

# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## BOARD MEETING September 28, 2017

### MINUTES

---

#### **Call to Order**

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EDT on September 28, 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, Aubrey Hayden, Jr., Secretary William M. Landrum, III and Joe Kelly

**Staff Present:** Bobby Aldridge, Tim Back, John Bevington, Jessica Burke, Sarah Butler, Lynda Cunningham, Rachael Dever, Michelle Elder, Phil Flynn, Alec Germond, Reid Glass, Krista Harrod, Robyn Lee, Joe Lilly, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Taylor Sears, Tess Simon, Kristina Slattery, Katie Smith, Teresa Spreitzer and Lucas Witt

**Others Present:** Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky and Mark Franklin, Stoll Keenon Ogden; Jeff McKenzie, Bingham Greenebaum Doll; Brad Thomas, East Kentucky Power; Ryan Barrow and Sandy Williams, Finance & Administration Cabinet, Office of Financial Management; Dennis Griffin, Franklin-Simpson Industrial Development Authority; John Egan, Frost Brown & Todd; Chip Sutherland, Hilliard-Lyons; Terri Bradshaw, Kentucky Capital Development Corporation; Scott Cox and Tom Liston, Louisville Arena Authority, Inc.; Todd Hamilton, Mountjoy Chilton Medley, LLP; Chris Prugar and Eric Rockhold, Merrill-Lynch; Barry Lendrum, Paladin; Dmitry Efimov, SPI Group and Alfred Miller, The State Journal

#### **Approval of Minutes**

Chairman Hale entertained a motion to approve the minutes from the August 31, 2017 regular KEDFA board meeting and executive session.

Joe Kelly moved to approve the minutes, as presented; Secretary William M. Landrum, III, seconded the motion. Motion passed; unanimous.

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

Chairman Hale called on Kylee Palmer to review the approved/undisbursed loan report. After review, the Authority accepted the report as presented.

## Financial Statements, Monitoring Reports

Chairman Hale called on Katie Smith to review the financial statements and monthly monitoring reports as of August 31, 2017. After review, the Authority accepted the statements and reports as presented.

## KEDFA IRB Project (Final)

Chairman Hale called on Ms. Smith to present a final KEDFA IRB project to the Authority.

### Louisville Arena Authority, Inc.

#### Jefferson County

Ms. Smith referenced in the board material a proposed KEDFA Bond Issue Report relating to the issuance of revenue refunding bonds (taxable and tax-exempt) in an aggregate principal amount not to exceed \$450 million on behalf of Louisville Arena Authority, Inc. The bond proceeds will be used to refund all of the outstanding Kentucky Economic Development Finance Authority Series 2008A, B and C revenue bonds for Louisville Arena Authority, Inc. The Louisville/Jefferson County Metro Government adopted a resolution requesting KEDFA issue these bonds.

A TEFRA hearing for the purpose of receiving public comment on the proposed bond issue was conducted at 11:30 a.m., September 25, 2017, at the Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, with no public comment.

If the financing is approved, KEDFA would serve as the conduit issuer of the bonds. The bonds would not constitute a general obligation of KEDFA and KEDFA would not be obligated to pay principal or interest for the bonds from its own funds.

Staff recommended the adoption of the KEDFA final bond resolution.

Ms. Smith introduced Scott Cox, Tom Listen, John Egan, Chip Sutherland, Chris Prugar, Eric Rockhold and Mark Franklin and invited them to address the board regarding the project and answer any questions from the board.

After discussion, Aubrey Hayden, Jr. moved to approve the staff recommendation, as presented; Secretary Landrum seconded the motion. Motion passed; unanimous.

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

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

Mr. Aldridge stated 9 companies requested additional time to complete the projects. Mr. Aldridge asked that all 9 be presented as one motion.

<b>Company</b>	<b>County</b>	<b>Extension</b>
<b>Paducah Riverfront Hotel LP</b>	McCracken	2 Month
<b>The Huntington National Bank</b>	Kenton	3 Month
<b>Catalent Pharma Solutions, LLC</b>	Clark	6 Month
<b>Heaven Hill Distilleries, Inc.</b>	Nelson	6 Month
<b>L'Oreal USA Products, Inc.</b>	Kenton	6 Month
<b>A.O. Smith Corporation</b>	Kenton	12 Month
<b>Creform Corporation</b>	Scott	12 Month
<b>Heritage Millworks, LLC</b>	Powell	12 Month
<b>Luxco Inc.</b>	Nelson	12 Month

Staff recommended approval of the KEIA extension requests.

