

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

SPECIAL MEETING

January 31, 2017

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority convened at 2:00 p.m. EST, January 31, 2017, at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway, Board of Directors Conference Room, 1st Floor, in Frankfort, Kentucky, for a special meeting to consider a Kentucky Business Incentive (KBI) project in Boone County. Other sites, via video conference, were Mazak Corporation, 6850 Industrial Road, Conference Room B, Florence, Kentucky; and Community Trust Bank, Inc., 346 North Mayo Trail, 5th Floor Conference Room, Pikeville, Kentucky.

Notification of Press

Jean Hale, Chairman, received verification that the media had been notified of the KEDFA Special Board Meeting.

Roll Call

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

Staff Present: Caroline Baesler, John Bevington, Anna Beth Bobbitt, Lynda Cunningham, Don Goodin, Brandon Mattingly, Katie Smith and Teresa Spreitzer

Others Present: Marie Hansel, Northern Kentucky Tribune; Scott Hartmann, The Cincinnati Enquirer; Dan Tobertge, Tri-County Economic Development; Thomas McCoy and Curtis Sizemore, Community Trust Bank

Kentucky Business Investment (KBI) Project

Chairman Hale called on staff to present the proposed KBI Preliminary project to the Authority.

Amazon Fulfillment Services, Inc. Boone County

**Anna Beth Bobbitt
Lynda Cunningham**

Anna Beth Bobbitt stated Amazon has a long, rich history in Kentucky and employs over 10,000 full-time associates in eleven fulfillment centers. As the company's capacity demand continues to grow, the need to invest in infrastructure is necessary in order to meet and exceed the needs of its customers. The company is considering developing a centralized air hub at the CVG Airport to serve the growing fleet of Prime Air cargo planes. The project has the potential to create over 2,700 new jobs and a significant capital investment over several years.

Lynda Cunningham stated the project investment is \$1,494,000,000 of which \$463,600,000 qualifies as KBI eligible costs. The highest jobs target over the term of the agreement is 600 with average hourly wages of \$26.00 including benefits. The state wage assessment participation is 2.25% and Unincorporated Boone County will participate at 0.6%. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company and affiliate locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$40,000,000.

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

Adjournment

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

Dorsey Hall moved to adjourn the KEDFA Special Board Meeting; Tucker Ballinger seconded the motion. Motion passed; unanimous.

The meeting adjourned at 2:04 p.m.

PRESIDING OFFICER:

A handwritten signature in cursive script, appearing to read "Jean R. Hale", written over a horizontal line.

Jean Hale, Chairman