

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING

March 29, 2018

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. EDT on March 29, 2018, 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, Don Goodin, Secretary William M. Landrum, III, Joe Kelly and Chad Miller

Staff Present: Bobby Aldridge, Tim Back, John Bevington, Anna Beth Bobbitt, David Brock, Jessica Burke, Sarah Butler, Michelle Elder, Ellen Felix, Secretary Terry R. Gill, Jr., Reid Glass, Robyn Lee, Brandon Mattingly, Brian Mefford, Lauren Osborne, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Vivek Sarin, Taylor Sears, Kristina Slattery, Katie Smith, Teresa Spreitzer, Joan Ward and Lucas Witt

Others Present: Mike Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Suzanne Ballinger, Ampyss Healthcare Solutions; Richie Sanders, Capital Link Consultants; Casey Bolton, Commonwealth Economics; Quincy Cutshaw, Denham-Blythe Company; Sandy Williams, Office of Financial Management, Kentucky Finance & Administration Cabinet; Curt Meltzer, Green Ag Technologies, Tim Davis, Robert Miller and Trevor Terry, Hydroponic Farms USA LLC; Doug Terry, Kentucky Fresh Harvest; Bill Jones, North American Stainless; Barry Lendrum, Paladin; Craig Dawson, Powell County Industrial Authority; George Ward, UK Coldstream Research Campus; and Kevin Atkins, Lexington-Fayette Urban County Government

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the February 22, 2018 regular KEDFA board meeting.

Joe Kelly 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 February 28, 2018. After review, the Authority accepted the statements and reports as presented.

Tax Increment Financing (TIF) Project (Preliminary)

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

Department of Finance, Lexington-Fayette Urban County Government Coldstream Research Campus Project Fayette County

Ms. Palmer stated the University of Kentucky's Coldstream Research Campus is a Mixed-Use Redevelopment in Blighted Urban Areas TIF project. The project consists of the expansion of 176 acres to provide additional space for innovative businesses where employees can thrive and attract out-of-state businesses that place a high priority on connectivity to the University. The development will provide for lab and office space, dining, retail and residential options, a 125 room hotel as well as the public infrastructure required to attract growing businesses in Lexington. The construction is estimated to take place over the next six years.

The public infrastructure costs total approximately \$33 million and include land preparation, public buildings/structure, sewers/storm drainage, curbs, sidewalks, promenades and pedways, roads, street lighting, provision of utilities, public space or parks, parking, easements and rights of way and fountains, benches and sculptures. The applicant, Department of Finance, Lexington-Fayette Urban County Government, estimates the project will generate \$67.5 million of state tax revenues and \$34.8 million of local tax revenues over a 20 year period.

By granting preliminary approval, KEDFA would enable staff to begin working with the Office of State Budget Director and the Kentucky Finance & 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 Kevin Atkins, George Ward and Casey Bolton and invited them to address the board regarding the project.

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

High-Tech Investment Pool Project (Grant)

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

Response Techs, LLC County TBD

Ms. Palmer stated Response Techs, LLC products include explosion resistant fuel tanks, inflatable boats, rafts and emergency exit shoots, oil booms, and personal protective equipment – such as Hazmat, fire-fighting and ballistic protection. The company is seeking to relocate its operations to Kentucky and anticipates creating nearly 100 new advanced manufacturing, technical and engineering jobs over the next four to eight years.

Brian Mefford, Executive Director, Office of Entrepreneurship elaborated on the proposed project.

Ms. Palmer stated Response Techs, LLC is requesting a \$250,000 forgivable loan. Funds will be used as either a down payment on building or equipment purchases and/or facility fit-up. The company has committed the same amount for relocation, operational and/or administrative expenses. Funds must be disbursed by June 1, 2020. Compliance will be measured by a total annual payroll of at least \$1,000,000 and will begin June 1, 2020 with three annual maintenance dates of June 1, 2021, 2022 and 2023. Forgiveness of up to 25% will occur at each maintenance date, prorated to the percentage of metric achieved. Collateral will be either a 2nd position on mortgage if facility is purchased or liens on new or existing equipment, if funds are used for equipment and/or facility fit-up.

