

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING December 8, 2016

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EST on December 8, 2016, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

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

Roll Call

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

Staff Present: Bobby Aldridge, Tim Back, Caroline Baesler, Anna Beth Bobbitt, Lynda Cunningham, Chad Eames, Michelle Elder, Alec Germond, Kimberly Gester, Don Goodin, Lisa Jones, Robyn Lee, Brandon Mattingly, Kylee Palmer, Debbie Phillips, 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; Brian Raney and Emily Wehrle, Awesome Inc.; Ed Ray, City of Owensboro; Casey Bolton, Commonwealth Economics; Robert Shearer, DBC; Lisa Bajorinas, Greater Louisville, Inc.; William Back and Curt Meltzer, Kentucky Green Harvest LLC; Doug Terry, Kentucky High-Tech Greenhouses, LLC; Ben Moore, Louisville Forward; Galen Powers and Brian Ehret, MobileMedTek Holdings, Inc.; and Bob Helton, Morehead Rowan County Economic Development Council

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the October 27, 2016 regular KEDFA board meeting and executive session.

Mike Vogt moved to approve the minutes, as presented; Tucker Ballinger 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 October 31, 2016.

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

Tax Increment Financing (TIF) Project (Final)

Chairman Hale called on staff to present a TIF final project to the Authority.

**Department of Finance – City of Owensboro
Downtown Owensboro Riverfront Revitalization
Daviness County**

**Kimberly Gester
Kylee Palmer**

Kimberly Gester stated Downtown Owensboro Riverfront Revitalization is a Mixed-Use Redevelopment/Blighted Urban Area TIF project. The development is expected to include retail space, restaurant uses, entertainment/museum uses, leasable office space, higher education space, residential units, a hotel and Urban RV park. The construction is estimated to take place over the next seven years.

The project was reviewed by an independent consultant and determined to create a net new positive impact on the Commonwealth. The Office of State Budget Director and the Finance and Administration Cabinet approved the consultant's recommendations and have certified the report and the findings with their statutorily-required Certification of Net Positive Impact to the Commonwealth.

Kylee Palmer stated the Department of Finance, City of Owensboro requested final approval of the Downtown Owensboro Riverfront Revitalization project. The total estimated cost of the project is \$153,898,990 of which \$47,300,000 is estimated for public infrastructure. The Department of Finance, City of Owensboro is eligible to recover an amount up to \$24,500,000 for public infrastructure and financing costs through an 80% recovery on withholding, sales and property taxes. Only amounts deemed as public infrastructure are eligible for recovery through increments. No state taxes shall be eligible for recovery until the minimum capital investment of \$20,000,000 has been verified as being invested in the development area.

Staff recommended final approval of the TIF project.

Ms. Palmer introduced Ed Ray and Casey Bolton and invited them to address the board regarding the project and answer any questions the board may have.

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

High Tech Pool Projects (Grant)

Chairman Hale called on staff to present the High-Tech Pool projects to the Authority.

**Awesome Center for Entrepreneurship
Fayette County**

**Chad Eames
Don Goodin**

Chad Eames stated Awesome Center for Entrepreneurship, a non-profit organization, builds and supports the entrepreneurial and high-tech community in Kentucky through educational programs and working space designed to accelerate the growth of early stage startups with high growth potential.

Mr. Goodin stated Awesome Center for Entrepreneurship requested up to \$100,000 from the High-Tech Investment Pool in the form of a grant. The funds will be used for operational expenses with disbursements on a matching basis over a two-year period with a maximum of \$50,000 each year. The company will be required to report on the use of funds semi-annually, with a final report at the end of the project term.

Staff and the Acting Executive Director, Office of Entrepreneurship, recommended approval of the grant request.

Mr. Eames introduced Brian Raney and Emily Wehrle and invited them to address the board regarding the project and answer any questions the board may have.

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

**XlerateHealth (Non-Profit), Inc.
Jefferson County**

**Chad Eames
Don Goodin**

Mr. Eames stated XlerateHealth (Non-Profit), Inc. supports the commercialization of healthcare startups within Kentucky and recruits companies from out-of-state to participate in its offerings with a goal of locating their businesses in Kentucky. Companies that have been assisted are developing businesses in medical devices, diagnostics, drug development, healthcare IT and health services.

