

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING

March 31, 2022

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:00 a.m. ET on March 31, 2022 at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

Vice-Chair J. Don Goodin received verification that the media had been notified of the KEDFA regular monthly board meeting.

Roll Call

Jean R. Hale, J. Don Goodin, Secretary Holly Johnson, Tucker Ballinger, Chad Miller, Mike Cowles and Naashom Marx

Staff Present: Tim Back, Tim Bates, Sarah Butler, Phyllis Bruning, Ashlee Chilton, Michael Crabtree, Stephanie Cullen, Martin David-Jacobs, Rachael Dever, Danielle Dunmire, Michelle Elder, Ellen Felix, Krista Harrod, James Johnson, Malcolm Jollie, Craig Kelly, Andy Luttner, Brandon Mattingly, Kate McCane, Gabrielle McGee, Connor Mcjunkin, Craig McKinney, Kyle Palmer, Corky Peek, Debbie Phillips, Angelica Sanchez Vega, Jenny Schenkenfelder, Foster Shroul, Matthew Simms, Kristina Slattery, Katie Smith, Beth Sturm, Jeff Taylor, Danielle Tibbitts, Maurice Walker, Matthew Wingate, Dan Wood and Tori Wood

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Matt Zoellner, Scott, Murphy & Daniel; Bill Sandell, OEAS; Sierra Enlow, Reid Pittard, and Ben Worrell, McGuire Sponsel; Roxann Fry, LGE-KU LLC; Heath Lovell, Bitiki Blockchain; Cliff Ford, Alliance Coal, LLC; Kim Humphrey, Riverview Coal, LLC; Stephen Fagg, Alliance Resource Partners, L.P.; Jeffrey McKenzie, Dentons, Bingham Greenebaum Doll LLP; Soozie Eastman, 502 Film; Jay Hall, Wrigley Media Group; Jason Woodall, Louisville Froward; Mariah Gratz, Weyland Ventures; Devon Stransbury, Northern KY-Tri-ED; Matt Klump and Carolyn Vignery, Kloeckner Metals Corporation; Ingrid Gentry, The Bardstown Bourbon Company, LLC; James Parsons, Keating Muething & Klekamp PLL; Jeff Hodges, Gray Construction; Kimberly Ashby, Baptist Health Deaconess Madisonville, Inc.; Brian Sheils, Kinectrics AES Inc.; Bobby Lee, Heaven Hill Distilleries Inc.; Owen McNeil, Mason County Judge Exec.; Debra Cotterill, Mayor, City of Maysville; Lucas Witt, MWM Consulting; Patrick Retzsch and Anne Cook, G & J Pepsi-Cola Bottlers; Dean Stork and John Gagel, Lexmark International Inc.; Charlie Rowland, Regard Law Group PLLC; Kyle Lake, Prosper Media Group, Inc.; Edward Mensore, EMPHATIC FILMS Inc.; Damien LeVeck, Porcupine Monster, LLC; Sunny Ho, Messiah's Star LLC; Patrick Hughes, Dressman, Benzinger, LaVelle; Melissa Perry, Loren Wolf

Approval of Minutes

Vice-Chair Goodin entertained a motion to approve the minutes from the February 24, 2022 regular KEDFA board meeting and executive session.

Jean Hale moved to approve the minutes, as presented; Chad Miller seconded the motion. Motion passed; unanimous.

Approved/Undisbursed Report

Vice-Chair Goodin called on Kylee Palmer to review the approved/undisbursed report. After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports

Vice-Chair Goodin called on Krista Harrod to review the financial statements and monitoring reports. After review, the Authority accepted the statements and reports as presented.

Tax Increment Financing (TIF) Project (Final)

Vice-Chair Goodin called on Kylee Palmer to present the TIF project for final approval to the Authority.

Metro Development Authority, Inc. Shelby Street Redevelopment Project Jefferson County

Kylee Palmer

Kylee Palmer stated the new mixed-use development project is located on Shelby Street in Louisville, Kentucky. The Project represents a valuable addition to the Phoenix Hill neighborhood and will involve the development of four separate newly constructed buildings within a contiguous block. Shelby Street Redevelopment Project is a Real Property Ad Valorem Tax Revenues TIF project. The development is expected to include a parking garage, a hotel, as well as a mixed-use building and residential. The construction is estimated to take place over the next two (2) years.

