

# KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

## BOARD MEETING

August 31, 2017

### MINUTES

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#### **Call to Order**

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:03 a.m. EDT on August 31, 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 has been notified of the KEDFA regular monthly board meeting.

#### **Roll Call**

**Members Present:** Jean Hale, Secretary William M. Landrum, III, Tucker Ballinger, Dorsey Hall and Joe Kelly

**Staff Present:** Tim Back, Jessica Burke, Sarah Butler, Lynda Cunningham, Michelle Elder, Alec Germond, Kimberly Gester, Reid Glass, Krista Harrod, Craig Kelly, Brandon Mattingly, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Vivek Sarin, Taylor Sears, Kristina Slattery, Katie Smith and Teresa Spreitzer

**Others Present:** Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky and Mark Franklin, Stoll Keenon Ogden; Chris Pullem, City of Ashland; Austin Arnold and Casey Bolton, Commonwealth Economics; Ryan Barrow and Sandy Williams, Finance & Administration Cabinet, Office of Financial Management; John Egan, Frost Brown & Todd, Becky McCubbins and Garrick Thompson, Greater Owensboro Economic Development Corporation; Scott Cox and Tom Liston, Louisville Arena Authority, Inc.; Chip Sutherland, Hilliard Lyons; Terri Bradshaw, Kentucky Capital Development Corporation; Brad Thomas, East Kentucky Power Cooperative, Barry Landrum, Paladin; Ravi Raumnarain and Adam Ziegler, The Recon Group; and David Brown Kinloch, Lock 12 Hydro Partners, LLC

#### **Approval of Minutes**

Chairman Hale entertained a motion to approve the minutes from the July 27, 2017 regular KEDFA board meeting.

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

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

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

After review, the Authority accepted the report as presented.

## **Financial Statements and Monitoring Reports**

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

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

## **Tax Increment Financing (TIF) Project (Preliminary)**

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

### **City of Ashland Department of Finance Ashland Plaza Redevelopment Project Boyd County**

**Kimberly Gester  
Kylee Palmer**

Kimberly Gester stated Ashland Plaza Redevelopment Project is a Mixed-Use Redevelopment in Blighted Urban Areas TIF project. The project consists of the renovation of an existing hotel, a new public parking structure and conference center as well as residential and restaurant uses on 36 acres located in downtown Ashland, on the southern bank of the Ohio River and across from West Virginia. The proposed development is expected to include renovation of the current Ashland Plaza Hotel into a 149 room Marriott brand Delta Hotel with 3-star full service accommodations, including a restaurant, lobby bar and meeting spaces; the construction of a new 4-level, 400 space above ground public parking structure next to the hotel with 12,000 square feet of conference space on the top level; renovation of old college building at 1420 Central Avenue to up to 14 residential apartment units; renovation of 4-story building at 15th and Winchester to 12 residential units; and downtown streetscape and utility improvements.

Ms. Palmer stated public infrastructure costs total approximately \$18.8 million and include land preparation, public buildings/structure, sewers/storm drainage, curbs, sidewalks, promenades and pedways, provisions of utilities and parking. The applicant estimates the project could generate \$18.7 million in on-site State and local taxes over a 20-year period while also supporting approximately 204 jobs, providing \$4.6 million in income and generating a total economic impact of \$13.2 million annually. The project is expected to be completed by Spring 2019.

By granting preliminary approval, KEDFA would enable staff to begin working with the Office of State Budget Director and the Finance and Administration Cabinet to create criteria for which an independent consultant would review the project's feasibility including financing, appropriateness for the use of the TIF program and potential increments and whether the project represents a net positive impact for the Commonwealth.

Staff recommended preliminary approval of the TIF project.

Ms. Palmer introduced Chris Pullem, Casey Bolton and Austin Arnold and invited them to address the board regarding the project and answer any questions the board may have.