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

## **KEIA Projects**

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

### **DCL Logistics Jefferson County**

**Alec Germond  
Lynda Cunningham**

Alec Germond stated DCL Logistics was founded in 1982 as a company that provided mass-market duplication of diskette software. DCL has morphed into its current form as a leading third-party logistics company. The company opened its Louisville operation in 2014 and continues to grow. This project would include the purchase of 14 acres of land with the intent to develop a 160,000 SF state-of-the-art fulfillment center.

Lynda Cunningham stated the project investment is \$15,500,000 of which \$8,875,000 qualifies as KEIA eligible costs.

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

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

### **Hayashi Telempu North America Corporation Franklin County**

**Lindsey Ransdell  
Michelle Elder**

Lindsey Ransdell stated Hayashi Telempu North America Corporation is a Michigan-based supplier of automotive interior components. The company is considering expanding its current operations in Frankfort. With this expansion, the company plans to construct a new office facility on a vacant lot across from its existing manufacturing site as well as add additional employees.

Michelle Elder stated the project investment is \$40,770,000 of which \$3,270,000 qualifies as KEIA eligible costs.

Staff recommended 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.

### **MGPI of Indiana, LLC Grant County**

**Lindsey Ransdell  
Michelle Elder**

Ms. Ransdell stated MGP is headquartered in Kansas and also maintains a distillery production facility in Indiana. The company began in 1941 as a small distillery operation in the heart of America's grain belt. Today MGP is the source of some of the finest vodkas, gins, bourbons and whiskeys in the world. Because of the recent boom in the bourbon and whiskey business, MGP has filled its storage warehouse in Indiana. This proposed project is to provide additional storage space to enable the company to continue to grow its production capability.

Ms. Elder stated the project investment is \$3,800,000 of which \$1,000,000 qualifies as KEIA eligible costs.

Staff recommended 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. Kelly seconded the motion. Motion passed; unanimous.

**Res-Care, Inc.  
Jefferson County**

**Lucas Witt  
Michelle Elder**

Lucas Witt stated Res-Care, Inc. is the largest diversified health and human services provider in the United States. With more than 40 years of experience, Res-Care offers daily living support services and in-home care, vocational training, job placement, pharmacy, rehab and behavioral health services for people of all ages and skill levels. The company is currently headquartered in Louisville, KY. With its existing office lease expiring in 2018, the company is considering a new headquarters facility.

Ms. Elder stated the project investment is \$34,060,456 of which \$18,330,152 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$550,000 for construction materials and building fixtures.

After discussion, Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Kelly 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.

**Premier Packaging, LLC  
Jefferson County**

**Lucas Witt  
Michelle Elder**

Mr. Witt stated Premier Packaging, LLC, founded in 1994, is a regional manufacturer of corrugated boxes and a national distributor of all packaging supplies. The company is considering purchasing land to build a large distribution center, which will include manufacturing and allow for the consolidation of 3-4 facilities into one.

Ms. Elder stated the project investment is \$11,850,000 of which \$11,600,000 qualifies as KBI eligible costs and \$8,500,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 40 with an average hourly wage of \$31.50 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/Louisville. Only investment costs incurred at 4301 Produce 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 \$500,000 and the KEIA approved recovery amount of \$250,000 for construction materials and building fixtures.

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

**CLARK Material Handling Company  
Fayette County**

**Tess Simon  
Debbie Phillips**

Tess Simon stated CLARK Material Handling Company is an international leader in the material handling industry. The proposed project would include the construction of a new facility and adding new product lines.

Debbie Phillips stated the project investment is \$4,500,000 all of which qualifies as KBI eligible costs and \$2,700,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 40 with an average hourly wage of \$24.00 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. 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 Fayette County/Lexington. Only investment costs incurred at 701 Enterprise Drive 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 \$500,000 and the KEIA approved recovery amount of \$125,000 for construction materials and building fixtures.

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

**KBI Projects (Preliminary)**

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

**Froedge Machine and Supply Co., Inc.  
Barren County**

**Corky Peek  
Michelle Elder**

Corky Peek stated Froedge Machine and Supply Co., Inc., established as Froedge Machine & Watch Repair in 1962, has evolved into a repair business for local industries. Today, Froedge has several areas of business including CNC machining, drilling, boring, cutting and honing, surface grinding, welding lathe and mill work and tool & die. The company is out of space at its facility in Monroe County and is considering a location in Barren County to expand its CNC machining portion of the business.