The applicant, Metro Development Authority, Inc. requested final approval of the Shelby Street Redevelopment Real Property Ad Valorem TIF project. The total estimated cost of the project is \$114,725,000 excluding financing cost. Approximately \$5,790,000 is estimated infrastructure cost total and include land preparation, curbs, sidewalks, promenades, and pedways, street lighting, provision of utilities, public spaces or parks and parking. The applicant is eligible to recover a negotiated tax incentive amount up to \$1,000,000 for eligible public infrastructure costs through 80% recovery on property taxes. Only eligible approved public infrastructure costs related to the public parking garage are eligible for recovery. The Project will not be eligible to begin receiving the incentive until after zones 1, 2 and 3 of the Project are constructed. Total cumulative investment of \$114,725,000 excluding financing costs must be achieved to be eligible for the maximum total incentive of \$1,000,000. The actual project completion percentage of the investment will be applied annually to the total incentive approved amount of \$1,000,000 to determine the maximum total incentive available/earned for the project during the term of the agreement.

Staff recommended final approval of the negotiated tax incentive amount of up to \$1,000,000.

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

Economic Development Fund (EDF) Projects

Vice-Chair Goodin called on staff to present the EDF projects to the Authority.

Wieland North America Recycling, LLC Shelby County

**Andy Luttner
Debbie Phillips**

Andy Luttner stated Wieland North America Recycling, LLC, a single member LLC of Wieland North America, Inc., is the leading manufacturer and converter of copper and copper-alloy sheet, strip, foil, tube, and fabricated components in North America. The company is considering Shelbyville for the location of a new manufacturing facility.

Debbie Phillips stated Shelby County Fiscal Court requested the use of \$500,000 in EDF program funds for the benefit of Wieland North America Recycling. The project investment is \$250,000,000, and the proposed EDF grant funds will be used to offset the costs associated with the project.

The company will be required to create 75 new, permanent full-time Kentucky resident jobs paying an average hourly wage of \$30.00, including benefits as of the first compliance date of December 31, 2025 and up to 225 jobs by the fourth compliance date of December 31, 2028. Disbursement of grant funds will occur after the annual compliance has occurred. The amount of disbursements will be based on performance requirements achieved. Payment reduction provisions are included in the grant agreement and will apply if the company fails to make the investment and create and maintain the jobs and wages by the required measurement dates.

In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the EDF for this project. Debbie Phillips stated the Secretary's concurrence had been received.

Staff recommended approval of the EDF request.

Mike Cowles moved to approve the staff recommendation, as presented; Tucker Ballinger seconded the motion. Motion passed; unanimous.

Graves County Economic Development Graves County

**Corky Peek
Michelle Elder**

Corky Peek stated the Graves County Fiscal Court in partnership with the Graves County Economic Development, Inc. (GCED) is considering building a 150,000 square foot pre-graded pad on 16 acres in the Hickory Industrial Park, including truck drive access. This will also allow the construction of a pad for up to 200 parking spaces on 4.7 acres of adjacent land to the pad. GCED has committed funds to match the economic development project.

Michelle Elder stated Graves County Fiscal Court requested the use of \$115,000 in EDF program funds for the benefit of Graves County Economic Development, Inc. The project investment is \$230,000, and the proposed EDF grant funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the EDF for this project Michelle Elder stated the Secretary's concurrence had been received.

Staff recommended approval of the EDF request.

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

**Inter-Modal Transportation Authority
Warren County**

**Malcolm Jollie
Kate McCane**

Malcolm Jollie stated Inter-Modal Transportation Authority, Inc. (ITA) is seeking to extend utilities to provide service to over 669 acres in the Kentucky Transpark. The ITA board of directors have committed to match the funds.

Kate McCane stated the City of Bowling Green requested the use of \$500,000 in EDF programs funds for the benefit of Inter-Modal Transportation Authority, Inc. The project investment is \$1,000,000 and the proposed EDF grant funds will be used to offset costs associated with this project.

In accordance with KRS 154.12-100, KEDFA's approval of this EDF grant is subject to CED's receipt of the Secretary of the Kentucky Finance and Administration Cabinet's concurrence to CED's use of the EDF for this project Kate McCane stated the Secretary's concurrence had been received.

Staff recommended approval of the EDF request.

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

Local Industrial Revenue Bond (IRB) Project

Vice-Chair Goodin called on Debbie Phillips to present the Local IRB project to the Authority.