Mr. Goodin stated the company requested up to \$100,000 from the High-Tech Investment Pool in the form of a grant. The funds will be used for operational expenses with disbursements on a matching basis over a two-year period with a maximum of \$50,000 each year. The company will be required to report on the use of funds semi-annually, with a final report at the end of the project term.

Staff and the Acting Executive Director, Office of Entrepreneurship, recommended approval of the grant request.

Mr. Eames introduced Galen Powers and Lisa Bajorinas and invited them to address the board regarding the project and answer any questions the board may have.

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

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

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

**Heaven Hill Distilleries, Inc.
Nelson County**

Mr. Aldridge stated on November 25, 1991, KREDA issued its \$2,800,000 Variable Rate Demand Economic Development Project Revenue Bonds to finance the acquisition, construction, renovation, equipping and installation of a facility located in Nelson County for the manufacture of distilled spirits and related products (the "Project"). In addition, KREDA took title to the financed property and leased the property back to Heaven Hill Distilleries, Inc. pursuant to a Lease Agreement dated November 1, 1991.

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 Heaven Hill Distilleries, Inc. once the bonds have been fully paid and discharged. Bank of New York Mellon Trust Company, N.A. (the "Trustee") has advised KEDFA staff that the bond was paid in full on June 1, 2016. Heaven Hill Distilleries, Inc. desires to have the property subject to the lease conveyed to it from KEDFA.

Staff recommended approval of a Resolution transferring the title to Heaven Hill Distilleries, Inc., the termination of the lease and the execution of any documents necessary to effect the transfer and comply with the requirements of the lease and applicable indenture.

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

KREDA Project (Amendment)

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

Letica Corporation

Fulton County

Mr. Aldridge stated Letica Corporation requested a First Amendment to Financing Agreement to reflect an extension of its existing KREDA debt obligation retroactive to September 1, 2016 to extend the terms of the KREDA incentives until September 27, 2016 (the maximum allowable term of the Agreement).

Staff recommended approval of the amendment request.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Hall 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 11 companies requested additional time to complete the projects and asked that all 11 be presented as one motion.

| <u>Company</u> | <u>County</u> | <u>Extension</u> |
|--|---------------|------------------|
| Aleris Rolled Products Manufacturing, Inc. | Hancock | 3 Month |
| Precision Strip, Inc. | Warren | 3 Month |
| Ingram's Water & Air Equipment LLC | Graves | 6 Month |
| 3M Company | Harrison | 12 Month |
| Amazon.com.kydc LLC | Taylor | 12 Month |
| Archer-Daniels-Midland Company | Jefferson | 12 Month |
| DHL Express (USA), Inc. | Boone | 12 Month |
| Dr. Schneider Automotive Systems, Inc. | Russell | 12 Month |
| Koch Filter Corporation | Jefferson | 12 Month |
| QSR Automations, Inc. | Jefferson | 12 Month |
| TransNav Technologies, Inc. | Boyle | 12 Month |

Staff recommended approval of extension requests.

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

KEIA Projects

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

**Demipac Inc.
Nelson County**

**Anna Beth Bobbitt
Lynda Cunningham**

Anna Beth Bobbitt stated Demipac Inc. specializes in the manufacturing of polythene packing materials (Pillow Film) that is widely used by internet retailers for shipping. Due to its success, the company is considering the construction of a new facility to accommodate for the increased volumes.

Lynda Cunningham stated the project investment is \$5,221,000 of which \$1,500,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$90,000 for construction materials and building fixtures.

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

**Bilstein Cold Rolled Steel LP
Warren County**

**Frank Tate
Michelle Elder**

Frank Tate stated Bilstein Cold Rolled Steel LP is a newly organized limited partnership related to the Bilstein family of businesses (collectively "Bilstein"). Bilstein was founded in 1911 in Hagen, Germany and has grown to be an important producer of cold-rolled steel in the world. The company is in the process of establishing its first U.S. manufacturing location in Bowling Green to serve the automotive industry and plans to construct an administration building to serve its manufacturing facility.

Michelle Elder stated the project investment is \$2,500,000 of which \$1,650,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$75,000 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) and KEIA Projects

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

**Performance Feeds, LLC
Warren County**

**Frank Tate
Michelle Elder**

Mr. Tate stated Performance Feeds, LLC manufactures nutritional feed products for cattle. The company is considering the relocation of its primary production/manufacturing facility from Tennessee to Bowling Green to reduce transportation costs.

