

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING August 25, 2016

MINUTES

Call to Order

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

Staff Present: Bobby Aldridge, Tim Back, Caroline Baesler, Lynda Cunningham, Marlene Duffy, Michelle Elder, Alec Germond, Kimberly Gester, Don Goodin, Lisa Jones, Robyn Lee, Brandon Mattingly, Kylee Palmer, Debbie Phillips, Morgan Pierstorff, Lindsey Ransdell, Tess Simon, Kristina Slattery, Katie Smith, Teresa Spreitzer, Frank Tate and Joan Ward

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Chris Brewer, AECOM; Marilyn Blythe, Alliance; Ed Ray, City of Owensboro; Casey Bolton, Commonwealth Economics, Brad Thomas, East Kentucky Power Cooperative; Jared Pudney, Hansens Aluminum, LLC; Charles Johnson, Johnson Consulting; Ann Petersen, Jones Lang LaSalle; Wes Holbrook, Lexington-Fayette Urban County Government; Colleen Abate, Louisville Forward; Gary Marsh, Masonic Homes of Kentucky; Robert Fairchild and David Brown Kinloch, Shaker Landing Hydro Associates; Phil Holoubek, Urban Redevelopment, LLC and Daniel Briscoe, Jr. Dinsmore & Shohl, LLP

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the July 28, 2016 regular KEDFA board meeting and the August 17, 2016 special KEDFA board meeting.

Joe Kelly moved to approve the minutes, as presented; Dorsey Hall 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 Monitoring Reports

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

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

KEDFA Industrial Revenue Bond (IRB) Project (Preliminary)

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

Masonic Home Independent Living II, Inc.

Jefferson County

Mr. Goodin referenced in the board material, a KEDFA bond inducement resolution and bond report relating to the issuance of Healthcare Facilities Revenue Bonds, Series 2016 in an amount not to exceed \$110,000,000 on behalf of Masonic Homes Independent Living II, Inc. The bond proceeds will be used to finance the construction, installation and equipping of healthcare and health related facilities consisting of independent living units located on the Masonic Homes campus in Louisville.

KEDFA's adoption of a final resolution will be contingent on the Cabinet's receipt of a referral resolution from the local jurisdiction requesting that KEDFA issue these bonds. 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.

A TEFRA hearing for the purpose of receiving public comment on the proposed bond issue will be conducted by staff prior to KEDFA's adoption of a final resolution.

Staff recommended the adoption of the KEDFA bond inducement resolution.

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

Kentucky Rural Economic Development Act (KREDA) Project (Title Transfer)

Chairman Hale called on Bobby Aldridge to present a KREDA project request to the Authority.

Carbide Products International, Inc.

Henderson County

Mr. Aldridge stated on March 13, 1991, KREDA issued its \$1,700,000 Taxable Economic Development Project Revenue Bonds to finance the acquisition, construction, equipping and installation of a facility located in Henderson County, Kentucky to manufacture carbide drill components, among other items (the "Project"). In addition, KREDA took title to the financed property and leased the property back to Carbide Products International, Inc. pursuant to a lease Agreement dated March 13, 1991.

It has been brought to KEDFA's attention that the title to the property is currently held in the name of KREDA. As KREDA's statutory successor, KEDFA owns the property that has been the subject of the lease. The lease requires KEDFA to transfer title of the leased property to Carbide Products International, Inc. once the bonds have been fully paid and discharged. Carbide Products International, Inc. has represented to KEDFA staff that the bonds have been fully paid and discharged. Carbide Products International, Inc. desires to have the property subject to the Lease conveyed to it from KEDFA.

KEDFA staff requested the board approve the transfer of the title to Carbide Products International, Inc., the termination of the lease and the execution of any documents necessary to affect the transfer and comply with the requirements of the Lease and the applicable Indenture.

Staff recommended approval of the request.

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

KREDA Project (Amendment)

Chairman Hale called on Mr. Aldridge to present a KREDA project amendment request to the Authority.

