

# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## BOARD MEETING March 31, 2016

### MINUTES

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#### **Call to Order**

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EDT on March 31, 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, Mark Bunning, Proxy for Secretary William M. Landrum, III, Joe Kelly and Mike Vogt

**Staff Present:** Bobby Aldridge, Tim Back, Caroline Baesler, Lynda Cunningham, Marlene Duffy, Michelle Elder, John Enochs, Don Goodin, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Katie Smith, Teresa Spreitzer, Frank Tate, Kristina Thompson and Joan Ward

**Others Present:** Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Marc Drolet, Saputo Dairy Foods USA, LLC; Phil Hurak, Ernst & Young; Curt Meltzer, Doug Terry, Trevor Terry and William Back, Kentucky Fresh Harvest, LLC; Jeff McKenzie, Bingham Doll McDonald; Rebecca Fleishaker, Louisville Metro and George Leamon, Stanford-Lincoln County Industrial Development Authority

#### **Approval of Minutes**

Chairman Hale entertained a motion to approve the minutes from the February 25, 2016 regular KEDFA board meeting.

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

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

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

After review, the Authority accepted the report as presented.

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

Chairman Hale called on Katie Smith to review the financial statements and monthly monitoring reports as of February 29, 2016.

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

## **Local Industrial Revenue Bond (IRB) Project (Final)**

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

**Luxco Inc.  
Nelson County**

**Lindsey Ransdell  
Michelle Elder**

Ms. Elder stated in accordance with KRS 103.210, Nelson County Fiscal Court requested KEDFA review and approve a one hundred percent (100%) reduction in the state ad valorem tax rate on the industrial building and equipment which Luxco Inc. proposes to be financed through the issuance of industrial revenue bonds by the Nelson County Fiscal Court. The principal amount of the IRB authorization is up to \$35,000,000 for a term of 30 years. A Payment in Lieu of Tax Agreement will be required with the school district for the company to pay the tangible property tax on the liquid (spirits) inventory.

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

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

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

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

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

**Saputo Dairy Foods USA, LLC  
Calloway County**

**Corky Peek  
Michelle Elder**

Corky Peek stated Saputo Dairy Foods USA, LLC, located in Murray, Kentucky, is one of the 3 largest Dairy Foods plants in the US by volume, manufacturing, packaging and distributing. A significant portion of the company's creamers, aerosol products and single serve milk products are shipped throughout the country. The plant has been in operation since 1928. Considering its age, it is in satisfactory operating condition due to Saputo's commitment over the years to maintain and repair various components of its operation. Saputo is considering reinvesting in the facility by purchasing machinery/equipment and improvements to and maintenance of existing machinery and equipment at its existing facility. The company states the KRA incentives are critical to maintain the viability of the facility. The company is contemplating an aggressive timeline and is considering the possible alternative to expand its operations in Texas and Georgia.

Ms. Elder stated the project investment is \$7,125,000 with eligible costs of \$3,562,500. The company must retain 95% of its existing employees as of preliminary approval.

Staff recommended preliminary approval of the KRA negotiated tax incentive amount of \$3,500,000.

Mr. Peek introduced Marc Drolet and Phil Hurak and invited them to address the board regarding the project.

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

## **Kentucky Investment Fund Act (KIFA) Project (Final)**

Chairman Hale called on Bobby Aldridge to present a KIFA final project to the Authority.

### **Cherub 2.0 LLC d/b/a/ Cherub 2.0 Fund, LLC Kenton County**

Mr. Aldridge stated Cherub 2.0 LLC d/b/a Cherub 2.0 Fund, LLC is being established (1) to encourage and assist in the creation, development, or expansion of small businesses located in Kentucky, and (2) to achieve superior long term returns for Fund investors through investments in privately held companies, growth company accelerator programs, and similar seed funds or organizations positioned for growth.