Staff and the Executive Director, Office of Entrepreneurship recommended approval of a \$250,000 forgivable loan.

Don Goodin moved to approve the staff recommendation, as presented; Mr. Kelly 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.

Copper & Kings Brandy Company Jefferson County

Mr. Aldridge stated on December 15, 2017, Cados, Inc. and Copper & Kings Brandy Company executed Articles of Merger pursuant to which Cados, Inc. was merged into Copper & Kings Brandy Company. Cados, Inc. requested the Authority's recognition of Copper & Kings Brandy Company as the Approved Company and that it be eligible to receive the incentives attributable to the project in accordance with the terms of the Agreement.

Staff recommended approval of the KBI amendment request.

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

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

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

Mr. Aldridge stated 11 companies requested additional time to complete the projects and asked that all 11 be presented as one motion.

Company	County	Extension
Novelis Corporation	Madison	2 Month
Restaurant Supply Chain Solutions, LLC	Jefferson	2 Month
3M Company	Harrison	3 Month
Road ID, Inc.	Kenton	3 Month
Brown-Forman Corporation	Woodford	6 Month
Heaven Hill Distilleries, Inc.	Jefferson	6 Month
Heaven Hill Distilleries, Inc.	Nelson	6 Month
L'Oreal USA Products, Inc.	Kenton	6 Month
New Riff Distilling, Inc.	Campbell	6 Month

Michter's Distillery, LLC
MobileMedTek Holdings, Inc.

Jefferson
Jefferson

9 Month
12 Month

Staff recommended approval of the KEIA extension requests.

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

KEIA Projects

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

Stelised, Inc.
Shelby County

Anna Beth Bobbitt
Debbie Phillips

Anna Beth Bobbitt stated Stelised, Inc., originally a mold making company, has over the years added plastic injection molding, value added contract manufacturing and direct product distribution for its customers. The company is considering the construction of a new operation in Shelbyville to increase its current services offered.

Debbie Phillips stated the project investment is \$3,489,175 of which \$1,074,500 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$60,000 for construction materials and building fixtures.

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

LBX Company LLC
Fayette County

Lindsey Ransdell
Debbie Phillips

Lindsey Ransdell stated LBX Company LLC is the maker of Link-Belt excavators. In addition to the excavators, the company manufactures Link-Belt material handlers and Link-Belt forestry equipment for the North American market. The company is considering Lexington for its corporate headquarters.

Ms. Phillips stated the project investment is \$8,890,193 of which \$2,300,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$70,000 for construction materials and building fixtures.

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

Kings Royal Biotech, Inc.
Carlisle County

Lindsey Ransdell
Debbie Phillips

Ms. Ransdell stated Kings Royal Biotech, Inc. was incorporated in the Commonwealth of Kentucky in 2017. The company plans to construct a state-of-the art, non-CO2 monomer CBD extraction refinement and re-crystallization facility in Western Kentucky. The facility will be the largest industrial scale CBD facility in the United States.

Ms. Phillips stated the project investment is \$21,767,000 of which \$13,950,000 qualifies as KEIA eligible costs. The approved recovery amount for construction materials and building

fixtures is \$350,000 and \$150,000 for research and development and/or electronic processing equipment.

Staff recommended the KEIA approved recovery amount of \$500,000.

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

**Heritage Millworks, LLC dba Powell Valley Millwork
Powell County**

**Robyn Lee
Debbie Phillips**

Robyn Lee stated Heritage Millworks, LLC dba Powell Valley Millwork produces solid wood moldings, trim and other millwork products including plantation shutter components, kiln-dried lumber and animal bedding. The company is considering the construction of a new facility to meet customer demand.

Ms. Lee introduced Craig Dawson and invited him to address the board regarding the project.