Ms. Elder stated the project investment is \$690,000 of which \$490,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 12 with an average hourly wage of \$33.00 including benefits. The state wage assessment participation is 3.0% and Glasgow/Barren County Industrial Development Authority will participate with an up-front, forgivable loan in the amount of \$30,000. 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 \$100,000.

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

**Holley Performance Products, Inc.  
Simpson County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated Holley Performance Products, Inc. is a leading manufacturer of a variety of high performance specialty products for the racing and performance segment of the automotive aftermarket. The company is considering relocating one of its distribution and light manufacturing operation to Kentucky.

Ms. Elder stated the project investment is \$9,150,000 of which \$4,950,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 30 with an average hourly wage of \$20.00 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 \$600,000.

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

**My Visual Package, LLC  
Barren County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated My Visual Package, LLC is a start-up company that plans to design and manufacture all visual printed products for the marching arts industry. The company is considering leasing space in Glasgow, purchasing sewing machines, apparel cutting equipment and eco-friendly printing equipment to produce band uniforms, color guard flags, props, accessories and vehicle wraps.

Ms. Elder stated the project investment is \$1,110,000 of which \$490,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 30 with an average hourly wage of \$15.00 including benefits. The state wage assessment participation is 3.0% and the City of Glasgow will participate at 1.0%.

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

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

**Xooker, LLC  
Fayette County**

**Lucas Witt  
Michelle Elder**

Mr. Witt stated Xooker is a free app, available on both iPhone and Android, for consumers to be able to find great deals and specials from their favorite restaurants and shops. Xooker's primary focus is the small and medium-sized businesses that are seeking to attract and retain customers through their mobile devices. The company is planning to enter into several new markets across the country, which will consist of newly hired consultants for each market.

Ms. Elder stated the project investment is \$1,472,000 of which \$1,111,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 100 with an average hourly wage 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 \$1,000,000.

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

**JOMEL Seams Reasonable, LLC**  
**Russell County**

**Tess Simon**  
**Debbie Phillips**

Ms. Simon stated JOMEL Seams Reasonable, LLC manufactures smooth top and quilted zippered mattress covers. Due to growing demand for its products, the company needs to open a new facility that will allow it to tap into a new labor market and increase production. The company currently has operations in Burkesville, KY and Trinity, NC. The owners are considering a second location in Russell County, KY to tap into a workforce experienced in sewing operations.

Ms. Phillips stated the project investment is \$422,048 of which \$286,024 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 30 with an average hourly wage of \$12.50 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain 85% 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 \$120,000.

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

**Strigiformes, LLC**  
**Nelson County**

**Lindsey Ransdell**  
**Michelle Elder**

Ms. Ransdell stated SPI Group is an independent company headquartered in Luxembourg with production facilities in the US, Mexico, Argentina, Latvia and Spain. The group's mission is to build a portfolio of select premium drink brands by controlling and perfecting every stage of the process, from cultivation to distribution. The company, through its subsidiary Strigiformes, LLC, is considering property in Bardstown to establish a distillery, rickhouses, visitor's center and other related facilities for the production of bourbon.

Ms. Elder stated the project investment is \$149,750,000 of which \$124,890,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 77 with an average hourly wage of \$25.00 including benefits. The state wage assessment participation is 1.5% and the City of Bardstown will participate at 0.5%.

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

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

**Ring Container Technologies, LLC  
Jefferson County**

**Alec Germond  
Lynda Cunningham**

Mr. Germond stated Ring Container Technologies is a privately held, multi-national corporation focused on finding sustainable solutions for the consumer packaging industry. The company has grown to be one of the largest plastic container manufacturers in North America. The company is considering a new location in Louisville to manufacture food grade PET bottles for local companies.

Ms. Cunningham stated the project investment is \$23,300,000 of which \$5,070,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 41 with an average hourly wage of \$30.00 including benefits. The state wage assessment participation is 3.0% and Louisville/Jefferson County Metro Government will participate at 1.0%.

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

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

**M-I L.L.C.  
Boone County**

**Taylor Sears  
Lynda Cunningham**

Taylor Sears stated M-I L.L.C. has acquired SWECO, which has had a presence in Florence, KY since 1973. This facility has established a world class manufacturing operation with CNC laser cutting devices, machining centers, robotic welding, high end injection molding and numerous other world class processes. The company is considering an investment in equipment and facility upgrades.