GGF Heritage Manufacturing, LLC Russell County

Mr. Aldridge stated GGF Heritage Manufacturing, LLC (the "Approved Company") requested an Amended and Restated Financing Agreement to reflect a refinance of KREDA debt between Ferco Tech Corporation (the Company's "Affiliate") and MainSource Bank (the new "Lender") retroactive to September 24, 2014 and change the terms of the KREDA incentives from July 25, 2017 (the maximum allowable term) to December 31, 2015.

Staff recommended approval of the amendment request.

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

Kentucky Jobs Development Act (KJDA) Project (Amendment)

Chairman Hale called on Mr. Aldridge to present a KJDA project amendment to the Authority.

GFS Central States, LLC Bullitt County

Mr. Aldridge stated GFS Central States, LLC requested approval of a Second Amendment to the Amended and Restated Service and Technology Agreement to reflect a merger of Approved Affiliate, Gordon Food Service, LLC dba GFS Employment Services, LLC with Gordon Food Service, Inc., the surviving entity as the Approved Affiliate, retroactive to January 1, 2016.

Staff recommended approval of the KJDA amendment request.

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

Kentucky Business Incentives (KBI) Project (Amendment)

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

Altec Industries, Inc. Hardin County

Mr. Aldridge stated Altec Industries, Inc. received final approval for KBI on June 26, 2014. Subsequent to approval but prior to activation, the company increased its expansion plans for the project. Altec acquired the property adjacent to and across the street from the main campus and plans to increase the square footage of the building from 182,000 sf to 224,500 sf and construct a 38,000 sf building adjacent to its existing facility. As a result, the company has increased its investment in the project and increased both the Wage and Employment targets.

Under the original agreement, the company was authorized for a Maximum Approved Cost of \$1,250,000 with an annual limitation of \$125,000 for creating 60 jobs and a wage target of \$17.05. The proposed amendment would be for a Maximum Approved Cost of \$2,000,000 with an annual limitation of \$200,000 for creating 224 jobs and a wage target of \$22.05. Altec requested the amendment to reflect the revised expansion of the KBI project.

Staff recommended approval of the KBI amendment request.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. King 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 2 companies requested additional time to complete the projects and asked that both be presented as one motion.

<u>Company</u>	<u>County</u>	<u>Extension</u>
American Howa Kentucky, Inc.	Woodford	3 Month
A. O. Smith Corporation	Kenton	12 Month

Staff recommended approval of extension requests.

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

KEIA Project

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

Buffalo Trace Distillery, Inc. Franklin County

**Kristina Slattery
Lynda Cunningham**

Kristina Slattery stated Buffalo Trace Distillery, Inc. is considering the expansion of its barrel storage warehouse to meet the growing demand of its customers.

Lynda Cunningham stated the project investment is \$6,500,000 of which \$2,750,000 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. Hall seconded the motion. Motion passed; unanimous.

Master Engineering, Inc. dba Piccola Manufacturing Bullitt County

**Kristina Slattery
Lynda Cunningham**

Ms. Slattery stated Piccola Manufacturing is a division of Master Engineering, Inc. Since 1986, the plant has tripled in size and opportunity for employment has increased. The company is considering the expansion of its facility by adding a 30,000 sf plant and 4,800 sf office on the adjacent property. The additional space would allow the company to be more efficient in manufacturing and allow for the expansion of its workforce.

Ms. Cunningham stated the project investment is \$2,750,000 of which \$1,500,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$70,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary) and KEIA Projects

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

American Howa Kentucky, Inc. Warren County

**Frank Tate
Michelle Elder**

Frank Tate stated American Howa Kentucky, Inc. is an automotive parts manufacturing company with plants located across the world. The company is a Tier 1 supplier of most Japanese automotive manufacturers and some U.S. auto manufacturers. The company is considering an expansion of its facility in Bowling Green to meet the increased demand of Tier 1 products to OEM's.

