

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING June 30, 2022

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:12 a.m. on June 30, 2022, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

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

Roll Call

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

Staff Present: Tim Back, Tim Bates, David Brock, Phyllis Bruning, Sarah Butler, Ashlee Chilton, Brittany Cox, Michael Crabtree, Stephanie Cullen, Rachael Dever, Billy Dickinson, Danielle Dunmire, Michelle Elder, Ellen Felix, Joseph Gearon, Krista Harrod, James Johnson, Malcolm Jollie, Craig Kelly, Andy Luttner, Brandon Mattingly, Gabrielle McGee, Craig McKinney, Kristine McNeil, Danielle Milbern. Amy Mills, Jerod Metz, Jeff Noel, Kylee Palmer, Corky Peek, Debbie Phillips, Monique Quarterman, Angelica Sanchez-Vega, Jenny Schenkenfelder, Foster Shrout, Kristina Slattery, Katie Smith, Christopher Snyder, Beth Sturm, Steve Vest, Maurice Walker, Connor Wall, Matthew Wingate, Dan Wood, Tori Wood, Ashiq Zaman

Others Present: Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Billy Aldridge, Office of Financial Management; Alex Mattingly, City Administrator, City of Crestview Hills; Stephen Patek, M30 OXY Movie, LLC; Gregg Harris, ARC Development Services; Bill Sandell, Workforce Development Consultant, Office of Employer & Apprenticeship Services; Soozie Eastman, 502 Film; Devon Stansbury, Northern KY Tri-Ed; Dean Owen, HHO Carbon Clean Systems, LLC; Mike Melliore, Ice Miller LLP; Gabe Scouten and Rob Jozwiak, Accuride Henderson Limited Liability Company; Chris Bauer, Stober Drives, Inc.; Brad Snowden and Daryl Smith, LG&E and KU; Daryl Smith, Economic Development Project Manager; John Greo, Bunim-Murray Productions; Matt Zoellner, Scott Murphy and Daniel; Jason Howell, Senator; Charles Vice, Public Protection Cabinet; Jim Hollingshad; Chris Otts; Patricia Gathers; Russel Hillman; Jodi Maderhoff; David Frigerio; Wesley Mullins; Arman Azad.

Approval of Minutes

Vice-Chair Goodin entertained a motion to approve the minutes from the May 26, 2022 regular KEDFA board meeting.

Chad Miller moved to approve the minutes, as presented; Tucker Ballinger 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.

Economic Development Fund (EDF) Projects

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

Berea Development Corporation, Inc. dba Berea Industrial Development Authority Madison County

**Ashlee Chilton
Debbie Phillips**

Ashlee Chilton stated the City of Berea, in partnership with the Berea Development Corporation, Inc. dba Berea Industrial Development Authority (IDA) is considering the development of its 87-acre parcel at the end of Mayde Road Industrial Park. The funding will be used to build a 150,000-sf pre-engineered pad, tree clearing for the lot and installation of a gravel road from Mayde Road to the proposed pad on track 7. Berea IDA has committed funds to match the Economic Development Fund Grant. The project was identified by an independent site selection consultant as having the potential for future investment/location of an economic development project.

Debbie Phillips stated City of Berea requested the use of \$500,000 in EDF program funds for the benefit of Berea Development Corporation, Inc. dba Berea IDA. The project investment is \$1,000,000 and the proposed EDF grant funds will be used to offset the 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. Debbie Phillips 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; Tucker Ballinger seconded the motion. Motion passed; unanimous.

Novelis Corporation Todd County

**Corky Peek
Michelle Elder**

Corky Peek stated Novelis Corporation operates an integrated network of technologically advanced aluminum rolling and recycling facilities across North America, South America, Europe, and Asia. Novelis is the leading producer of flat rolled aluminum products and the world's largest recycler of aluminum as well as the world's leading supplier of aluminum sheet to the automotive industry. The company is considering the construction of large sheet, ingot casting, shredding, and recycling center to serve the automotive market.

