

# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## BOARD MEETING

April 28, 2016

### MINUTES

---

#### **Call to Order**

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EDT on April 28, 2016, 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, Aubrey Hayden, Edwin King, Proxy for Secretary William M. Landrum, III, Dorsey Hall and Joe Kelly

**Staff Present:** Bobby Aldridge, Tim Back, Anna Beth Bobbitt, Lynda Cunningham, Marlene Duffy, Michelle Elder, John Enochs, Don Goodin, Robyn Lee, Brandon Mattingly, Kylee Palmer, Debbie Phillips, Lindsey Ransdell, Katie Smith, Teresa Spreitzer, Kenji Takada, Frank Tate and Kristina Thompson

**Others Present:** Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Amanda Clark, Ashland Alliance; Richie Sanders, Capital Link Consultants; Sam Gloecker and Stuart Green, Ernst & Young; Dennis Griffin, Franklin-Simpson Industrial Development Authority; Josh Tubbs, Kentucky Lake Economic Development; Rebecca Fleischaker, Louisville/Jefferson County Metro Government; Kevin Neal, Marshall County Judge Executive, and Rob Brown and Rich Kelly, RxCrossroads

#### **Approval of Minutes**

Chairman Hale entertained a motion to approve the minutes from the March 31, 2016 regular KEDFA board meeting and executive session.

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

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

Chairman Hale called on Don Goodin to review the approved/undisbursed loan report.

After review, the Authority accepted the report as presented.

#### **Financial Statements and Monthly Monitoring Reports**

Chairman Hale called on Katie Smith to review the financial statements and monthly monitoring reports as of March 31, 2016.

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

## **KEDFA Economic Development Bond (EDB) Project (Grant)**

Chairman Hale called on Michelle Elder to present a proposed EDB project grant to the Authority.

### **Diageo Americas Supply, Inc.**

#### **Shelby County**

Ms. Elder stated Shelby County Fiscal Court requested the use of \$500,000 in EDB funds for the benefit of Diageo Americas Supply, Inc. The company plans to construct a new distillery and warehouses in Shelby County. The proposed EDB grant funds will be used to offset the costs associated with this project.

The company will be required to create 31 new, permanent, full-time, Kentucky resident jobs paying an average hourly wage of \$29.00, including benefits, within three (3) years of KEDFA approval of the project and maintain the jobs and wages for three (3) additional years. Payment reduction provisions will be included in the grant agreement and will apply if the company fails to create or maintain the jobs and wages. Disbursement of funds will not occur until after annual compliance reporting has occurred.

In accordance with KRS 154.12-100, KEDFA's approval of this EDB grant is subject to the Cabinet for Economic Development's (CED) receipt of concurrence from the Secretary of the Kentucky Finance & Administration Cabinet to CED's use of the EDB funds for this project. Ms. Elder stated the Secretary's concurrence had been received.

Staff recommended approval of the grant request.

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

## **Kentucky Reinvestment Act (KRA) Project (Amendment)**

Chairman Hale called on Bobby Aldridge to present a KRA Amendment request to the Authority.

### **Hill's Pet Nutrition, Inc.**

#### **Warren County**

Mr. Aldridge stated due to competition for skilled labor in the area, effective fiscal year ending December 31, 2016, Hill's Pet Nutrition, Inc. requested a First Amendment to Reinvestment Agreement to reflect the following full-time employment threshold reductions:

- > / = 143      Claim 100% of the incentives (\$8,300,000)
- 135 - 142      Total approved costs reduced by \$83,000
- 128 - 134      Total approved costs reduced by \$124,500
- < 128          Total approved costs reduced by \$124,500  
AND suspended from claiming tax incentives

Compliance will be measured each fiscal year.

Staff recommended approval of the amendment request.

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

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

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

Mr. Aldridge stated the following companies requested additional time to complete the projects. Mr. Aldridge requested the extensions be presented as one motion.