Michelle Elder stated the project investment is \$7,586,727 of which \$3,546,876 qualifies as KBI eligible costs and \$2,566,876 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 44 with average hourly wages of \$18.00 including benefits. The state wage assessment participation is 3.0% and the City of Bowling Green 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.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$600,000 and 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. Kelly seconded the motion. Motion passed; unanimous.

Gibbs Die Casting Corporation Henderson County

**Frank Tate
Michelle Elder**

Mr. Tate stated Gibbs Die Casting Corporation, established in 1965, is owned by Koch Enterprises, Inc. and is a Tier 1 and Tier 2 supplier. The company has grown into one of the world's largest die casting companies with multiple global locations. The company is at full utilization and is in need of both casting and machining capacity expansions to support further business growth. In addition to production equipment, significant facility enhancements are necessary to advance its technology. The proposed project will allow Gibbs to support expected production demand as well as seek out additional business opportunities.

Ms. Elder stated the project investment is \$10,000,000 of which \$1,400,000 qualifies as KBI eligible costs and \$700,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 46 with average hourly wages of \$26.50 including benefits. The state wage assessment participation is 3.0% and the City of Henderson 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 Henderson County/Henderson. Only investment costs incurred at 369 Community 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 \$800,000 and approval of the KEIA approved recovery amount of \$35,000 for construction materials and building fixtures.

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

**Hansens Aluminum, LLC
Henderson County**

**Frank Tate
Michelle Elder**

Mr. Tate stated Hansens Aluminum is a newly formed automotive manufacturing company that will extrude aluminum components for the automotive industry. The company is considering locating a manufacturing facility in Henderson to supply customers across the USA and to Mexico.

Ms. Elder stated the project investment is \$18,410,000 of which \$9,110,000 qualifies as KBI eligible costs and \$6,000,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 75 with average hourly wages of \$23.00 including benefits. The state wage assessment participation is 3.0% and Henderson County will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$3,000,000 and approval of the KEIA approved recovery amount of \$360,000 for construction materials and building fixtures.

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

**Lakeshore Equipment Company dba Lakeshore Learning Materials
Woodford County**

**Lindsey Ransdell
Michelle Elder**

Lindsey Ransdell stated Lakeshore Learning Materials, founded in 1954, is the leading U.S. developer of educational materials and classroom furniture & supplies. Over the last decade, the company has grown at a remarkable rate where opening a second distribution center in the U.S. is critical for meeting current and future demand. The company is considering Midway for its new distribution and storage facility.

Ms. Elder stated the project investment is \$47,440,579 of which \$28,709,019 qualifies as KBI eligible costs and \$23,351,201 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 262 with average hourly wages of \$19.00 including benefits. The state wage assessment participation is 3.0% and Woodford County Fiscal Court will participate at 0.5% with the City of Midway participating at 0.5%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$3,700,000 and approval of the KEIA approved recovery amount of \$1,171,000 for construction materials and building fixtures and \$229,000 for R & D and/or electronic processing equipment.

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

**Carl Zeiss Vision Inc.
Boone County**

**Kristina Slattery
Lynda Cunningham**

Ms. Slattery stated Carl Zeiss Vision Inc. is an internationally leading technology enterprise operating in the optics and optoelectronics industries. The company develops and distributes semiconductor manufacturing equipment, measuring technology, microscopes, medical technology, eyeglass lenses, camera and cine lenses, binoculars and planetarium technology. The company is considering the construction of an Rx Lab as an integrated and automated supplier of prescription lenses.

Ms. Cunningham stated the project investment is \$10,000,000 of which \$5,800,000 qualifies as KBI eligible costs and \$2,000,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 190 with average hourly wages of \$19.77 including benefits. The state wage assessment participation is 1.5% and Unincorporated Boone County will participate at 0.4%. 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 \$2,000,000 and 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. Kelly seconded the motion. Motion passed; unanimous.