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

## **KEDFA Industrial Revenue Bond (IRB) Project (Preliminary)**

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

**Louisville Arena Authority, Inc.  
Jefferson County**

Ms. Smith referenced in the board material, a draft KEDFA bond issue report relating to the issuance of taxable and tax-exempt refunding bonds in an aggregate principal amount not to exceed \$450 million on behalf of Louisville Arena Authority, Inc. The bond proceeds will be used to refund all of the outstanding Kentucky Economic Development Finance Authority Series 2008A, B and C revenue bonds for the Louisville Arena Authority, Inc.

KEDFA's adoption of a final resolution will be contingent on the Cabinet's receipt of a referral resolution from the affected local jurisdiction requesting that KEDFA issue these bonds. KEDFA serves as the conduit issuer of the bonds. The bonds will not constitute a general obligation of KEDFA and KEDFA will not be obligated to pay principal or interest for the bonds from its own funds.

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

Staff recommended the adoption of the KEDFA inducement bond resolution.

Ms. Smith introduced Scott Cox, Tom Liston, John Egan, Chip Sutherland and Mark Franklin, and invited them to address the board regarding the project and answer any questions the board may have.

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

**High-Tech Pool Project (Amendment)**

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

**Western Kentucky University Research Foundation, Inc.  
Warren County**

Ms. Palmer stated Western Kentucky University Research Foundation, Inc. (WKURF) was approved for a \$200,000 High-Tech Pool grant at the July 28, 2016 KEDFA meeting. The WKURF has collaborated with other entities to conduct a one-year on-site test for the development of a Nano enzyme treatment for coal and combustion technology.

The project was approved on a reimbursement basis. The first disbursement occurred on April 6, 2017 for \$89,083.36. The WKURF submitted the required reports regarding the use of the KEDFA funds for the first disbursement. Due to some confusion and misunderstanding regarding the final disbursement date and term date, the grant agreement expired prior to WKURF's submitting a request for the final disbursement. The final disbursement request would exhaust the balance of the \$200,000 grant. All approved expenses were expended prior to the term date of the grant agreement.

WKURF requested an extension to the disbursement request date in the grant agreement and a similar extension to the term agreement date.

The Office of Entrepreneurship recommended approval of a disbursement request date extension to September 30, 2017 and a term agreement date extension to October 31, 2017.

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

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

Chairman Hale called on Craig Kelly to present the KBI project amendments to the Authority.

### **PDCI Automotive LLC**

#### **Marion County**

Mr. Kelly stated PDCI Automotive, LLC requested a First Amendment to Tax Incentive Agreement to reflect a project location change from a 30,000 square foot manufacturing facility at 715 East Main Street in Lebanon, Marion County to a 66,000 square foot manufacturing facility at 300 Corporate Drive, Lebanon, Marion County retroactive to April 18, 2016. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

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

### **Rainbow Design Services, Inc.**

#### **Jefferson County**

Mr. Kelly stated Rainbow Design Services, Inc. received final approval on October 31, 2013 for a KBI project to expand its Louisville business providing engineering design services for cable companies. The original project site was a campus, with leased locations at Watterson Trail and Cargo Court. Due to greater than anticipated growth, the company needed more space, and has relocated to a larger consolidated location at Linn Station Road. This amendment documents the change of the project site and recognizes the new leases. All other aspects of the project remain the same.

Staff recommended approval of the KBI amendment request.

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

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

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

Mr. Kelly stated 8 companies requested additional time to complete the projects. Mr. Kelly asked that all 8 be presented as one motion.

| <u>Company</u>  | <u>County</u> | <u>Extension</u> |
|---|---------------|------------------|
| <b>East Bernstadt Cooperage, LLC</b>                          | Laurel        | 4 Month          |
| <b>Fischbach USA, Inc.</b>                                    | Hardin        | 4 Month          |
| <b>Patriot Brands, LLC</b>                                    | Henry         | 4 Month          |
| <b>Gibbs Die Casting Corporation</b>                          | Henderson     | 6 Month          |
| <b>Hansens Aluminum, LLC</b>                                  | Henderson     | 6 Month          |
| <b>AAK USA K2, LLC</b>  | Jefferson     | 9 Month          |
| <b>Master Engineering, Inc.<br/>dba Piccola Manufacturing</b> | Bullitt       | 12 Month         |
| <b>Rabbit Hole Spirits, LLC</b> (Retroactive to May 1, 2017)  | Jefferson     | 12 Month         |

Staff recommended approval of KEIA extension requests.