Michelle Elder stated Todd County Fiscal Court requested the use of \$1,000,000 in EDF program funds for the benefit of Novelis Corporation. The project investment is \$364,200,000, and the proposed EDF grant funds will be used to offset the costs associated with this project.

Michelle Elder stated the company will be required to create 138 new, permanent, full-time jobs paying an hourly wage of \$38.00 including benefits by December 31, 2025 and maintain the jobs and wages for three (3) additional years. Disbursement of grant funds will occur after the annual compliance has occurred. Payment reduction provisions are included in the grant

agreement and will apply if the company fails to make the investment, 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 the 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.

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

KEDFA Industrial Revenue Bond (IRB) Project

Vice-Chair Goodin called on Debbie Phillips to present the KEDFA IRB Project for final approval to the Authority.

Carmel Manor, Inc. Campbell County

Debbie Phillips referenced in the board material a KEDFA bond report relating to the issuance of healthcare facilities revenue refunding bonds in an amount not to exceed \$20,000,000 on behalf of Carmel Manor, Inc. The Bond proceeds will be used to a) refinance the 2015 Bonds issued by KEDFA for the benefit of Carmel Manor, Inc., b) fund any termination payment related to the interest rate swap related to the 2015 Bonds and c) pay cost of issuance of the Bonds.

KEDFA serves as the conduit issuer of the bonds. The bonds would 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.

Staff recommended the adoption of the KEDFA bond resolution.

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

Kentucky Investment Fund Act (KIFA) Amendment

Vice-Chair Goodin called on Danielle Dunmire to present the KIFA project amendment to the Authority.

Kentucky Select Fund LLC Jefferson County

Danielle Dunmire stated Kentucky Select Fund LLC was formed to provide Kentucky individual investors with an opportunity to invest in Kentucky small businesses as well as generating attractive returns to their capital. The investment fund was approved for a Kentucky Investment Fund Act project on January 28, 2021 providing \$1,000,000 in allocable tax credits to individual investors based on evidence that the fund had made eligible investments as defined by statute.

Due to the limited availability of CPA firms with KIFA knowledge to complete an audit within 90 days of their first fiscal year end and high cost of a financial statement audit, the Fund Manager, Darren King of Envestor LLC, requested an amendment to the Investment Fund Agreement that adopts the statutory changes allowing for Annual Financial Statements in lieu of a Financial Audit as set forth KRS 154.20-277.

In addition to the above-mentioned statutory change, revised language describing when an investor may claim the credit granted has been incorporated into the Amended and Restated Investment Agreement in accordance with the statutory revision made to KRS 154.20-258. All other aspects remain the same.

Staff recommended approval.

Tucker Ballinger moved to approve the staff recommendation, as presented; Chad Miller 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 11 companies requested additional time to complete the projects and asked that all be presented as one motion.

Company	County	Extension
Louisville Vegan Jerky, LLC	Jefferson	3 Month
Perfetti Van Melle USA, Inc.	Boone	3 Month
Michter’s Distillery LLC	Washington	6 Month
EJ Curley Co.	Jessamine	12 Month
Feralloy Corporation	Gallatin	12 Month
Hitachi Automotive Electric Motor. Systems America, Inc	Madison	12 Month
Independent Stave Company	Rowan	12 Month
James Pepper Distilling Co., LLC	Woodford	12 Month
Piramal Pharma Solutions LLC	Fayette	12 Month
Santa Rosa Systems LLC	Bullitt	12 Month
TPG Plastics	Calloway	12 Month

Staff recommended approval of the KEIA extension requests.

Mike Cowles 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.

**HHO Carbon Clean Systems LLC
McCracken County**

**Foster Shrout
Michelle Elder**

Foster Shrout stated HHO Carbon Clean Systems LLC was founded in Metropolis, IL. The carbon cleaning business has seen explosive growth. The company is considering a location in Paducah to roll into production and manufacture its hydrogen generators.