Ms. Phillips stated the project investment is \$3,350,000 of which \$1,075,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$60,000 for construction materials and building fixtures.

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

**Schneider Hotels, LLC
Jefferson County**

**Lindsey Ransdell
Michelle Elder**

Ms. Ransdell stated The Galt House Hotel was built in 1971 as part of Al Schneider's vision for a vibrant waterfront scene that would draw people from far and wide to downtown Louisville. The expansions of this complex have continued into the early 1980's with the 1,300 rooms and its 130,000 sf conference center which hosts hundreds of events each year. Schneider Hotels, LLC is considering renovating all guest rooms and public spaces, several of the hotel's food and beverage outlets as well as the creation of a new restaurant in an existing meeting room overlooking the city's Belvedere.

Michelle Elder stated the project investment is \$80,000,000 of which \$33,000,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$500,000 for construction materials and building fixtures.

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

**Halton Company
Allen County**

**Corky Peek
Michelle Elder**

Corky Peek stated Halton Company is a leading manufacturer of commercial kitchen ventilation and air distribution systems. The company is considering the construction of a new 55,000 sf facility to supplement its current manufacturing space in Allen County. This new space will lay the foundation for the Halton Air Moving division in the North American market.

Ms. Elder stated the project investment is \$6,660,000 of which \$1,750,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Kelly 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.

Independent Stave Company, LLC
Rowan County

Corky Peek
Michelle Elder

Mr. Peek stated Independent Stave Company, LLC, founded in 1912, has grown into the largest barrel manufacturer in the world, marketing its products in over 19 countries. The company is considering the purchase of land and construction of a cooperage in order to increase its capacity to help achieve the growth need as well as create more production flexibility in an area that is closer to where the raw materials are sourced.

Ms. Elder stated the project investment is \$66,522,400 all of which qualifies as KBI eligible costs and \$24,100,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 220 with an average hourly wage of \$24.00 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 \$3,000,000 and the KEIA approved recovery amount of \$500,000 for construction materials and building fixtures.

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

Hydroponic Farms USA LLC
Breathitt County

Robyn Lee
Debbie Phillips

Ms. Lee stated Hydroponic Farms USA LLC is a newly formed corporation in 2017. The company is considering the acquisition and construction of a state-of-the-art facility which will include hydroponic, aquaponics and aeroponic technologies used to grow produce.

Ms. Lee introduced Curt Meltzer, Tim Davis, Robert Miller, Trevor Terry and Doug Terry and invited them to address the board regarding the project.

Ms. Phillips stated the project investment is \$44,575,232 all of which qualifies as KBI eligible costs and \$11,217,664 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 119 with an average hourly wage of \$15.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,830,000 and the KEIA approved recovery amount of \$250,000 for construction materials and building fixtures.

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

**Extiel-Advantage-Somerset 1 Limited Liability Company
Pulaski County**

**Anna Beth Bobbitt
Debbie Phillips**

Ms. Bobbitt stated Extiel-Advantage-Somerset 1 Limited Liability Company is a subsidiary of Extiel GPG, LLC a developer of Natural Gas to Liquid (GTL) plants. The company uses a technology to convert low cost natural gas into high-value, full-synthetic waxes, base oils and solvents. The proposed plant will be a down-sized version of a large-scale GTL plant design and will produce 250 barrels per day of ultra-clean synthetic fuel products, waxes and industrial hydrogen.

Ms. Phillips stated the project investment is \$75,000,000 all of which qualifies as KBI eligible costs and \$9,400,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 60 with an average hourly wage of \$30.00 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 the KEIA approved recovery amount of \$500,000 for construction materials and building fixtures.