Ms. Cunningham stated the project investment is \$4,600,000 of which \$3,180,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 54 with an average hourly wage of \$35.00 including benefits. The state wage assessment participation is 3.0%, Boone County will participate at 0.3% and the City of Florence will participate at 0.7%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

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

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

**Camtech Manufacturing Solutions, LLC  
Pulaski County**

**Robyn Lee  
Lynda Cunningham**

Robyn Lee stated Camtech Manufacturing Solutions, LLC, established in 2006, focuses on manufacturing support services and custom automated systems to manufacturers. The company is considering expanding the manufacturing capacity at its Science Hill operation.

Ms. Cunningham stated the project investment is \$525,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 11 with an average hourly wage of \$28.00 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 \$250,000.

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

**AVENTICS Corporation  
Fayette County**

**Kristina Slattery  
Lynda Cunningham**

Kristina Slattery stated AVENTICS is one of the world's leading manufacturers of pneumatic components, systems and customer-specific applications. The pneumatic engineering company provides products and services for industrial automation, focusing on the sectors of commercial vehicles, food and beverage, railway technology, life sciences, energy and marine technology. The company is considering establishing three new production lines to develop and produce new products completely in the U.S.

Ms. Cunningham stated the project investment is \$861,830 of which \$484,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 20 with an average hourly wage of \$34.00 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 \$250,000.

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

**KEEN, Inc.  
Bullitt County**

**Kristina Slattery  
Lynda Cunningham**

Ms. Slattery stated KEEN, Inc. designs, manufactures, promotes and sells footwear, bags, accessories and apparel. To improve the quality, service and cost structure associated with customer order fulfillment needs, KEEN has decided to insource its order fulfillment function for its U.S. operations, which is currently being performed by a third-party service provider. The company is considering Shepherdsville to locate this facility.

Ms. Cunningham stated the project investment is \$18,617,363 of which \$8,305,805 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 83 with an average hourly wage of \$27.00 including benefits. The state wage assessment participation is 3.0% and the City of Hillview will participate at 1.0%.

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

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

**Sazerac North America, Inc.  
Jefferson County**

**Kristina Slattery  
Lynda Cunningham**

Ms. Slattery stated Sazerac is a family-owned, top ten producer and marketer of distilled spirits. The company has five major facilities in the U.S., three of which are in Kentucky. In 2009, Sazerac opened its first administrative office in Jeffersontown. As a result of significant business growth, this office was moved to a larger space in 2011. The company has once

again outgrown its current space and is considering alternatives for additional space to meet both current and future needs.

Ms. Cunningham stated the project investment is \$5,901,370 of which \$3,775,685 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of \$48.00 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 85% 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. 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 job creation/maintenance and wage requirements will be satisfied collectively by the approved company and the affiliates, Sazarac Brands, LLC and Sazerac Company, Inc.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$750,000.

Mr. Hayden moved to approve the staff recommendation, as presented; Secretary Landrum 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 5 companies requested additional time to complete the projects. Ms. Elder asked that all 5 be presented as one motion.

<b>Company</b>	<b>County</b>	<b>Extension</b>
<b>Brown-Forman Corporation</b>	Jefferson	12 Month
<b>Innovative Mattress Solutions, LLC</b>	Fayette	12 Month
<b>Inplast Industries USA, LLC dba Plastikon Industries</b>	Grayson	12 Month
<b>PARx Solutions, Inc.</b>	Jefferson	12 Month
<b>Senture, LLC</b>	Jackson	12 Month

Staff recommended approval of the KBI extension requests.

Chairman Hale moved to approve the staff recommendation, as presented; Mr. Hayden 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 12 companies requested KBI final approval, 4 of which have modifications since preliminary approval. Ms. Phillips asked that all 12 be presented as one motion.

No Modifications:

<b>Project Name</b>	<b>County</b>	<b>Type Project</b>
<b>AAK USA K2, LLC</b>	Jefferson	Manufacturing
<b>Central States Manufacturing Inc.</b>	Allen	Manufacturing

<b>CR Machine Shop, LLC</b>	Hopkins	Manufacturing
<b>Kimball Furniture Group, LLC</b>	Ohio	Manufacturing
<b>Logan Corporation</b>	Magoffin	Manufacturing
<b>L'Oreal USA Products, Inc.</b>	Kenton	Manufacturing
<b>Senture, LLC</b>	Laurel	Service & Technology
<b>TransNav Technologies, Inc.</b>	Boyle	Manufacturing

**Modifications**

**Berry Plastics IK, LLC** Hopkins Manufacturing  
 The company name changed from Berry Plastics Corporation to Berry Plastics IK, LLC. All other aspects of the project remain the same.