Ms. Elder stated the project investment is \$2,292,000 of which \$2,092,000 qualifies as KBI eligible costs and \$1,000,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 30 with average hourly wages of \$16.00 including benefits. The state wage assessment participation is 3.0% and the City of Bowling Green will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$300,000 and approval of the KEIA approved recovery amount of \$40,000 for construction materials and building fixtures.

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

**MobileMedTek Holdings, Inc.
Jefferson County**

**Lindsey Ransdell
Michelle Elder**

Lindsey Ransdell stated MobileMedTek Holdings, Inc. is an ISO certified medical device company focused on developing new tools for the neuro-diagnostic industry. The company is a fully-staffed research and development company dedicated to designing and manufacturing its high-quality products to improve patient care and medical provider efficiency. MobileMedTek proposes to repair, renovate and engineer a facility that can serve as a manufacturing facility to help serve new innovators and entrepreneurs.

Ms. Elder stated the project investment is \$5,595,000 of which \$5,385,000 qualifies as KBI eligible costs and \$2,100,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 50 with average hourly wages of \$27.00 including benefits. The state wage assessment participation is 1.5% and Louisville/Jefferson County Metro Government will participate at 0.5%. 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 \$550,000 and approval of the KEIA approved recovery amount of \$70,000 for construction materials and building fixtures and \$30,000 for R&D and/or electronic processing equipment.

Ms. Ransdell introduced Brian Ehret and Mr. Powers and invited them to address the board regarding the project and to answer any questions the board may have.

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

**LINAK U.S. Inc.
Jefferson County**

**Anna-Beth Bobbitt
Lynda Cunningham**

Ms. Bobbitt stated LINAK U.S. Inc. manufactures electric linear actuators used in hospital beds, adjustable workstations, agricultural appliances and many other applications. LINAK expects to double sales and output in the U.S. over the next five years. The company is considering the expansion of its Louisville facility to accommodate for future growth.

Ms. Cunningham stated the project investment is \$32,727,000 of which \$19,527,000 qualifies as KBI eligible costs and \$6,100,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 413 with average hourly wages of \$25.00 including benefits. The state wage assessment participation is 1.5% and Louisville/Jefferson County Metro Government will participate at 0.5%.

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The project will include multiple locations within Jefferson County. Only investment costs incurred at 11710 LaGrange 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 \$3,500,000 and approval of the KEIA approved recovery amount of \$350,000 for construction materials and building fixtures.

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

**Mubea Tailor Rolled Blanks, LLC
Boone County**

**Anna Beth Bobbitt
Lynda Cunningham**

Ms. Bobbitt stated Mubea Tailor Rolled Blanks, LLC is a leading supplier of highly technical components to the automotive industry. The company specializes in suspension springs, stabilizer bars, transmission springs, spring band hose clamps and tailor rolled blanks. The company is considering the expansion of its footprint by installing a second rolling mill and additional presses which will allow it to meet growing product demands and business in the U.S., Mexico and Japan markets.

Ms. Cunningham stated the project investment is \$73,334,500 of which \$17,680,000 qualifies as KBI eligible costs and \$10,800,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 118 with average hourly wages of \$30.00 including benefits. The state wage assessment participation is 2.25% and Unincorporated Boone County will participate at 0.6%.

The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company and affiliate 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 jobs creation/maintenance and wage requirements will be satisfied collectively by the approved company and the affiliate, Mubea North-American Shared Services, Inc., for KBI. 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 or 132 full-time, Kentucky resident employees (which is the base employment number required by a previous project).

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

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

**Kentucky Green Harvest LLC
Lincoln County**

**Joan Ward
Debbie Phillips**

Joan Ward stated Kentucky Green Harvest LLC is a corporation recently organized by Kentucky Hi Tech Greenhouses, LLC to produce high tech greenhouses. The project would include the acquisition and construction of its operation to grow and sell green peppers to out-of-state national wholesalers.

