



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Larry Hayes
Interim Secretary

March 17, 2021

Holly M. Johnson, Secretary
Finance and Administration Cabinet
Room 383, Capitol Annex
Frankfort, KY 40601

RE: Economic Development Fund Grant - \$500,000 to the City of Bowling Green on behalf of Ball Metal Beverage Container Corp

Dear Secretary Johnson:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$500,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the City of Bowling Green on behalf of Ball Metal Beverage Container Corp.

Founded over 100 years ago, the Ball Corporation is one of the world's leading suppliers of aluminum packaging for beverages, foods, and household products. In 2019, the company produced and shipped approximately 48 billion recyclable aluminum beverage containers across North America, accounting for nearly 42% of all aluminum beverage containers produced on the continent that year. Today the company has more than 100 locations and 10,000 employees worldwide. Ball Metal Beverage Container Corp., a wholly owned subsidiary of Ball Corporation, is considering constructing a new production plant in Bowling Green. The proposed EDF grant funds will be used to offset the cost associated with this project.

In consideration of this EDF grant, Ball Metal Beverage Corp will be required to make investment and create new, full-time Kentucky resident jobs (excluding contract or temporary employees) paying the following wages in Bowling Green in accordance with the following compliance schedule:

Table with 5 columns: Compliance Date, Full-time, Kentucky-Resident Jobs Required, Job Type, Average Wage Required, and Average Wage Type. Rows show compliance dates from 2024 to 2027 with 198 jobs required and a \$45.00 average wage.

* Compliance periods will be annually and first compliance period may be accelerated. Subsequent compliance periods will be adjusted if acceleration occurs.

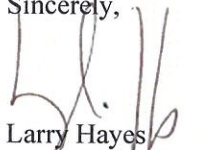
Secretary Holly M. Johnson
March 17, 2021
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Under the terms of the EDB grant agreement, if Ball Metal Beverage Container Corp fails to create or maintain 198 new, full-time jobs, then Ball Metal Beverage Container Corp will be required to pay to the City of Bowling Green the sum of \$631 for each new full-time job not created or maintained by the company at each of the four annual measurement dates. Furthermore, if Ball Metal Beverage Container Corp fails to pay these jobs the average hourly wage of \$45.00, including benefits, it will be required to pay to the City of Bowling Green a pro rata portion of the EDB grant based on a formula to be outlined in the EDB grant agreement. If the company closes, shuts down or ceases operation at any time during the term of the EDB agreement, then the entire amount of the grant will be due and payable to the City of Bowling Green.

Any funds repaid to the City of Bowling Green by Ball Metal Beverage Container Corp must be used for economic development purposes as approved by the Cabinet for Economic Development (Cabinet). In no event will the repayment of EDF grant proceeds exceed the EDF grant amount of \$500,000. Ball Metal Beverage Container Corp will be required to provide a letter of credit or other form of collateral satisfactory to the Cabinet as security for the repayment of EDB grant proceeds to the City of Bowling Green.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,


Larry Hayes
Interim Secretary

AGREED TO AND APPROVED BY:

 3-18-2021
Secretary, Finance and Administration Cabinet Date

cc: Jeff Taylor
Kristina Slattery
Katie Smith

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
ECONOMIC DEVELOPMENT FUND (EDF) PROJECT REPORT**

Date:
Grantee: City of Bowling Green
Beneficiary: Ball Metal Beverage Container Corp
City: Bowling Green **County:** Warren
Activity: Manufacturing
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: Founded over 100 years ago, the Ball Corporation is one of the world's leading suppliers of aluminum packaging for beverages, foods, and household products. In 2019, the company produced and shipped approximately 48 billion recyclable aluminum beverage containers across North America, accounting for nearly 42% of all aluminum beverage containers produced on the continent that year. Today the company has more than 100 locations and 10,000 employees worldwide. Ball Metal Beverage Container Corp., a wholly owned subsidiary of Ball Corporation, is considering constructing a new production plant in Bowling Green.

Select Owned or Leased	Total Investment
Land	\$0
Building/Improvements	\$60,000,000
Equipment	\$240,002,500
Other Start-up Costs	\$4,997,500
TOTAL	\$305,000,000

Anticipated Project Funding	Amount	% of Total
Economic Development Fund Grant (State)	\$500,000	0.2%
Other	\$304,500,000	99.8%
TOTAL	\$305,000,000	100.0%

Job and Wage Requirement Table

Compliance Date	Kentucky-Resident Jobs Required	Job Type	Average Wage Required	Average Wage Type
12/30/2024	198	Create	\$45.00	Total Hourly Compensation (includes benefits)
12/30/2025	198	Create	\$45.00	Total Hourly Compensation (includes benefits)
12/30/2026	198	Create	\$45.00	Total Hourly Compensation (includes benefits)
12/30/2027	198	Create	\$45.00	Total Hourly Compensation (includes benefits)

* Compliance periods will be annually and first compliance period may be accelerated. Subsequent compliance periods will be adjusted if acceleration occurs.

Collateral Required: Letter of credit, certificate of deposit or other collateral satisfactory to the Cabinet

Job Penalty Provision: \$631 per job not created or maintained

Wage Penalty Provision: pro rata portion of EDF grant based on a formula outlined in the EDF grant agreement

Disbursement: Grant funds will be disbursed on a reimbursement basis through the Grantee/local government entity after collateral is received by the Cabinet and the investment begins. Funds will flow through the Grantee/local government entity to the Beneficiary/company.

Repayment: Repayment provisions will be included in the grant agreement if the company fails to create or maintain the jobs and pay the required wage by the required measurement dates. Any repaid funds will be due and payable to the Grantee/local government and may only be used by the Grantee/local government for economic development projects authorized by the Cabinet. The maximum job and wage penalty repayment for any compliance year will be \$125,000.

RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT: **\$500,000**

Ownership (20% or more):

Publicly Traded

Active State Participation at the Project Site:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jan 07, 2021	KBI	Approve/Prelim	\$6,000,000
Jan 07, 2021	KEIA	Approve/Final	\$1,300,000

Unemployment Rate:

County:

Kentucky:

Recommendation:

Staff recommends approval of this EDF grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). 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 Finance and Administration Cabinet's concurrence to CED's use of the EDF funds for this project.