**East Bernstadt Cooperage, LLC
Laurel County**

**Joan Ward
Debbie Phillips**

Joan Ward stated East Bernstadt Cooperage, LLC manufactures bourbon barrels and wood chip products. The company is considering an expansion of its operation in East Bernstadt which would include the construction of a new facility to allow for increased barrel production.

Debbie Phillips stated the project investment is \$20,250,000 all of which qualifies as KBI eligible costs and \$4,500,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 75 with average hourly wages of \$15.05 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 \$1,875,000 and approval of the KEIA approved recovery amount of \$270,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

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

**Graf Brothers Flooring, Inc.
Greenup County**

**Robyn Lee
Debbie Phillips**

Robyn Lee stated Graf Brothers Flooring, Inc. is the world's largest manufacturer of rift and quartered hardwood flooring. The company is considering the expansion of its operation in South Shore by constructing two new buildings, one for the production of Lamellas used in engineered wood flooring and one for warehousing and shipping.

Ms. Phillips stated the project investment is \$1,629,000 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 20 with average hourly wages of \$12.55 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 \$450,000.

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

**Brown & Brown of Kentucky, Inc.
Adair County**

**Morgan Pierstorff
Lynda Cunningham**

Morgan Pierstorff stated Brown & Brown of Kentucky, Inc. is a provider of insurance and reinsurance products and services to general business, corporate, governmental and individual clients. Founded in Daytona Beach in 1939, the company now operates profit centers throughout the United States, England and Bermuda. The company is considering the expansion of its Columbia, KY profit centers' personal lines business with the addition of a national service center.

Ms. Cunningham stated the project investment is \$1,500,000 of which \$937,500 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 25 with average hourly wages of \$15.38 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 \$400,000.

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

**Statewide Mortgage, LLC
Jefferson County**

**Alec Germond
Lynda Cunningham**

Alec Germond stated Statewide Mortgage, LLC, established in 2002, has offices in Kentucky, Indiana and Georgia. The company originates residential mortgage loans in Georgia, Illinois, Indiana, Kentucky and Virginia. The Jefferson County location supports all of its branches and due to increased demand for services, is being considered for an expansion.

Ms. Cunningham stated the project investment is \$3,403,000 of which \$3,128,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 30 with average hourly wages of \$40.00 including benefits. The state wage assessment participation is 3.0% and the 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 1510 Lakeshore Court 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 \$600,000.

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

**Bed Wood and Parts, LLC
Christian County**

**Frank Tate
Michelle Elder**

Mr. Tate stated Bed Wood and Parts, LLC manufactures and sells bed kits for classic vehicle restorations available in over 20 species of wood for trucks and SUV's and distributes them globally. The company is considering an expansion to help meet the increased demand for the ecommerce market and to help fulfill its existing sales market.

Ms. Elder stated the project investment is \$3,720,000 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 42 with average hourly wages of \$36.00 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 \$1,000,000.

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

**CR Machine Shop, LLC
Hopkins County**

**Frank Tate
Michelle Elder**

Mr. Tate stated CR Machine Shop, LLC is a manufacturer of replacement parts primarily for the construction and mining industry. The company is considering the purchase of equipment as well as an existing building to meet product demand.

Ms. Elder stated the project investment is \$1,050,000 of which \$630,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 14 with average hourly wages of \$28.50 including benefits. The state wage assessment participation is 3.0% and the City of Madisonville will participate at 1.0%.

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

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Hall 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 4 companies requested additional time to complete the projects and asked that all 4 be presented as one motion.

<u>Company</u>	<u>County</u>	<u>Extension</u>
PTC Seamless Tube Corp.	Christian	3 Month
Accentf(x) LLC	Jefferson	12 Month
Filtrona Plastics LLC dba Alliance Plastics	Jefferson	12 Month
Thoroughbred Houseboats	Wayne	12 Month

Staff recommended approval of the KBI extension requests.

Mr. Hall moved to approve the staff recommendation, as presented; Mr. Kelly 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 3 companies requested KBI final approval, one of which has a modification since preliminary approval. Ms. Phillips asked that all 3 be presented as one motion.

