20.00	\$65,000
8	45	\$20.00	\$65,000
9	45	\$20.00	\$65,000
10	45	\$20.00	\$65,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$650,000

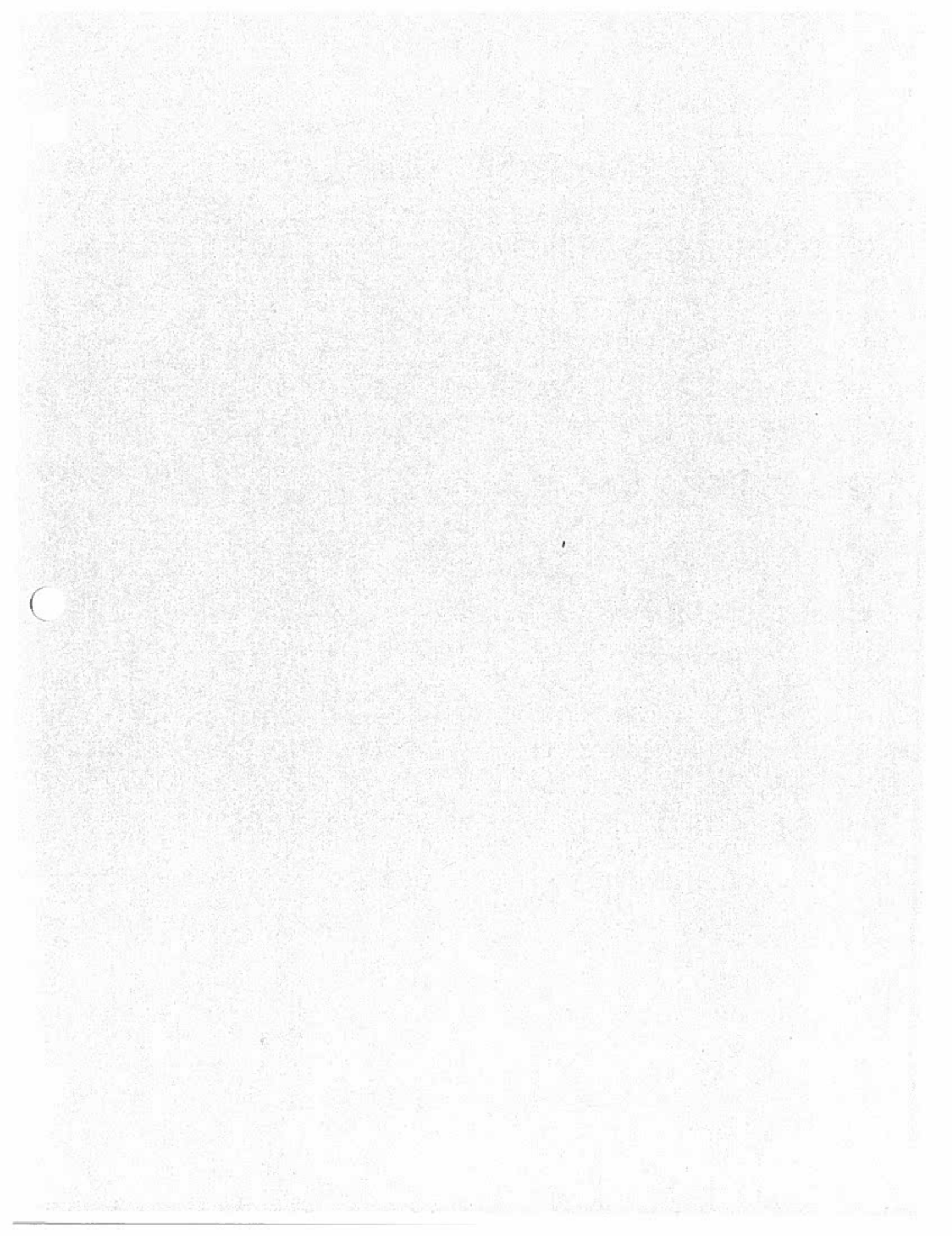
County Type:
Other

Statutory Minimum Wage Requirements:

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

Special Conditions: None

Modifications since preliminary approval? Yes - incorporated in above information
Thunder Tool & Manufacturing Ltd. is requesting an assignment of its rights to Thunder Mfg. USA, Inc.
All other aspects of the project remain the same.



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

Date: June 30, 2016
Approved Company: Northland Corporation
City: LaGrange
Prelim Resolution #: KRA-I-16-21155
Bus. Dev. Contact: A. Bobbitt

County: Oldham

OFS Staff: D. Phillips

Project Description: Northland Corporation specializes in sourcing hardwood lumber for manufacturers of furniture, flooring, millwork, kitchen cabinets and a diverse range of other items by drying and sorting lumber primarily through the use of dry kilns. The hardwood lumber market has failed to recover since the housing market collapse, and operating costs have risen. The process used to dry and process lumber is outdated and high operating costs puts the facility at a competitive disadvantage. The company has some structures that date back to 1967 and need to be repaired and/or replaced. With the company facing larger and more efficient competitors, upgrades are needed at the LaGrange facility. The company is considering this reinvestment to make the facility more competitive and secure employment.

Other alternatives for the company would be smaller investments in the facility or downsizing the facility to work with the existing equipment. The company states this reinvestment would not be economically feasible but for the incentives.

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

68
\$26.00

Negotiated job retention percentage:

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

90%

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
\$550,000	\$1,100,000
\$137,500	\$275,000
\$887,500	\$1,775,000
\$0	\$0
\$1,575,000	\$3,150,000

Maximum Amount of Eligible Costs:

\$1,575,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$750,000

Financing:

Source	Amount
Bank loan	\$3,150,000
TOTAL	\$3,150,000

Ownership (20% or more):