<b>Company</b>	<b>County</b>	<b>Extension</b>
<b>Flottweg Separation Technology, Inc.</b>	Boone	3 Month
<b>Whitworth Tool, Inc.</b>	Breckinridge	3 Month
<b>Bekaert Corporation</b>	Shelby	6 Month
<b>Bonfiglioli USA</b>	Boone	6 Month
<b>Eurofins MWG Operon Inc.</b>	Jefferson	6 Month
<b>Peristyle, LLC (1 of 2)</b>	Woodford	6 Month
<b>Peristyle, LLC (2 of 2)</b>	Woodford	6 Month
<b>Tower Automotive Operations USA I, LLC</b>	Nelson	6 Month
<b>Riken Elastomers Corporation</b>	Christian	9 Month
<b>Brown-Forman Corporation</b>	Jefferson	12 Month
<b>Halton Company</b>	Allen	12 Month
<b>Isopure, Corporation</b>	Shelby	12 Month
<b>Rut 'N Strut Distillery LLC</b>	Shelby	12 Month

Staff recommended approval of the extension requests.

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

## **KEIA Projects (Final)**

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

### **Heaven Hill Distilleries, Inc.**

#### **Nelson County**

Marlene Duffy stated Heaven Hill Distilleries, Inc. is the nation's second largest family owned producer and marketer of distilled spirits. The company is considering adding additional capacity of its finished case goods storage due to growing product demands.

Debbie Phillips stated the project investment is \$29,089,211 of which \$26,787,877 qualifies as KEIA eligible costs. The approved recovery amount for construction materials and building fixtures is \$435,000 and \$250,000 for research and development and/or electronic processing equipment.

Staff recommended final approval of the KEIA approved recovery amount of \$685,000.

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

### **Jim Beam Brands Co.**

#### **Franklin County**

Ms. Duffy stated 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 an expansion at its Frankfort facility to increase barrel storage warehouses to meet growing demands.

**Marlene Duffy**

**Debbie Phillips**

**Marlene Duffy**

**Debbie Phillips**

Ms. Phillips stated the project investment is \$10,265,000 of which \$3,702,876 qualifies as KEIA eligible costs.

Staff recommended final approval of the KEIA approved recovery amount of \$200,000 for construction materials and building fixtures.

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

**Campari America LLC  
Anderson County**

**Anna Beth Bobbitt  
Lynda Cunningham**

Anna Beth Bobbitt stated Campari America LLC has seen an increase in the global demand for its products and have 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 pallet barrel warehouse to provide storage for 45,000 barrels.

Lynda Cunningham stated the project investment is \$1,900,700 of which \$669,700 qualifies as KEIA eligible costs.

Staff recommended final approval of the KEIA approved recovery amount of \$40,000 for construction materials and building fixtures.

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

**Halton Company  
Allen County**

**Frank Tate  
Michelle Elder**

Frank Tate stated Halton Group Americas, Inc., owner of Halton Company, is a Finnish company that produces industrial ventilation systems used throughout the North American continent. The company plans to add corporate office space to its existing facility to allow for continued growth as well as purchase new machinery.

Ms. Elder stated the project investment is \$2,950,000 of which \$2,398,000 qualifies as KEIA eligible costs. The approved recovery amount for construction materials and building fixtures is \$25,000 and \$50,000 for research and development and/or electronic processing equipment.

Staff recommended final approval of the KEIA approved recovery amount of \$75,000.

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

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

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

**Butts Foods Incorporated  
Simpson County**

**Frank Tate  
Michelle Elder**

Mr. Tate stated Butts Foods Incorporated, headquartered in Jackson, TN, has been in business since 1935 and is 100% family owned. Due to increasing demand in the fresh protein market, the company is considering building a new distribution center to service customers in Middle and East Tennessee as well as Kentucky businesses and further service throughout the Midwest.

Ms. Elder stated the project investment is \$3,555,000 all of which qualifies as KBI eligible costs and \$1,975,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 30 with average hourly wages of \$29.00 including benefits. The state wage assessment participation is 3.0% and the City of Franklin will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$340,000 and final approval of the KEIA approved recovery amount of \$60,000 for construction materials and building fixtures contingent upon the company correcting its registration with the Secretary of State.

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

**Sumitomo Electric Wiring Systems, Inc.  
Simpson County**

**Frank Tate  
Michelle Elder**

Mr. Tate stated Sumitomo Electric Wiring Systems, Inc. is an automotive manufacturing facility that develops electric wiring harnesses and wiring for automobiles. The company has been in Kentucky since 1988. Sumitomo has found an operational facility in Simpson County and is considering expanding its operation there.

Ms. Elder stated the project investment is \$10,490,000 of which \$8,130,000 qualifies as KBI eligible costs and \$550,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 145 with average hourly wages of \$28.00 including benefits. The state wage assessment participation is 3.0% and the City of Franklin will participate at 1.0%. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,360,000 and final approval of the KEIA approved recovery amount of \$30,000 for construction materials and building fixtures.