**Wieland North America Recycling, LLC
Shelby County**

Debbie Phillips

Debbie Phillips stated in accordance with KRS 103.210, Shelby County Fiscal Court requested KEDFA review and approve a one hundred percent (100%) reduction in the state ad valorem tax rate on the new facility which Wieland North America Recycling proposes to be financed through the issuance of industrial revenue bonds by the Shelby County Fiscal Court. The principal amount of the IRB authorization is up to \$250,000,000 for a term of 30 years. A Payment in Lieu of Tax Agreement will be required with the school district.

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.

Tucker Ballinger moved to approve the staff recommendation, as presented; Naashom Marx seconded the motion. Motion passed; unanimous.

IEIA Project (Amendment)

Vice-Chair Goodin called on Dan Wood to present an IEIA project for amendment to the Authority.

**Lock 14 Hydro Partners, LLC
Lee County**

Dan Wood

Dan Wood stated Lock 14 Hydro Partners, LLC was granted final approval for an IEIA project on September 26, 2019 by the KEDFA board. The company proposed the acquisition, construction, installation and equipping of a hydroelectric power plant in the abandoned

chambers of Lock 14 on the Kentucky River in Lee County for the production and sale of electricity to Jackson Energy Cooperative under a power purchase agreement. Total investment by the company is estimated to be \$7.8 million with a negotiated incentive of no more than \$250,000. This amendment is to move the minimum capital investment date established in the tax incentive agreement from September 26, 2020 to February 24, 2023, to provide the company adequate time to make the investment.

Staff recommends approval of the IEIA amendment request.

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

Kentucky Business Investment (KBI) Projects (Amendment)

Vice-Chair Goodin called on Beth Sturm to present the KBI project amendment to the Authority.

**Archer-Daniels-Midland Company
Kenton County**

Beth Sturm

Beth Sturm stated Archer-Daniels-Midland Company was approved for a KBI project to locate a new information technology center in Erlanger to support the company’s global operations. The company had recently purchased Wild Flavors, Inc. and chose to locate the project in unused space in a building occupied by Wild Flavors operations. Following final approval and execution of the original tax incentive agreement, the company notified the Authority that the employees originally identified as part of the base employment for the project are actually employed by Wild Flavors, Inc. and the base employment should be zero. The company is requesting that the base employment maintenance requirement be removed and replaced with a countywide employment maintenance requirement, in which the company will be required to maintain at least 90% of the number of Wild Flavors, Inc. employees in Kenton County at the time of preliminary approval. In addition, the company wishes to adopt the revised definition of “full-time job” as approved by KEDFA Resolution 2021-0624.

The above changes have been incorporated into the amended tax and restated tax incentive agreement. All other aspects remain the same.

Staff recommended approval of the KBI amendment request.

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

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

Vice-Chair Goodin called on Craig Kelly to present the KEIA extension requests to the Authority.

Craig Kelly stated 10 companies requested additional time to complete the projects and asked that all 10 be presented as one motion.

Company	County	Extension
Pitman Creek Wholesale LLC	Lincoln	3 Months
Neat Distributing, LLC	Russell	6 Months
Wholesale Hardwood Interiors	Taylor	6 Months
Proximo Distillers	Boone	7 Months
Bespoke Ventures and Investments, LLC	Grant	9 Months
Diageo Americas Supply, Inc.	Marion	12 Months
MobileMedTek Holdings, Inc.	Jefferson	12 Months
PACCAR Inc.	Jefferson	12 Months

Toyota Motor Sales, U.S.A., Inc.
Worldwide Technologies, LLC

Boone
Green

12 Months
12 Months

Staff recommended approval of the KEIA extension requests.

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

KEIA Projects

Vice-Chair Goodin called on staff to present the KEIA projects to the Authority.

Paschall Truck Lines, Inc.
Calloway County

Corky Peek
Michelle Elder

Corky Peek stated Paschall Truck Lines, Inc. is a nationally known truck line carrier. The company is considering constructing a new headquarters operation in Murray. The project could possibly create as many as 150 office/administrative positions in Murray.

Michelle Elder stated that the project investment is \$8,200,00 of which \$4,200,00 qualifies as eligible costs.

Staff recommended the KEIA approved recovery amount of \$125,000 for construction materials and building fixtures.

Jean Hale moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed; unanimous.