Orn E. Gudmundsson, Sr. Prospect, KY

Orn E. Gudmundsson, Jr. Prospect, KY

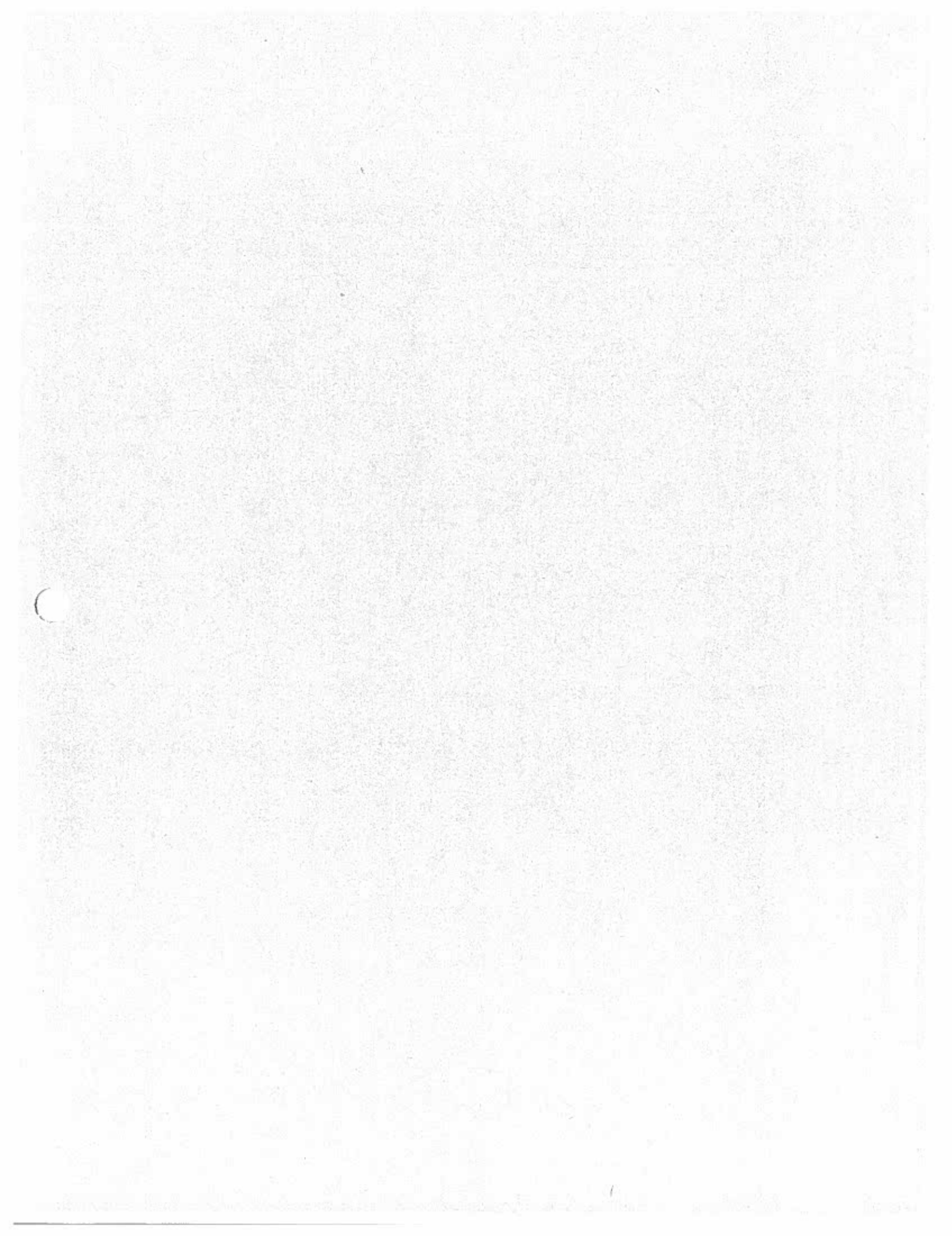
Other State Participation: None

Unemployment Rate

County: 3.2%

Kentucky: 4.6%

Special Conditions: None



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: June 30, 2016
Approved Company: Northland Corporation
City: LaGrange
Activity: Manufacturing
Bus. Dev. Contact: A. Bobbitt

County: Oldham
Resolution #: KEIA-16-21158
OFS Staff: D. Phillips

Project Description: Northland Corporation specializes in sourcing hardwood lumber for manufacturers of furniture, flooring, millwork, kitchen cabinets and a diverse range of other items by drying and sorting lumber primarily through the use of dry kilns. The company is considering a reinvestment at its LaGrange facility by purchasing equipment and adding storage and warehousing capacity.

Facility Details: Expanding existing operations

Anticipated Project Investment

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

Eligible Costs	Total Investment
\$0	\$0
\$825,000	\$1,375,000
\$0	\$0
\$0	\$0
\$0	\$1,775,000
\$0	\$0
\$825,000	\$3,150,000

Ownership (20% or more):

Om E. Gudmundsson, Sr. Prospect, KY
Om E. Gudmundsson, Jr. Prospect, KY

Other State Participation: None

Unemployment Rate

County: 3.2%

Kentucky: 4.6%

Existing Presence in Kentucky:

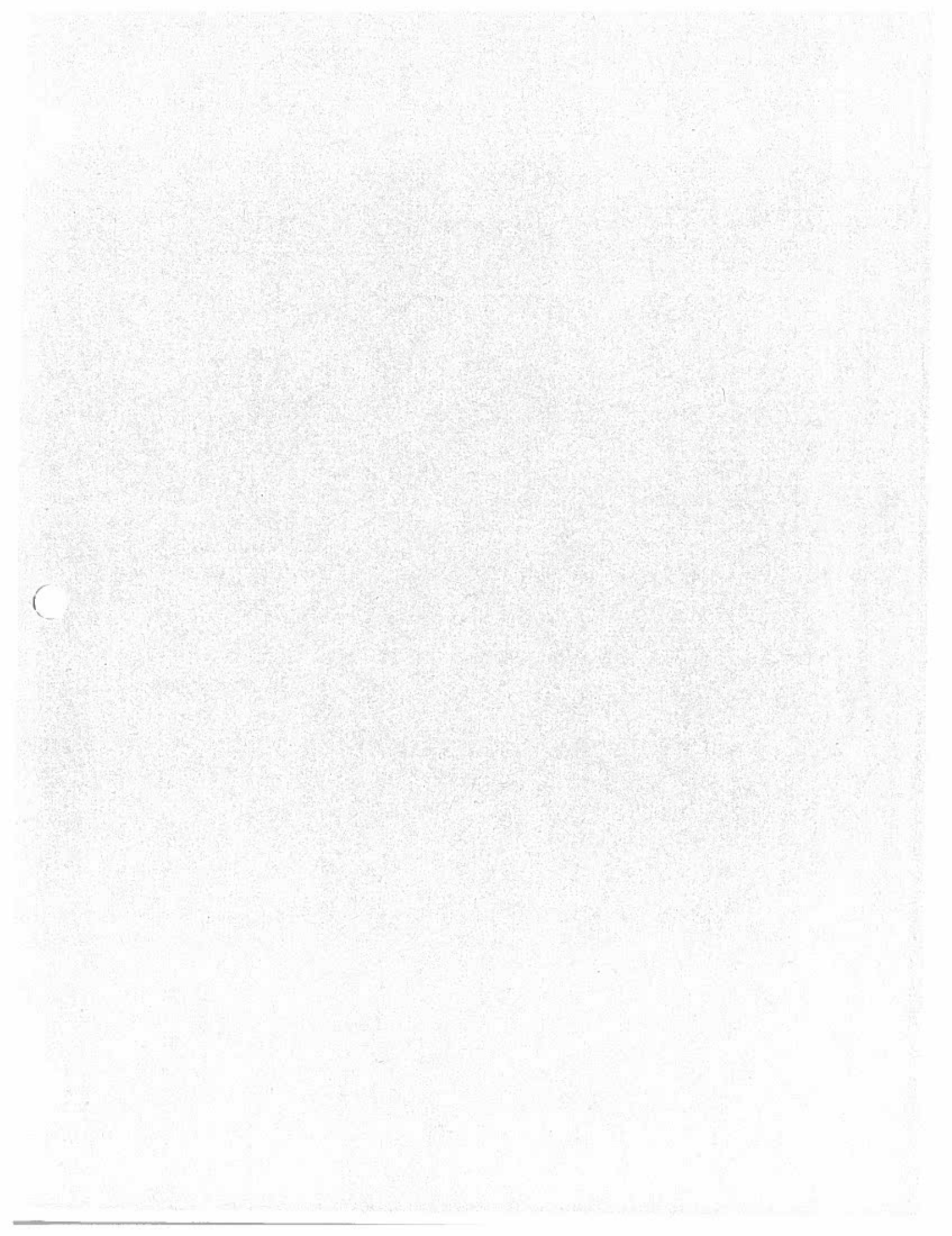
Oldham County

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$45,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$45,000



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

Date: June 30, 2016
Approved Company: Rane Precision Die Casting, Inc.
City: Russellville **County:** Logan
Prelim Resolution #: KRA-I-16-21125
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: Rane Precision Die Casting, Inc. is a leading supplier of high-quality, complex aluminum die casting to the North American automotive market. The company manufactures steering components, compressor components, pumps and valve housings.

Currently, the company is reeling under losses. Poorly maintained tooling and machinery have shot up scrap rates and high level of machinery downtimes are resulting in huge overtime labor costs. Unfortunately, Rane is expected to incur losses for the next two years and profitability in the following two years is expected to be marginal. Significant investments are required for replacement of tooling, refurbishment of existing equipment and installation of new equipment to help turn around the business.

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

179
\$16.83

Negotiated job retention percentage:

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

90%

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
\$100,000	\$200,000
\$2,775,000	\$5,550,000
\$0	\$0
\$2,875,000	\$5,750,000

Maximum Amount of Eligible Costs:

\$2,875,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,200,000

Financing:

Source	Amount
Bank Loan	\$2,750,000
Equity	\$3,000,000
TOTAL	\$5,750,000

Ownership (20% or more):

Rane International

Amsterdam, Netherlands

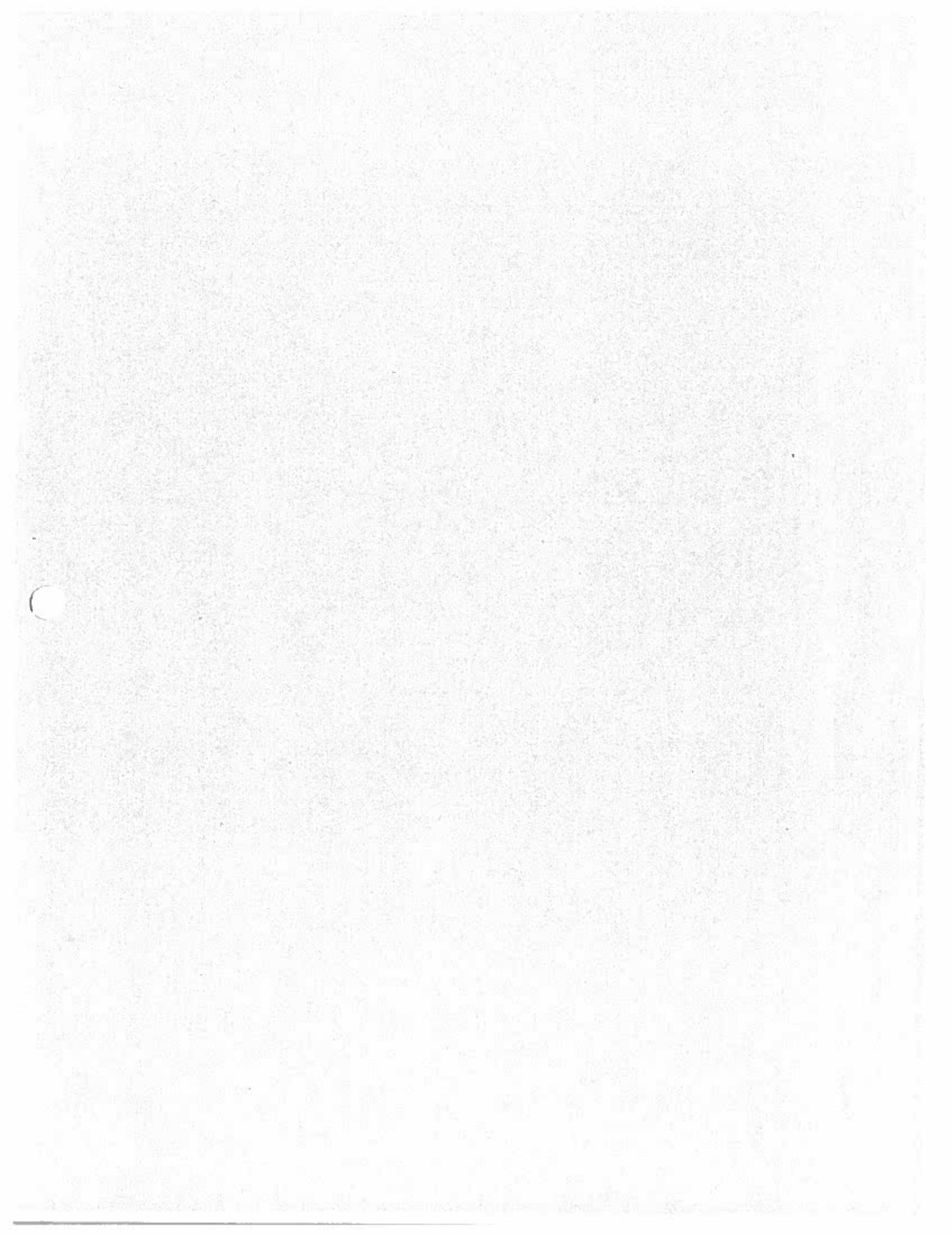
Other State Participation: None

Unemployment Rate

County: 4.0%

Kentucky: 4.6%

Special Conditions: None



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEDFA LOAN REPORT**

Date: June 30, 2016
Approved Company: Logan Corporation
County: Magoffin
Activity: Manufacturing
Bus. Dev. Contact: R. Lee