Debbie Phillips stated the project investment is \$10,710,000 all of which qualifies as KBI eligible costs and \$3,646,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 75 with average hourly wages of \$12.50 including benefits. The state wage assessment participation is 5.0%. The company's affiliate, Kentucky Fresh Harvest, LLC, will be required to maintain 100% of the total statewide, full-time, Kentucky resident employees at all affiliate locations within Stanford, Lincoln County, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,500,000 and approval of the KEIA approved recovery amount of \$190,000 for construction materials and building fixtures.

Ms. Ward introduced Curt Meltzer and William Back and invited them to address the board regarding the project and answer any questions the board may have.

After discussion, Mr. Hayden 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.

Precision Tooling Products, LLC Graves County

**Frank Tate
Michelle Elder**

Mr. Tate stated Precision Tooling Products produces suppressor's for the tactical and accessory market in the gun industry. The company is considering the purchase of new equipment as well as an expansion of its facility in Mayfield to accommodate for future growth.

Ms. Elder stated the project investment is \$450,000 of which \$350,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 10 with average hourly wages of \$21.00 including benefits. The state wage assessment participation is 3.0% and Graves 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 \$200,000.

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

Nishida Art Specialty Composite America Inc. Franklin County

**Anna Beth Bobbitt
Lynda Cunningham**

Ms. Bobbitt stated Nishida Art Specialty Composite America Inc. is a manufacturer of a highly functional composite material, FULXUS®. This thermoplastic elastomer is widely used across industries including the automotive sector. The company is considering the establishment of its first U.S. location in Kentucky to serve the automotive industry.

Ms. Cunningham stated the project investment is \$2,330,000 of which \$1,390,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 30 with average hourly wages of \$19.00 including benefits. The state wage assessment participation is 1.5% and Franklin County Fiscal Court will participate at 0.5%.

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.

**Sonic Electronix, Inc.
Jefferson County**

**Kristina Slattery
Lynda Cunningham**

Ms. Slattery stated Sonic Electronix, Inc. is an online retailer of consumer electronics. The company is considering the relocation of its headquarters from California to Louisville to be closer to its distribution facility also located in Louisville.

Ms. Cunningham stated the project investment is \$783,000 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 60 with average hourly wages of \$27.50 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. Only investment costs incurred at 3240 Office Point Place 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 \$650,000.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Ballinger 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 8 companies requested additional time to complete the projects and asked that all 8 be presented as one motion.

| Company | County | Extension |
|---|---------------|------------------|
| Advanced Green Components, LLC | Clark | 6 Month |
| Bonfiglioli USA | Boone | 6 Month |
| First State Investments International, Inc. | Jefferson | 6 Month |
| Bilstein Cold Rolled Steel, LP | Warren | 12 Month |
| Bluegrass Supply Chain Services, LLC | Warren | 12 Month |
| Corrosion Resistant Reinforcing | Boone | 12 Month |
| FreshChoice Complete Diet Products, LLC | Gallatin | 12 Month |
| Koogee LLC dba The Comfy Cow | Jefferson | 12 Month |

Staff recommended approval of the KBI extension requests.

Mr. Vogt moved to approve the staff recommendation, as presented; Mr. Hall 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 5 companies requested KBI final approval, one of which has a modification since preliminary approval. Ms. Phillips asked that all 5 be presented as one motion.

KBI finals without modifications since preliminary approval:

| Project Name | County | Type Project |
|---|---------------|---------------------|
| Hayashi Telempu North America Corp | Franklin | Manufacturing |
| Integrated Metal Solutions, LLC | Hopkins | Manufacturing |
| Omnicare, Inc. | Barren | Manufacturing |
| Specialty Foods Group, Inc. | Daviess | Manufacturing |

KBI final with a modification since preliminary approval:

Innovative Manufacturing Services, Inc. Barren Manufacturing
The project changed from owned to leased. All other aspects of the project remain the same.