Michelle Elder stated the project investment is \$6,650,000 all of which qualifies as KBI eligible costs and \$3,750,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 35 with an average hourly wage of \$27.50 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$600,000 and the KEIA approved recovery amount of \$50,000 for construction materials and building fixtures.

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

**Joseph T. Ryerson & Son, Inc.
Shelby County**

**Ashlee Chilton
Michelle Elder**

Ashlee Chilton stated Joseph T. Ryerson & Son, Inc. is currently one of the largest metal suppliers in the world. The company is considering options to increase its production capabilities in its coil and sheet products. Ryerson is considering Shelby County for the expansion project.

Michelle Elder stated the project investment is \$29,500,000 of which \$5,700,000 qualifies as KBI eligible cost and \$4,600,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 23 with an average hourly wage of \$30.37 including benefits. The state wage assessment participation is 1.5% and Shelby County will participate at .50%. 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 preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$150,000 and the KEIA approved recovery amount of \$200,000 for R&D and/or electronic processing equipment.

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

KBI Projects (Preliminary)

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

**Accuride Henderson Limited Liability Company
Henderson County**

**Corky Peek
Michelle Elder**

Corky Peek stated Accuride Corporation manufactures wheels, wheel ends and braking components for commercial and passenger vehicles. In Henderson, Accuride Henderson Limited Liability Company manufactures heavy steel wheels. The company is considering making upgrades to its building and making needed equipment upgrades. This will help Accuride lead to further business opportunities for the facility.

Michelle Elder stated the project investment is \$2,010,000 of which \$989,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 15 with an average hourly wage of \$39.00 including benefits. The state wage assessment participation is 3.0% and Henderson County 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 preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$250,000.

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

**Whitehorse Freight, LLC
Kenton County**

**Andy Luttner
Debbie Phillips**

Andy Luttner stated Whitehorse Freight, LLC is a logistics technology service company for the shipping and carrier trucking industry. The company is considering the purchase of an existing 51,353-sf building in Crestview Hill to increase its office space due to increasing growth.

Debbie Phillips stated the project investment is \$5,490,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 455 with an average hourly wage of \$36.30 including benefits. The state wage assessment participation is 2.79%, the City of Crestview Hills will participate at .575% and Kenton County will participate at .34585%.

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 preliminary approval. The project will include multiple locations within Kenton County. Only investment costs incurred at 2670 Chancellor Drive, Crestview Hills will be considered towards 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 \$5,000,000.

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

**Stober Drives Inc.
Mason County**

**Jerod Metz
Debbie Phillips**

Jerod Metz stated Stober Drives Inc. is known for high performance, high efficiency, and low noise, encompassing various gearing solutions offered for both the industrial gearing market and the rapidly growing motion control market. The proposed project would increase manufacturing, allow the company to purchase equipment and transform part of its office facilities into a training facility.

Debbie Phillips stated the project investment is \$5,000,000 all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 35 with an average hourly wage of \$20.25 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 employees subject to Kentucky income tax as of the date of preliminary approval. The project will include multiple locations within the city of Maysville/Mason County. Only investment costs incurred at 1781 Downing Drive will be considered towards 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 \$525,000.

Tucker Ballinger 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 7 companies requested additional time to complete the projects and asked that all be presented as one motion.

<u>Company</u>	<u>County</u>	<u>Extension</u>
Distilled Spirits Epicenter, LLC	Jefferson	3 Month
Stryker Logistics, LLC	Warren	6 Month
Bowling Green Metalforming L.L.C.	Warren	12 Month
Global Wood Company, LLC	Pike	12 Month
International Farmaceutical Extracts LLC	Boyle	12 Month
Itsua KY, LLC	Nelson	12 Month
SWVA Kentucky, LLC dba Kentucky Electric Steel	Boyd	12 Month

Staff recommended approval of the KBI extension requests.

Mike Cowles moved to approve the staff recommendation, as presented; Chad Miller 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 3 companies requested KBI final approval, all of which have modifications since preliminary approval. Ms. Phillips asked that all be presented as one motion.