Form #: 21152

OFS Staff: D. Goodin

Project Description: Logan Corporation was founded in Logan, West Virginia in 1904. It started as a hardware store, then evolved into an underground mine supply company. By the late 1980's, it became more difficult to survive solely on underground mining. Logan acquired Kanawha Steel and Equipment, which put them in the surface mining business involving heavy wear steel fabrication, ground engaging tools, fire suppression service, as well as bulk grease sales and service. Due to the continued decline in mining business, the company started looking for other revenue streams, and decided to build dump truck bodies, given their previous work on draglines and shovel buckets. The company started manufacturing the dump bodies in Martin County in a 27,000 s.f. facility. However, the company has over a \$3 million backlog of orders. They have located a 134,000 s.f. facility in Magoffin County and plan to more than double employment.

Facility Details: Expanding existing operations

Proposed Project Investment and Financing:

Total Investment		Proposed Financing	
Land:	\$0	KEDFA:	\$1,100,000
Building:	\$1,100,000	Bank:	\$0
Equipment:	\$0	Equity:	\$0
Other:	\$0	Other:	\$0
TOTAL:	\$1,100,000	TOTAL:	\$1,100,000

Job and Wage Requirement: Included in KBI Project #21121

Requested Funding: \$1,100,000 **Security:** First Mortgage

Loan Terms:

Interest Rate: 4.5% Term: 10 yrs.
 Loan Payments: Interest only for first two years, then monthly amortization for 8 yrs.
 Job Penalty: N/A

Additional Notes: KEDFA Guidelines for a 10 year KEDFA loan is 5.0%, and the loan amount also exceeds the maximum KEDFA guideline of \$500,000. Staff recommends an exception to policy with a rate of 4.5% for the ten year term as well as for the loan amount.

Active State Participation At The Project Site: None

Unemployment Rate

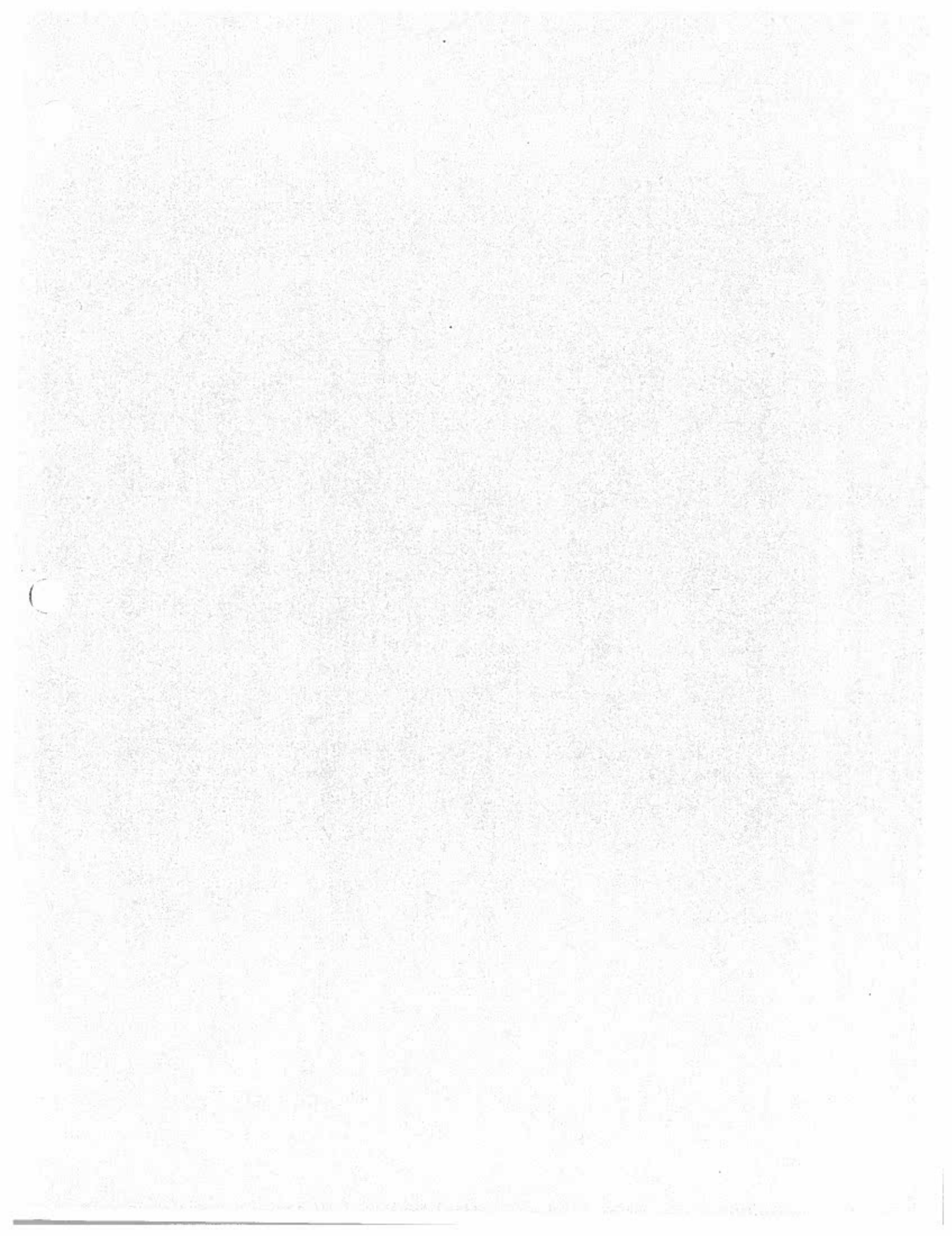
County: 15.8%

Kentucky: 4.6%


Existing Presence in Kentucky:

Martin County

Special Conditions: None



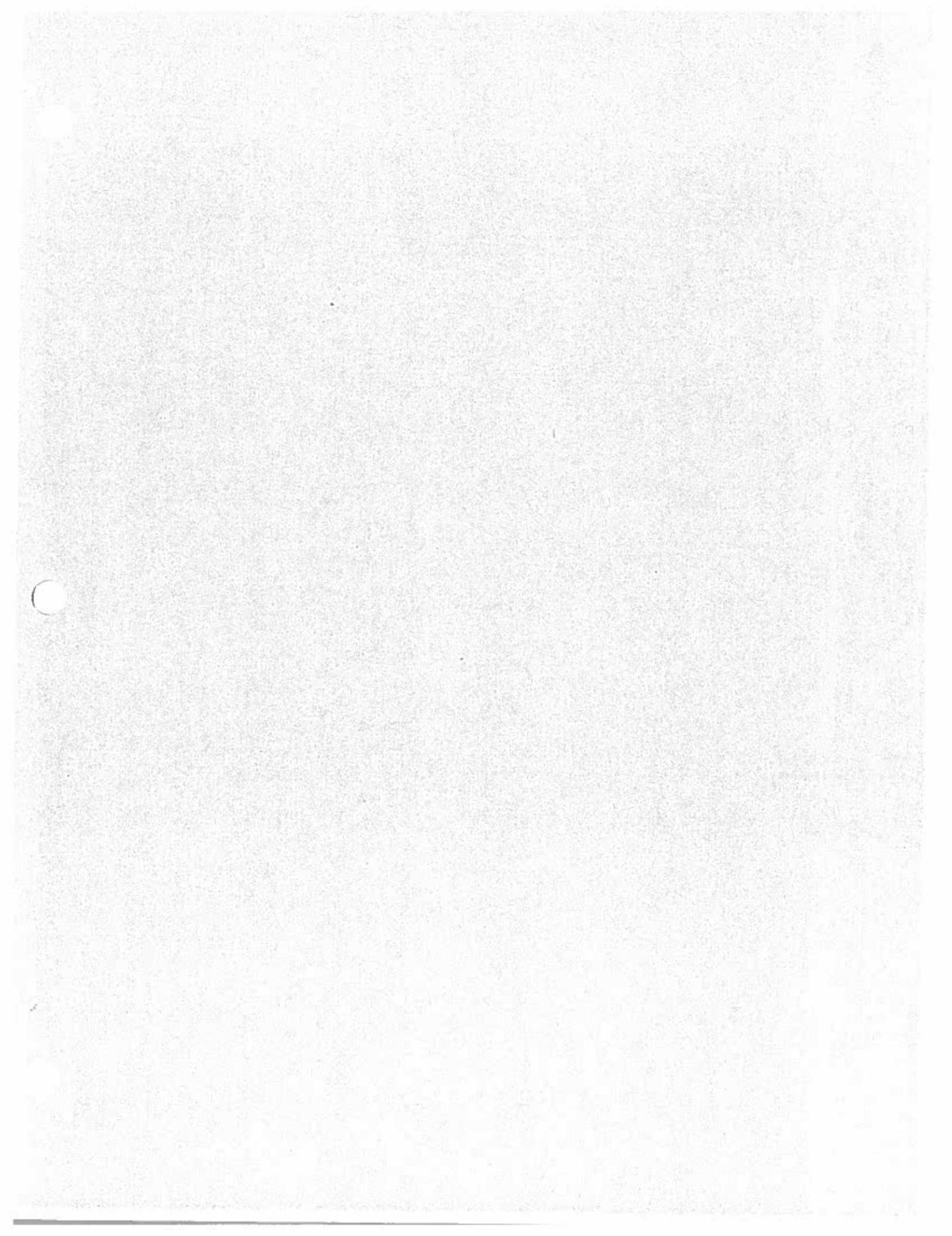
MEMORANDUM

TO: KEDFA Board
FROM: J. Don Goodin 
DATE: June 30, 2016
RE: Crittenden County Economic Development Corporation
Marion, KY

On May 10, 2006, KEDFA closed a \$300,000 loan with this industrial authority to help finance the purchase of a tract of land for an industrial park near Marion, KY in Crittenden County. The loan was made for a term of five years at an interest rate of 2.0%. Collateral for the loan is an irrevocable letter of credit from two local banks. Under the terms of the loan, interest is due quarterly with principal payments due upon the sale of the property or at maturity.

The industrial authority has requested an extension of the loan for an additional five year term to May 10, 2021. The authority has not sold any of the land in the park, but anticipate a sale in late summer that will result in a \$60,000 principal payment. They have also agreed to begin making monthly principal payments of at least \$250, and will continue to make the quarterly interest payments.

Based upon this request, staff recommends an additional five year extension of the loan to May 10, 2021 at the current rate of 2.0%. The loan will continue to be secured with a letter of credit from the local banks.



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

Date: June 30, 2016
Preliminary Approval: September 24, 2015
Approved Company: Energy Services Group, Inc.
City: Mayfield **County:** Graves
Activity: Manufacturing **Final Resolution #:** IEIA-F-16-20581
Bus. Dev. Contact: C. Peek **OFS Staff:** D. Goodin

Project Description: Energy Services Group, Inc. is proposing to design, install and operate a 500 kilowatt solar power plant to be located on 11.4 acres of land within the city limits of Mayfield. The ground-mounted fixed tilt solar panels will convert sunlight into electricity. The project will be part of Tennessee Valley Authority's (TVA) Alternative Energy Program and approved through interconnection agreements with both TVA and the local utility, Mayfield Electric and Water System. The power will be purchased through a 20 year guaranteed contract with TVA.

