

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING April 27, 2017

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EDT on April 27, 2017, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

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

Roll Call

Members Present: Jean Hale, Secretary William M. Landrum, III, Tucker Ballinger, Joe Kelly and Mike Vogt

Staff Present: Bobby Aldridge, Tim Back, Caroline Baesler, Anna Beth Bobbitt, Lynda Cunningham, Michelle Elder, Alec Germond, Secretary Terry R. Gill, Jr., Reid Glass, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Katie Smith, Teresa Spreitzer, Joan Ward and Lucas Witt

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Rebecca Fleischaker, Louisville Forward; Ankur Gopal, Interapt, LLC; Lawrence Cordell, Waterfront Development Corporation; Sheri Rose, Thrive Center; and Brad Thomas, East Kentucky Power

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the March 30, 2017 Regular and Executive KEDFA board meetings and the April 10, 2017 Special KEDFA board meeting.

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

Approved/Undisbursed Loan Report

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

After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports

Chairman Hale called on Katie Smith to review the financial statements and monthly monitoring reports as of March 31, 2017.

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

High Tech Pool Project (Amendment)

Chairman Hale called on Caroline Baesler to present a High-Tech Pool project amendment request to the Authority.

Nucleus, Kentucky's Life Sciences and Innovation Center, LLC Jefferson County

Ms. Baesler stated, in September 2016, KEDFA approved the use of the remaining \$880,370 grant funds for leasehold improvements for the Long-Term Health Incubator / Accelerator / Simulation Center (LTH Innovation Center), now known as The Thrive Center. The remaining funds were to be disbursed by May 30, 2017.

Nucleus requested an extension of time for disbursements to November 30, 2017. Construction is underway on The Thrive Center and the extension is needed to complete construction and work being done by various technology partners.

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

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

Local IRB Project

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

NP Bowling Green, LLC Warren County

Ms. Phillips stated in accordance with KRS 103.210, Warren County Fiscal Court requested KEDFA review and approve a seventy-five percent (75%) reduction for years 1 through 8, a fifty percent (50%) reduction for years 9 through 13 and a twenty-five percent (25%) reduction for years 14 through 20 in the state ad valorem tax rate on the industrial building and equipment which NP Bowling Green, LLC proposes to be financed through the issuance of industrial revenue bonds by the Warren County Fiscal Court. The company proposed the acquisition and construction of an industrial building to be leased to General Motors who will use the facility to house various suppliers who provide parts and supplies in support of operations at GM's Bowling Green Assembly plant. The principal amount of the IRB authorization is up to \$18,308,000 for a term of 20 years. A Payment in Lieu of Tax Agreement will be required with the school district.

The City of Bowling Green, Warren County Fiscal Court and the Board of Education anticipate entering into a PILOT Agreement with the Company which indicates that the abatement percentage reduction rate may be adjusted by the local authorities should certain requirements not be achieved by the Company. Warren County Fiscal Court or any other local entity involved with the PILOT Agreement will be responsible for notifying the Kentucky Department of Revenue if the local participation rate is reduced below the above percentage rates so the state ad valorem reduction is consistent with the local participation.

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.

Mr. Vogt moved to approve the staff recommendation, as presented; Mr. Ballinger 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 Warren County Fiscal Court, but only approved the reduction on the ad valorem tax rate as provided by KRS 103.200 and KRS 132.020.

KEDFA Grant

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

Louisville/Jefferson County Metro Government Louisville Waterfront Development Corporation Jefferson County

Ms. Palmer stated Louisville/Jefferson County Metro Government requests a grant for replacement equipment and venue improvement/refurbishment for Louisville Waterfront Park. The request includes replacing existing high-mast lighting fixtures on the Great Lawn with energy efficient Q-LED fixtures, upgrade and renovate the adventure playground/waterplay area and replace worn out park maintenance/mowing equipment. The total investment is \$376,073 with funds disbursed on a reimbursement basis and all funds to be disbursed by June 30, 2018.

Funding for this project was initially included as a line item in the fiscal 2016-2018 budget, which would have had a direct and significant impact on the Cabinet for Economic Development's (CED) operating budget. The Governor vetoed the funding, and CED agreed to consider supporting the project with funding authorized in its capital projects budget, subject to information provided by the project.

Staff and Secretary Parkinson, Tourism, Arts and Heritage Cabinet, recommended approval of the grant request.

Ms. Palmer introduced Lawrence Cordell and invited him to address the board regarding the project and answer any questions the board may have.