Modifications:

Grief Packaging dba Multicorr **Jefferson** **Manufacturing**
 Total investment and eligible costs have been updated based on current projections. All other aspects of the project remain the same.

Wilde Brands Inc. **Clark** **Manufacturing**
 Total investment and eligible costs have been updated based on current projections. Rent is no longer an eligible cost. Full-time employees were subject to co-employment relationship with TriNet PEO Services. All other aspects of the project remain the same.

RFC LLC **Shelby** **Manufacturing**
 The Company has changed from Roll Forming Corporation to RFC LLC. All other aspects of the project remain the same.

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

Chad Miller moved to approve the staff recommendation, as presented; Tucker Ballinger 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.

**Crittenden Community Hospital, LLC
Crittenden County**

Kylee Palmer

Kylee Palmer stated Crittenden Community Hospital, LLC, one of the county’s largest employers, has provided excellent care to the community since 1943. Crittenden Community Hospital includes the hospital, a home health agency, emergency services facility, numerous specialty clinics, and a primary care clinic adjacent to the main hospital. A broad range of medical, surgical, and ancillary services are available, with the latest in medical technology and expertise. Services include physical and occupational therapy, inpatient and outpatient surgery, x-ray, CT scanning, MRI, nuclear medicine, echocardiogram, bone density, stress tests, sleep studies, ultrasound, ACR mammography, laboratory, pharmacy, home health, cardiac rehab, and emergency services. Their continued goal has always been to make their patients healthier through caring service.

Kylee Palmer also stated Crittenden Community Hospital, LLC requested loan proceeds from KHRLP in the amount of \$998,392 to assist with building improvements and equipment upgrades. The terms of the loan include an interest rate of 1% and the retention of 103 full-time jobs during the 15-year term of the loan. Collateral will be a letter of credit. Monthly principal payments plus interest via ACH will begin the earlier of the last day of the month following the final reimbursement request or June 30, 2023. All project costs must be incurred and all supporting documents including invoices and proof of payment must be submitted no later than May 31, 2023.

Staff recommended approval.

Mike Cowles moved to approve the staff recommendation; Tucker Ballinger 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.

Tim Back stated there are 10 Kentucky small businesses, from 6 counties with qualifying tax credits of \$117,300. The 10 businesses created 34 jobs and invested \$303,040 in qualifying equipment and/or technology.

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

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/Technology	Tax Credit Amount
BGS Kentucky, LLC	Fayette	0	1	\$18.27	\$5,057	\$3,500
Georgetown Auto Sales, Inc.	Scott	3	5	\$38.66	\$17,311	\$17,300
Janson Communications, LLC	Boyd	24	6	\$22.18	\$41,964	\$21,000
Maile Custom Builders, Inc.	Kenton	15	1	\$17.32	\$82,101	\$3,500
Nuthin' Fancy, Incorporated	Jefferson	0	6	\$20.50	\$19,568	\$19,500
Patterson and Company CPAs PLLC	Jefferson	13	4	\$23.65	\$16,248	\$14,000
Penn and Son Sheet Metal,	Marshall	4	2	\$16.50	\$12,090	\$7,000

Inc.						
Please & Thank You, LLC	Jefferson	12	1	\$15.00	\$5,496	\$3,500
RussTech Admixtures, Inc.	Jefferson	17	1	\$19.46	\$24,230	\$3,500
Tudors East New Circle, LLC	Fayette	0	7	\$18.78	\$78,975	\$24,500

Staff recommended approval of the tax credits.

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

Kentucky Angel Investment Act Projects

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

Tim Back stated there are 8 Kentucky Angel Investment Act projects representing 2 Kentucky businesses and 8 investors for a total projected investment of \$142,488 with eligible tax credits of \$35,622. 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.