Mr. Hall 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.

### **Buffalo Trace Distillery, Inc. Franklin County**

**Kristina Slattery  
Lynda Cunningham**

Kristina Slattery stated Buffalo Trace Distillery, Inc. is considering expanding its facility to meet the growing demands of its customers. This project would include upgrading the current bottling operation to keep up with increased demand.

Lynda Cunningham stated the project investment is \$42,600,000 of which \$15,000,000 qualifies as KEIA eligible costs.

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

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

### **Pinkerton Tobacco Co. LP Daviss County**

**Corky Peek  
Michelle Elder**

Corky Peek stated Pinkerton Tobacco Co. LP, a division of Swedish Match North America, manufactures smokeless tobacco products such as moist snuff and loose leaf and plug tobacco. Pinkerton's major brands are Red Man Chewing Tobacco, Longhorn, Timberwolf and Red Man Moist Snuff, and Day's Work Plug Tobacco. The company is considering constructing a new building, reconstructing some space in its existing building and purchasing new equipment.

Michelle Edler stated the project investment is \$40,919,082 of which \$6,522,604 qualifies as KEIA eligible costs.

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

After discussion, Mr. Hall moved to approve the staff recommendation, as presented; Mr. Ballinger 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.

### **The Bardstown Bourbon Company, LLC Nelson County**

**Kristina Slattery  
Lynda Cunningham**

Ms. Slattery stated The Bardstown Bourbon Company, LLC, founded in 2014, is one of the largest new distilleries in America. The company started commercial production in September 2016 and is producing whiskey, bourbon and rye for its own brands as well as for its Collaborative Distilling Program partners. The company seeks to undertake a capital project to double the capacity of the distillery from 3 million to 6 million proof gallons per year.

Ms. Cunningham stated the project investment is \$18,000,000 of which \$12,200,000 qualifies as KBI eligible costs and \$4,200,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 10 with an average hourly wage of \$37.00 including benefits. The state wage assessment participation is 1.5% and the City of Bardstown will participate at 0.5%. The company will be required to maintain a base employment equal to

the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 34 full-time, Kentucky resident employees.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$300,000 and the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

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

**Denyo Manufacturing Corporation  
Boyle County**

**Kristina Slattery  
Lynda Cunningham**

Ms. Slattery stated Denyo Manufacturing Corporation's Danville facility assembles engine-driven generators that are designed for continuous, long-term service and are widely used in rental, construction, telecommunications and special events applications as well as by the U.S. military and FEMA. The proposed expansion includes a 63,000 sf building for fabrication of sheet metal components used in generator and compression assembly as well as the purchase of state-of-the-art equipment for cutting, bending and welding of steel for complex structural components on-site.

Ms. Cunningham stated the project investment is \$8,676,000 all of which qualifies as KBI eligible costs and \$2,450,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 45 with an average hourly wage of \$21.00 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 and the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

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

**KBI Projects (Preliminary)**

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

**The Recon Group Inc.  
Franklin County**

**Alec Germond  
Lynda Cunningham**

Alec Germond stated The Recon Group, incorporated in 2008, provides reverse logistic services primarily to certain national big box retailers in the U.S. and Canada. The company purchases returned merchandise such as portable media players, tablets, computers and televisions; inspects them for functionality and physical condition, wipes to clear existing data, returns to defaults, repairs or refurbishes and repackages. The proposed relocation site would allow the company to expand as business continues to grow.

Mr. Germond introduced Ravi Ramnarain and Adam Ziegler and invited them to address the board regarding the project.