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

**Steel Ventures Incorporated  
Greenup County**

**Robyn Lee  
Debbie Phillips**

Robyn Lee stated Steel Ventures Incorporated is a subsidiary of Steel of West Virginia and the manufacturer of galvanized products. The company is considering the construction of a galvanizing operation in Wurtland to help meet growing demands for products. If constructed, this new plant would improve delivery time, eliminate current logistic issues and maximize profits by eliminating outside galvanizers.

Ms. Lee introduced Amanda Clark and invited her to address the board regarding the project.

Ms. Phillips stated the project investment is \$15,800,000 all of which qualifies as KBI eligible costs and \$3,175,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 65 with average hourly wages of \$17.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,000,000 and final 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. Hayden seconded the motion. Motion passed; unanimous.

**AAK USA K2, LLC  
Jefferson County**

**Anna Beth Bobbitt  
Lynda Cunningham**

Ms. Bobbitt stated AAK USA K2, LLC is an international corporation that refines vegetable oils for specialized products and is organized into four business areas: Confectionery Fats, Food Ingredients, Personal Care and Technical Products and Feed. The company is primarily engaged in the Food Ingredients business with a focus on value-added specialty oil solutions to minimize trans-fat and saturated fat. AAK is considering investing in its current facility in Louisville to meet current demand and accommodate for future growth.

Ms. Cunningham stated the project investment is \$32,750,000 of which \$6,370,000 qualifies as KBI eligible costs and \$4,170,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 20 with average hourly wages of \$21.00 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 project will include multiple locations within Jefferson County. Only investment costs incurred at 2520 Seventh Street Road 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. 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 affiliates, AAK USA REALCO, LLC and AAK USA K1, LLC, for KBI.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000 and final approval of the KEIA approved recovery amount of \$150,000 for construction materials and building fixtures and \$30,000 for research & development and/or electronic processing equipment.

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

**KBI Project (Preliminary)**

Chairman Hale called on staff to present a KBI Preliminary to the Authority.

**RXC Acquisition Company dba RxCrossroads  
Jefferson County**

**Anna Beth Bobbitt  
Lynda Cunningham**

Ms. Bobbitt stated RxCrossroads was formed in 2001 as a specialty distribution, pharmacy, and patient support services provider. The company offers a comprehensive portfolio of custom services tailored to the biotechnology and pharmaceutical industries as well as supporting patients and providers through continuum of care. The company is considering expanding its distribution center in Louisville to meet future customer demands and to fulfill its commitment to connect patients to therapy.

Ms. Bobbitt introduced Kelly Rich and Rob Brown and invited them to address the board regarding the project.

Ms. Cunningham stated the project investment is \$24,960,000 of which \$17,930,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 400 with average hourly wages of \$30.00 including benefits. The state wage assessment participation is 1.50% and Louisville/Jefferson County Metro Government will participate at 0.50%.

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The project will include multiple locations within Louisville/Jefferson County. Only investment costs incurred at 5101 Jeff Commerce Drive 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.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$4,000,000 contingent upon the company providing the required KJDA reporting documents prior to KBI final approval.

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

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

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

##### **Fischbach USA Inc. Hardin County**

**Anna Beth Bobbitt  
Lynda Cunningham**

Ms. Bobbitt stated Fischbach USA Inc. has been developing customer interest in a flexible squeeze tube product line. The company is considering an expansion of its Hardin County facility to begin producing flexible tubes which would allow it to more fully service its existing sealants and adhesives customer needs.

Ms. Cunningham stated the project investment is \$5,800,000 of which \$2,670,000 qualifies as KBI eligible costs and \$1,560,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 11 with average hourly wages of \$18.50 including benefits. The state wage assessment participation is 3.0% and the City of Elizabethtown 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 \$190,000 and final approval of the KEIA approved recovery amount of \$60,000 for construction materials and building fixtures.

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

##### **Kobelco Aluminum Products & Extrusions Inc. Warren County**

**Lindsey Ransdell  
Michelle Elder**

Lindsey Ransdell stated Kobe Steel, Ltd is considering establishing a new company and construct a manufacturing facility in Bowling Green. This new business will be known as Kobelco Aluminum Products & Extrusions Inc. The proposed project will help meet the demand for aluminum extruded products in the automotive industry.