Bitiki Blockchain, LLC
Union County

Corky Peek
Michelle Elder

Corky Peek stated Bitiki Blockchain, LLC is a technology company in the business of mining cryptocurrency that started with pilot projects in Western Kentucky using power management and controls automation expertise. Due to the positive results from the pilot project, the company is now considering constructing a new bitcoin mining operation. This new investment along with existing pilot projects will provide high wages and full benefits for five full-time employees.

Michelle Elder stated the project investment is \$25,000,000 of which \$24,754,415 qualifies as KEIA eligible cost.

Staff recommended the KEIA approved recovery amount of \$150,000 for construction materials and building fixtures and \$100,000 for research and development and/or electronic processing equipment.

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

Ethos Holding Corp.
Campbell County

Martin David-Jacobs
Kate McCane

Martin David-Jacobs stated that Ethos Holding Corp. is a toxicology laboratory analyzing specimens for pain management providers. The company is considering upgrading equipment to produce more sensitive, accurate and specific data for its clients.

Kate McCane stated that the project investment is \$2,279,000 all of which qualifies as KEIA eligible costs.

Staff recommend the KEIA approved recovery amount of \$100,00 for research and development and/or electronic processing equipment.

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

**Lexmark International Inc.
Fayette County**

**Ashlee Chilton
Kate McCane**

Ashlee Chilton stated that Lexmark International Inc., headquartered in Lexington, is a global business focused on office automation and imaging while evolving with the needs of its customers. The company is seeking to add a solar panel array to improve sustainability and reduce its carbon footprint as well as revitalizing its site.

Kate McCane stated the project total investment is \$4,085,000 of which \$3,970,000 qualifies as KEIA eligible costs.

Staff recommend the KEIA approved recovery amount of \$200,00 for research and development and/or electronic processing equipment.

Naashom Marx moved to approve the staff recommendation, as presented; Tucker Ballinger seconded the motion. Motion passed; unanimous.

**Augusta Sweet Water Holdings LLC dba Augusta Distillery Inc
Bracken County**

**Ashlee Chilton
Michelle Elder**

Ashlee Chilton stated Augusta Sweet Water Holdings dba Augusta Distillery LLC is considering a new site in Bracken County that will provide an ideal market and environment to distill and sell bourbon. The company currently outsources its bourbon barrels but hopes with its own distillery, to be able to generate its own products by 2023.

Michelle Elder stated the project investment is \$23,615,165 of which \$9,808,125 qualifies as KEIA eligible costs.

Staff recommend the KEIA approved recovery amount of \$200,000 for construction materials and building equipment.

Mike Cowles moved to approve the staff recommendation, as presented; Tucker Ballinger seconded the motion. Motion passed; unanimous.

**Koetter Spirits, LLC
Shelby County**

**Ashlee Chilton
Michelle Elder**

Ashlee Chilton stated Koetter Spirits, LLC is considering purchasing property in Shelby County to develop a distillery and storage facility for bourbon whiskeys and other products. The company hopes to produce and house the finished product in the storage facilities as they are constructed.

Michelle Elder stated the project investment is \$44,000,000 of which \$30,787,500 qualifies as KEIA eligible costs.

Staff recommend the KEIA approved recovery amount of \$300,000 for construction materials and building fixtures.

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

KBI (Preliminary) and KEIA Projects

Vice-Chair Goodin called on staff to present the KBI preliminary and KEIA projects to the Authority.

F&E Aircraft Maintenance (Miami) LLC Boone County

**Foster ShROUT
Debbie Phillips**

Foster ShROUT stated F&E Aircraft Maintenance (Miami) LLC is the largest leading provider of aircraft line maintenance services in the United States. The proposed project consists of the construction of a new facility including a 3-bay hangar, office space, shop space and parking spaces.

Debbie Phillips stated the project investment is \$40,200,000 of which \$36,000,000 qualifies as KBI eligible cost and \$15,000,000 qualifies as KEIA eligible cost. The highest jobs target over the term of the agreement is 124 with an average wage of \$38.50 including benefits. The state wage assessment 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 employees subject to Kentucky income tax as of the date of preliminary approval.

Staff recommend preliminary approval of the KBI negotiated incentive amount of \$1,750,000 and the KEIA approved recovery amount of \$300,000 for construction materials and building fixtures.

Mike Cowles moved to approve the staff recommendation, as presented; Jean Hale seconded the motion. Naashom Marx abstained, Motion passed;

Heaven Hill Distilleries, Inc. Nelson County

**Foster ShROUT
Debbie Phillips**

Foster ShROUT stated Heaven Hill Distilleries, Inc. is the nation's second largest family-owned producer and marketer of distilled spirits. The company is considering a new distilling and barreling facility in Bardstown to meet growing demands.