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

Kentucky Business Incentives (KBI) Project (Amendment)

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

Southern Air, Inc. Boone County

Mr. Aldridge stated Southern Air, Inc. is an air cargo carrier headquartered in Norwalk, Connecticut that leases freight aircraft and crews to numerous other airlines. The company received Final Approval on January 30, 2014 for a KBI project to assist with the relocation of the operations segment of its business to Florence, Kentucky. The project activated on February 1, 2014.

As a result of corporate restructuring, the company requested that two affiliated entities, Worldwide Air Logistics Group, Inc. and Atlas Air, Inc., be added to the KBI project as Approved Affiliates. Both of these affiliates operate at the project site at Turfway Road in Florence. This amendment recognizes Worldwide Air Logistics Group, Inc. and Atlas Air, Inc. as approved affiliates under the Amended and Restated Tax Incentive Agreement. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request contingent upon receipt of a revised local resolution.

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

Company	County	Extension
Heaven Hill Distilleries, Inc.	Nelson	3 Month
Somerset Center Hotel LP	Pulaski	3 Month
Steel Ventures Incorporated	Greenup	3 Month
Fischbach USA Inc.	Hardin	4 Month
Isopure, Corporation	Shelby	4 Month
L'Oreal USA Products, Inc.	Kenton	5 Month
Peristyle, LLC	Woodford	9 Month
Rut 'N Strut Distillery LLC	Shelby	12 Month

Staff recommended approval of extension requests.

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

KEIA Projects

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

Peristyle, LLC

Woodford County

Lindsey Ransdell

Debbie Phillips

Lindsey Ransdell stated Peristyle, LLC began to produce and age its flagship bourbon product in November 2016. Due to increased interest and demand, the company is considering the expansion of its production and site areas, including a separate bottling facility, the restoration of additional tanks and processing equipment, and the renovation of another storage warehouse on-site.

Ms. Phillips stated the project investment is \$3,355,950 of which \$1,487,050 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$80,000 for construction materials and building fixtures.

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

Bolivar Specialties, LLC

Jefferson County

Alec Germond

Lynda Cunningham

Alec Germond stated Bolivar Specialties, LLC, established in 2003, is a supplier of concrete admixtures, concrete surface products, and raw materials to the construction industry. This

expansion is necessary to support the growth of the company's business operator, RussTech, Inc. RussTech is the business operator of the company's construction industry products division which currently operates two manufacturing facilities in Jefferson County. This project would combine these two operations into a single facility.

Lynda Cunningham stated the project investment is \$4,850,000 of which \$2,500,000 qualifies as KEIA eligible costs.

Staff recommended approval of the KEIA approved recovery amount of \$150,000 for construction materials and building fixtures.

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

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

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

Interapt, LLC Jefferson County

**Anna Beth Bobbitt
Lynda Cunningham**

Anna Beth Bobbitt stated Interapt, LLC is a high-technology company focused on driving employee engagement and delivering customer excellence with mobile tools. The company has a suite of innovative mobile software and high-tech wearables for HR/People Operations, healthcare enterprises and media organizations. Interapt is considering the establishment of a corporate headquarters in Louisville to support its high-trajectory growth.

Ms. Bobbitt introduced Ankur Gopal and invited him to address the board regarding the project and answer any questions the board may have.

Lynda Cunningham stated the project investment is \$3,690,000 of which \$3,360,000 qualifies as KBI eligible costs and \$1,660,000 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 250 with average hourly wages of \$28.00 including benefits. The state wage assessment participation is 3.0% and Louisville/Jefferson County Metro Government will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,000,000 and approval of the KEIA approved recovery amount of \$75,000 for construction materials and building fixtures.

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

Kobe Aluminum Automotive Products LLC Warren County

**Corky Peek
Michelle Elder**

Corky Peek stated Kobe Aluminum Automotive Products LLC is a manufacturer of aluminum forging suspension for the automotive industry. The company is considering adding space to its current facility and the purchase of new equipment to capture additional business.

Michelle Elder stated the project investment is \$51,327,000 of which \$22,504,000 qualifies as KBI eligible costs and \$7,021,200 qualifies as KEIA eligible costs. The highest jobs target over the term of the agreement is 129 with average hourly wages of \$27.00 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.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,000,000 and approval of the KEIA approved recovery amount of \$200,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

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

KECH, Inc. Whitley County

**Joan Ward
Debbie Phillips**

Joan Ward stated KECH, Inc., newly formed in 2016, provides turnkey services including all resources needed to fully outsource customer engagements such as facilities, skilled personnel, proven processes, and innovative technology to its clients. The project will include a contact center operation in Williamsburg to provide services to various government agencies.