Mr. Hall moved to approve the staff recommendation, as presented; Mr. Ballinger 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 94 Kentucky small businesses, from 25 counties with qualifying tax credits of \$1,001,600. The 94 businesses created 299 jobs and invested \$3,085,013 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. | Qualifying Average Hourly Wage | Equipment or Technology | Tax Credit |
|--|---------------|------------------|-------------------|---------------------------------------|--------------------------------|-------------------|
| 3 Ten Enterprises, LLC | Jefferson | 0 | 7 | \$ 34.16 | \$ 41,850 | \$ 24,500 |
| Abbie Jones Consulting, PSC | Fayette | 2 | 1 | \$ 36.00 | \$ 11,997 | \$ 3,500 |
| Accuserve Equipment & Supply, L.L.C. | Jefferson | 35 | 1 | \$ 36.06 | \$ 6,496 | \$ 3,500 |
| Against the Grain LLC | Jefferson | 7 | 3 | \$ 11.58 | \$ 66,010 | \$ 10,500 |
| Allstate Heating and Cooling, Incorporated | Fayette | 25 | 7 | \$ 24.61 | \$ 70,808 | \$ 24,500 |
| Allstate Ready Mix, Inc. | Oldham | 16 | 3 | \$ 19.51 | \$ 294,601 | \$ 10,500 |
| Atlas Metal Products Co. | Jefferson | 41 | 5 | \$ 15.67 | \$ 28,371 | \$ 17,500 |
| Automated Cutting Technologies, Inc. | Jessamine | 16 | 3 | \$ 20.73 | \$ 10,961 | \$ 10,500 |
| Babcon Inc. | Madison | 23 | 2 | \$ 14.80 | \$ 38,769 | \$ 7,000 |
| Baldwin CPAs, PLLC | Madison | 25 | 6 | \$ 19.87 | \$ 34,488 | \$ 21,000 |
| Billings Law Firm, PLLC | Fayette | 6 | 1 | \$ 31.25 | \$ 11,110 | \$ 3,500 |
| Body Shapes Medical Management, LLC | Jefferson | 12 | 7 | \$ 23.06 | \$ 25,108 | \$ 24,500 |
| Bootleg Bar-B-Q Co. | Jefferson | 9 | 2 | \$ 17.43 | \$ 10,269 | \$ 7,000 |
| Bourbon on Main, LLC | Franklin | 0 | 3 | \$ 17.84 | \$ 12,800 | \$ 10,500 |
| Brass Reminders Company, Inc. | Jessamine | 14 | 1 | \$ 13.00 | \$ 12,375 | \$ 3,500 |
| Braxton Brewing Company, LLC | Kenton | 1 | 4 | \$ 22.96 | \$ 68,000 | \$ 14,000 |
| Brett Construction Co. | Fayette | 35 | 5 | \$ 29.92 | \$ 29,898 | \$ 17,500 |
| Brown & Kubican, P.S.C. | Fayette | 15 | 4 | \$ 31.60 | \$ 14,250 | \$ 14,000 |
| C2 Strategic Communications LLC | Jefferson | 4 | 1 | \$ 51.44 | \$ 5,249 | \$ 3,500 |
| Candyrific, LLC | Jefferson | 8 | 2 | \$ 23.62 | \$ 7,181 | \$ 7,000 |
| Central Forms Solutions, LLC | Jessamine | 0 | 4 | \$ 14.63 | \$ 42,553 | \$ 14,000 |
| Central Kentucky Sprinkler, Inc. | Jessamine | 17 | 3 | \$ 17.19 | \$ 35,500 | \$ 10,500 |
| Chase Motorsports, Inc. | McCracken | 9 | 2 | \$ 12.50 | \$ 10,800 | \$ 7,000 |
| Commonwealth Eye Clinic, Inc. | Fayette | 3 | 2 | \$ 22.63 | \$ 10,000 | \$ 7,000 |
| Consultant Solutions, Incorporated | Fayette | 11 | 2 | \$ 24.50 | \$ 6,107 | \$ 6,100 |
| Comerstone Engineering, Inc. | Jefferson | 6 | 2 | \$ 24.04 | \$ 7,275 | \$ 7,000 |
| Danville Eye Center, PLLC | Boyle | 17 | 2 | \$ 51.58 | \$ 9,300 | \$ 7,000 |
| DC Electric of Benton, Inc. | Marshall | 24 | 2 | \$ 21.90 | \$ 8,000 | \$ 7,000 |
| Diade USA, Inc. | Anderson | 27 | 2 | \$ 11.95 | \$ 29,440 | \$ 7,000 |
| Don Franklin Ford, Inc. | Adair | 25 | 5 | \$ 15.81 | \$ 18,399 | \$ 17,500 |
| Equine Diagnostic Solutions, LLC | Fayette | 3 | 1 | \$ 22.00 | \$ 5,006 | \$ 3,500 |
| Equus Run Vineyards, LLC | Woodford | 2 | 3 | \$ 13.87 | \$ 15,424 | \$ 10,500 |
| Forest Giant, Inc. | Jefferson | 16 | 3 | \$ 28.93 | \$ 15,299 | \$ 10,500 |
| Franklin Nissan, LTD. Co. | Adair | 6 | 1 | \$ 13.50 | \$ 7,945 | \$ 3,500 |