Debbie Phillips stated the project investment is \$135,454,736 of which \$84,733,222 qualifies as KBI eligible cost and \$45,248,269 qualifies as KEIA eligible cost. The highest job target over the term of the agreement is 38 with an average hourly wage of \$33.62 including benefits. The state wage assessment 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 employees subject to Kentucky income tax as of the date of preliminary approval or 381 full-time employees subject to Kentucky income tax. The company will be required to maintain 90% of the total statewide full-time employees subject to Kentucky income tax at all company locations, excluding the site of the project, as of the date of preliminary approval.

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

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

**Kloeckner Metals Corporation
Meade County**

**Andy Luttner
Debbie Phillips**

Andy Luttner stated Kloeckner Metals Corporation is one of the largest metals manufacturing, supply, and service companies in North America, providing customers with the latest fabrication and processing technologies and innovative customer service solutions. The company is considering the construction of a new manufacturing facility in Brandenburg.

Debbie Phillips stated the project investment is \$26,975,000 of which \$22,475,000 qualifies as KBI eligible cost and \$4,265,000 qualifies as KEIA eligible cost. The highest job target over the term of the agreement is 39 with an average hourly wage of \$36.35 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$680,000 and the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

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

**Kinectrics AES Inc.
Jefferson County**

**Malcolm Jollie
Kate McCane**

Malcolm Jollie stated Kinectrics AES Inc., formerly ArcWear, provides 90% of the global marketplaces flash testing. The company is considering a larger facility and the purchase of highly specialized testing equipment to expand its testing capabilities and service offerings to support new and existing customers.

Kate McCane stated the project investment is \$11,400,781 of which \$6,302,465 qualifies as KBI eligible cost and \$2,174,030 qualifies as KEIA eligible cost. The highest job target over the term of the agreement is 13 with an hourly wage of \$30.18 including benefits. The state wage assessment is 3.0% and Louisville Metro Government will participate at 1.0%.

The company will be required to maintain a base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000 and the KEIA approved recovery amount of \$100,000 for construction materials and building fixtures.

Naashom Marx moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed; unanimous.

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

**Ashlee Chilton
Kate McCane**

Ashlee Chilton stated The Bardstown Bourbon Company, LLC (BBC), founded in 2014, is one of America's largest new distilleries. BBC started commercial production in September 2016 and is producing whiskey, bourbon, and rye for its own brands and for its Collaborative Distilling Program partners. The company is considering an expansion which will include increasing its capacity by approximately 55,000 barrels annually.

Kate McCane stated the project investment is \$28,704,836 of which \$17,982,018 qualifies as KBI eligible cost and \$10,520,857 qualifies as KIEA eligible cost. The highest job target over the term of the agreement is 29 with an average hourly wage of \$46.32 including benefits. The state wage assessment 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 employees subject to Kentucky income tax as of the date of preliminary approval or 83 full-time employees subject to Kentucky income tax.

Staff recommend preliminary approval of the KBI negotiated tax incentive amount of \$750,000 and the KEIA approved recovery amount of \$250,000 for construction materials and building fixtures.

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

**Zschimmer & Schwarz Interpolymer Inc.
Jefferson County**

**Andy Luttner
Debbie Phillips**

Andy Luttner stated Zschimmer & Schwarz Interpolymer Inc. manufactures a broad range of specialty water-based acrylics on a number of proprietary technologies. All polymers serve as binders or co-binders in applications for floor care finishes, floor cleaners, cosmetics, architectural paints, concrete coatings, wood coatings, graphic arts, and other applications. The project includes the expansion of its current facility in Louisville by increasing production and warehouse areas, as well as adding technical capabilities with the addition of a 2,500 sq. ft. applications lab and the consolidation of its North American operations.

Debbie Phillips stated the project investment is \$9,500,000 of which \$6,550,000 qualifies as KBI eligible cost and \$2,600,000 qualifies as KEIA eligible cost. The highest job target over the term of the agreement is 21 with an average hourly wage of \$61.00 including benefits. The state wage assessment is 3.0% and Louisville Metro Government will participate at 1.0%.

The company will be required to maintain base employment equal to the number of full-time employees subject to Kentucky income tax as of the date of the preliminary approval.