Ms. Phillips stated the project investment is \$634,600 of which \$544,600 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 35 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 \$350,000.

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

iServe Products, Inc. Boone County

**Alec Germond
Lynda Cunningham**

Mr. Germond stated iServe Products, Inc. (iServe), founded in January 2013 as an online retailer, has since grown 400% each of the last 4 years. iServe is an Amazon Top Ten Seller of Health & Household and Beauty & Personal Care products. The company is looking strongly at Northern Kentucky for the relocation of their fulfillment center, due to the recent Amazon announcement.

Ms. Cunningham stated the project investment is \$4,220,900 of which \$2,285,450 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 100 with average hourly wages of \$15.00 including benefits. The state wage assessment participation is 1.5% and Boone County will participate at 0.4%.

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

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

**Alabama Wire Products, Inc.
Hardin County**

**Anna Beth Bobbitt
Lynda Cunningham**

Ms. Bobbitt stated Alabama Wire Products, Inc (AWPI) is a wholly owned subsidiary of SSW Holding Company, Inc., a leading supplier of wire products to global appliance and HVAC OEM's, and the regional construction materials supply industry. Since 2005, AWPI has been operating as a wire drawer in Kentucky and supplying coil wire products to other SSW subsidiaries in several locations. The company is considering expanding and diversifying its construction materials product line to include mine wire mesh to be sold to a new customer base in the mining industry.

Ms. Cunningham stated the project investment is \$1,000,000 of which \$200,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 20 with average hourly wages of \$17.50 including benefits. The state wage assessment participation is 3.0% and the City of Elizabethtown 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. Ballinger moved to approve the staff recommendation, as presented; Mr. Vogt seconded the motion. Motion passed; unanimous.

**MSSC US Inc.
Christian County**

**Corky Peek
Michelle Elder**

Mr. Peek stated MSSC US Inc. is a tier 1 automotive supplier which began its operations in 1991 as a joint venture with Mitsubishi Steel and Rockwell. In 2009, Mitsubishi obtained full ownership of MSSC. MSSC supplies coil springs, stabilizer bars and stabilizer bar assemblies to a diverse customer base including: Ford, General Motors, FCA, Toyota, Nissan, Honda, Subaru and Telsa. The company is considering adding 6 new processes to its stabilizer bar business to allow MSSC to be more competitive.

Ms. Elder stated the project investment is \$11,768,000 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 \$25.00 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 \$600,000.

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

KBI Projects (Extension)

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

Ms. Elder stated 8 companies requested additional time to complete the projects and asked that all 8 be presented as one motion.

<u>Company</u>	<u>County</u>	<u>Extension</u>
ADP Benefit Services KY, Inc.	Jefferson	12 Month
Avure Technologies, Inc.	Boone	12 Month

Industry Products Company	Scott	12 Month
New Mather Metals, Inc.	Simpson	12 Month
Peristyle, LLC	Woodford	12 Month
Rut 'N Strut Distillery LLC	Shelby	12 Month
Safai Enterprises, Inc.	Jefferson	12 Month
Universal Woods, Inc.	Jefferson	12 Month

Staff recommended approval of the KBI extension requests.

Mr. Ballinger 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 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.

No Modifications:

<u>Project Name</u>	<u>County</u>	<u>Type Project</u>
iwis Engine Systems, L.P.	Calloway	Manufacturing
J & T Munitions, Inc., dba J & T Distributing	Clark	Manufacturing
Lebanon Power & Apparatus Co., Inc.	Marion	Manufacturing
New Riff Distilling, LLC	Campbell	Manufacturing

Modifications:

THG International LLC	Bullitt	Manufacturing
The company requested a name change from Cend LLC to THG International LLC. 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. Vogt moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed, unanimous.

KBI Project (Modification)

Chairman Hale called on Ms. Phillips to present a KBI modification request to the board.

**Life Safety Services, LLC
Jefferson County**

Ms. Phillips stated on March 30, 2017, Life Safety Services, LLC received KBI final approval for an expansion of its existing headquarters facility in Louisville, KY. After KEDFA's approval, staff identified the eligible costs of \$922,698 was less than the approved incentive amount of \$1,000,000. Therefore, the incentive agreement has been updated to reflect the appropriate incentive amount of \$922,698 and the annual approved cost limitations have been adjusted.