Meena Maddali of Connetic Ventures LLC has made application and is requesting approval of Cherub 2.0 Fund, LLC as a participant in the KIFA program as well as approval of Connetic Ventures, LLC as the fund manager. To date, the fund manager has secured over \$570,000 in committed cash contributions from more than 24 investors. Cherub 2.0 Fund, LLC meets the minimum requirements of the KIFA Program to be considered for approval by KEDFA for tax credits under the program. If approved, KIFA tax credits will be allocated to individual investors based upon evidence that the fund has made eligible investments in "qualified businesses" in "qualified activities," as defined by the statute.

Upon review of the application materials, and through discussions with the fund manager and other members, staff recommended approval of Cherub 2.0 Fund, LLC as a participating fund in the KIFA program, Connetic Ventures LLC as the approved fund manager and up to \$280,000 in available tax credits be allocated to the fund.

KEDFA's approval will be contingent upon the receipt of a fully executed KIFA program tax incentive agreement and receipt of associated fees.

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

## **Kentucky Business Investment (KBI) Projects (Amendment)**

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

### **Unique Granite and Marble, Inc. Daviness County**

Mr. Aldridge stated Unique Granite and Marble, Inc. is a granite and quartz counter top manufacturer in Owensboro, serving the western Kentucky and southern Indiana area. The company was approved for a KBI project to assist with the expansion of its residential business into the commercial and multi-family markets.

Effective January 1, 2015, the owner created a new company, Blackbird Manufacturing, LLC, to handle the commercial side of the business while Unique Granite and Marble, Inc. would handle the residential market, and added a second site to accommodate the Blackbird Manufacturing operations. The company has requested that the new company be added to the project and the new site be added as part of the project campus. This amendment recognizes Blackbird Manufacturing, LLC as an approved affiliate under the Tax Incentive Agreement and adds the second Owensboro location to the project campus. All other aspects of the project remain the same.

Staff recommended approval of the amendment request.

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

**U.G.N. Inc.  
Pulaski County**

Mr. Aldridge stated an Amendment to the Tax Incentive Agreement is needed to facilitate a correction in the Base Employment from 149 to 159 retroactive to the preliminary approval date of April 28, 2011. The change will allow the KBI Base Employment to correspond with the projected job creation for a KREDA project at the same location. The company has been advised of the oversight and the need to update the Agreement. U.G.N. Inc. is in support of the correction. All other aspects of the project remain the same.

Staff recommended approval of the amendment request.

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

**Kentucky Rural Economic Development Act (KREDA) Project (Amendment)**

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

**Frozen Foods Partners, LLC  
Muhlenberg County**

Mr. Aldridge stated as a result of a Bankruptcy Court approved Asset Purchase Agreement, Gourmet Express, LLC requested approval of a First Amendment to Tax Incentive Agreement to reflect the assignment of the rights, duties and obligations of the Tax Incentive Agreement to Frozen Foods Partners, LLC retroactive to July 16, 2015.

Staff recommended approval of the amendment request.

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

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

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

Mr. Aldridge stated the following companies have requested additional time to complete the projects and asked that they be presented as one motion:

<u>Company</u>	<u>County</u>	<u>Extension</u>
Heaven Hill Distilleries, Inc.	Jefferson	3 Month
TMS Automotive, LLC	Warren	3 Month
Altec Industries, Inc.	Hardin	12 Month
Amazon.com.kydc LLC (Retroactive to 12-31-2015)	Taylor	12 Month
J.M. Smucker LLC	Allen	12 Month
Michter's Distillery LLC	Jefferson	12 Month
Newly Weds Foods, Inc.	Boone	12 Month
Quiver Ventures LLC (Retroactive to 2-28-2016)	Warren	12 Month

Staff recommended approval of the extension requests.

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

### **KEIA Projects (Final)**

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

#### **Brown-Forman Corporation Woodford County**

**Lindsey Ransdell  
Michelle Elder**

Lindsey Ransdell stated Brown-Forman Corporation produces quality beverage alcohol brands, including Woodford Reserve, Early Times and Old Forester. The company is considering the expansion of its Woodford Reserve Distillery by adding additional barrel maturation warehouses, which would allow continual growth.

Ms. Elder stated the project investment is \$22,000,000 of which \$8,400,000 qualifies as KEIA eligible costs.