Ms. Elder stated the project investment is \$46,700,000 of which \$17,100,000 qualifies as KBI eligible costs and \$8,200,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 105 with average hourly wages of \$28.00 including benefits. The

state wage assessment participation is 3.0% and the City of Bowling Green will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,500,000 and final approval of the KEIA approved recovery amount of \$200,000 for construction materials and building fixtures.

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

### **KBI Projects (Preliminary)**

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

#### **Champion Home Builders, Inc. Marshall County**

**Frank Tate  
Michelle Elder**

Mr. Tate stated Champion Home Builders, Inc. has been acknowledged as a leader in the manufactured housing industry and one of the largest modular home builders in North America. The company is considering leasing a building in Benton to manufacture low and medium sized manufactured homes for distribution to retailers in Kentucky and other states.

Mr. Tate introduced Josh Tubbs and Kevin Neal and invited them to address the board regarding the project.

Ms. Elder stated the project investment is \$6,297,395 of which \$4,272,395 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 150 with average hourly wages of \$28.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,250,000.

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

#### **Magna Seating of America, Inc. dba Louisville Seating Bullitt County**

**Frank Tate  
Michelle Elder**

Mr. Tate stated Magna Seating of America, Inc. dba 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 is considering the expansion of its existing facility to fulfill a contract to build seats for multiple Sport Utility Vehicle (SUV) models.

Ms. Elder stated the project investment is \$12,686,650 of which \$9,793,289 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 170 with average hourly wages of \$28.00 including benefits. The state wage assessment participation is 3.0% and Bullitt 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. The company acknowledges the project is to be located in a county currently certified as an enhanced incentive county, and further acknowledges 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 \$2,000,000.

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

**Hera Testing Laboratories, Inc.  
Fayette County**

**Kristina Thompson  
Lynda Cunningham**

Kristina Thompson stated Hera Testing Laboratories, Inc. is a toxicology and personalized therapeutic testing company. The company is considering an expansion to build a laboratory and infrastructure that will enable it to grow from a research stage start-up to a commercial contract research organization (CRO).

Ms. Cunningham stated the project investment is \$1,810,571 of which \$1,210,571 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 23 with average hourly wages of \$28.00 including benefits. The state wage assessment participation is 3.0% and Lexington-Fayette Urban County Government will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

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

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

**Summit Biosciences Inc.  
Fayette County**

**Anna Beth Bobbitt  
Lynda Cunningham**

Ms. Bobbitt stated Summit Biosciences Inc. develops and manufactures prescription generic and novel nasally delivered pharmaceutical products. The company also provides contract development and manufacturing services to companies desiring to develop nasal spray drug products or to have them manufactured. The company is considering expanding its manufacturing, lab and warehouse space to produce commercial batches of a recently FDA approved nasal spray for commercial production.

Ms. Cunningham stated the project investment is \$7,946,000 of which \$2,346,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 21 with average hourly wages of \$22.00 including benefits. The state wage assessment participation is 3.0% and Lexington-Fayette Urban County Government will participate at 1.0%.

The project will include multiple locations within Fayette County. Only investment costs incurred at the project location 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 37 full-time, Kentucky resident employees (which is the base employment number required by a previous project).

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$550,000.

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

### **KBI Projects (Extension)**

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

Ms. Elder stated the following companies requested additional time to complete the projects and requested they be presented as one motion:

<u>Company</u>	<u>County</u>	<u>Extension</u>
<b>Abilene TX Foods, Inc.</b>	Jefferson	3 Month
<b>Avure Technologies, Inc.</b>	Boone	12 Month
<b>CBS Interactive Inc.</b>	Jefferson	12 Month
<b>Total Quality Logistics, LLC</b>	Boone	12 Month
<b>Total Quality Logistics, LLC</b>	Jefferson	12 Month
<b>Wellhead Energy Systems, LLC</b>	Pulaski	12 Month

Staff recommended approval of the KBI extension requests.

Chairman Hale moved to approve the staff recommendation, as presented; Mr. King 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 there are eight (8) KBI projects requesting final approval, five (5) of which have modifications since preliminary approval. Ms. Phillips requested that all 8 be presented as one motion.