Staff recommended KEDFA ratify the modification.

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

Kentucky Reinvestment Act (KRA) Project (Final)

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

**Aleris Rolled Products, Inc.
dba Aleris Rolled Products Manufacturing, Inc.
Hancock County**

Ms. Phillips stated Aleris Rolled Products, Inc. dba Aleris Rolled Products Manufacturing, Inc. requested final approval of its KRA project. There were no modifications to the project since preliminary approval.

The company currently has 945 full-time, Kentucky resident employees and has expended approximately \$384,456,381 in equipment and related costs of which \$192,228,191 are eligible costs. The company is eligible to receive the \$11,000,000 negotiated tax incentive amount as preliminarily approved.

Staff recommended approval of the KRA final resolution and reinvestment agreement and the authorization to execute and deliver the documents.

Mr. Ballinger 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 11 Kentucky small businesses from 7 counties with qualifying tax credits of \$158,100. The 11 businesses created 47 jobs and invested \$333,349 in qualifying equipment or technology. Mr. Back requested the following tax credits be presented as one motion:

Qualified Small Business	County	Beg. Emp.	Elig. Pos.	Average Hourly Wage	Qualifying Equipment or Technology	Tax Credit
Above All Service, LLC	Marshall	20	4	\$ 20.73	\$ 14,063	\$ 14,000
Beer Engine LLC	Jefferson	0	7	\$ 14.37	\$ 42,000	\$ 24,500
Boxcar Strategies, LLC	Fayette	9	1	\$ 83.33	\$ 6,796	\$ 3,500
Carroll-Kron Consulting, Inc.	Jefferson	16	7	\$ 23.15	\$ 21,109	\$ 21,100
Consultant Solutions, Incorporated	Fayette	13	8	\$ 37.55	\$ 47,082	\$ 25,000
Copperhead Environmental Consulting, Inc.	Garrard	13	5	\$ 14.48	\$ 64,276	\$ 17,500
Dental Center of Florence, Kentucky, P.S.C.	Boone	35	3	\$ 14.33	\$ 13,637	\$ 10,500
Kerr Office Group, Inc.	Hardin	39	6	\$ 19.89	\$ 25,825	\$ 21,000
Machine and Components Industries, Inc.	Jefferson	4	4	\$ 22.10	\$ 84,900	\$ 14,000
Vidoebred, Inc.	Jefferson	10	1	\$ 15.50	\$ 7,893	\$ 3,500
Vuecom Media Group Co.	McCracken	5	1	\$ 12.33	\$ 5,768	\$ 3,500

Staff recommended approval of the tax credits.

Mr. Ballinger 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 6 Kentucky Angel Investment Act Program projects representing 6 Kentucky businesses from 3 counties for a total projected investment of \$432,800 with eligible tax credits of \$173,120. The investor will have 60 calendar days in which to make the planned investment and 20 calendar days from the investment date in which to submit proof of the investment before receiving the tax credit.

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

Qualified Small Business Qualified Investor(s)	County	Projected Investment	Tax Credit
Bexion Pharmaceuticals, Inc. Robert W. Zapp	Kenton	\$250,000	\$100,000
Comfy Cow, LLC Inder Singal	Jefferson	\$100,000	\$ 40,000
CompleteSet, Inc. Charles Edward Glasscock	Kenton	\$ 25,000	\$ 10,000
Hippo Manager Software, Inc. Clarence K. Cundiff	Fayette	\$ 10,000	\$ 4,000
Patriot Brands LLC David Brian Winbigler	Jefferson	\$ 25,000	\$ 10,000
Rabbit Hole Spirits, LLC John N. Burkett	Jefferson	\$ 22,800	\$ 9,120

Staff recommended approval of the proposed tax credits.

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

Kentucky Collateral Support Program

Chairman Hale called on Ms. Palmer to present the proposed Kentucky Collateral Support Program request to the Authority.

**Faith Holdings LLC
Fayette County**

Ms. Palmer stated First Harrison Bank has requested collateral assistance for up to \$456,000 to assist Faith Holdings LLC in the purchase of commercial real estate in Lexington, KY. The total bank loan is \$2,280,000. Faith Holdings LLC will use the loan funds to purchase a commercial building (The Lexington Diagnostics Center) and office condominiums in an adjoining building (The Physicians Mall).

Staff recommended approval of the bank request for up to \$456,000 in support from the KSBCI Kentucky Collateral Support Program.