Staff recommended final approval of the KEIA approved recovery amount of \$400,000 for construction materials and building fixtures.

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

#### **Denyo Manufacturing Corporation Boyle County**

**Marlene Duffy  
Debbie Phillips**

Marlene Duffy stated Denyo Manufacturing Corporation manufactures engine-driven generators, welders, compressors and other equipment as well as repair, trucking and warehousing services. The company is considering the expansion of its existing facility in Danville by adding new office space and engineering space. The proposed project will also include the renovation of the existing areas to provide a new employee cafeteria and improved employee training space.

Debbie Phillips stated the project investment is \$3,339,160 of which \$1,502,622 qualifies as KEIA eligible costs.

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

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

#### **Kentucky Fresh Harvest, LLC Lincoln County**

**Joan Ward  
Debbie Phillips**

Joan Ward stated Kentucky Fresh Harvest, LLC is a corporation formed last year by Kentucky Hi Tech Greenhouses, LLC to produce high tech greenhouses. The company is considering the acquisition and construction of a new operation to grow and sell produce to its national wholesaler clients.

Ms. Phillips stated the project investment is \$10,710,000 all of which qualifies as KBI eligible costs and \$3,222,000 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%.

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

Ms. Ward introduced Curt Meltzer, William Back, Doug Terry and Trevor Terry and invited them to address the board regarding the project.

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

**American Stave Company L.L.C.  
Marshall County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated American Stave Company L.L.C. is a subsidiary of Independent Stave Company, based in Lebanon, Missouri. The company produces staves for the bourbon and whiskey industries. The company is considering purchasing land to construct a new stave mill in order to create more production flexibility in an area that is closer to where its raw materials are sourced.

Ms. Elder stated the project investment is \$12,000,000 all of which 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 48 with average hourly wages of \$19.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$750,000 and final approval of the KEIA approved recovery amount of \$200,000 for construction materials and building fixtures.

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

**Legend Lumber Lee Corp  
Nelson County**

**Frank Tate  
Michelle Elder**

Frank Tate stated Legend Lumber Lee Corp is a newly formed lumber company with years of experience. The company is considering locating in Kentucky to start an independent lumber concentration yard that will mill and cut hardwoods for overseas clients.

Ms. Elder stated the project investment is \$2,481,732 all of which qualifies as KBI eligible costs and \$717,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 30 with average hourly wages of \$17.65 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$600,000 and final approval of the KEIA approved recovery amount of \$40,000 for construction materials and building fixtures.

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

**Thai Summit Kentucky Corporation  
Nelson County**

**Frank Tate  
Michelle Elder**

Mr. Tate stated Thai Summit America Corporation, located in Michigan, has expanded its operations and is now considering a new location in Kentucky for its operations. The newly formed entity, Thai Summit Kentucky Corporation is considering building a new manufacturing facility for its stamping and assembly operation to help accommodate a new contract with Ford.

Ms. Elder stated the project investment is \$110,088,080 all of which qualifies as KBI eligible costs and \$23,925,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 216 with average hourly wages of \$33.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$5,000,000 and final approval of the KEIA approved recovery amount of \$500,000 for construction materials and building fixtures.

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.

**Advanced Business Solutions, Inc.  
Jefferson County**

**Frank Tate  
Michelle Elder**

Mr. Tate stated Advanced Business Solutions, Inc. (ABS), founded in 1995, is a Managed Services Provider. Over the last 20 years, ABS has slowly and steadily grown in the technology field as the perfect solution to everyone from small business to large corporations. ABS is considering the expansion of its business footprint. In order to accommodate the expansion, the company is considering the purchase of a new facility that will allow for new business growth as well as additional employment.

Ms. Elder stated the project investment is \$2,500,000 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 10 with average hourly wages of \$20.50 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.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$170,000.

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

**A. Raymond Tinnerman Automotive, Inc.  
Fleming County**

**Marlene Duffy  
Debbie Phillips**

Ms. Duffy stated A. Raymond Tinnerman Automotive, Inc. is a manufacturer of roll forming, large stamping, plastic molding and plastic assembly for the automotive industry. The company is considering the expansion of its current facility in Flemingsburg by adding equipment for a new product line.