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

**Santa Rosa Systems, Inc.
Bullitt County**

**Anna Beth Bobbitt
Debbie Phillips**

Ms. Bobbitt stated Santa Rosa Systems, LLC (SRS) is a manufacturer of conveyor and automated sortation equipment. SRS fabricates and assembles equipment that is installed by its sister company, Material Handling Systems, Inc. (MHS), a leader in the parcel industry. SRS sells system components to MHS and also sells products, primarily extendable conveyor machines, directly to end users, such as United Parcel Service and Fed Ex Ground. The company is considering an expansion of its facility to increase office space as well as manufacturing space to meet customer demand.

Ms. Phillips stated the project investment is \$21,658,000 of which \$15,658,000 qualifies as KBI eligible costs and \$5,063,200 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 300 with an average hourly wage of \$25.00 including benefits. The state wage assessment participation is 1.5% and the City of Mt. Washington will participate at 0.5%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The project will include multiple locations within the City of Mt. Washington, Bullitt County. Only investment costs incurred at 131 Griffin Way 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. Only investment costs incurred by the approved company will be considered toward calculating eligible costs. Only the approved company may participate in the corporate income tax credit incentive (no affiliate is eligible). The jobs creation/maintenance and wage requirements will be satisfied collectively by the approved company and the affiliate, Material Handling Systems, Inc., for KBI.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,500,000 and the KEIA approved recovery amount of \$150,000 for construction materials and building fixtures.

Mr. Miller 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.

Fooji, Inc. Fayette County

**Anna Beth Bobbitt
Debbie Phillips**

Ms. Bobbitt stated Fooji, Inc. is an experiential technology company that uses on-demand delivery services to power unique marketing campaigns that acquire and engage fans for big brands. The company is considering an expansion of its headquarters facility in Lexington.

Ms. Phillips stated the project investment is \$3,202,000 of which \$1,677,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 40 with an average hourly wage of \$30.00 including benefits. The state wage assessment participation is 3.0% and Lexington-Fayette Urban County Government will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The project will include multiple locations within Lexington, Fayette County. Only investment costs incurred at 1170 Manchester Street will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$600,000.

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

Nifco America Corporation Shelby County

**Anna Beth Bobbitt
Debbie Phillips**

Ms. Bobbitt stated Nifco America Corporation, a manufacturing facility in Shelbyville, is a state of the art injection molding and assembly plant with high-level automation. The company is considering the expansion of this facility to include the purchase of additional equipment to meet customer demand.

Ms. Phillips stated the project investment is \$6,170,000 of which \$760,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 38 with an average hourly wage of \$20.00 including benefits. The state wage assessment participation is 2.25% and the City of Shelbyville 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 \$450,000.

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

**Dream Junction Ink LLC
Boone County**

**Anna Beth Bobbitt
Debbie Phillips**

Ms. Bobbitt stated Dream Junction Ink LLC is a California-based company primarily engaged in contract Direct-To-Garment apparel printing for e-commerce customers. The company is considering a manufacturing facility in Hebron.

Ms. Phillips stated the project investment is \$6,931,540 of which \$2,910,770 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 250 with an average hourly wage of \$18.00 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 \$650,000.

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

**Ampyss Healthcare Solutions, Inc.
Clinton County**

**Joan Ward
Debbie Phillips**

Joan Ward stated Ampyss Healthcare Solutions, Inc. is a full service healthcare consulting company that provides services to customers throughout the country. The company is considering an expansion in Albany to provide services to a national healthcare provider.

Ms. Ward introduced Suzanne Ballinger and invited her to address the board regarding the project.

Ms. Phillips stated the project investment is \$900,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 100 with an average hourly wage of \$17.00 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. The project will include multiple locations within the City of Albany, Clinton County. Only investment costs incurred at 105 Plaza Drive will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

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

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

**Alliant Technologies LLC
Barren County**

**Taylor Sears
Debbie Phillips**

Taylor Sears stated Alliant Technologies LLC is an electrical and software engineering company with an electrical panel fabrication shop. The company is considering leasing a facility in Glasgow to support control panel fabrication for two new markets as well as help meet customer demand.