Qualified Investor	Qualified Small Business	County	Projected Investment	Potential Tax Credit
Caroline H. Boone	RedLeaf Biologics, Inc.	Fayette	\$50,000	\$12,500
John Michael Lonnemann, Jr.	Wendal Inc	Kenton	\$10,032	\$2,508
Scott R. Bray	Wendal Inc	Kenton	\$20,328	\$5,082
Eric A. Haas	Wendal Inc	Kenton	\$22,000	\$5,500
Steven Clay Beck	Wendal Inc	Kenton	\$10,032	\$2,508
Matthew David Watkins	Wendal Inc	Kenton	\$10,032	\$2,508
Angela M. Duncan	Wendal Inc	Kenton	\$10,032	\$2,508
MaryAnn Pietromonaco	Wendal Inc	Kenton	\$10,032	\$2,508

Staff recommended approval of the proposed Angel Investment tax credits.

Mike Cowles 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.

**Nadus Films Productions, LLC
Embedded TV Series**

Tim Bates

Tim Bates stated that Nadus Films Productions, LLC plans to produce a Documentary, Embedded, in Jefferson County. Production is set to begin as early as July 15, 2022 and is anticipated to end by December 31, 2022. The Company anticipates \$779,250 in qualifying payroll expenditures and \$53,640 in qualifying non-payroll expenditures for a total of \$832,890. The company also anticipates employing 7 Kentucky resident crew members and 8 Non-Kentucky resident crew members for a total production crew of 15.

Staff recommended a total negotiated tax incentive amount of \$264,930.

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

**M30 OXY Movie, LLC
M30OXY**

Tim Bates

Tim Bates stated that M30 OXY Movie, LLC plans to produce a Feature-Length Film M30 OXY, in Menifee, Montgomery and Rowan counties. Production is set to begin as early as July 9, 2022 and is anticipated to end by September 24, 2022. The Company anticipates \$95,800 in qualifying payroll expenditures and \$42,179 in qualifying non-payroll expenditures for a total of \$137,979. The company also anticipates employing 12 Kentucky resident crew members and 5 Non-Kentucky resident crew members for a total production crew of 17.

Staff recommended a total negotiated tax incentive amount of \$48,293.

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

**Jagged Little Pill Tour LLC
Jagged Little Pill National Tour**

Tim Bates

Tim Bates stated that Jagged Little Pill Tour LLC, plans to produce a National Touring Broadway Show in Jefferson County. Production is set to begin as early as August 8, 2022 and is anticipated to end by September 4, 2022. The Company anticipates \$495,500 in qualifying payroll expenditures and \$670,524 in qualifying non-payroll expenditures for a total of \$1,166,024. The company also anticipates employing 92 Kentucky resident crew members and 70 Non-Kentucky resident crew members for a total production crew of 162.

Staff recommended a total negotiated tax incentive amount of \$364,807.

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

**Look Both Ways Productions, LLC
After Happily Ever After**

Tim Bates

Tim Bates stated that Look Both Ways Productions LLC, plans to produce a Television Program, After Happily Ever After in Madison County. Production is set to begin as early as June 30, 2022 and is anticipated to end by August 11, 2022. The Company anticipates \$2,603,821 in qualifying payroll expenditures and \$1,819,139 in qualifying non-payroll expenditures for a total of \$4,422,960. The company also anticipates employing 25

Kentucky resident crew members and 65 Non-Kentucky resident crew members for a total production crew of 90.

Staff recommended a total negotiated tax incentive amount of \$1,349,836.

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

MUZZLE PRODUCTIONS, INC.

Tim Bates

Muzzle

Tim Bates stated that Muzzle Productions Inc., plans to produce a Feature-Length Film, Muzzle, in Jefferson County. Production is set to begin as early as July 21, 2022 and is anticipated to end by August 19, 2022. The Company anticipates \$3,606,440 in qualifying payroll expenditures and \$834,235 in qualifying non-payroll expenditures for a total of \$4,440,675. The company also anticipates employing 62 Kentucky resident crew members and 10 Non-Kentucky resident crew members for a total production crew of 72.

Staff recommended a total negotiated tax incentive amount of \$1,402,937.