Ms. Phillips stated the project investment is \$332,570 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 10 with average hourly wages of \$22.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

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

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

**AquiSense Technologies LLC  
Boone County**

**Marlene Duffy  
Debbie Phillips**

Ms. Duffy stated AquiSense Technologies LLC is the manufacturer of UV-C LED water disinfection and wastewater treatment systems. The proposed project would include the establishment of a new headquarters office and a full production manufacturing facility in Erlanger.

Ms. Phillips stated the project investment is \$2,145,000 of which \$810,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 45 with average hourly wages of \$36.00 including benefits. The state wage assessment participation is 2.25% and the City of Erlanger will participate at 0.75%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$500,000.

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

**Lighthouse Transportation Services, LLC  
Kenton County**

**Marlene Duffy  
Debbie Phillips**

Ms. Duffy stated Lighthouse Transportation Services, LLC is a third party logistics company providing transportation solutions. The proposed expansion project would include relocating and renovating of a larger facility and the purchase of equipment to meet growing demands.

Ms. Phillips stated the project investment is \$370,000 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 10 with average hourly wages of \$25.00 including benefits. The state wage assessment participation is 3.0% and the City of Covington 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 \$150,000.

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



**Toyotetsu America, Inc.  
Pulaski County**

**Joan Ward  
Debbie Phillips**

Ms. Ward stated Toyotetsu America, Inc. is a leading producer of automotive parts in the United States and Canada. The company is considering the expansion of its Somerset facility by purchasing high-tech equipment and adding additional manufacturing space, allowing the company to stay competitive in the automotive industry.

Ms. Phillips stated the project investment is \$62,955,000 all of which qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 100 with average hourly wages of \$18.72 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. In addition, 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 \$2,000,000.

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

**KBI Projects (Extension)**

Chairman Hale called on Lynda Cunningham to present the KBI extension requests to the Authority.

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

<u>Company</u>	<u>County</u>	<u>Extension</u>
Delta T Corporation dba Big Ass Fans	Fayette	6 Month
Life Safety Services, LLC	Jefferson	6 Month
Corning Incorporated	Boyle	12 Month
Frost-Arnett Company	Taylor	12 Month
J & T Munitions, Inc. dba J & T Distributing	Clark	12 Month

Staff recommended approval of the KBI extension requests.

Mr. Vogt 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 there are 5 KBI projects requesting final approval, two of which have modifications since preliminary approval. It is requested that all 5 be presented as one motion.

KBI finals without modifications since preliminary approval:

<u>Company</u>	<u>County</u>	<u>Type Project</u>
Atlas Machine and Supply, Inc.	Jefferson	Manufacturing
Custom Cooler, Inc.	Todd	Manufacturing
Vogt Power International Inc.	Jefferson	Headquarters

KBI final with modifications since preliminary approval:

<u>Company</u>	<u>County</u>	<u>Type Project</u>
Bowling Green Metalforming L.L.C.	Warren	Manufacturing

Bowling Green Metalforming L.L.C. had the following modification: Eligible costs for this project shall not include any amount of rent.

DHL Express (USA), Inc.	Boone	Service & Technology
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DHL Express (USA), Inc. had the following modifications: Applicant entity affiliate, Global Mail, Inc., will be added to the project. Investment increased from \$45,620,844 to \$148,358,344. Eligible costs increased from \$42,529,444 to \$82,991,194. Job targets increased from 100 to 181. Average hourly wage target (including employee benefits) will decrease from \$23.50 to \$20.50. Base annual payroll added. Rent is not considered an eligible cost. The total negotiated tax incentive amount increased from \$900,000 to \$1,400,000. All other aspects of the project remain the same.

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

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

### IEIA Project (Extension)

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

Mr. Goodin stated the following company requested additional time to complete the project.