Ms. Cunningham stated the project investment is \$1,395,930 of which \$860,965 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 90 with an average hourly wage of \$16.50 including benefits. The state wage assessment participation is 1.5% and Franklin County 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 \$800,000.

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

**Gryphon Environmental, LLC  
Daviness County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated Gryphon Environmental, LLC builds advanced drying systems to remove water from biomass, sludge, plastics and proteins. The company's technology is used by large industry, municipalities and research professionals worldwide. Gryphon senses a growth cycle coming and more space is needed to meet this demand. Therefore, the company is considering relocating its production facility which will increase the manufacturing space as well as add for future growth.

Ms. Elder stated the project investment is \$1,760,040 of which \$910,020 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 20 with an average hourly wage of \$30.00 including benefits. The state wage assessment participation is 3.0% and the City of Owensboro 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 \$400,000.

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

**WPT Corporation  
Ohio County**

**Corky Peek  
Michelle Elder**

Mr. Peek stated WPT Corporation, a nonwoven fabric manufacturer, has been in business since 2008. The company is considering expanding its manufacturing capabilities by installing a state of the art nonwoven production line that will focus on the hygiene and filtration media sectors. This would be WPT's second facility in Ohio County.

Ms. Elder stated the project investment is \$4,934,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 40 with an average hourly wage of \$17.00 including benefits. The state wage assessment participation is 5.0%. The project will include multiple locations within Beaver Dam/Ohio County. Only investment costs incurred at 795 West 7th Avenue 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. The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 44 full-time, Kentucky resident employees.

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

Mr. Ballinger 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 10 companies requested additional time to complete the projects. Ms. Elder asked that all 10 be presented as one motion.

| <u>Company</u>                                       | <u>County</u> | <u>Extension</u> |
|--|---------------|------------------|
| <b>Filtrona Plastics LLC (dba Alliance Plastics)</b> | Jefferson     | 6 Month          |
| <b>Gazelle, Inc.</b>                                 | Jefferson     | 6 Month          |
| <b>Seven Peaks Minerals, Inc.</b>                    | Pike          | 6 Month          |
| <b>A.O. Smith Corporation</b>                        | Kenton        | 12 Month         |
| <b>Bendix Spicer Foundation Brake LLC</b>            | Warren        | 12 Month         |
| <b>Consolo Services Group, Inc.</b>                  | Fayette       | 12 Month         |
| <b>Hollison, LLC</b>                                 | Daviess       | 12 Month         |
| <b>Intelligrated Systems, Inc.</b>                   | Boyle         | 12 Month         |
| <b>Prime Tech Manufacturing, LLC</b>                 | Graves        | 12 Month         |
| <b>V-Soft Consulting Group, Inc.</b>                 | Jefferson     | 12 Month         |

Staff recommended approval of the KBI extension requests.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Ballinger 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, 4 of which have modifications 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> |
|---------------------------|---------------|---------------------|
| <b>Florida Tile, Inc.</b> | Anderson      | Manufacturing       |

Modifications:

#### **ConeXus World Global, LLC dba Creative Realities, Inc.**

Jefferson Service & Technology

ConeXus World Global, LLC requested to add the dba Creative Realities, Inc. to the project. All other aspects of the project remain the same.

#### **First State Investments (US) LLC**

Jefferson Service & Technology

First State Investments (US) LLC acquired First State Investments International, Inc. First State Investments (US) LLC intends to complete the project and make the investment. All other aspects of the project remain the same.

#### **Louisville Distilling Company, LLC**

Jefferson Manufacturing

The company name changed from Angel's Share Brands, LLC to Louisville Distilling Company, LLC. The affiliate has been removed from the project. The investment increased from \$10,000,000 to \$27,000,001. The eligible costs increased from \$7,340,000 to \$24,213,535. Jobs increased from 40 to 60. The total negotiated tax incentive amount increased from \$800,000 to \$1,100,000. All other aspects of the project remain the same.