Mr. Ballinger 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) (g), Chairman Hale entertained a motion to enter into executive session to discuss a specific business proposal, the open discussion of which would jeopardize the siting, retention, expansion or upgrading of the business.

Mr. Kelly moved to enter into executive session; Mr. Ballinger seconded the motion. Motion passed; unanimous.

The board entered into executive session at 10:51 a.m.

Regular Session

Chairman Hale entertained a motion to return to regular session.

Mr. Ballinger moved to return to regular session; Mr. Kelly seconded the motion. Motion passed; unanimous.

The board returned to regular session 11:12 a.m.

High-Tech Pool

Chairman Hale called on Ms. Smith to present the HTP funding request to the Authority.

Kentucky Economic Development Partnership Commonwealth Seed Capital, LLC

Ms. Smith stated the Executive Director of the Office of Entrepreneurship has the responsibility "to recommend funds to be used to support loans and grants, or to secure an equity or related position" in projects with a special emphasis on the creation of high-technology jobs. The request before the Authority was approval to transfer \$15,000,000 from the High-Tech Investment Pool to the Kentucky Economic Development Partnership to facilitate a private sector investment of not less than \$1,000,000,000 in one or more locations in the Commonwealth. As sole member of Commonwealth Seed Capital, LLC, the Partnership Board has the authority to make a capital contribution to the Commonwealth Seed Capital, LLC, to support high-tech companies locating or expanding within the state.

The Secretary of the Cabinet for Economic Development and the Acting Executive Director of the Office of Entrepreneurship recommended approval of the request.

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

Quarterly Kentucky Small Business Credit Initiative (KSBCI) Report

Chairman Hale called on Ms. Palmer to review the Quarterly KSBCI Report for the period ending March 31, 2017.

After review, the Authority accepted the report as presented.

KEDFA Funding

Chairman Hale called on Ms. Smith to present the KEDFA funding request to the Authority.

Kentucky Small Business Credit Initiative

Ms. Smith stated in 2011 the Cabinet was approved by the United States Department of Treasury to receive the Commonwealth's allocation of State Small Business Credit Initiative funds for implementation of the KSBCI Program in the amount of \$15,558,050. On August 25, 2011 KEDFA approved guidelines for the KSBCI Program consisting of the following: Kentucky Capital Access Program (KYCAP); Kentucky Collateral Support Program (KYCSP); and Kentucky Loan Participation Program (KYLLP). To date, The KYCSP is the most popular of the three programs.

The federal funds are nearly depleted and recycled funds are beginning to be used for programs. Currently, there are over \$1,000,000 of potential projects in discussions and additional funds are needed for the programs to continue.

Staff recommended approval of a resolution authorizing \$5,000,000 of bond fund authorization from the KEDFA Loan Pool Fund for projects approved under the KSBCI programs and transferring the funds to the appropriate accounts.

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

Quarterly Amendment Report / Resolution

Chairman Hale called on Ms. Baesler to review the Quarterly Amendment Report ending March 31, 2017.

Ms. Baesler stated the Bylaws of the Board of Directors of KEDFA grant authority to the Executive Director of the Office of Financial Services to effectuate minor changes or modifications to existing agreements with approved companies that do not substantively modify contract terms.

Ms. Baesler noted the following amendments have been executed:

Kentucky Angel Investment Act Comfy Cow LLC

Letter Amendment to Kentucky Angel Investment Act Tax Incentive Agreement dated March 16, 2015, for Comfy Cow LLC, due to a company name change from Koogee LLC, effective as of April 1, 2015, and dated for convenience March 22, 2017.

Kentucky Angel Investment Act Omveria, LLC

Letter Amendment to Kentucky Angel Investment Act Tax Incentive Agreement dated December 1, 2014, for Omveria, LLC, due to a company name change from SignSmith Technologies, LLC, effective as of April 15, 2015, and dated for convenience March 13, 2017.

Kentucky Reinvestment Act Kimball Furniture Group, LLC

Letter Amendment to KRA Tax Incentive Agreement dated July 26, 2012, for Kimball Furniture Group, LLC, due to a company name change from Kimball Furniture Group, Inc., effective as of July 1, 2014, and dated for convenience February 21, 2017.

Staff recommended the Authority accept the Amendment Report and adopt the resolutions to ratify the amendments.

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

Adjournment

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

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

The meeting adjourned at 11:17 a.m.

PRESIDING OFFICER:



Jean Hale, Chairman