<u>Company</u>	<u>County</u>	<u>Extension</u>
C2O Technologies, LLC	Ohio	12 Month

Staff recommended approval of the IEIA extension request retroactive to February 28, 2016.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Bunning 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 9 Kentucky small businesses, from 8 counties, with qualifying tax credits of \$70,000. The 9 businesses created 20 jobs and invested \$260,309 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>
Blaze Products Corporation	Shelby	22	1	\$ 12.50	\$ 9,148	\$ 3,500
Louisville Geek LLC	Jefferson	26	2	\$ 21.40	\$ 8,787	\$ 7,000
M&M Services Co., Inc.	Montgomery	29	5	\$ 14.30	\$ 59,254	\$ 17,500
Map Enterprises Inc.	Graves	19	2	\$ 19.54	\$ 11,988	\$ 7,000
Norman Story & Associates, Inc.	Fleming	11	2	\$ 17.25	\$ 15,489	\$ 7,000
Northern KY Machine, Inc.	Boone	12	1	\$ 33.00	\$ 5,571	\$ 3,500

State Electric Company, Inc.	Christian	12	5	\$ 25.34	\$ 18,745	\$ 17,500
Visual Image Systems Company, LLC	Jefferson	38	1	\$ 13.00	\$110,600	\$ 3,500
Winebrenner Financial Services, Inc.	Marion	1	1	\$ 11.72	\$ 20,727	\$ 3,500

Staff recommended approval of the tax credits.

Mr. Hayden moved to approve the staff recommendation, as presented; Mr. Vogt 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 29 projects representing 9 Kentucky businesses among 3 counties with 29 individual investors for a total projected investment of \$1,936,052 and eligible tax credits of \$774,420. With the current projected/ approved credits, the remaining tax credits for 2016 is \$38,669. The investor will have 60 calendar days in which to make the planned investment and 20 calendar days from the investment date in which to submit proof of the investment before receiving the tax credit.

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

<b>Qualified Small Business Qualified Investor(s)</b>	<b>County</b>	<b>Projected Investment</b>	<b>Tax Credit</b>
<b>AffiniCorp LLC</b> Arlene R. Baluyut	<b>Jefferson</b>	\$ 107,000	\$ 42,800
<b>Edj Analytics, LLC</b> Dale J. Boden Gregory E. Fischer Charles Edward Glasscock James J. Kirchdorfer Mark T. Kirchdorfer James A. Patterson, II William O. Rudd John C. Thompson Christopher H. Young	<b>Jefferson</b>	\$ 25,000 \$ 100,000 \$ 100,000 \$ 100,000 \$ 100,000 \$ 100,000 \$ 100,000 \$ 100,000 \$ 100,000	\$ 10,000 \$ 40,000 \$ 40,000 \$ 40,000 \$ 40,000 \$ 40,000 \$ 40,000 \$ 40,000 \$ 40,000
<b>NX Prenatal Inc.</b> Nikhil A. Deo David A. Page Timothy A. Reilly	<b>Jefferson</b>	\$ 25,000 \$ 30,000 \$ 25,000	\$ 10,000 \$ 12,000 \$ 10,000
<b>Rabbit Hole Spirits, LLC</b> Craig L. Mackin James David Sigler	<b>Jefferson</b>	\$ 200,000 \$ 100,000	\$ 80,000 \$ 40,000
<b>Space Tango, Inc.</b> Fielding Allen Rogers	<b>Fayette</b>	\$ 50,000	\$ 20,000
<b>SuperFanU, Inc.</b> Dean Kenneth Dickinson David L. Goodnight	<b>Jefferson</b>	\$ 100,000 \$ 25,000	\$ 40,000 \$ 10,000
<b>Tier 1 Accelerated Health, LLC</b> Thomas E. Banta William P. Butler George S. Hagan, IV	<b>Kenton</b>	\$ 10,000 \$ 75,000 \$ 10,000	\$ 4,000 \$ 30,000 \$ 4,000

Gregory W. Harmeyer		\$ 114,526	\$ 45,810
Kevin C. Moore		\$ 114,526	\$ 45,810
Robert B. Sathe		\$ 50,000	\$ 20,000
<b>Urban Technology Inc.</b>	<b>Kenton</b>		
Robert Joseph Kirkwood		\$ 10,000	\$ 4,000
<b>Wyzerr Inc.</b>	<b>Kenton</b>		
Brennan C. Burke		\$ 15,000	\$ 6,000
Tobias Moeves		\$ 10,000	\$ 4,000
Paul T. Verst		\$ 20,000	\$ 8,000
Christopher Shane Young		\$ 20,000	\$ 8,000

Staff recommended approval of the proposed tax credits.