**Midea America Corp**

Jefferson Service & Technology

The investment increased from \$2,650,000 to \$8,950,000. The eligible costs increased from \$1,900,000 to \$5,350,000. The jobs increased from 25 to 60. The total negotiated tax incentive amount increased from \$800,000 to \$1,500,000. 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. Hall moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed, unanimous.

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

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

**Aristech Surfaces LLC  
Boone County**

**Kristina Slattery  
Debbie Phillips**

Ms. Slattery stated Aristech Surfaces LLC has been in business for almost 50 years and is a leader manufacturer of continuous cast acrylic sheet, and 100% acrylic and specialty blend solid surface products. The company produces acrylic and solid surface sheets used for a broad variety of horizontal, vertical and 3-dimensional applications used for hot tubs, bath shells, wall panels, countertops and signage applications.

The Florence headquarters and manufacturing facility is in need of significant improvements and upgrades to its equipment, which will increase efficiencies, increase production output, decrease costs and allow the company to enter into new product markets. The company states that without the KRA incentives, the project would not be possible. If approved, this project would begin in September 2017.

Ms. Phillips stated the project investment is \$17,900,000 of which \$8,950,000 qualifies as KRA eligible costs. The job retention requirement over the term of the agreement is 90% of the number of full-time jobs at the project location as of preliminary approval.

Staff recommended preliminary approval of the KRA negotiated tax incentive amount of \$375,000.

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

**Incentive for Energy Independence Act (IEIA) Project (Extension)**

Chairman Hale called on Ms. Palmer to present an IEIA project extension request to the Authority.

Mr. Palmer stated the following company requested an extension of its IEIA project.

| <u>Company</u>     | <u>County</u> | <u>Extension</u> |
|--------------------|---------------|------------------|
| RCC Big Shoal, LLC | Pike          | 12 Month         |

Staff recommended approval of IEIA extension request.

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

**IEIA Project (Final)**

Chairman Hale called on Ms. Palmer to present an IEIA project for final approval to the Authority.

**Lock 12 Hydro Partners, LLC**

**Estill County**

Ms. Palmer stated Lock 12 Hydro Partners, LLC requested final approval of the IEIA project. Staff recommended approval of the IEIA negotiated tax incentive amount of \$250,000 and the available recovery methods of sales and use tax refunds.

Ms. Palmer introduced David Brown Kinloch and invited him to address the board regarding the project and answer any questions the board may have.

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

**Kentucky Small Business Credit Initiative (KSBCI) project (Modification)**

Chairman Hale called on Ms. Palmer to present the KSBCI collateral support modification request to the Authority.

**Marikka’s Restaurant, Inc.**

**Fayette County**

Ms. Palmer stated at the July 27, 2017 Kentucky Economic Development Finance Authority (KEDFA) board meeting, Traditional Bank, Inc. received approval to enroll a \$2,305,700 loan in the Kentucky Collateral Support Program (KYCSP). The loan is for new construction and equipment for Marikka’s, a German restaurant located on Southland Drive in Lexington. Traditional Bank, Inc. requested \$461,140 in collateral support for this project.

Revisions to the project have since occurred and the lender now requests to modify the project. The original project request and approval listed Marikka’s Restaurant, Inc. as the borrower and Steel Curtain Holdings, LLC as the co-borrower. In addition, the principals Douglas E Tackett and Douglas E Tackett, Jr. were listed as the guarantors.

With the revised request, the loan will now be structured to list Marikka’s Restaurant, Inc. as the borrower and Steel Curtain Holdings, LLC, Douglas E Tackett, Douglas E Tackett, Jr. and Samson Properties LLC all as co-borrowers.

Staff recommended approval of the modification request.