| | | | | | | |
|---|-----------|----|---|----------|------------|-----------|
| Globesil Inc. | Fayette | 0 | 1 | \$ 26.44 | \$ 16,198 | \$ 3,500 |
| GTB Holdings, Inc. | Boone | 15 | 3 | \$ 15.08 | \$ 14,130 | \$ 10,500 |
| Halleywood Farm LLC | Fayette | 2 | 1 | \$ 17.00 | \$ 6,000 | \$ 3,500 |
| Hera Testing Laboratories, Inc. | Fayette | 0 | 5 | \$ 34.76 | \$ 18,263 | \$ 17,500 |
| Higdon Outdoors LLC | McCracken | 6 | 3 | \$ 21.32 | \$ 17,016 | \$ 10,500 |
| Hinkle Environmental Services, LLC | Bourbon | 11 | 8 | \$ 16.16 | \$ 97,603 | \$ 25,000 |
| Howard W. Pence, Inc. | Hardin | 6 | 8 | \$ 26.00 | \$ 41,675 | \$ 25,000 |
| Interior Design & Architecture, Inc. | Jefferson | 31 | 2 | \$ 19.63 | \$ 8,887 | \$ 7,000 |
| Jacobs Group, Inc. | Jefferson | 0 | 2 | \$ 21.47 | \$ 79,102 | \$ 7,000 |
| Jason Tanner Design, LLC | Daviess | 6 | 1 | \$ 24.04 | \$ 5,987 | \$ 3,500 |
| Johnson Plaster & Vinyl, Inc. | McCracken | 7 | 4 | \$ 19.84 | \$ 29,934 | \$ 14,000 |
| Kentucky Machinery Company, LLC | Madison | 3 | 1 | \$ 28.85 | \$ 36,610 | \$ 3,500 |
| Kertis Creative, LLC | Jefferson | 10 | 1 | \$ 19.23 | \$ 6,081 | \$ 3,500 |
| KyFab, LLC | Graves | 14 | 8 | \$ 15.81 | \$ 43,550 | \$ 25,000 |
| L.A. Miller, CPA, P.S.C. | McCracken | 8 | 1 | \$ 12.50 | \$ 7,995 | \$ 3,500 |
| Lance S. Ferguson, M.D., P.S.C. | Fayette | 18 | 1 | \$ 14.04 | \$ 6,681 | \$ 3,500 |
| Legacy Financial, LLC | Fayette | 5 | 2 | \$ 41.25 | \$ 7,791 | \$ 7,000 |
| LoVo Systems, Inc. | Fayette | 11 | 4 | \$ 16.38 | \$ 25,692 | \$ 14,000 |
| Machmer Hall Thoroughbreds, LLC | Bourbon | 18 | 2 | \$ 14.96 | \$ 7,250 | \$ 7,000 |
| MakeTime, Inc. | Fayette | 2 | 8 | \$ 40.26 | \$ 29,234 | \$ 25,000 |
| Marrillia Interests, LLC | Fayette | 10 | 4 | \$ 29.54 | \$ 36,257 | \$ 14,000 |
| Michael L. Bobo, D.D.S., M.D., P.S.C. | Calloway | 6 | 1 | \$ 21.50 | \$ 6,267 | \$ 3,500 |
| MILA International, Inc. | Boone | 13 | 1 | \$ 12.30 | \$ 16,800 | \$ 3,500 |
| Miller, Griffin and Marks, P.S.C. | Fayette | 23 | 2 | \$ 22.39 | \$ 8,810 | \$ 7,000 |
| Morgan Smith Industries, LLC | Adair | 32 | 2 | \$ 15.63 | \$ 13,990 | \$ 7,000 |
| Natalie H. Daniels, M.D., PLLC | Jefferson | 2 | 2 | \$ 17.00 | \$ 15,490 | \$ 7,000 |
| Owensboro RV Incorporated | Daviess | 7 | 8 | \$ 22.59 | \$ 36,770 | \$ 25,000 |
| Paladin, Inc. | Fayette | 11 | 3 | \$ 24.64 | \$ 20,331 | \$ 10,500 |
| Patterson and Company CPAs PLLC | Jefferson | 5 | 2 | \$ 25.08 | \$ 15,112 | \$ 7,000 |