Facility Details: Locating in a new facility

Anticipated Project Investment

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

Total Investment
\$58,000
\$1,241,070
\$1,299,070

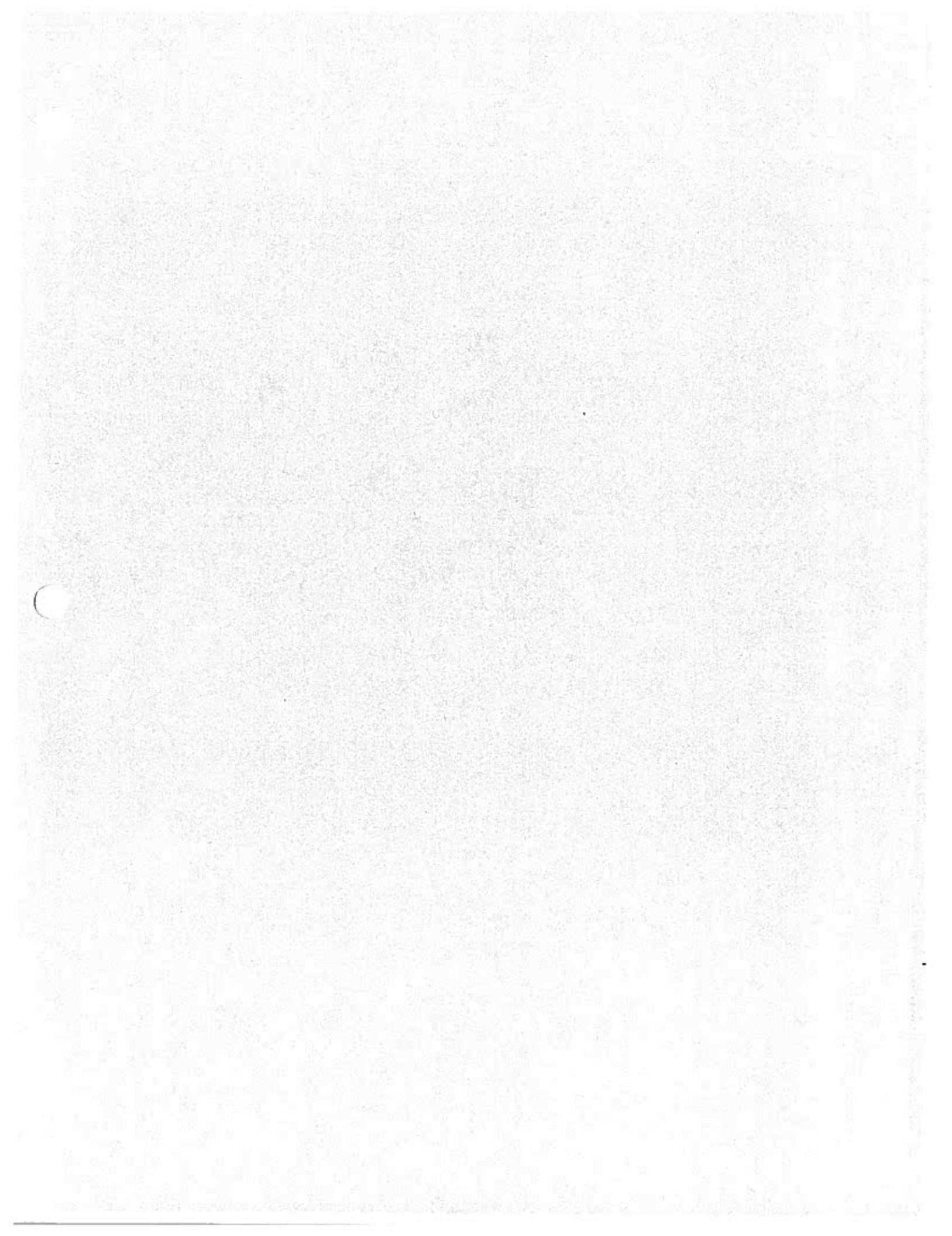
TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$60,000


Available Recovery Methods:

Sales and Use Tax Refunds

Modifications since preliminary approval? No



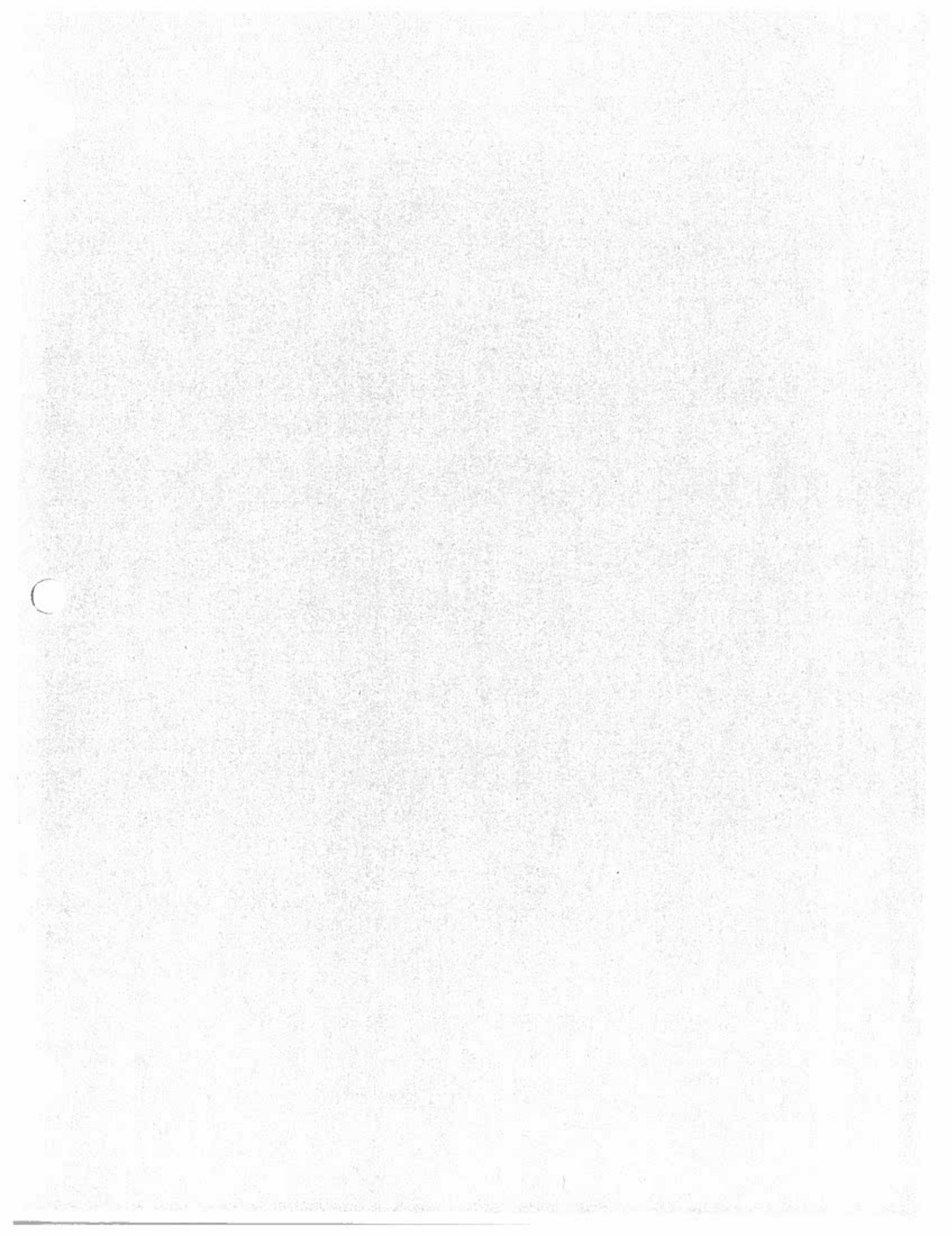
MEMORANDUM

TO: KEDFA Board Members
FROM: J. Don Goodin 
Incentive Assistance Division
DATE: June 30, 2016
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 30, 2017.



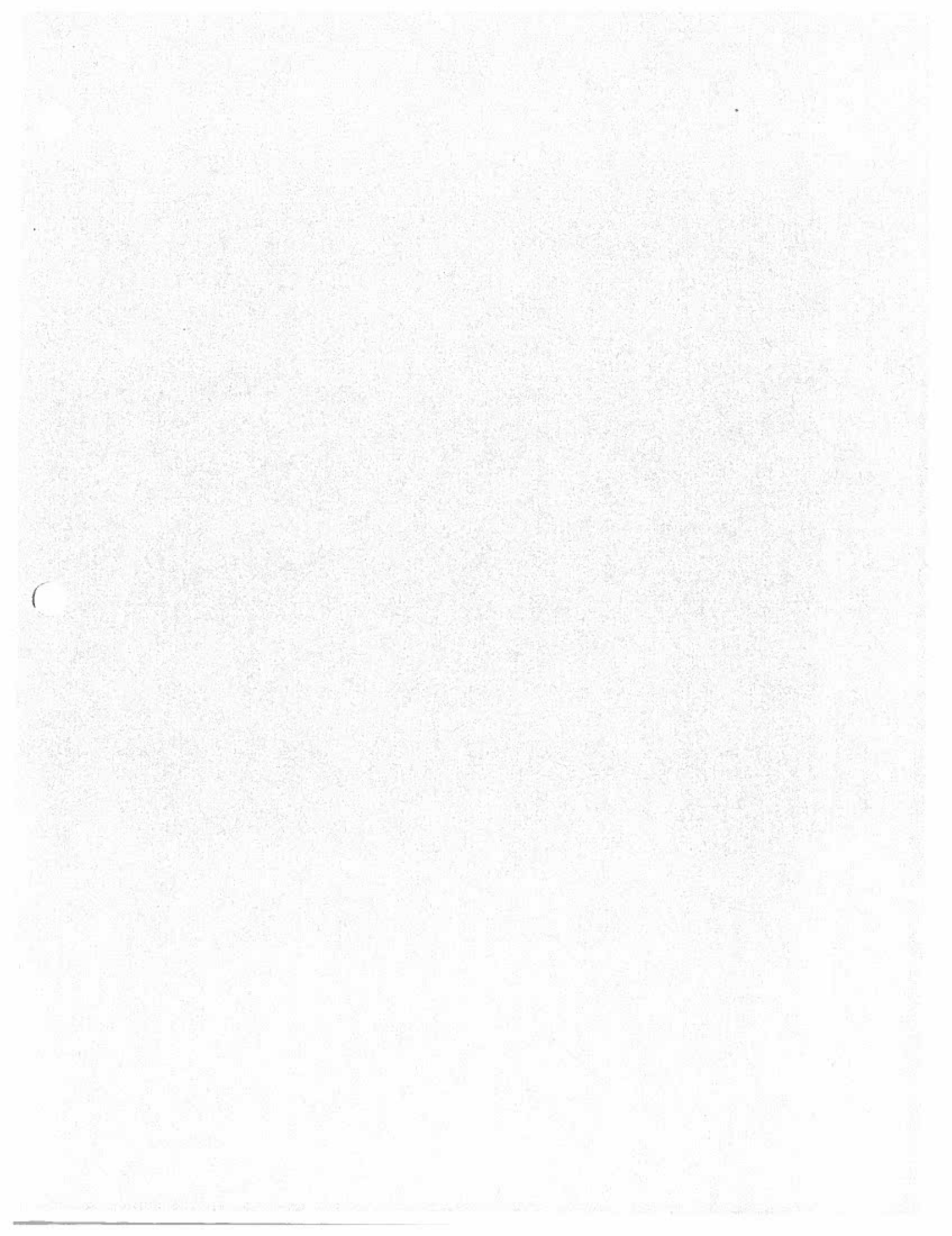
Kentucky Small Business Tax Credit Projects

Project Name	Form #	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment or Technology	Tax Credit Amount	Date to KEDFA	Status
<u>June 2016</u>									
Ballast, Inc.	21053	FAYETTE	4	2	\$30.09	\$31,287	\$7,000	6/30/2016	PENDING
Blue Heaven Technologies, L.L.C.	21111	JEFFERSON	8	1	\$18.00	\$6,224	\$3,500	6/30/2016	PENDING
Blythe, White & Associates, PLLC	21110	MCCRACKEN	13	3	\$26.12	\$14,537	\$10,500	6/30/2016	PENDING
BryMak & Associates, Inc.	21112	CHRISTIAN	5	5	\$29.15	\$34,922	\$17,500	6/30/2016	PENDING
DMD Data Systems Inc.	21114	FRANKLIN	18	2	\$23.74	\$8,845	\$7,000	6/30/2016	PENDING
Eakle, Current and Company	21115	FAYETTE	2	1	\$15.00	\$5,123	\$3,500	6/30/2016	PENDING
Empyrean Artisan Ales LLC	21116	FAYETTE	0	2	\$13.00	\$8,900	\$7,000	6/30/2016	PENDING
GLC Industries, LLC	21117	MONTGOMERY	12	4	\$14.05	\$230,400	\$14,000	6/30/2016	PENDING
Global Aviation Navigator, Inc.	21122	JEFFERSON	5	3	\$20.83	\$12,846	\$10,500	6/30/2016	PENDING
Kinemetrix Industrial Design, Inc.	21118	FAYETTE	14	2	\$18.00	\$28,977	\$7,000	6/30/2016	PENDING
Pinnacle Inc.	21119	MARSHALL	28	3	\$13.33	\$10,523	\$10,500	6/30/2016	PENDING

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. Current fiscal year allocations total \$1,420,800.