Chairman Hale moved to approve the staff recommendation, as presented; Mr. Hall 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 14 Kentucky small businesses from 6 counties with qualifying tax credits of \$150,800. The 14 businesses created 44 jobs and invested \$291,926 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> |
|---------------------------------|---------------|------------------|-------------------|----------------------------|---|-------------------|
| All Hours Lock & Key, LLC       | Fayette       | 2                | 1                 | \$ 12.00                   | \$ 7,500                                  | \$ 3,500          |
| Business Benefits, Inc.         | Kenton        | 13               | 1                 | \$ 15.36                   | \$ 5,154                                  | \$ 3,500          |

|  |           |    |   |          |           |           |
|--|-----------|----|---|----------|-----------|-----------|
| Concept Displays, Inc.                         | Jefferson | 13 | 3 | \$ 19.27 | \$ 10,544 | \$ 10,500 |
| Dental Center of Florence,<br>Kentucky, P.S.C. | Boone     | 38 | 4 | \$ 26.43 | \$ 49,995 | \$ 14,000 |
| Design Comfort Heating & Air, LLC              | Kenton    | 16 | 1 | \$ 12.30 | \$ 46,955 | \$ 3,500  |
| Lexington Podiatry, PSC                        | Fayette   | 16 | 3 | \$ 13.23 | \$ 7,339  | \$ 7,300  |
| Mather & Co., CPAS, LLC                        | Jefferson | 11 | 6 | \$ 28.54 | \$ 22,564 | \$ 21,000 |
| Old World Timber, LLC                          | Fayette   | 5  | 3 | \$ 11.58 | \$ 14,240 | \$ 10,500 |
| Patterson and Company CPAs PLLC                | Jefferson | 7  | 5 | \$ 16.60 | \$ 18,452 | \$ 17,500 |
| Pinnacle, Inc.                                 | Marshall  | 34 | 5 | \$ 17.70 | \$ 19,721 | \$ 17,500 |
| Reid's Plumbing of Bardstown, Inc.             | Nelson    | 13 | 2 | \$ 15.88 | \$ 45,300 | \$ 7,000  |
| Rudler, Professional Service<br>Corporation    | Kenton    | 23 | 2 | \$ 23.20 | \$ 8,994  | \$ 7,000  |
| Solar Energy Solutions LLC                     | Fayette   | 7  | 4 | \$ 30.11 | \$ 20,468 | \$ 14,000 |
| West Sixth Brewing Company, LLC                | Fayette   | 22 | 4 | \$ 17.65 | \$ 14,700 | \$ 14,000 |

Staff recommended approval of the tax credits.

Mr. Hall moved to approve the staff recommendation, as presented; Mr. Ballinger 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 is one (1) Angel Investment Act Program project from Jefferson County for a total projected investment of \$25,000 with an eligible tax credit of \$9,680, which is the total remaining tax credit funds available in the program for calendar year 2017. The investor, Sudhakar B. Chennareddy, agreed to the reduced tax credit on his investment in Advanced Energy Materials, LLC. 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 recommended approval of the proposed tax credit.

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

The board entered into executive session at 10:46 a.m.

### **Regular Session**

Chairman Hale entertained a motion to return to regular session.

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

The board returned to regular session 11:03 a.m.

## **Other Business**

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

#### **The Thompson Group**

A motion was made by Mr. Ballinger and seconded by Mr. Hall to approve a modification request for The Thompson Group for a six (6) month extension beginning September 2017 and ending March 2018 with monthly principal payments of \$1,000 plus interest. The motion carried unanimously.

### **High-Tech Pool (Settlement)**

#### **Advanced Cancer Therapeutics**

A motion was made by Mr. Ballinger and seconded by Mr. Kelly to accept the settlement agreement to the High-Tech Pool project with Advanced Cancer Therapeutics for an agreed upon amount of \$49,999.99. The motion carried unanimously.

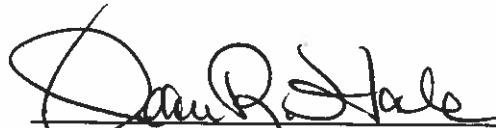
## **Adjournment**

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

Mr. Kelly moved to adjourn the August 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 Hale", written over a horizontal line.

Jean Hale, Chairman