Staff recommend the approval of the KBI negotiated tax incentive amount of \$250,000 and the KEIA approved recovery amount of \$125,000 for construction materials and building fixtures.

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

KBI Projects (Preliminary)

Vice-Chair Goodin called on staff to present the KBI preliminary projects to the Authority.

**Legacy Metals, LLC.
Christian County**

**Corky Peek
Michelle Elder**

Corky Peek stated Legacy Metals, LLC is a family-owned company that opened in 2017 with only 2 people when the founder saw a need for a building materials supplier in the area. The company is considering expanding its facility to help meet customer demand.

Michelle Elder stated the project investment is \$1,200,000, 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.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,000,000.

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

**G & J Pepsi-Cola Bottlers, Inc.
Mason County**

**Andy Luttner
Debbie Phillips**

Andy Luttner stated G & J Pepsi-Cola Bottlers, Inc. is the largest family owned and operated Pepsi franchise bottler, employing more than 1,600 people at 13 locations in Ohio and Kentucky. The company currently has a facility in Lexington and in Winchester. The proposed project would include establishing a facility in Maysville to meet growing demand.

Debbie Phillips stated the project investment is \$8,905,500 of which \$5,155,500 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 45 with an average hourly wage of \$30.00 including benefits. The state wage assessment is 5.0%

The company will be required to maintain 90% of the total statewide full-time employees subject to Kentucky income tax at all company locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommends approval of the KBI negotiated tax incentive of \$1,125,000.

Naashom Marx moved to approve the staff recommendation, as presented; Mike Cowles seconded the motion. Motion passed; unanimous.

KBI Projects (Extension)

Vice-Chair Goodin called on Michelle Elder to present the KBI extension requests to the Authority.

Michelle 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>
Ampyss Healthcare Solutions, Inc.	Clinton	12 Month
Armor USA Inc.	Boone	12 Month
Best Sanitizers, Inc.	Boone	12 Month
Hydroponic Farms USA LLC	Breathitt	12 Month
Independent Stave Company, LLC	Rowan	12 Month
Kentucky Fresh Harvest, LLC	Lincoln	12 Month
Nucor Corporation	Meade	12 Month
PACCAR Inc.	Jefferson	12 Months

Staff recommended approval of the KBI extension requests.

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

KBI Projects (Final)

Vice-Chair Goodin called on Debbie Phillips to present the KBI final projects to the Authority.

Debbie Phillips stated 7 companies requested KBI final approval, 6 of which have modifications since preliminary approval. Ms. Phillips asked that all 7 be presented as one motion.

No Modifications

<u>Project Name</u>	<u>County</u>	<u>Type</u>
Heritage Millworks, LLC dba Powell Valley Millwork	Montgomery	Manufacturing

Modifications:

LSI Kentucky LLC	Kenton	Manufacturing
Total investment and eligible cost have been updated based on the current projections. All other aspects of the project remain the same.		

Nifco America Corporation	Shelby	Manufacturing
Total investment and eligible costs have been updated based on current projections. All other aspects of the project remain the same.		

Kentucky Industrial Hemp, LLC dba Ecofibre Kentucky	Scott	Manufacturing
Ananda Hemp has been added as an approved affiliate. Total investment and eligible costs have been updated based on current projections. The statewide maintenance has been removed and base employment has been added as a special condition. All other aspects of the project remain the same.		

McWane, Inc.	Taylor	Manufacturing
Total Investment and eligible costs have been updated based on the current projections. All other aspects remain the same.		

Sazerac Company, Inc	Jefferson	Headquarters
The Company name has changed from Sazerac North America, Inc. to Sazerac Company, Inc. The following affiliates were added to the project; Sazerac Commercial Services, LLC and Sazerac Distillers, LLC. Total investment and eligible costs have been updated based on the current projections. All other aspects remain the same.		

Sazerac Distillers LLC	Daviess	Manufacturing
Total investment and eligible cost have been updated based on the current projections. All other aspects remain the same.		

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

Tucker Ballinger moved to approve the staff recommendation, as presented; Jean Hale seconded the motion. Motion passed, unanimous

Kentucky Rural Hospital Loan Program (KRHLP)

Vice-Chair Goodin called on Kylee Palmer to present the Kentucky Rural Hospital Loan Program project to the Authority.

Baptist Health Deaconess Madisonville, Inc.