KBI Finals without modifications since preliminary approval:

<u>Project Name</u>	<u>County</u>	<u>Type Project</u>
<b>Lyons Magnus East, Inc.</b>	Boone	Manufacturing
<b>Newly Weds Foods, Inc.</b>	Boone	Manufacturing
<b>The Freeman Corporation</b>	Clark	Manufacturing

KBI Finals with modifications since preliminary approval:

**Custom Food Products, LLC** Bath Manufacturing  
 Custom Food Products, LLC have the following modifications: The total investment and eligible costs increased from \$44,433,231 to \$54,868,764, jobs increased from 200 to 350 and the total negotiated tax incentive amount increased from \$3,000,000 to \$13,000,000. All other aspects of the project remain the same.

**EZ Pack Refuse Hauling Solutions, LLC** Harrison Manufacturing  
**dba Commercial Specialty Truck Holdings**  
 EZ Pack Refuse Hauling Solutions, LLC dba Commercial Specialty Truck Holdings have the following modifications: Continental Mixer Solutions, LLC requested an assignment of rights to EZ Pack Refuse Hauling Solutions, LLC dba Commercial Specialty Truck Holdings. The preliminary approved affiliate has been removed. All other aspects of the project remain the same.

**Jack Henry & Associates, Inc.** Jefferson Service & Technology  
 Jack Henry & Associates, Inc. have the following modifications: The company name changed from iPay Technologies, LLC to Jack Henry & Associates, Inc., the affiliate changed from Jack



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

<b>Qualified Small Business Qualified Investor(s)</b>	<b>County</b>	<b>Projected Investment</b>	<b>Tax Credit</b>
<u>Fanbloom, Inc.</u>	Kenton		
<b>Joseph A. Klunk</b>		\$ 50,000	\$ 20,000
<b>Christopher Shane Young</b>		\$ 25,000	\$ 10,000

Staff recommended approval of the proposed tax credits.

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

### **KEDFA Loan**

Chairman Hale called on Mr. Goodin to present a KEDFA Loan project to the Authority.

#### **City of Shepherdsville Bullitt County**

Mr. Goodin stated the City of Shepherdsville ("City") requested a \$3,500,000 loan to finance the construction of a new feeder road to a new interstate exchange on I-65 that will be constructed by the state. The City has agreed to build the 1.12 mile new access road to be known as Alpha Way. Once completed, it will be turned over to the state since it will be a major artery road to I-65. The access road will be paid for by occupational taxes collected by the City with the loan being secured by a Letter of Credit.

The KEDFA loan exceeds the maximum KEDFA guideline of \$500,000 for the loan amount with a 5 year term at 2.0% or a 7 year term at 3.5%. However, staff recommended an exception to the policy and approval of the KEDFA loan at an interest rate of 2.0% and a term of 6 years, with interest only payments in the first year, then the loan amortized over 5 years.

After discussion, Mr. Hall moved to approve the staff recommendation, contingent upon the statute allowing for this type of project. Mr. Kelly seconded the motion. Motion passed; Edwin King, no.

### **Other Business**

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

Chairman Hale called Mr. Goodin to review the Quarterly KSBCI Report ending March 31, 2016.

After review, the Authority accepted the report as presented.

#### **Quarterly Amendment Report / Resolution**

Chairman Hale called on John Enochs to review the Quarterly Amendment Report ending March 31, 2016.

Mr. Enochs stated the Bylaws of the Board of Directors of KEDFA grant authority to the Executive Director of the Office of Financial Services to effectuate minor changes or modifications to existing agreements with approved companies that do not substantively modify contract terms.

Mr. Enochs noted the following amendments have been executed:

**AMZN wacs LLC**

**Letter Amendment to KBI Tax Incentive Agreement**

Letter Amendment dated March 26, 2015, for AMZN wacs LLC, due to an entity conversion from a Delaware corporation to a Delaware limited liability corporation and name change from AMZN wacs, Inc., effective October 5, 2015, and dated for convenience February 12, 2016.

**U.G.N., Inc.**

**Letter Amendment to KBI Financing Agreement**

Letter Amendment dated February 28, 2013, for U.G.N., Inc., due to a clerical error in Section 3.4 regarding base employment, correcting the base figure to one hundred fifty-nine (159), dated for convenience March 31, 2016.

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

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

**Adjournment**

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

Aubrey Hayden moved to adjourn the April KEDFA board meeting; Mr. King seconded the motion. Motion passed; unanimous.

The meeting adjourned at 10:56 a.m.

**PRESIDING OFFICER:**



Jean Hale, Chairman