Ms. Phillips stated the project investment is \$1,188,500 of which \$731,750 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 30 with an average hourly wage of \$25.00 including benefits. The state wage assessment participation is 3.0% and Barren County will participate at 1.0%. 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 \$275,000.

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

**HB Molding, Inc.
Jefferson County**

**Taylor Sears
Debbie Phillips**

Mr. Sears stated HB Molding, Inc. is a plastic injection molder that started in 1998 and has seen dramatic growth over the years. The company is considering building on adjacent acreage to include expanded warehouse space that will allow for existing space to be converted to manufacturing operations, install new equipment and renovate and expand office operations.

Ms. Phillips stated the project investment is \$1,450,000 of which \$1,000,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 20 with an average hourly wage of \$26.50 including benefits. The state wage assessment participation is 3.0% and Louisville/Jefferson County Metro Government will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$225,000.

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

**Fitzgerald Industries II, LLC
Wayne County**

**Lindsey Ransdell
Debbie Phillips**

Ms. Ransdell stated Fitzgerald Industries II, LLC, a newly formed company, is wholly owned by the Tommy C. Fitzgerald Legacy Trust. The company is considering a location in Monticello to manufacture fabricated aluminum dump beds for class 8 trucks.

Ms. Phillips stated the project investment is \$6,000,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 250 with an average hourly wage of \$22.00 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,400,000.

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

**Century Aluminum of Kentucky General Partnership
Hancock County**

**Lucas Witt
Michelle Elder**

Lucas Witt stated Century Aluminum of Kentucky General Partnership's smelter is located on the Ohio River and is the last remaining producer of high purity metal and the largest producer of primary aluminum in the United States. Aluminum from this facility supplies the electrical conductor, re-melt ingot and high-purity ingot markets, as well as the defense and aerospace

industries. The company is considering upgrading its equipment to remain competitive in the marketplace and increase capacity.

Ms. Elder stated the project investment is \$116,500,000 of which \$96,900,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 250 with an average hourly wage of \$57.00 including benefits. The state wage assessment participation is 3.0% and Hancock County will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. 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 \$5,500,000.

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

**HDT Expeditionary Systems, Inc.
Boone County**

**Corky Peek
Michelle Elder**

Mr. Peek stated HDT Expeditionary Systems, Inc. provides innovative solutions to military, government, industrial and commercial market customers throughout the world including shelters, generators, heaters, air filtration devices and many other engineered products. The company is considering expanding its business by purchasing new equipment and making significant improvements to the property.

Ms. Elder stated the project investment is \$14,504,000 of which \$4,030,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 113 with an average hourly wage of \$27.00 including benefits. The state wage assessment participation is 1.5% and Boone County will participate at 0.4%. 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. Rent is not included as an eligible cost for this project.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,000,000.

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

**Pioneer Plastics, Inc.
Webster County**

**Corky Peek
Michelle Elder**

Mr. Peek stated Pioneer Plastics, Inc., in business since early 1960, has several buildings that house 22 injection molding machines ranging from 75 to 990 tons used to manufacture a variety of plastic injection molded products. The company is considering investing in new equipment, making improvements to its facility and hiring additional employees to help meet the needs of its customers.

Ms. Elder stated the project investment is \$600,000 of which \$250,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 17 with an average hourly wage of \$16.00 including benefits. The state wage assessment participation is 3.0% and Webster County Fiscal Court and Webster County Economic Development Corporation will participate up to \$3,750 per year. 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. Goodin moved to approve the staff recommendation, as presented; Secretary Landrum 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 7 companies requested additional time to complete the projects and asked that all 7 be presented as one motion.

Company	County	Extension
WPT Corporation	Ohio	6 Month
AquiSense Technologies LLC	Boone	12 Month
Catalent Pharma Solutions, LLC	Clark	12 Month
Frost-Arnett Company	Taylor	12 Month
Kowa Kogyo-sho Co., Ltd.	Knox	12 Month
Logan Aluminum Inc.	Logan	12 Month
Rajant Corporation	Rowan	12 Month

Staff recommended approval of the KBI extension requests.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Miller 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 6 companies requested KBI final approval, two of which have modifications since preliminary approval. Ms. Phillips asked that all 6 be presented as one motion.