Mr. Hayden 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), 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. Vogt moved to enter into executive session; Mr. Hayden seconded the motion. Motion passed; unanimous. The board entered into executive session at 10:58 a.m.

### **Regular Session**

Chairman Hale entertained a motion to return to regular session.

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

### **Kentucky Angel Investment Act Project (Termination)**

#### **Global Environmental Services, LLC Scott County**

A motion was made by Mr. Hayden and seconded by Mr. Vogt to terminate the Qualified Small Business Agreement between KEDFA and Global Environmental Services, LLC relative to its approval under the Kentucky Angel Investment Act, due to non-compliance.

The Motion introduced and seconded, formal action was taken by KEDFA with an affirmative vote of the majority of all members.

### **KEDFA Loan (Modification)**

#### **The Thompson Group Henderson County**

A motion was made by Mr. Kelly and seconded by Mr. Hayden to approve an additional six (6) months of interest only payments beginning March 2016 and ending August 2016.

The Motion introduced and seconded, formal action was taken by KEDFA with an affirmative vote of the majority of all members.

## **KREDA Project (Amendment)**

### **NUCOR Steel Gallatin LLC**

#### **Gallatin County**

Chairman Hale entertained a motion designating U.S. Bank National Association as Trustee replacing Bank of New York Mellon Trust Company, N.A., in the Financing Agreement dated March 15, 1994, and any amendments thereto, by and among KEDFA, Nucor Steel Gallatin LLC, and Bank of New York; and further granting the right of assignment from Bank of New York to U.S. Bank National Association as Trustee; and further authorizing and directing staff to prepare, execute, and deliver on behalf of KEDFA an amendment necessary to reflect such changes effective on or about May 2, 2016, or such other date as the necessary transactions may dictate.

A motion was made by Mr. Kelly and seconded by Mr. Hayden to recognize U.S. Bank National Association as Trustee, replacing Bank of New York Mellon Trust Company, N.A. (BNYM) in the Financing Agreement dated March 15, 1994 and any amendments thereto, by and among KEDFA, Nucor Steel Gallatin LLC and BNYM. A Resolution (KRE-F-94-7B) was also introduced authorizing the amendments to the Financing Agreement to reflect the change in Trustee.

The Motion introduced and seconded and the Resolution introduced, read and adopted, formal action was taken by KEDFA with an affirmative vote of the majority of all members.

## **Other Business**

### **State Small Business Credit Initiative (SSBCI)**

#### **Authorized Signatories**

##### **Resolution No. 2016-SSBCI-01**

In 2011, KEDFA adopted the SSBCI program guidelines and resolutions for the distribution of funds under this program. KEDFA hereby resolves as follows:

Katie Smith, Tim Back and Don Goodin shall be authorized signatories for disbursement of SSBCI funds consistent with the SSBCI program guidelines and resolutions and are hereby authorized to open and close accounts, make deposits and withdrawals, wire and transfer funds, issue checks, drafts and other orders for the payment, transfer and withdrawal of funds, sign agreements and/or such other documents with banking institutions as they deem necessary for the purpose of conducting such business and/or engaging in banking transactions consistent with the purposes of this resolution until such time as the authority granted hereunder is revoked by KEDFA at which time the Cabinet for Economic Development shall notify any banks where such accounts are held of such revocation.

A motion was made by Mr. Vogt and seconded by Mr. Bunning to adopt the Resolution as stated.

The Resolution introduced, seconded, read and adopted, formal action was taken by KEDFA with an affirmative vote of the majority of all members.

## **Adjournment**

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

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

The meeting adjourned at 11:13 a.m.

**PRESIDING OFFICER:**

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

Jean Hale, Chairman