Kylee Palmer

Hopkins County

Kylee Palmer stated Baptist Health Deaconess Madisonville, Inc. (BHDM) as part of a joint venture between Baptist Health and Deaconess Health Systems, serves western Kentucky residents with 35 points of care to meet the needs of Kentuckians close to home. As an integrated healthcare provider, BHDM includes more than 100 primary care and specialist physicians, a 410-bed hospital with an advanced 20-bed Critical Care unit, an education division with a Family Medicine Residency program, award-winning Women's Health, advanced Cancer Care, and a progressive Heart and Vascular Center. The hospital is also designated Pathway to Excellence® for excellence in nursing services by the American Nursing Credentialing Center.

Kylee Palmer also stated the BHDM requested loan proceeds from the KRHLP in the amount of \$975,000 to assist with building improvements to replace two chillers. The terms of the loan include an interest rate of 1.0% and the retention of 822 full-time employees at the facility over the 20-year term. Collateral will be a first mortgage. Monthly principal and interest payments via ACH will begin the earlier of the last day of the month following the final reimbursement request or March 31, 2023. All project cost must be incurred and all supporting documentation, including invoices and proof of payment will be submitted no later than March 31, 2023.

Staff recommended approval.

Chad Miller moved to approve the staff recommendation; Tucker Ballinger seconded the motion. Motion passed; unanimous.

Rockcastle Hospital and Respiratory Care Center, Inc. Rockcastle County

Kylee Palmer

Kylee Palmer stated Rockcastle Hospital and Respiratory Care Center, Inc. (RHRCC) has been providing quality healthcare to Rockcastle and surrounding counties for more than 50 years. Starting as an acute-care facility in 1956, the hospital has adapted as healthcare needs have changed. RHRCC is a not-for-profit community healthcare system that operates an emergency department, outpatient services, a 30-bed acute care hospital, two operating rooms for inpatient/outpatient surgery, a 143-bed long-term care ventilator program, and 3 rural health clinics.

Kylee Palmer also stated the RHRCC requested loan proceeds from the KRHLP in the amount of \$862,654 to replace an MRI machine. The terms of the loan include an interest rate of 1.0% and the retention of 509 full-time employees at the facility over the seven-year term. Collateral will be a lien on the equipment. Monthly principal and interest payments via ACH will begin the earlier of the last day of the month following the final reimbursement request or March 31, 2023. All project cost must be incurred and all supporting documentation, including invoices and proof of payment, must be submitted no later than March 31, 2023.

Staff recommended approval.

Jean Hale moved to approve the staff recommendation; Chad Miller seconded the motion. Motion passed; unanimous.

Kentucky Small Business Tax Credit (KSBTC) Projects

Vice-Chair Goodin called on Tim Back to present the KSBTC projects to the Authority.

Mr. Back stated there are 10 Kentucky small businesses, from 7 counties with qualifying tax credits of \$74,500. The 10 businesses created 22 jobs and invested \$193,149 in qualifying equipment and/or technology.

Mr. Back requested the following tax credits be presented as one motion:

Kentucky Small Business Tax Credit (KSBTC) Projects Report

March 2022

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/Technology	Tax Credit Amount
Airmart, Inc.	Fayette	10	2	\$17.50	\$5,969	\$5,900
Anesthesia Health Consultants, LLC	Jefferson	18	4	\$18.13	\$12,689	\$12,600
Anne-Marie Hogan, CPA, PLLC	Jefferson	1	4	\$19.25	\$19,675	\$14,000
Barnes Auto Service Inc.	Jefferson	11	2	\$23.00	\$13,273	\$7,000
CNHC, LLC	Kenton	4	1	\$21.00	\$42,400	\$3,500
Collier Associates, Inc.	Marshall	8	2	\$40.75	\$15,900	\$7,000
Collier Electrical Service, Inc.	Marshall	29	3	\$34.48	\$61,860	\$10,500
Legion Logistics, LLC	Campbell	16	1	\$21.63	\$5,753	\$3,500
McDaniel Financial Services, PLLC	Boyle	7	1	\$27.00	\$7,872	\$3,500
Service Specialties, LLC	Clark	12	2	\$16.00	\$7,758	\$7,000
10	7		22	Total	\$193,149	\$74,500

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

Kentucky Angel Investment Act Project

Vice-Chair Goodin called on Tim Back to present the Kentucky Angel Investment Act projects to the Authority.

Mr. Back stated there is 1 Kentucky Angel Investment Act project representing 1 Kentucky business and 1 investor for a total projected investment of \$250,000 with eligible tax credits of \$62,500. The investor will have 80 calendar days in which to make the planned investment and submit proof of the investment before receiving the tax credit.