| Payroll Solutions, Inc. | Fayette | 16 | 3 | \$ 16.61 | \$ 18,000 | \$ 10,500 |
| Petro Towery, Inc. | Madison | 29 | 5 | \$ 19.10 | \$ 35,235 | \$ 17,500 |
| Pinnacle, Inc. | Marshall | 31 | 3 | \$ 15.33 | \$ 34,032 | \$ 10,500 |
| PowerTech Water, LLC | Fayette | 0 | 1 | \$ 33.61 | \$ 5,380 | \$ 3,500 |
| Quantum Enterprises, Inc. | Jefferson | 33 | 5 | \$ 16.30 | \$ 118,379 | \$ 17,500 |
| Renaissance Holdings, LLC | Jefferson | 22 | 3 | \$ 17.78 | \$ 63,412 | \$ 10,500 |
| Ribolt Fabrication, LLC | Lewis | 6 | 1 | \$ 11.00 | \$ 11,500 | \$ 3,500 |
| Rivercrest Engineering, Inc. | McCracken | 1 | 2 | \$ 25.00 | \$ 7,174 | \$ 7,000 |
| Ronald Kinman | Grant | 4 | 1 | \$ 35.00 | \$ 8,052 | \$ 3,500 |
| Schipper Enterprises, LLC | Jefferson | 25 | 6 | \$ 13.96 | \$ 32,430 | \$ 21,000 |
| SDGblue, LLC | Fayette | 26 | 7 | \$ 37.41 | \$ 25,670 | \$ 24,500 |
| Socially Present, LLC | McCracken | 6 | 6 | \$ 14.96 | \$ 29,166 | \$ 21,000 |
| Stradegy, LLC | Jefferson | 10 | 8 | \$ 20.76 | \$ 14,016 | \$ 14,000 |
| Strong's Pizza, LLC | Boone | 0 | 2 | \$ 13.50 | \$ 7,455 | \$ 7,000 |
| SWS Enterprises, Inc. | Fayette | 13 | 1 | \$ 14.07 | \$ 8,810 | \$ 3,500 |
| Tellennium, Inc. | Bullitt | 23 | 5 | \$ 15.67 | \$ 16,180 | \$ 16,100 |
| The 10th Planet, LLC | Boyle | 19 | 3 | \$ 11.74 | \$ 27,650 | \$ 10,500 |
| The Installation Source, Inc. | Fayette | 3 | 1 | \$ 43.00 | \$ 6,011 | \$ 3,500 |
| The Weekly Juicery, LLC | Fayette | 7 | 2 | \$ 12.29 | \$ 7,754 | \$ 7,000 |
| Thermal Equipment Service, Inc. | Fayette | 37 | 7 | \$ 31.07 | \$ 36,483 | \$ 24,500 |
| Three Rivers Hardwood, Inc. | Laurel | 35 | 5 | \$ 11.26 | \$ 22,000 | \$ 17,500 |
| Tommy Bramer & Son, General Contractors, LLC | Jefferson | 13 | 1 | \$ 30.00 | \$ 569,400 | \$ 3,500 |
| TransNav Technologies, Inc. | Boyle | 48 | 1 | \$ 30.45 | \$ 19,488 | \$ 3,500 |
| Tree Top Landscaping, Inc. | Fayette | 10 | 2 | \$ 14.50 | \$ 9,600 | \$ 7,000 |
| Tri Five, LLC | Fayette | 4 | 7 | \$ 14.98 | \$ 21,684 | \$ 21,600 |
| Tri-State Cold-Formed Steel Components, LLC | Bullitt | 10 | 8 | \$ 14.31 | \$ 17,361 | \$ 17,300 |
| Twin States Utilities & Excavation, Inc. | Monroe | 13 | 3 | \$ 33.19 | \$ 10,975 | \$ 10,500 |
| Visual Image Systems Company, LLC | Jefferson | 41 | 3 | \$ 12.83 | \$ 28,500 | \$ 10,500 |
| VND Restoration, LLC | Jessamine | 5 | 2 | \$ 14.00 | \$ 7,002 | \$ 7,000 |
| Willie's Commercial Printing, LLC | Pulaski | 2 | 1 | \$ 12.85 | \$ 79,802 | \$ 3,500 |
| Xploreky, LLC | Jefferson | 7 | 1 | \$ 25.00 | \$ 89,537 | \$ 3,500 |