**ecoATM, LLC** Jefferson Service & Technology  
 The company name changed from Gazelle, Inc. to ecoATM, LLC. All other aspects of the project remain the same.

**General Cable Industries, Inc.** Anderson Manufacturing  
 The investment increased from \$2,530,000 to 19,230,000; the eligible costs increased from \$1,155,000 to \$5,555,000; the job target increased from 54 to 100 and the total negotiated tax incentive amount increased from \$700,000 to \$2,000,000. All other aspects of the project remain the same.

**QSR Automations, Inc.** Jefferson Service & Technology  
 The project now includes multiple locations within Jefferson County/Louisville. All other aspects of the project remain the same.

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

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

**Kentucky Reinvestment Act (KRA) Project (Preliminary)**

Chairman Hale called on Ms. Phillips to present a KRA preliminary project to the Authority.

**Meritor, Inc.  
 Simpson County**

**Kristina Slattery  
 Debbie Phillips**

Ms. Slattery stated Meritor, Inc., headquartered in Troy, Michigan, is a leading global supplier of drivetrain, mobility, braking and aftermarket solutions for commercial vehicle and industrial markets. The Franklin facility is operating at capacity, the building is over 40 years old and is in need of refurbishment, including flooring and roofing. The equipment is operational, but there is a need to upgrade the existing equipment as well as to purchase new equipment to maintain performance, efficiency and continued growth. The company indicates this project would not be economically feasible without the incentives and the growth of the company could be compromised. If approved, the timeline for this project would begin in December 2017.

Ms. Phillips stated the project investment is \$7,700,000 of which \$3,850,000 qualifies as KRA eligible costs. The job retention requirement over the term of the agreement is 85% 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 \$750,000.

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

### **Kentucky Small Business Tax Credit (KSBTC) Projects**

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

Mr. Back stated there are 3 Kentucky small businesses from 2 counties with qualifying tax credits of \$24,500. The 3 businesses created 7 jobs and invested \$69,695 in qualifying equipment or technology.

Mr. Back requested the following tax credits be presented as one motion:

<u>Qualified Small Business</u>	<u>County</u>	<u>Beg. Emp.</u>	<u>Elig. Pos.</u>	<u>Average Hourly Wage</u>	<u>Qualifying Equipment or Technology</u>	<u>Tax Credit</u>
Bluegrass Concrete & Associates, Inc.	Barren	17	4	\$ 21.75	\$ 39,000	\$ 14,000
Hensley & Throneberry, PLLC	Warren	4	2	\$ 15.23	\$ 7,828	\$ 7,000
J. Allen Builders, Inc.	Warren	1	1	\$ 22.50	\$ 22,867	\$ 3,500

Staff recommended approval of the KSBTC tax credits.

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

### **Other Business**

#### **Audit Report**

Ms. Smith introduced Todd Hamilton, Mountjoy Chilton Medley LLP, and invited him to review with the Authority the audited Financial Statements (June 30, 2017 & 2016) and Auditor's Communication (June 30, 2017). Mr. Hamilton stated the audit disclosed no instances of noncompliance and no findings which are required to be reported in accordance with Government Auditing Standards with regard to KEDFA's financial statements for the year ended June 30, 2017.

After review, the Authority accepted the report as presented.

#### **Resolution of Recognition**

Chairman Hale read and presented to the board a Resolution of Recognition for Aubrey L. Hayden, Jr., KEDFA Board Member and Vice Chairman, who resigned after over 21 years of dedicated service to the Kentucky Economic Development Finance Authority and the people of the Commonwealth.


Mr. Kelly moved to adopt the resolution, as presented; Secretary Landrum seconded the motion. Motion passed; unanimous.

### **Adjournment**

There being no further business, Chairman Hale moved to adjourn the September KEDFA board meeting; Mr. Kelly seconded the motion. Motion passed; unanimous.

The meeting adjourned at 11:42 a.m.

**PRESIDING OFFICER:**



---

Jean Hale, Chairman