KBI finals without modifications since preliminary approval:

<u>Project Name</u>	<u>County</u>	<u>Type Project</u>
ISCO Industries, Inc.	Jefferson	Headquarters
Maker’s Mark Distillery, Inc.	Marion	Manufacturing

KBI finals with modifications since preliminary approval:

Park Community Credit Union, Inc. Jefferson Headquarters
 The company name changed from Park Community Federal Credit Union to Park Community Credit Union, Inc. 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. Hall moved to approve the staff recommendation, as presented; Mr. Kelly 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 8 Kentucky small businesses, from 7 counties with qualifying tax credits of \$52,500. The 8 businesses created 15 jobs and invested \$134,302 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>
Copperhead Environmental Consulting Inc.	Garrard	9	4	\$ 15.23	\$ 16,805	\$ 14,000
Garret-Stotz Company	Jefferson	39	3	\$ 21.65	\$ 16,831	\$ 10,500
Industrial Choice Healthcare, PLLC	Marion	0	1	\$ 14.00	\$ 10,980	\$ 3,500
Inside Out Design, LLC	Franklin	2	1	\$ 18.27	\$ 20,450	\$ 3,500
Kendor Wood, Inc.	Graves	36	1	\$ 13.75	\$ 5,589	\$ 3,500
Nicole G. Freels, DPM, PSC	Fayette	13	3	\$ 11.33	\$ 13,900	\$ 10,500
Soundtech, Incorporated	Fleming	1	1	\$ 25.00	\$ 25,499	\$ 3,500
Visual Image Systems Company, LLC	Jefferson	39	1	\$ 14.00	\$ 24,248	\$ 3,500

Staff recommended approval of the tax credits.

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

Incentive for Energy Independence Act (IEIA) Projects (Preliminary)

Chairman Hale called on Mr. Goodin to present the IEIA preliminary projects to the Authority.

Lock 12 Hydro Partners, LLC

Estill County

Mr. Goodin stated Lock 12 Hydro Partners, LLC is considering the construction of a hydroelectric plant in the abandoned lock chambers at Lock 12 on the Kentucky River in Estill County. All power produced will be sold through a Power Purchase Agreement to Jackson Energy Cooperative. The anticipated project investment is \$7,800,000.

The Department of Energy Development and Independence and the University of Kentucky Center for Applied Energy Research have determined the project meets the conditions outlined in the statute. In addition, the Department of Revenue has reviewed the application and reports the company is in good standing.

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

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

Lock 14 Hydro Partners, LLC

Lee County

Mr. Goodin stated Lock 14 Hydro Partners, LLC is considering the construction of a hydroelectric plant in the abandoned lock chambers at Lock 14 on the Kentucky River in Lee County. All power produced will be sold through a Power Purchase Agreement to Jackson Energy Cooperative. The anticipated project investment is \$7,800,000.

The Department of Energy Development and Independence and the University of Kentucky Center for Applied Energy Research have determined the project meets the conditions outlined in the statute. In addition, the Department of Revenue has reviewed the application and reports the company is in good standing.

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

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

Executive Session

Pursuant to KRS Section 61.810 (1) (C) and (G), Chairman Hale entertained a motion to enter into Executive Session to discuss specific business proposals, the open discussion of which would jeopardize the siting, retention expansion or upgrading of the businesses and to discuss proposed or pending litigation against or on behalf of the public agency.

Mr. Hall moved to enter into executive session; Mr. King seconded the motion. Motion passed; unanimous. The board entered into executive session at 10:59 a.m.

Regular Session

Chairman Hale entertained a motion to return to regular session.

Mr. Kelly moved to return to regular session; Mr. Hall seconded the motion. Motion passed; unanimous. The board returned to regular session at 11:54 a.m.

Adjournment

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

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

The meeting adjourned 11:55 a.m.

PRESIDING OFFICER:


Jean Hale, Chairman