Project Name	Form #	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment or Technology	Tax Credit Amount	Date to KEDFA	Status
W & B Broadcasting Co., Inc.	21130	HARDIN	15	2	\$23.96	\$16,500	\$7,000	6/30/2016	PENDING
TOTALS	12						\$105,000		

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. Current fiscal year allocations total \$1,420,800.



Kentucky Angel Investment Tax Credit Projects

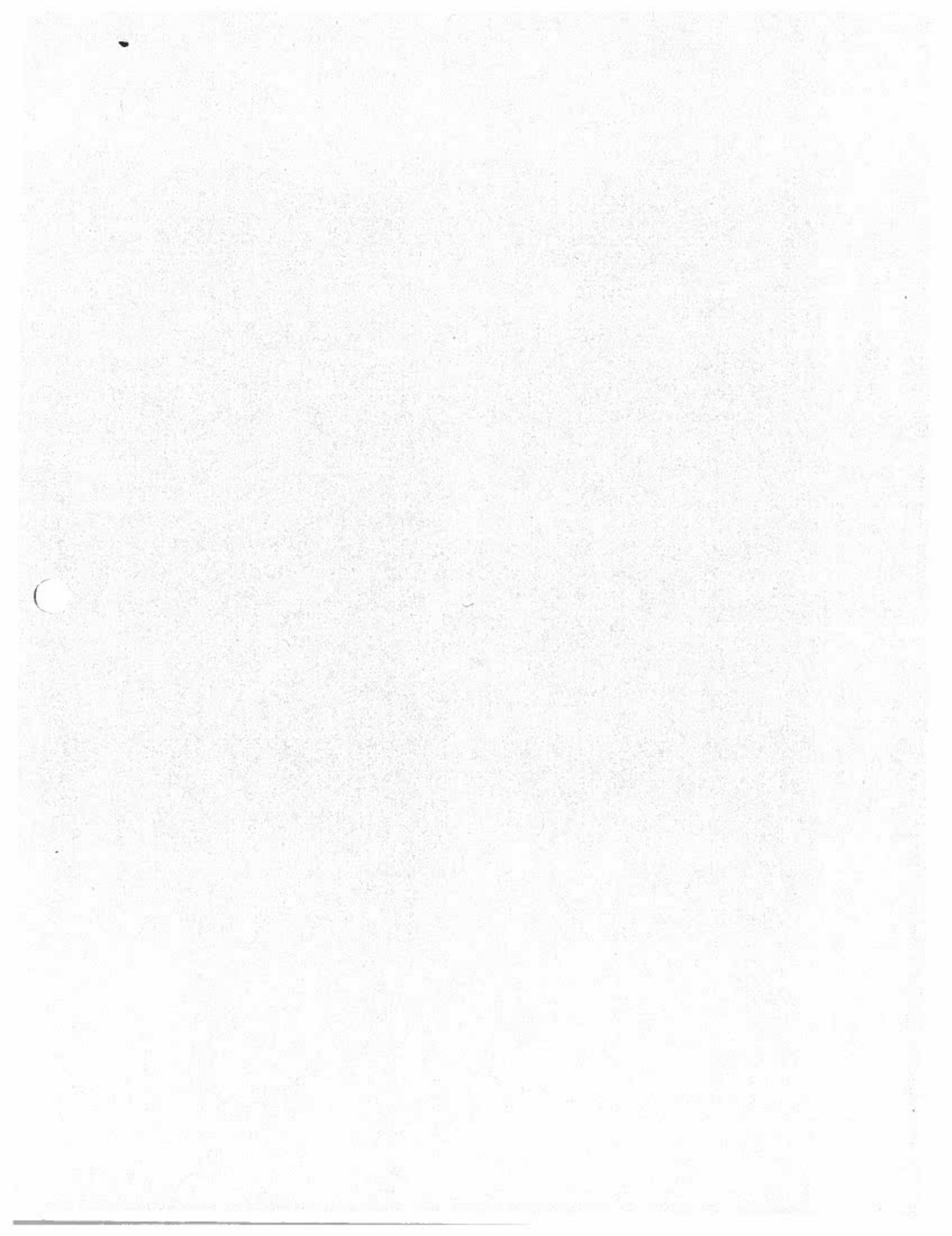
June 2016

Qualified Investor	Qualified Small Business	County	Qualified Activity	Projected Investment	Tax Credit Amount
Fincher, Ronald M	First Care Holding, LLC	Laurel	Health & Human Development	\$100,000	\$50,000
King, Darren	First Care Holding, LLC	Laurel	Health & Human Development	\$100,000	\$50,000
Total	2			\$200,000	\$100,000

Projected Credits - To Date	(\$3,446,220)
Reclaimed Credits	\$454,736
Current Projected/Approved Credits	(\$2,991,484)


Credit Limit	\$3,000,000
Current Projected/Approved Credits	(\$2,991,484)
Remaining Credits	\$8,516

Note: For each calendar year, the total amount of tax credits available for the Kentucky Angel Investment Act program shall not exceed \$3,000,000. The total amount of tax credits approved to a Qualified Investor in a calendar year shall not exceed \$200,000 in aggregate.



MEMORANDUM

TO: KEDFA Board Members

FROM: J. Don Goodin 
Incentive Assistance Division

DATE: June 30, 2016

SUBJECT: Kentucky Business Investment (KBI) Program
FY 2016-2017 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 Gallatin, Garrard, Harrison and Metcalfe, previously certified as enhanced no longer meet the criteria and will be decertified as of June 30, 2016. All preliminary approved projects in these counties must complete final approval by June 30, 2019. The counties of Allen and Marshall, which were decertified last year, are in the second year of decertification and projects must complete final approval by June 30, 2018. The counties of Bullitt, Grant, Nelson, and Washington are in the third year of decertification and projects must complete final approval by June 30, 2017.

Boyd, Rowan, and Union Counties meet the criteria for certification and are designated as a KBI Enhanced Incentive County as of June 30, 2016.

Staff recommends adoption of the resolution certifying the Kentucky Business Investment (KBI) Program - FY 2016-2017 Enhanced Incentive Counties.