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

Other Business

Kentucky Rural Hospital Loan Program Guidelines

Vice Chair Goodin called on Kylee Palmer to present the Kentucky Rural Hospital Loan Program Guidelines to the board.

Kylee Palmer stated House Bill 387 of the 2020 Regular Session of the General Assembly authorized the creation of a rural hospital operations and facilities revolving loan fund (KRS 154.20-190) and \$20 million of funding was appropriated to the program in the 2021 Regular Session of the General Assembly (House Bill 556). KEDFA is responsible for reviewing and approving projects applying for funding under the KRHLP program.

Kylee Palmer stated House Bill 364 of the 2022 Regular Session of the General Assembly amended the Kentucky Rural Hospital Loan Program to include the following:

1. Add and define "*qualifying former hospital*" as an eligible applicant within the program.
2. Provide approval of the qualifying loan proceeds be used to reopen a qualifying former hospital.
3. Allow approval of cumulative loan proceeds of up to \$2,000,000 per Rural Hospital every five years.

Staff has amended the program guidelines for the Kentucky Rural Hospital Loan program (KHRLP) to incorporate these changes.

Staff recommended approval of the amended Kentucky Rural Hospital Loan Program Guidelines.

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

KBI Enhanced Incentive Counties For FY 2022-2023

Vice-Chair Goodin Called on Michelle Elder to present the KBI Enhanced Incentive Counties for 2022-2023 to the Authority.

Michelle Elder stated **Butler, Carlisle, Garrard, and Laurel Counties**, are beginning the first year of decertification and projects must complete final approval by June 30, 2025. **Caldwell, Graves, Lyon, Marshall, Mclean, and Union Counties** are beginning the second year of decertification and projects must complete final approval by June 30, 2024. **Taylor County** is beginning the third year of decertification and projects must complete final approval by June 30, 2023. **Boyle and Pendleton Counties** meet the criteria for certification and are designated as enhanced counties as of July 1, 2022.

Staff recommended adoption of the resolution certifying the KEDFA Incentive Programs FY-2022-2023 Enhanced Incentive Counties.

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

Western Kentucky Risk Assessment Fund

Vice-Chair Goodin called on Kylee Palmer to present the Western Kentucky Risk Assessment Fund Guidelines to the Authority.

Kylee Palmer stated Senate Bill 150 of the 2022 Regular Session of the General Assembly was established to provide support and relief efforts imperative to the Commonwealth of Kentucky to recover from considerable damage caused by the December 2021 storms and tornadoes in Western Kentucky.

Staff prepared proposed guidelines based on the legislation for the WKRAF outlining the terms, conditions, requirements, and process for qualified lenders to enroll eligible commercial loans into the program. Cabinet staff will also be responsible for reporting any loss payments made to the legislature.

Staff recommended approval of the Western Kentucky Risk Assessment Fund Guidelines.

After discussion, a motion was made by Chad Miller to table the WKRAF guidelines; Naashom Marx seconded the motion. Motion passed; unanimous.

Closed Session

Pursuant to KRS Section 61.810 (1) (C) Vice-Chair Goodin entertained a motion to enter into closed session to discuss proposed or pending litigation against or on behalf of the public agency.

Chad Miller moved to enter into closed session; Mike Cowles seconded the motion. Motion passed unanimous.

The board entered closed session at 11:13 a.m.

Regular Session

Vice-Chair Goodin entertained a motion to return to open session.

Chad Miller moved to return to open session; Tucker Ballinger seconded the motion. Motion passed; unanimous.

The board returned to open session at 11:45 a.m.

Western Kentucky Risk Assessment Fund

Mike Cowles moved to approve the WKRAF Guidelines as previously presented and recommended by staff; Chad Miller seconded the motion. Motion passed; unanimous.

Adjournment

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

Tucker Ballinger moved to adjourn the June KEDFA board meeting; Chad Miller seconded the motion. Motion passed; unanimous.

The meeting adjourned at 11:47 a.m.

**APPROVED
PRESIDING OFFICER:**



Jean R. Hale, Chairman