Staff recommended approval of the tax credits.

Chairman Hale moved to approve the staff recommendation, as presented; Mr. Hall 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 2 Kentucky Angel Investment Act Program projects representing one Kentucky business for a total projected investment of \$20,000 with eligible tax credits of \$8,000 leaving \$1,316 in remaining credits under the program for 2016. The investors will be required to make the planned investments by December 31, 2016 and will have 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 Investors | County | Projected Investment | Tax Credit |
|---|---------------|---------------------------------|-----------------------|
| Urban Technology Inc. | | | |
| John Joseph Piccoro, Jr. | Kenton | \$ 10,000 | \$ 4,000 |
| Brian J. Stegman | Kenton | \$ 10,000 | \$ 4,000 |

Staff recommended approval of the proposed tax credits.

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

Incentives for Energy Independence Act (IEIA) Projects (Extension)

Chairman Hale called on Mr. Goodin to present the IEIA extension requests to the Authority.

Mr. Goodin stated 3 companies requested additional time to consider its projects and asked that all 3 be presented as one motion.

| Company | County | Extension |
|---------------------------------|---------------|------------------|
| Delta Natural Gas Company, Inc. | Madison | 12 Month |
| ecoPower Generation, LLC | Perry | 12 Month |
| Jefferson AD I, LLC | Jefferson | 12 Month |

Staff recommended approval of the IEIA extension requests.

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

KEDFA Loan

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

Franklin Simpson Industrial Authority Simpson County

Mr. Goodin stated the Franklin Simpson Industrial Authority is negotiating with Taeyang Metals to construct an 85,000 square foot facility at an estimated construction cost of \$5,500,000. Once the facility is completed, the company will occupy the space through a

capitalized lease. The industrial authority requested a loan for the construction of the building and has permanent financing secured upon the completion of the project. The KEDFA loan will be secured with a letter of credit from the local banks.

The KEDFA loan amount will exceed the maximum KEDFA guideline of \$500,000. Staff requests an exception to the policy and recommends a loan amount of \$5,500,000 for 1 year at 1.0% with interest only payments due monthly. The loan will be repaid when the facility is complete.

Staff recommended approval of the KEDFA loan request with exceptions as stated.

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

Executive Session

Pursuant to KRS Section 61.810 (1) (C), Chairman Hale entertained a motion to enter into executive session to discuss proposed or pending litigation against or on behalf of the public agency.

Mr. Ballinger moved to enter into executive session; Mr. Hayden 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. Hayden moved to return to regular session; Mr. Ballinger seconded the motion. Motion passed; unanimous. The board returned to regular session at 11:03 a.m.

Other Business

Election of Officers

In accordance with KRS 154.20-010 (7) and Article VII of the Fourth Amended and Restated Bylaws of the Kentucky Economic Development Finance Authority, the Authority shall elect biennially from its membership a Chairman, Vice Chairman, Secretary-Treasurer and any assistant secretaries and assistant treasurers deemed necessary. Elections are to take place in even numbered years.

The following members expressed willingness to serve in the designated officer positions, subject to nomination and election: Jean Hale, Chairman; Aubrey Hayden, Vice Chairman; Michael Vogt, Secretary-Treasurer; and Dorsey Hall, Assistant Secretary-Treasurer.

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

2017 KEDFA Board Meeting Dates

Ms. Smith stated the 2017 KEDFA board meeting dates were included in the board materials. The dates are:

| | |
|-------------|----------------|
| January 26 | July 27 |
| February 23 | August 31 |
| March 30 | September 28 |
| April 27 | October 26 |
| May 25 | November – TBD |
| June 29 | December – TBD |

The Authority accepted the dates as presented.

Adjournment

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

The meeting adjourned at 11:04 a.m.

PRESIDING OFFICER:

A handwritten signature in black ink, appearing to read "Jean B. Hale", written over a horizontal line.

Jean Hale, Chairman