

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING MAY 25, 2017

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EDT on May 25, 2017, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

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

Roll Call

Members Present: Jean Hale, Edwin King, Proxy for Secretary William M. Landrum, III, Tucker Ballinger, Dorsey Hall, Joe Kelly and Mike Vogt

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

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

Announcement

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

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

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

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

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

Approval of Minutes

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

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

Approved/Undisbursed Loan Report

Chairman Hale called on Kylee Palmer to review the approved/undisbursed loan report.

After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports

Chairman Hale called on Katie Smith to review the financial statements and monthly monitoring reports as of April 30, 2017. Ms. Smith also referenced the communication from Mountjoy Chilton Medley, LLP, the external auditor, discussing the timing of the field work.

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

KEDFA Grant

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

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

**Kristina Slattery
Kylee Palmer**

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

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

Staff recommended approval of the Grant request.

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

Local Industrial Revenue Bond (IRB) Project (Final)

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

**The Kroger Co.
Boone County**

**Lindsey Ransdell
Michelle Elder**

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

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

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

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

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

Kentucky Jobs Development Act (KJDA) Projects (Amendment)

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

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

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

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

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

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

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

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

Staff recommended approval of the KJDA amendment requests.

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

Kentucky Business Incentives (KBI) Projects (Amendment)

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

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

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

Staff recommended approval of the KBI amendment request.

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

**Specialty Foods Group, LLC
Daviness County**

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

Staff recommended approval of the KBI amendment request.

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

Kentucky Enterprise Initiative Act (KEIA) Project (Extension)

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

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

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

Staff recommended approval of extension request.

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

KEIA Projects

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

**Campari America LLC
Anderson County**

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

**Anna Beth Bobbitt
Debbie Phillips**

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

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

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

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

**Vanderbilt Chemicals, LLC
Calloway County**

**Corky Peek
Michelle Elder**

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

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

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

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

**Arroweye Solutions, Inc.
Jefferson County**

**Lindsey Ransdell
Michelle Elder**

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

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

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

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

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

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

**Cabot Corporation
Carroll County**

**Lindsey Ransdell
Michelle Elder**

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

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

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

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

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

**Nucor Steel Gallatin LLC
Gallatin County**

**Lindsey Ransdell
Michelle Elder**

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

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

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

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

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

**Lindsey Ransdell
Michelle Elder**

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

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

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

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

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

**Corky Peek
Michelle Elder**

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

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

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

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

**Greif Packaging LLC dba Multicorr
Jefferson County**

**Anna Beth Bobbitt
Debbie Phillips**

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

Ms. Phillips stated the project investment is \$15,477,713 of which \$5,530,713 qualifies as KBI eligible costs and \$2,574,428 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 17 with average hourly wages of \$29.00 including benefits. The state wage assessment participation is 3.0% and Louisville/Jefferson County Metro Government will participate at 1.0%.

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval. The project will include multiple locations within Louisville/Jefferson County. Only investment costs incurred at 7601 Port Road will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$250,000 and approval of the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

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

Emerson Electric Co. Logan County

**Kristina Slattery
Lynda Cunningham**

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

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

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

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

Sims Bark Co. of Georgia, LLC Whitley County

**Kristina Slattery
Lynda Cunningham**

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

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

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

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

**Michter's Distillery LLC
Jefferson County**

**Lindsey Ransdell
Michelle Elder**

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

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

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

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

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

Bluegrass Supply Chain Services, LLC

**Corky Peek
Michelle Elder**

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

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

Bullitt County

Ms. Elder stated the project investment in Bullitt County is \$1,575,810 of which \$825,405 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 24 with average hourly wages of \$18.00 including benefits. The state wage assessment participation is 3.0% and the City of Shepherdsville will participate at 1.0%.

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

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

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

Edmonson County

Ms. Elder stated the project investment is \$1,781,000 of which \$917,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 27 with average hourly wages of \$18.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

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

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

KBI Projects (Extension)

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

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

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

Staff recommended approval of the KBI extension requests.

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

KBI Projects (Final)

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

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

No Modifications:

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

Modifications:

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

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

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

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

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

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

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

Kentucky Reinvestment Act (KRA) Projects (Preliminary)

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

Tarter Gate Company, LLC Casey County

**Tess Simon
Debbie Phillips**

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

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

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

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

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

Domtar Paper Company, LLC Hancock County

**Kristina Slattery
Michelle Elder**

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

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

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

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

Kentucky Small Business Tax Credit (KSBTC) Projects

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

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

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

Staff recommended approval of the tax credits.

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

Kentucky Angel Investment Act Program Projects

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

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

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

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

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

Staff recommended approval of the proposed tax credits.

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

Other Business

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

Adjournment

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

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

The meeting adjourned at 10:57 a.m.

PRESIDING OFFICER:



Jean Hale, Chairman