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

**Kentucky Angel Investment Tax Credit Projects Report
March 2022**

Qualified Investor	Qualified Small Business	County	Projected Investment	Potential Tax Credit
Christopher H. Young	Parasight System Inc.	Fayette	\$250,000	\$62,500
1 Projects	1	1	\$250,000	\$62,500
1 Investor				

Staff recommended approval of the proposed Angel Investment tax credits

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

Kentucky Entertainment Incentive (KEI) Projects (Final)

Vice-Chair Goodin called on Tim Bates to present KEI projects to the Authority.

**Prosper Media Group, Inc.
Boyle, Bullitt County**

Tim Bates

Tim Bates stated Prosper Media Group Inc., plans to produce a Documentary, Downstream: Boyle & Bullitt Counties 2022 in Boyle and Bullitt counties. Production is set to begin as early as April 1, 2022 and is anticipated to end by December 31, 2022. The Company anticipates \$14,296 in qualifying payroll expenditures and \$9,300 in qualifying non-payroll expenditures for a total of \$23,596. The company also anticipates employing 8 Kentucky resident crew members and 0 Non-Kentucky resident crew members for a total production crew of 8.

Staff recommended a total negotiated tax incentive amount of \$7,793.

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

**Messiah's Star LLC
Campbell, Fayette, Jefferson Counties**

Tim Bates

Tim Bates stated Messiah's Star LLC, plans to produce a Feature-length Film, Messiah's Star, in Barren, Campbell, Fayette, and Jefferson counties. Production is set to begin as early as May 1, 2022 and is anticipated to end by March 1, 2023. The Company anticipates \$1,204,032 in qualifying payroll expenditures and \$171,629 in qualifying non-payroll expenditures for a total of \$1,375,661. The company also anticipates employing 26 Kentucky resident crew members and 15 Non-Kentucky resident crew members for a total production crew of 41.

Staff recommended a total negotiated tax incentive amount of \$431,505.

Mike Cowles moved to approve the staff recommendation, as presented. Tucker Ballinger seconded the motion. Motion passed; unanimous

**EMPHATIC FILMS Inc.
Harlan County**

Tim Bates

Tim Bates stated EMPHATIC FILMS Inc., plans to produce a Feature-length Film, Hazard in Harlan county. Production is set to begin as early as July 5, 2022 and is anticipated to end by July 22, 2022. The Company anticipates \$400,376 in qualifying payroll expenditures and \$239,310 in qualifying non-payroll expenditures for a total of \$639,686. The company also anticipates employing 18 Kentucky resident crew members and 8 Non-Kentucky resident crew members for a total production crew of 26.

Staff recommended a total negotiated tax incentive amount of \$223,890.

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

**Porcupine Monster, LLC
Fayette, Garrard County**

Tim Bates

Tim Bates stated that Porcupine Monster, LLC, plans to produce a Feature-length Film, Good Luck Nightingale, in Fayette and Garrard counties. Production is set to begin as early as May 30, 2022 and is anticipated to end by June 30, 2022. The Company anticipates \$734,919 in qualifying payroll expenditures and \$776,920 in qualifying non-payroll expenditures for a total of \$1,511,839. The company also anticipates employing 69 Kentucky resident crew members and 14 Non-Kentucky resident crew members for a total production crew of 83.

Staff recommended a total negotiated tax incentive amount of \$482,020.

Mike Cowles moved to approve the staff recommendation, as presented. Naashom Marx seconded the motion. Motion passed; unanimous

Other Business

Vice-Chair Goodin read the Resolution of Recognition for Anthony Ellis.

Naashom Marx moved to approve the resolution as presented. Jean Hale seconded the motion. Motion passed; unanimous.

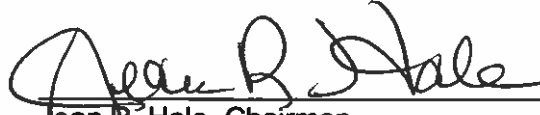
Adjournment

There being no further business, Vice-Chair Goodin entertained a motion to adjourn.

Naashom Marx moved to adjourn the March KEDFA board meeting; Jean Hale seconded the motion. Motion passed; unanimous.

The meeting adjourned at 11:26 a.m.

**APPROVED
PRESIDING OFFICER:**



Jean R. Hale, Chairman