No Modifications:

Project Name	County	Type Project
Challenger Lifts, Inc.	Jefferson	Manufacturing
eTechCampus, L.L.C.	Fayette	Service & Technology
Graf Brothers Flooring, Inc.	Greenup	Manufacturing
Xact Associates, LLC dba Xact Communications	Fayette	Headquarters

Modifications:

Atlas Development Group, LLC Hardin Manufacturing
 The project changed from leased to owned. All other aspects of the project remain the same.

North American Stainless Carroll Manufacturing
 The project changed from owned to leased. Rent is not included as an eligible cost for this project. 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. Kelly moved to approve the staff recommendation, as presented; Secretary Landrum seconded the motion. Motion passed, unanimous.

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

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

Ms. Palmer stated 2 companies requested additional time and asked that both be presented as one motion.

Company	County	Extension
Cetna Energy, LLC	Boyd	12 Month
Jefferson AD II, LLC	Jefferson	12 Month

Staff recommended approval of IEIA extension requests.

Mr. Goodin 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 12 Kentucky small businesses from 8 counties with qualifying tax credits of \$95,000. The 12 businesses created 28 jobs and invested \$223,993 in qualifying equipment and/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 and/or Technology	Tax Credit
American Tire, Inc.	Nelson	12	2	\$ 19.00	\$ 28,332	\$ 7,000
Blue Frame Technology LLC	Fayette	3	1	\$ 32.69	\$ 9,635	\$ 3,500
Central Kentucky Sprinkler, Inc.	Jessamine	20	3	\$ 17.50	\$ 19,500	\$ 10,500
C J L & M, Inc.	Warren	5	2	\$ 11.75	\$ 7,042	\$ 7,000
Darling State of Mind LLC	Jefferson	0	1	\$ 16.35	\$ 5,321	\$ 3,500
Hera Testing Laboratories, Inc.	Fayette	5	1	\$ 20.67	\$ 8,989	\$ 3,500
Industrial Field Maintenance, LLC	Fleming	0	8	\$ 32.63	\$ 28,800	\$ 25,000
Kentuckiana Electrical Services, LLC	Jefferson	9	5	\$ 22.89	\$ 21,500	\$ 17,500
Peritech, Inc.	Jefferson	14	2	\$ 34.22	\$ 21,500	\$ 7,000
Rivercrest Engineering, Inc.	McCracken	3	1	\$ 25.00	\$ 37,491	\$ 3,500
Russtech Admixtures, Inc.	Jefferson	15	1	\$ 18.11	\$ 25,194	\$ 3,500
The Advisory Team, LLC	Campbell	7	1	\$ 19.95	\$ 10,689	\$ 3,500

Staff recommended approval of the tax credits.

Mr. Miller 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. Goodin moved to enter into executive session; Secretary Landrum seconded the motion. Motion passed; unanimous.

The board entered into executive session at 11:03 a.m.

Regular Session

Chairman Hale entertained a motion to return to regular session.

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

The board returned to regular session 11:10 a.m.

Other Business

KEDFA Loan (Modification)

The Thompson Group

A motion was made by Mr. Kelly and seconded by Secretary Landrum to approve a modification of the KEDFA loan to The Thompson Group. The current balance of the loan is \$704,308. The Thompson Group will make monthly payments for five (5) years, amortized over twenty (20) years at an interest rate of 4%. All remaining outstanding principal will be due at maturity. In addition, the principal operator of the company, Clifford Thompson, will provide an unlimited personal guarantee. The motion carried unanimously.

Adjournment

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

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

The meeting adjourned at 11:11 a.m.

PRESIDING OFFICER:



Jean Hale, Chairman